EXECUTE SUCCESS℠

Regulatory Circular RG13-009

Date: January 10, 2013

To: Trading Permit Holders
From: Business Development Division
RE: AIM Primary Order Allowed in Penny Increments

Beginning January 22, 2013, CBOE will begin rolling out a change to the Automated Improvement Mechanism (AIM) and the Solicitation Auction Mechanism (SAM) to allow the primary order to include a limit price in penny increments, regardless of the minimum trading increment for the option.

For example, assume the NBBO for XYZ APR 40 Call is $5.05 – 5.15, with the minimum price increment being $.05. An AIM or SAM paired submission will be permitted if the primary order is priced at the market, as well as any limit price that is in penny increments, even though the minimum increment for the option series is $.05.

Please note that paired orders marked with the "A:AIR" designation in tag 9324 will continue to require that the primary order be priced at the market or a limit price that is in standard increments for the option series, and such orders sent with a smaller increment will continue to be returned to the entering Trading Permit Holder. Note that primary orders marked "A:AIR" will be retained and processed as an un-paired order if, for any reason, the auction cannot initiate.

This functionality will be rolled to one trade server, also referred to as a "Business Cluster" (BC), effective January 22, 2013 and to all remaining BCs by January 25, 2013.

Additional Information:

- Questions regarding message formats and testing may be directed to the CBOE API group at (312)786-7300 or api@cboe.com
- General questions regarding this matter may be directed to Anthony Montesano at (312)786-7365 or montesan@cboe.com