

DATE: July 11, 1996
TO: Members
FROM: Legal Department
RE: OEX Telephone Line Applications

Applications for telephone lines into the OEX post are being made available from Nancy Harrigan in the Telecommunications Service Center located on the Second Floor. **The applications are being made available at this time for the purpose of expediting the processing of requests when and if the Securities and Exchange Commission ("SEC") approves rule filing SR-CBOE-96-14.** Pursuant to the rule filing pending at the SEC, qualified floor brokers would be able to use telephone lines in the OEX post to receive calls and to take orders in the event that all necessary Exchange approvals are received. These activities are currently prohibited by the current policy (See Regulatory Circular 95-54). The applications must be filed by anyone who wants to use or install a dedicated telephone line into the OEX post (whether it is a direct line to a booth, a direct line to a location outside the Exchange, or an open outside line) and by anyone who wants a PIN number to make outgoing telephone calls. **Those members with existing telephone lines from the OEX post to booths must also file a new application.**

Completed applications for a dedicated telephone line may be returned to the Telecommunications Department which will forward them to the OEX Floor Procedure Committee for initial approval. In the event the OEX Floor Procedure Committee approves the dedicated telephone line application, it will be forwarded to the Department of Compliance for approval. Applications for those members intending to take orders directly from public customers over the telephone lines at the OEX post will also be forwarded to the Membership Department for confirmation that the floor broker is qualified to conduct a public customer business. In the event that all necessary internal approvals are received the Telecommunications Department will contact you to arrange the installation of a dedicated telephone line. No telephone lines will be approved unless and until the SEC approves the pending rule filings and until all necessary internal approvals are received.

Please note that the new policy which is the subject of the applications has not yet been approved by the SEC, but that it is anticipated that the new policy will be approved in the next two weeks. The Exchange will notify you, by way of a regulatory circular, when the new policy has been approved by the SEC.

Questions and comments concerning the policy or the application may be directed to Timothy Thompson at (312) 786-7404.