



400 S. La Salle
Chicago, IL 60605

Regulatory Circular RG05-87

Date: October 7, 2005
To: Members, Member Firms and Member Organizations
From: Index Floor Procedure Committee
Re: Expansion of Routing into the Complex Order Book (COB)

The Index Floor Procedure Committee has approved the routing of complex orders for origins CUSTOMER, FIRM and BD directly into the COB, or from PAR to the COB, for exchange-trade fund and trust issued receipt products, and all Hybrid index classes with the exception of SPY. (For additional information on options classes already routing to the COB, see Regulatory Circulars RG05-70 and RG05-78).

Routing changes for these products will be rolled out beginning October 7, 2005. Member firms will be contacted by CBOE staff to confirm routing parameters. With these changes, orders will be eligible to route directly into the COB, bypassing PAR, or from PAR to the COB. Orders routed to the COB that are marketable will trade immediately, while those that are not marketable will simply book and rest in the COB. Resting COB orders will be canceled electronically upon receipt of a cancel request and will execute electronically if:

- (1) the individual series quotes line-up to make the order marketable;
- (2) an opposing order that can trade with the resting order is received into the COB;
or
- (3) a Hybrid market participant submits an order to trade with the resting order.

Hybrid market participants who use third party auto-quote systems should contact their vendor regarding COB functionality.

Questions regarding this circular or the COB in general may be directed to Anthony Montesano at x7365, Mike Trees at x8408 or the Help Desk at x4100.