Research Circular #RS12-517

DATE: October 4, 2012
TO: Permit Holders
FROM: Scott Speer

RE: **Tenet Healthcare Corporation ("THC")**
1-for-4 Reverse Stock Split
Ex-Distribution Date: October 11, 2012

Tenet Healthcare Corporation ("THC") has announced a 1-for-4 reverse common stock split, in which each outstanding share of THC Common Stock will automatically be converted into one-fourth of a share of THC Common Stock. The ex-date for the reverse common stock split is Thursday, October 11, 2012.

Contract Adjustment

Pursuant to OCC rules (Article VI, Section 11 and 11A), all outstanding THC option series as of Thursday, October 11, 2012, at 8:30 A.M. Chicago time will be adjusted to reflect this 1-for-4 reverse common stock split. All THC options will be adjusted to require the receipt or delivery of: **25 shares of Tenet Healthcare Corporation ("THC") Common Stock.** The contract multiplier will remain 100, *i.e.*, 1 point of premium or strike price will equal $100. Strike prices will remain the same. The option symbol will change to **THC1.** Premiums for the adjusted THC1 options will continue to be calculated on the basis of a multiplier of 100, i.e., for premium and strike-price extensions, 1.00 will equal $100. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

The option adjustment will appear in the Daily Position Report of the clearing member firms on the ex-date. After 8:30 A.M. Thursday, October 11, 2012, all trades, corrections, and exercises must be submitted to the CBOE and OCC on an adjusted basis.

Adjusted Exercise Prices

On Thursday, October 11, 2012, the ex-distribution date, trading in THC 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 100 Shares					ADJUSTED SERIES* 25 Shares			
THC	1.00	2012-10-20	C/P	=>	THC1	1.00	2012-10-20	C/P
THC	2.00	2012-10-20	C/P	=>	THC1	2.00	2012-10-20	C/P
THC	3.00	2012-10-20	C/P	=>	THC1	3.00	2012-10-20	C/P
THC	4.00	2012-10-20	C/P	=>	THC1	4.00	2012-10-20	C/P
THC	5.00	2012-10-20	C/P	=>	THC1	5.00	2012-10-20	C/P
THC	6.00	2012-10-20	C/P	=>	THC1	6.00	2012-10-20	C/P
THC	7.00	2012-10-20	C/P	=>	THC1	7.00	2012-10-20	C/P
THC	8.00	2012-10-20	C/P	=>	THC1	8.00	2012-10-20	C/P
THC	9.00	2012-10-20	C/P	=>	THC1	9.00	2012-10-20	C/P
THC	10.00	2012-10-20	C/P	=>	THC1	10.00	2012-10-20	C/P
THC	1.00	2012-11-17	C/P	=>	THC1	1.00	2012-11-17	C/P
THC	2.00	2012-11-17	C/P	=>	THC1	2.00	2012-11-17	C/P
THC	3.00	2012-11-17	C/P	=>	THC1	3.00	2012-11-17	C/P
THC	4.00	2012-11-17	C/P	=>	THC1	4.00	2012-11-17	C/P
THC	5.00	2012-11-17	C/P	=>	THC1	5.00	2012-11-17	C/P

