



Market Operations
400 S. LaSalle
Chicago, Illinois 60605

Regulatory Circular # RG98- 119

Date: October 30, 1998

To: Members and Member Firms

From: SPX Floor Procedure Committee
Index Market Performance Committee

Re: RAES Series Guidelines in SPX

Effective Wednesday, October 28, 1998, all S&P 500 series in the front two expiration months, with a market offer of \$40 or less were made eligible for RAES, up to 10 contracts. These RAES series guidelines are also to be used for the determination of series in SPX Reduced Value Leaps, with the contract size remaining at 20.

In recognition of this change, beginning October 28, 1998, pursuant to its authority under CBOE rules 8.16(a)(iii) and 24.16(b), the Index Market Performance Committee will grant all SPX market makers who are currently logged onto RAES a one time exemption ("Exemption") from the RAES log on requirements during the expiration cycle. **A market maker who has logged on RAES in SPX prior to October 28 will be exempt from the RAES log on requirements in that option class whenever he or she is present in that trading crowd. However, should the market maker log on RAES on or after October 30, 1998, the Exemption no longer will be effective, and the market maker must log on RAES whenever he or she is present in the trading crowd.** Any market maker who logs on RAES on or after October 30, but prior to November expiration, will maintain the same RAES log on obligations as if that was the first time he or she logged on RAES for the November cycle. All procedures will revert back to normal for the December expiration cycle.

If you have any questions, please contact the CBOE Help Desk at 786-7100, or any member of the SPX Floor Procedure Committee, the Index Market Performance Committee, or Tim Watkins at 786-7172, or Dan Hustad at 786-7715.