

Regulatory Circular RG 97-75

Date: June 16, 1997

To: All Exchange Members

From: Equity Floor Procedure Committee

The Equity Floor Procedure Committee ("the Committee") has reviewed the issue of electronic mail ("E-mail") being used on the trading floor and has approved, for use by a member firm, the capability of transmitting messages via E-mail to and from the trading floor via the firm's proprietary market-maker hand held terminals and on-line computer systems.

The Committee is accepting applications from other members and member firm organizations who wish to have E-mail capability for their wireless handheld and on-line computer systems. Members are reminded that the use of the system shall, at all times, conform to all applicable laws, rules, policies and procedures of the Securities and Exchange Commission and the Exchange in force at that time and to the provisions of the Exchange's Communication /Computer System Application and Agreement ("Agreement").

In accordance with reporting requirements for brokers or dealers under the Securities Exchange Act of 1934, members and member firm organizations must maintain a record of any E-mail and Internet communications relating to the member's business that the member would ordinarily be required to maintain and preserve pursuant to Securities Exchange Rules 17a-3 and 17a-4.

Any member or firm who desires to obtain approval to install or use such a system and who has not already obtained such approval from the appropriate Floor Procedure Committee must complete a Communication/Computer System Application and Agreement form and submit the completed form to the appropriate Floor Procedure Committee for consideration. Any installation, systems functionality change, or use of a system without this required approval is a violation of Exchange Rule 6.23 - Member Wires from the Trading Floor. Blank Communication /Computer System Application and Agreement forms may be obtained from the Telecommunications Service Center located on the second floor of the Exchange. Completed forms should be submitted to Jim Cincinelli of the Telecommunications Department.

Please note that any system, including a hand-held or computer with E-mail capability, approved under the agreement may not be used to receive orders. In order to receive approval to send orders over such systems, members must complete a Brokerage / Order Routing Terminal Agreement and receive Exchange approval. To date, these applications have only been approved for use in the OEX and SPX trading crowds.

Any questions regarding this circular may be directed to Jim Cincinelli of the

Telecommunications Department at (312) 786-7202 or Karen Calvin of the Department of Market Regulation at (312) 786-7759.