



Date: September 7, 2007
 To: Membership
 From: Department of Market Quality Assurance
 Re: Online Appointment System, Quote Restricting, and Single Acronyms – ***SECOND NOTICE***

Online Appointment System

In an effort to provide Market-Makers (MMs) and Remote Market-Makers (RMMs) with greater flexibility and timeliness in selecting and changing their appointments, the Chicago Board Options Exchange ("Exchange") is providing the membership with access to an online appointment system (MPPI). This system allows each firm and/or individual member to maintain his or her own appointments. MPPI enables members to view and update their appointments as often as necessary, and affords each member firm discretion as to who will have permission to make these changes.

Training

On Wednesday, September 12th, the Department of Market Quality Assurance will be available from 8:00am - 3:30pm in the Auditorium on the 4th Floor at CBOE in order to demonstrate the online appointment system and answer any questions. An individual session should last approximately 15 minutes. Once you have attended a training session and provided us with your user information (including your IP address) you will be able to access your own appointments at any time to make changes.

To avail yourself of this system, register for training, and provide your IP address, please contact the Department of Market Quality Assurance at (312) 786-7198 or at MQA@cboe.com.

Quote Restricting

Along with the online appointment system, at some time this Autumn, the Exchange will introduce a system that will assist members in complying with Rules 8.4(f) and 8.7(b)(A), by not allowing them to stream quotes outside of the member's appointments. Specifically, the Exchange will launch a quote restriction mechanism that will prevent members from streaming quotes into classes where that member does not hold an appointment. This quoting restriction will be effective for all role types, including DPM and eDPM.

Single Acronyms

Trading organizations that use more than one badge for each role type (i.e. MM, RMM, DPM, and eDPM) for streaming quotes may wish to consolidate their electronic quotes and trades under one acronym for each of their market making operations. By utilizing a single acronym, member firms could stream quotes into any class in which it holds an appointment, and firms would have greater flexibility in the deployment of their nominees. Moreover, the use of a single acronym would assist the member by not permitting the member to stream quotes in non-appointed classes and would reduce the possibility of the quote restriction facility blocking the member's quotes. (MMs and RMMs cannot use a single acronym if affiliated MMs or RMMs are operating as multiple aggregation units under the criteria set forth in Rule 8.4(c)(ii).) Therefore, in the interest of gaining the maximum flexibility, **trading organizations are strongly encouraged to obtain a single acronym to accommodate those appointments and to further reduce the chance of streaming outside of their appointments.** To begin the process of obtaining a single acronym, please contact the Membership Department at (312) 786-7449 or at members@cboe.com.

Timeline

September 12th - MPPI training

Week of October 1st - All members will receive an email confirmation of their current and future appointments and are strongly encouraged to review their classes and make any changes necessary with the Department of Market Quality Assurance

Autumn 2007 – Quote restricting system will be activated across all role types

Additional Information

If you have any questions regarding online appointments, quote restricting, or single acronyms, please contact the Department of Market Quality Assurance, at (312) 786-7198 or mqa@cboe.com.