



DATE: November 29, 2010

TO: Members

RE: **OptionsXpress Holdings, Inc. ("OXPS")**  
**CONTRACT ADJUSTMENT FOR SPECIAL CASH DIVIDEND**  
**Ex-Date: December 28, 2010**

From: Scott Speer

OptionsXpress Holdings, Inc. ("OXPS") has declared a special cash dividend of **\$4.50** per share on its outstanding common stock. The special cash dividend has a record date of December 13, 2010 and a payable date of December 27, 2010. **The ex-distribution date will be on Tuesday, December 28, 2010.**

THE FOREGOING DISCUSSION IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE SPECIAL DIVIDEND, PREPARED BY CBOE FOR THE CONVENIENCE OF ITS MEMBERS. CBOE ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS SUMMARY. MEMBERS SHOULD REFER TO THE OPTIONSXPRESS HOLDINGS, INC. PRESS RELEASE DATED NOVEMBER 29, 2010, FOR THE AUTHORITATIVE DESCRIPTION OF THE SPECIAL DIVIDEND AND ALL OF ITS TERMS AND CONDITIONS.

**Contract Adjustment for the Special Cash Dividend**

Pursuant to OCC rules (Article VI, Section 11), all outstanding OXPS option series will be adjusted to reflect this special cash dividend on the ex-distribution date, at 8:30 A.M. Chicago time. **On Tuesday, December 28, 2010, each OXPS series shall be adjusted by decreasing the strike price by \$4.50, the amount of the cash dividend.** The option symbols for the adjusted contracts will remain the same. Premiums and strike-price amounts for the adjusted OXPS options will continue to be calculated on the basis of a multiplier of 100, i.e., for premium and strike-price extensions, 1 point of premium or strike price will equal \$100. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

**Adjusted Option Symbols**

On Tuesday, December 28, 2010, trading in OXPS series will be on an adjusted basis. At 8:30 A.M., Chicago time, an opening rotation will be effected with the following adjustments:

EXISTING SERIES					ADJUSTED SERIES*			
OXPS	12.50	2011-01-22	C/P	=>	OXPS	8.00	2011-01-22	C/P
OXPS	15.00	2011-01-22	C/P	=>	OXPS	10.50	2011-01-22	C/P
OXPS	17.50	2011-01-22	C/P	=>	OXPS	13.00	2011-01-22	C/P
OXPS	20.00	2011-01-22	C/P	=>	OXPS	15.50	2011-01-22	C/P
OXPS	22.50	2011-01-22	C/P	=>	OXPS	18.00	2011-01-22	C/P
OXPS	10.00	2011-03-19	C/P	=>	OXPS	5.50	2011-03-19	C/P
OXPS	12.50	2011-03-19	C/P	=>	OXPS	8.00	2011-03-19	C/P
OXPS	15.00	2011-03-19	C/P	=>	OXPS	10.50	2011-03-19	C/P
OXPS	17.50	2011-03-19	C/P	=>	OXPS	13.00	2011-03-19	C/P
OXPS	20.00	2011-03-19	C/P	=>	OXPS	15.50	2011-03-19	C/P
OXPS	10.00	2011-06-18	C/P	=>	OXPS	5.50	2011-06-18	C/P

EXISTING SERIES					ADJUSTED SERIES*			
OXPS	12.50	2011-06-18	C/P	=>	OXPS	8.00	2011-06-18	C/P
OXPS	15.00	2011-06-18	C/P	=>	OXPS	10.50	2011-06-18	C/P
OXPS	17.50	2011-06-18	C/P	=>	OXPS	13.00	2011-06-18	C/P
OXPS	20.00	2011-06-18	C/P	=>	OXPS	15.50	2011-06-18	C/P

\* Any additional OXPS series that are added prior to the ex-date (e.g., the February series) will also be adjusted in the manner described above.

#### GTC Order Conversion

On Monday, December 27, 2010, immediately after the CBOE close, the system will convert or cancel all resting orders in the OXPS order book. If your firm has requested, all booked orders (phone, wire, and electronic) and all ORS orders residing outside the book (booth or crowd routed) will be converted reflecting the adjustment. If your firm has requested, all booked orders and ORS orders residing outside of the book will be canceled. If your firm receives CXL drops, the CXL confirms will print at your booth at 3:15 p.m. ORS CXLs will also be transmitted electronically to your branches.

Immediately after the close, the book staff will return a final written report listing the orders that are converted or canceled to all firms. If converted, this list will also show how the new orders will be adjusted. This report will be available on request anytime during the day prior to the night of the adjustment.

#### Position and Exercise Limits

The CBOE Department of Market Regulation has determined that: "The position and exercise limits following this cash distribution will remain the same."

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Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

<http://www.cboe.com/ContractAdjustments>