

February 27, 1979

Options Closing Hours and Closing Rotations

1. Four-month uniform options closing hours experiment expires February 28, 1979. Options exchanges have agreed to extend until April 28, 1979 and are filing rule changes to this effect. Division currently preparing order to approve these rule changes, to be released tomorrow.

2. Division also preparing information memorandum to the Commission, along with summary of comments received to date on proposed Exchange Act Rules 9b-3, 9b-4(A) and 9b-4(B).

3. One change in the extended trading hours experiment would permit options trading after 4:10 p.m. in limited circumstances, as follows:

- a. halt in trading of underlying security during the day;
- b. trading in security re-opens after 3:45 p.m. New York time, or at the bell. (We have been informed NYSE has such a policy); and
- c. options exchange opens the corresponding options class with an opening rotation which cannot be completed by 4:10 p.m.

Division proposes to state in a footnote to its order approving the continuation of the experiment that it will not recommend any action to the Commission if, under these limited circumstances (as described more fully by the CBOE's letter, attached), an options exchange continues and completes a rotation in an options class past 4:10 p.m. New York time.

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