



LaSalle at Van Buren  
Chicago, Illinois 60605  
(312) 786-5600

Date: April 28, 1998

Regulatory Circular RG98-41

To: Members, Member Firms, and Book Staff

From: Equity Floor Procedure Committee  
Floor Official Committee

RE: Closing Rotation After 3:02 p.m. Following Stock Runoff

Under current procedures for a closing rotation after 3:02 p.m. in a non-expiring equity option, Floor Official or EFPC approval is required, and generally an announcement to the trading floor and the CBOE newswire is made prior to 3:02 p.m. In special circumstances, e.g. following a late stock runoff, a closing rotation may be requested after the closing bell. If a trading crowd has any indication that a closing rotation may be needed due to special circumstances in the underlying stock, floor officials should be notified immediately in order to give member firms as much notification as possible. The decision and floor announcements should be made prior to 3:15 p.m., even if the closing rotation begins later. The following procedures must be completed to prepare for a closing rotation:

1. Page Floor Officials - Contact the Help Desk at 786-7100. Two Floor Officials must approve closing rotations after 3:02.
2. According to CBOE rules, a closing rotation after 3:02 may not begin until five minutes after the announcement of the rotation. The announcement over the PA and on the printers will include the time that the closing rotation will begin. The announcement is also made over the CBOE newswire.
3. Book staff will be instructed to NOT begin the EBook purge for that post. (Normally, each post begins the end-of-day purge at 3:15 p.m..) Book staff must reset their book for rotation.
4. RAES will be inactivated for the option class. All trading systems, other than RAES, will remain available through the closing rotation.
5. The ORS routing to trading crowds is normally shut down at 3:02. This time will be reset for the closing rotation. Booth routed orders can be redirected from BART back to PAR or EBook. Orders on PAR can remain and be represented during the closing rotation. If the PAR orders were booked at the end of the day, EBook will represent these orders. **EBook will accept orders routed before or after the closing bell on a best effort basis, until each series is locked for rotation.**

**Please Note: It is the responsibility of the floor broker to ensure proper representation of his or her customer orders until the options conclude trading for the day. This time period may include a closing rotation.**

6. If needed, the ORS Book and Crowd parameters can be modified to address the incoming order flow.

Questions relating to these procedures may be directed to the Help Desk at 7100 or Tim Watkins at 7172.