

Regulatory Circular RG 96-62

To: All Members and Member Firms

From Trading Operations

Re: Automatic Suspension of RAES

Date: July 9, 1996

On June 28, 1996, the Securities and Exchange Commission approved for a 30 day pilot period a proposed rule change (File No. SR-CBOE-96-37) allowing the Exchange to implement an automated system that would monitor news wires received at the Exchange shortly before the close of trading each day, and would suspend the Exchange's Retail Automatic Execution System ("RAES") in a class of equity options whenever there is a news announcement pertaining to the underlying security. In the event that news is not significant and there is enough time before the close of trading, Floor Officials will consider resuming RAES operations for the subject option class.

The following is the currently envisioned schedule for the expansion of the pilot:

July 9, 1996 Posts 1 & 2

July 15, 1996 Posts 3 & 4 added

July 22, 1996 Posts 5 & 6 added

July 25, 1996 Posts 9 & 10 added

Please contact the Help Desk at 7100 if you have any questions.