



Regulatory Circular RG06-75

To: Members, Member Firms and Member Organizations
From: Trading Operations
Date: July 21, 2006
Re: Hybrid AutoEx and Quote Lock Timers for QQQQ and SPY Option Classes

The Index Options Procedure Committee (IOPC) has endorsed changes to the following timers for the QQQQ and SPY option classes that will be effective **July 25, 2006**:

Hybrid AutoEx Timer for M, N and Y Orders: Option Market-Maker and stock exchange specialist orders that are eligible for submission for automatic execution in the Hybrid System are subject to certain limitations on the frequency at which they can be submitted. Pursuant to Exchange Rule 6.13(b)(i)(C)(iii), IOPC has determined to reduce the period required between entry of multiple option Market-Maker orders (referred to as “M” and “N” orders) or multiple stock exchange specialist orders (referred to as “Y” orders) on the same side of the market in an option class for an account or accounts of the same beneficial owner using the Hybrid System from 5 seconds to **0 seconds** for the QQQQ and SPY option classes. (The AutoEx timer in all other Hybrid classes remains at 5 seconds.)

Hybrid Quote Lock Timer: Exchange Rule 6.45B(d) pertains to the interaction of a Market-Maker's disseminated quotes with the disseminated quotes of other Market-Makers. Pursuant to that provision, IOPC has determined to reduce the “counting period” for the quote lock timer from 1 second to **0 seconds** for the QQQQ and SPY option classes.

Please contact Anthony Montesano (montesan@cboe.com) at (312) 786-7365 with any questions regarding this circular.