



Market Operations  
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Date: September 10, 1999

Regulatory Circular RG99 - 179

To: CBOE Members and Member Firms

From: Equity Floor Procedure Committee

Re: **RAES NBBO 1 Tick Step-Up**

Effective Friday, September 10, 1999, the Equity Floor Procedure Committee has approved changing the RAES Step-Up procedures to the National Best Bid-Offer (NBBO) to 1 tick for all RAES multiply listed classes. Book Priority will be maintained by routing the RAES-touching-Book orders to PAR.

This temporary change is in response to unintended pricing anomalies created by instituting RAES 2 Tick Step-Up last week. Once RAES is enabled to detect price inversion orders and route them to PAR, RAES Step-Up will be reset for 2 Tick NBBO Step-Up. The date for the RAES change will be announced at a future time.

For RAES questions regarding these functional changes, please contact Tim Watkins at (312) 786-7172, Anthony Montesano at (312) 786-7365, or the Help Desk at (312) 786-7100.