

## **Regulatory Circular RG 94-79**

**Date:** December 5, 1994

**To:** All CBOE Members

**From:** Department of Market Regulation

**Subject:** Treatment of orders in SynOptics Communications, Inc. (SXZ) and Bay Networks, Inc. (BNET/NQB/LBN/ZBN)

In earlier Research Circulars the Exchange has addressed the name/symbol change of SynOptics Communications, Inc. to Bay Networks, Inc. in connection with the completion of the merger between SynOptics and Wellfleet Communications. Because settlement and exercise of either the SXZ or the BNET options would result in the delivery of the same underlying security (Bay Networks), these options would be considered the same class under 1.1(q). The Office of the Chairman hereby declares that effective December 5, 1994, orders to buy a stated number of options of SXZ and to sell the same number of NQB or related LEAPS (or vice versa) constitutes a spread order and shall be entitled to treatment as such under Exchange Rule 6.45, **Priority of Bids and Offers**. Similarly, orders to buy and sell a one-to-one combination of puts and calls involving both SXZ and NQB or related LEAPS options shall be recognized as a combination order and shall be entitled to treatment as such under Rule 6.45. Please refer to the prior Research Circulars for more information concerning the details of the merger and name change. Questions concerning spread and combination orders involving SXZ and NQB may be addressed to Barbara Casey 786-7712 or Margaret Williams 786-7834.