

Regulatory Circular RG 99-227

To: Members

From: Equity Floor Procedure Committee

Date: December 6, 1999

Re: Placing the PAR Behind the Book

Recently, a number of DPMs have requested the Equity Floor Procedure Committee to reconsider its position against allowing PAR terminals to be placed behind the book. These DPMs have suggested that, in their particular circumstances, placing the PAR terminal behind the book will allow for the more efficient handling of their orders. After discussing the issue, the Equity Floor Procedure Committee has now determined that a PAR terminal may be placed behind the book if the DPM and the crowd members agree to such a move. If any member of the crowd disagrees with a decision to move a PAR terminal behind the book the member can request the Equity Floor Procedure Committee to review the decision. The Equity Floor Procedure Committee will review any such decision that is brought to it on a case by case basis.

It should be noted that all current trading rules will still apply regardless of the location of the PAR terminal, including the requirement to trade in open outcry and the obligation for DPMs to book all orders that are eligible to be booked, unless the DPM executes the order upon its receipt. Questions regarding this circular may be directed to Timothy Thompson, Legal Department, at (312) 786-7070.