



400 S. La Salle  
Chicago, IL 60605

Regulatory Circular #RG04-66

**Date: June 2, 2004**

**To: CBOE Members and Member Firms**

**From: Equity Floor Procedure Committee (EFPC)**

**Re: All or None (AON) Orders in Hybrid Classes**

Beginning May 25, 2004, the CBOE implemented changes to order routing parameters allowing AON orders to be booked in Hybrid classes. As with non-contingent orders, only those AON orders that are equal to or away from the current market will be directly booked. AON orders that are between the current market quote will continue to route to PAR, but may subsequently be booked from the PAR terminal. Pre-open AONs will route directly to the book as long as they are within the firm's volume parameters. Orders exceeding volume parameters will initially route to BART, and BART operators may re-route them to the book by using the <ORS> re-route button. Previously, pre-open AONs could only be re-routed using the <CROWD> button or one of the mobile PAR buttons.

AON orders on PAR **will not** be auto-booked.

AON orders on PAR **will** be booked if the <BOOK ALL> function is used.

AON orders that have been booked and comprise the best market (or are part of the best market) will not be displayed as part of the quote bid/ask or size and will not be disseminated. These orders will be displayed on RCN and TNT terminals in the book column when they are part of the best book bid/ask (See example below).

Good till Canceled (GTC) AONs will no longer print at member firm booths at end of day, but will remain in CBOEDirect. DAY AONs will be reported as NOTHING DONE, as are non-contingency orders.

Example:

Quote = 1.00 - 1.20 100 x 100

Book bid = 1.05 for 15 (resting AON order)

Book Bid Column Displays 1.05 with Size of 15

Market Quote Column Displays = 1.00 – 1.20 100 x 100

Disseminated quote = 1.00 – 1.20 100 x 100

Assume CBOE receives an order to sell 10 @ MKT  
10 trade against quote @ 1.00

Assume CBOE receives an order to sell 15 @ MKT  
15 execute at 1.05 against AON

Questions regarding this change may be directed to Anthony Montesano at (312) 786-7365 or Carole Zylius (312) 786-7174.