

**BOARD APPROVES CHANGE TO HEADSET POLICY IN THE
AGRICULTURAL QUADRANT AND THE EURODOLLAR FUTURES
AND OPTIONS PITS**

At its Regular Meeting on Tuesday, June 3, 2003, the Board of Directors approved headset policy changes concerning the agricultural quadrant and the Eurodollar futures ("ED") and Eurodollar options ("ZE") pits as described below.

Members, clearing member firms, and their employees are reminded that they may not begin to operate under the terms of the new policies until they have submitted an application or updated existing applications and received approval from the Exchange Telecommunications Department.

Agricultural Quadrant

Top step clerks and brokers standing at any level in an agricultural pit can now accept off-floor non-member orders directly over wireless headsets, provided that all Exchange regulatory and audit trail requirements are met. The agricultural quadrant joins the currency quadrant with respect to having an open headset policy.

Members and clearing member firms are reminded that the policy changes do not relieve the requirement that customer orders (orders charged non-member rates) be reduced to writing on firm order tickets and time stamped prior to bid, offered, or executed in the pit as required by Rule 536.E. ("Records for Orders and Personal Transactions During Regular Trading Hours – Customers' Orders").

Eurodollar Futures Pit

Top step clerks in the first four contract months of ED can now use headsets to connect to off-floor locations to accept orders for individual members' accounts or for the proprietary accounts of Exchange clearing member firms, provided that all Exchange regulatory and audit trail requirements are met. Top step clerks in the back 36 contract months of ED are currently permitted to use headsets for this purpose. By this change, all discrepancies in the headset policy among the various contract month areas of the ED pit have now been eliminated.

Eurodollar Options Pit

Brokers can now stand at any level of the ZE pit to connect via headsets to off-floor locations to accept orders for individual members' accounts or for the proprietary accounts of Exchange clearing member firms. Prior to the change, brokers in the ZE pit were required to stand at the bottom of the pit in order to use a headset for this purpose. Additionally, the Board approved a change to allow top step clerks in the ZE pit to connect to off-floor locations for the same purpose as described above. Members and top step clerks must ensure that all Exchange regulatory and audit trail requirements are met.

The policy changes are effective immediately. Questions concerning the application and approval process, or the updating of existing applications, should be directed to Mr. Roger Crabtree, Director, Telecommunications, at (312) 930-8194, or Mr. William Taylor, Manager, Telecommunications, at (312) 930-8279.

Regulatory or audit trail questions should be directed to Mr. Eric S. Wolff, Managing Director, Regulatory Affairs, at (312) 930-3255, or Mr. Robert A. Sniegowski, Associate Director, Market Regulation, at (312) 648-5493.