



To: Members and Member Firms  
From: Market Operations Department  
Date: January 8, 2007  
Re: NYSE Rule 80A

Regulatory Circular RG99-46

---

Effective February 16, 1999, the Securities and Exchange Commission approved changes to New York Stock Exchange (NYSE) Rule 80A.

The rule change widens the trigger levels for the "collar" provision of Rule 80A which limits index arbitrage trading. The previous triggers restricted index arbitrage trading if the Dow Jones Industrial Average (DJIA) moved up or down 50 points from its previous close and removed the "collar" restrictions when the DJIA moved back to or within 25 points of its previous close. The rule change replaces the 50-point and 25-point triggers with thresholds set at a "two-percent value" and "one-percent value" of the DJIA. The NYSE will translate these percent values into specific point levels at the beginning of each calendar quarter based on the average DJIA closing value over the preceding month. For the first quarter of 1999, the "collar" restrictions will be triggered when the DJIA moves up or down 180 points from its previous close and these restrictions will be removed when the DJIA moves back to or within 90 points of its previous close.

Also, the rule change eliminates the "sidecar" provision of Rule 80A which temporarily diverted program trading orders if the primary S&P 500 futures contract declined 12 points from its previous close.

These changes will be reflected in the CBOE Regulatory Circular regarding Inter-Exchange Procedures in Volatile Markets that will be issued in the second quarter of 1999. The above modifies the provisions of CBOE's current Inter-Exchange Procedures in Volatile Markets circular (Regulatory Circular RG99-19) that describe the NYSE's "collar" and "sidecar" provisions.

Copies of an NYSE Information Memo which further describes the above changes are available from the Help Desk. Questions regarding this memo can be directed to Kerry Winters at 786-7312.