

Regulatory Circular No. #RG96-35

Date: April 12, 1996  
To: All Members  
From: Modified Trading System (MTS) Appointment Committee  
Re: DPM Participation Rights

In conjunction with the membership vote to eliminate the DPM volume cap, and its present policy which reduces the minimum participation rights of DPMs, the Modified Trading System (MTS) Appointment Committee has reviewed the average daily volume of those option classes traded at the various DPM stations across the trading floor. Based on that review, and in accordance with Exchange Rule 8.80, the Committee has determined that the minimum level of participation that a DPM may assert in transactions which occur at his principal bid or offer will be as follows:

<u>Average Daily Volume Over Previous Calendar Quarter</u>	<u>Participation Right During Next Calendar Quarter</u>
Up to 2500 contracts	At least 40% per trade
From 2501 to 5000 contracts	At least 30% per trade
Over 5000 contracts	No guaranteed participation

Based upon the average daily contract volume during the calendar quarter ending March 29, 1996, all DPM assigned classes which are not multiply traded will be treated according to the above schedule. Therefore, pursuant to the above schedule for the 2nd Quarter of 1996, the following is a listing of those option classes where a DPM has a participation right other than 40%.

<u>Class</u>	<u>Participation Right</u>
Bay Networks, Inc. (BAY)	No guaranteed participation
Gaylord Container Corp. (GCR)	30%
Oracle Systems, Inc. (ORQ)	No guaranteed participation

**The MTS Committee has determined to maintain all multiply traded option classes at the 40% minimum participation level until further notice.**

Any questions concerning this memorandum may be addressed to Daniel Hustad at 786-7715 or to a member of the MTS Committee.