EXISTING SERIES 100 Shares					ADJUSTED SERIES* 25 Shares			
THC	6.00	2012-11-17	C/P	=>	THC1	6.00	2012-11-17	C/P
THC	7.00	2012-11-17	C/P	=>	THC1	7.00	2012-11-17	C/P
THC	8.00	2012-11-17	C/P	=>	THC1	8.00	2012-11-17	C/P
THC	9.00	2012-11-17	C/P	=>	THC1	9.00	2012-11-17	C/P
THC	10.00	2012-11-17	C/P	=>	THC1	10.00	2012-11-17	C/P
THC	11.00	2012-11-17	C/P	=>	THC1	11.00	2012-11-17	C/P
THC	1.00	2013-01-19	C/P	=>	THC1	1.00	2013-01-19	C/P
THC	2.00	2013-01-19	C/P	=>	THC1	2.00	2013-01-19	C/P
THC	2.50	2013-01-19	C/P	=>	THC1	2.50	2013-01-19	C/P
THC	3.00	2013-01-19	C/P	=>	THC1	3.00	2013-01-19	C/P
THC	4.00	2013-01-19	C/P	=>	THC1	4.00	2013-01-19	C/P
THC	5.00	2013-01-19	C/P	=>	THC1	5.00	2013-01-19	C/P
THC	6.00	2013-01-19	C/P	=>	THC1	6.00	2013-01-19	C/P
THC	7.50	2013-01-19	C/P	=>	THC1	7.50	2013-01-19	C/P
THC	9.00	2013-01-19	C/P	=>	THC1	9.00	2013-01-19	C/P
THC	10.00	2013-01-19	C/P	=>	THC1	10.00	2013-01-19	C/P
THC	1.00	2013-02-16	C/P	=>	THC1	1.00	2013-02-16	C/P
THC	2.00	2013-02-16	C/P	=>	THC1	2.00	2013-02-16	C/P
THC	3.00	2013-02-16	C/P	=>	THC1	3.00	2013-02-16	C/P
THC	4.00	2013-02-16	C/P	=>	THC1	4.00	2013-02-16	C/P
THC	5.00	2013-02-16	C/P	=>	THC1	5.00	2013-02-16	C/P
THC	6.00	2013-02-16	C/P	=>	THC1	6.00	2013-02-16	C/P
THC	7.00	2013-02-16	C/P	=>	THC1	7.00	2013-02-16	C/P
THC	8.00	2013-02-16	C/P	=>	THC1	8.00	2013-02-16	C/P
THC	9.00	2013-02-16	C/P	=>	THC1	9.00	2013-02-16	C/P
THC	10.00	2013-02-16	C/P	=>	THC1	10.00	2013-02-16	C/P
THC	1.00	2013-05-18	C/P	=>	THC1	1.00	2013-05-18	C/P
THC	2.00	2013-05-18	C/P	=>	THC1	2.00	2013-05-18	C/P
THC	3.00	2013-05-18	C/P	=>	THC1	3.00	2013-05-18	C/P
THC	4.00	2013-05-18	C/P	=>	THC1	4.00	2013-05-18	C/P
THC	5.00	2013-05-18	C/P	=>	THC1	5.00	2013-05-18	C/P
THC	6.00	2013-05-18	C/P	=>	THC1	6.00	2013-05-18	C/P
THC	7.00	2013-05-18	C/P	=>	THC1	7.00	2013-05-18	C/P
THC	8.00	2013-05-18	C/P	=>	THC1	8.00	2013-05-18	C/P
THC	9.00	2013-05-18	C/P	=>	THC1	9.00	2013-05-18	C/P
THC	10.00	2013-05-18	C/P	=>	THC1	10.00	2013-05-18	C/P
THC	11.00	2013-05-18	C/P	=>	THC1	11.00	2013-05-18	C/P
THC	12.00	2013-05-18	C/P	=>	THC1	12.00	2013-05-18	C/P
2014 LEAPS								
THC	1.00	2014-01-18	C/P	=>	THC1	1.00	2014-01-18	C/P
THC	2.00	2014-01-18	C/P	=>	THC1	2.00	2014-01-18	C/P
THC	3.00	2014-01-18	C/P	=>	THC1	3.00	2014-01-18	C/P
THC	4.00	2014-01-18	C/P	=>	THC1	4.00	2014-01-18	C/P
THC	5.00	2014-01-18	C/P	=>	THC1	5.00	2014-01-18	C/P
THC	7.00	2014-01-18	C/P	=>	THC1	7.00	2014-01-18	C/P

New Unadjusted Series

To facilitate the maintenance of a fair and orderly market in Tenet Healthcare Corporation options, new THC series with a contract unit of 100 shares will be introduced on Friday, October 12, 2012. The THC series will be added for October, November, January, February, and May expirations at exercise prices nearest the money. Also, new THC LEAP series with a contract unit of 100 shares will also be introduced on October 12, 2012, for the January 2014 expirations at exercise prices nearest the money.

GTC Order Conversion

On Wednesday, October 10, 2012, immediately after the CBOE close, the system will convert or cancel all resting orders in the THC 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 adjustments. 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 will remain the same."

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