

Regulatory Circular RG00-29

Date: February 2, 2000

To: CBOE Membership

From: Department of Market Monitoring/Trading Floor Liaison

Re: Trade Throughs/Trade or Fade

Please be advised that the Trading Floor Liaison (“TFL”) documents allegations of trade throughs and trade or fade failures of which CBOE members have complained. TFL refers such complaints to the relevant exchange for resolution and regulatory outcome, and notifies the SEC.

TFL staff asks for your cooperation in notifying staff of all trade or fade issues or trade throughs which may occur at your post and station. If a trade or fade issue or trade through should occur, please call the Trading Floor Liaison desk immediately at 4068. Additionally, staff asks that you maintain copies of all relevant documentation and be prepared to supply this information to the TLF staff. TFL will advise each complainant of the eventual outcome.

If you have any questions related to this circular, please contact Greg Rich at 786-7847.