



Regulatory Circular RG02-24

Date: April 19, 2002

To: Members, Member Firms and Member Organizations

From: Anthony Montesano (CBOE Trading Operations)

Re: DPM/Crowd Choice on RAES Size

In conjunction with activation of Dynamic-Quotes-With-Size (DQWS), crowds have the flexibility to increase the RAES size up to a maximum of 250 contracts, subject to the following guidelines:

- 1) No change will be made to the automatic step-up amount (1 tick on orders of 20 contracts or less).
- 2) The DPM and crowd must have their request reviewed and approved by the EFPC. Call the Help Desk at x7100 or contact a TFL rep to obtain a request form. Return completed forms to TFL.
- 3) TFL will give the forms to EFPC for review. EFPC has already given approval for the top 50 issues (ranked by volume).
- 4) The DPM and crowd may choose to use the 100-spoke wheel or, alternatively, the "variable" RAES wheel with one login per badge (with a 50 contract per trade cap). To use the variable wheel, the RAES Supervisors, based on values given to them by the DPM and crowd members, must enter all login sizes.
- 5) Any classes that are given approval to increase the RAES size will be reviewed again by the EFPC on August 1, 2002 to determine whether the increase should remain in effect.
- 6) If there is opposition within the crowd regarding the above guidelines, a member of the EFPC will discuss the issue with the crowd to determine whether the size increase will be allowed.

Example 1: RAES Order Size 250; Displayed/disseminated Size 50

An order for 251 contracts or greater is not RAES-eligible and will not automatically execute.

An order for 250 contracts will partially execute against the disseminated size of 50, and the size will be exhausted. The balance of 200 will route to PAR or LiveAmmo.

Example 2: RAES Order Size 250; Disseminated size 1000

An order for 251 contracts or greater is not RAES-eligible and will not automatically execute.

An order for 250 contracts will automatically execute in its entirety, with the disseminated size changing to 750.

Questions regarding this matter may be directed to the TFLs, the Help Desk, or any member of the Equity Floor Procedure Committee.