

Regulatory Circular RG 99-200

DATE: October 12, 1999

TO: Members and Member Organizations

FROM: Office of the Chairman

RE: Equity Telephone Policy

The Equity Floor Procedure Committee ("EFPC") has recommended changing the telephone policy for all equity option posts. The Office of the Chairman and the Floor Directors Committee have endorsed this recommendation as well. The Office of the Chairman and Floor Directors want the membership to be aware of the proposal and have an opportunity to provide feedback prior to submitting this proposal to the Securities and Exchange Commission. This new equity telephone policy affects all equity and narrow-based index posts.

Currently, orders from CBOE market-makers may be received directly at the equity option posts over outside telephone lines. The proposed changes to the equity telephone policy would allow for orders to be received over outside telephone lines directly at the equity option posts from locations outside the Exchange building from any source, with the exception of competing market-makers and specialists. The requirement remains in place that individuals who accept orders directly from non-member customers must be Series 7 licensed and registered with the Exchange by a member firm approved to conduct a non-member customer business.

Please respond with any feedback by Wednesday, October 27, 1999 to Tom Bond at 312-786-7088.