



CBOE Regulatory Circular RG02-83

To: CBOE Members
From: OneChicago, LLC
CBOE Membership Department
Date: October 10, 2002
Subject: OneChicago Guarantee Forms

OneChicago, LLC is the exchange formed by the Chicago Board Options Exchange, Chicago Mercantile Exchange, and Chicago Board of Trade to provide a market for the trading of security futures. CBOE members and Option Trading Permit holders (until such permits expire) with trading rights on CBOE are members of OneChicago and entitled to obtain access privileges to trade security futures on OneChicago.

OneChicago requires that CBOE members have appropriate guarantee forms in place in order to access OneChicago.

CBOE Clearing Members with Connection(s) to OneChicago System through Direct Connection(s) to CBOE *direct*

Each CBOE Clearing Member with one or more connections to the OneChicago System through direct connection(s) to CBOE *direct* is required to execute the OneChicago *Clearing Member Connection Guarantee Form*. This form provides that the Clearing Member guarantees and assumes financial responsibility for all transactions on OneChicago resulting from any orders, bids, offers, and other messages transmitted to the OneChicago System through the connection(s) to the OneChicago System established by the Clearing Member.

CBOE Members With Their Own Connection(s) to OneChicago System through Direct Connection(s) to CBOE *direct*

Each CBOE member with its own connection(s) to the OneChicago System through direct connection(s) to CBOE *direct* is required to have in place a OneChicago *Exchange Member Connection Guarantee Form* executed by a OneChicago Clearing Member. This form provides that the Clearing Member guarantees and assumes financial responsibility for all transactions on OneChicago resulting from any orders, bids, offers, and other messages transmitted to the OneChicago System through the connection(s) to the OneChicago System established by the CBOE member. The form is designed so that a Clearing Member may submit a single form for more than one CBOE member with connections to the OneChicago System. For a CBOE member organization with its own connection(s) to the OneChicago

System, only the organization needs to be identified on the form. The individual CBOE members trading on behalf of the organization do not need to be identified on the form.

CBOE Members Without Their Own Connection(s) to OneChicago System

CBOE members that do not have their own connection(s) to the OneChicago System and will be accessing OneChicago through connection(s) to the OneChicago System provided by their clearing firms, or other parties, do not need to have their clearing firms execute *Exchange Member Connection Guarantee Forms* on their behalf. Instead, the appropriate OneChicago guarantee form must be in place for the connection(s) through which these CBOE members will be accessing the OneChicago System.

Thus, if a CBOE member will be accessing the OneChicago System through a connection provided by the member's clearing firm, the clearing firm is required to execute a *Clearing Member Connection Guarantee Form*. The *Clearing Member Connection Guarantee Form* applies to all transactions on OneChicago resulting from any orders, bids, offers, and other messages transmitted through a Clearing Member's connection(s) to the OneChicago System, including those submitted by CBOE members through the Clearing Member's connection(s). Similarly, if a CBOE member will be accessing the OneChicago System through a connection provided by another OneChicago member that is not a OneChicago Clearing Member, such OneChicago member is required to have in place an *Exchange Member Connection Guarantee Form* executed by a OneChicago Clearing Member.

Copies of the *Clearing Member Connection Guarantee Form* and the *Exchange Member Connection Guarantee Form* are attached to this circular.

CBOE Clearing Member Designation Form

In addition to the guarantee forms referenced above, CBOE Clearing Members that will clear transactions in OneChicago products are required to complete a designation form in which the Clearing Member designates the clearing corporation (OCC or CME) at which the Clearing Member will clear transactions in OneChicago products. A copy of that form is also attached to this circular.

ONECHICAGO GUARANTEE AND DESIGNATION FORMS FOR CBOE MEMBERS SHOULD BE SUBMITTED TO THE CBOE MEMBERSHIP DEPARTMENT

The CBOE Membership Department will be assisting OneChicago by facilitating the collection of OneChicago guarantee and designation forms that cover CBOE members. The applicable guarantee and designation forms must be provided to the CBOE Membership Department no later than the business day prior to the date on which the applicable CBOE member begins accessing or entering orders into the OneChicago System.

Questions concerning this circular may be directed to the CBOE Membership Department (312-786-7449) or to OneChicago, LLC (312-424-8500).

*Exchange Member Connection Guarantee Form
For Exchange Members With Connection(s) To OneChicago
System Through Direct Connection(s) To CBOEdirect*

**OneChicago, LLC
Exchange Member Guarantee**

To: OneChicago, LLC

From: _____ (Clearing Member)

Re: Guarantee of Exchange Member(s)

In accordance with OneChicago Rule 303, the above-referenced OneChicago Clearing Member advises OneChicago that it hereby guarantees and assumes financial responsibility for all transactions on OneChicago resulting from any orders, bids, offers, and other messages transmitted to the OneChicago System through the connection(s) to the OneChicago System established by the OneChicago Exchange Member(s) identified on this form. Clearing Member guarantees and assumes financial responsibility for such transactions even if orders, bids, offers, or other messages transmitted to the OneChicago System through the foregoing connection(s) (i) were entered as a result of a failure in applicable security and/or credit controls, (ii) were entered by an unknown or unauthorized user, or (iii) exceeded Clearing Member's credit parameters.

Clearing Member Representative (print name)_____

Clearing Member Representative (title)_____

Clearing Member Representative (signature)_____

Date: _____

Exchange Member(s) Covered by this Form:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____

(List additional Exchange Members Covered by this Form on Reverse Side.)

Exchange Member(s) Covered by this Form (continued):

10. _____
11. _____
12. _____
13. _____
14. _____
15. _____
16. _____
17. _____
18. _____
19. _____
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49. _____
50. _____

*Clearing Member Connection Guarantee Form
For Clearing Members With Connection(s) To OneChicago
System Through Direct Connection(s) To CBOEdirect*

**OneChicago, LLC
Clearing Member Guarantee**

To: OneChicago, LLC

From: _____ (Clearing Member)

Re: Guarantee of Clearing Member Connection(s)

In accordance with OneChicago Rule 118, the above-referenced OneChicago Clearing Member advises OneChicago that it hereby guarantees and assumes financial responsibility for all transactions on OneChicago resulting from any orders, bids, offers, and other messages transmitted to the OneChicago System through the connection(s) to the OneChicago System established by Clearing Member. Clearing Member guarantees and assumes financial responsibility for such transactions even if orders, bids, offers, or other messages transmitted to the OneChicago System through the foregoing connection(s) (i) were entered as a result of a failure in applicable security and/or credit controls, (ii) were entered by an unknown or unauthorized user, or (iii) exceeded Clearing Member's credit parameters.

Clearing Member Representative (print name)_____

Clearing Member Representative (title)_____

Clearing Member Representative (signature)_____

Date: _____

OneChicago CLEARING DESIGNATION FOR CBOE CLEARING FIRMS

CBOE Clearing Firm _____ with the following CBOE
Clearing firm name

Clearing number(s) _____ :
Please indicate CBOE firm number

___ Will clear transactions in OneChicago products through OCC as OCC Firm # _____

OR

___ Will clear transactions in OneChicago products through CME as CME Firm # _____

Clearing Member Name

By: _____

Print Name: _____

Title: _____

Date: _____