



**Boston Options Exchange Regulation LLC
Regulatory Circular 2008-13**

TO: BOX Participants

FROM: BOX Regulation LLC/BSE Regulatory Services

DATE: July 10, 2008

SUBJECT: Quote Removal Mechanism Upon Technical Disconnect

Chapter VI of the BOX Rules have recently been amended to add Section 16 - Quote Removal Mechanism Upon Technical Disconnect.¹ The Quote Removal Mechanism will remove Market Maker quotes in the event that Market Makers lose communication with the BOX Trading Host due to a loss of connectivity between their designated BOX Gateway and the BOX Trading Host. This Mechanism will be implemented upon the commencement of trading on Monday, July 14, 2008. On that date and until further notice, a period of five (5) seconds of no technical connectivity will trigger the Mechanism.

This circular discusses the major highlights of the Quote Removal Mechanism Upon Technical Disconnect and is not intended to be a comprehensive description of the Rule regarding the Mechanism. For more details regarding the Mechanism please refer to Section 16 of Chapter VI of the BOX Rules, which may be viewed on the BOX website at: http://www.bostonoptions.com/box_regulations/rules.php.

Please review the information provided herein and the new Rule. If you have any questions regarding this information please contact Bruce Goodhue at (617) 235-2022 or Joe Dalton at (617) 235-2317.

¹ See SR-BSE-2008-40.