

**CBOE Research Circular #RS12-614**

DATE: November 21, 2012
 TO: Permit Holders
 FROM: Scott Speer

RE: **Commerce Bancshares, Inc. ("CBSH")
 5% Stock Dividend and
 Contract Adjustment for Special Cash Dividend
Ex-Distribution Date: November 28, 2012**

Commerce Bancshares, Inc. ("CBSH") has announced a 5% Stock Dividend and a Special Cash Dividend of \$1.50 per CBSH share. The Payable Date is December 17, 2012. The Record Date is November 30, 2012. The ex-date is Wednesday, November 28, 2012.

Contract Adjustment

Pursuant to OCC rules (Article VI, Section 11 and 11A), all outstanding CBSH option series as of Wednesday, November 28, 2012, at 8:30 A.M. Chicago time will be adjusted to reflect this stock dividend and special cash dividend. All CBSH options will be adjusted to require the receipt or delivery of: **(A) 105 shares of Commerce Bancshares, Inc. ("CBSH") Common Stock; plus (B) \$150.00 cash.** 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 **CBSH1**. [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. Wednesday, November 28, 2012, all trades, corrections, and exercises must be submitted to the CBOE and OCC on an adjusted basis.

Adjusted Exercise Prices

On Wednesday, November 28, 2012, the ex-distribution date, trading in CBSH 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*				
CBSH	30.00	2012-12-22	C/P	=>	CBSH1	30.00	2012-12-22	C/P
CBSH	35.00	2012-12-22	C/P	=>	CBSH1	35.00	2012-12-22	C/P
CBSH	40.00	2012-12-22	C/P	=>	CBSH1	40.00	2012-12-22	C/P
CBSH	45.00	2012-12-22	C/P	=>	CBSH1	45.00	2012-12-22	C/P
CBSH	50.00	2012-12-22	C/P	=>	CBSH1	50.00	2012-12-22	C/P
CBSH	25.00	2013-01-19	C/P	=>	CBSH1	25.00	2013-01-19	C/P
CBSH	30.00	2013-01-19	C/P	=>	CBSH1	30.00	2013-01-19	C/P
CBSH	35.00	2013-01-19	C/P	=>	CBSH1	35.00	2013-01-19	C/P
CBSH	40.00	2013-01-19	C/P	=>	CBSH1	40.00	2013-01-19	C/P
CBSH	45.00	2013-01-19	C/P	=>	CBSH1	45.00	2013-01-19	C/P
CBSH	25.00	2013-02-16	C/P	=>	CBSH1	25.00	2013-02-16	C/P
CBSH	30.00	2013-02-16	C/P	=>	CBSH1	30.00	2013-02-16	C/P

EXISTING SERIES					ADJUSTED SERIES*			
CBSH	35.00	2013-02-16	C/P	=>	CBSH1	35.00	2013-02-16	C/P
CBSH	40.00	2013-02-16	C/P	=>	CBSH1	40.00	2013-02-16	C/P
CBSH	45.00	2013-02-16	C/P	=>	CBSH1	45.00	2013-02-16	C/P
CBSH	30.00	2013-05-18	C/P	=>	CBSH1	30.00	2013-05-18	C/P
CBSH	35.00	2013-05-18	C/P	=>	CBSH1	35.00	2013-05-18	C/P
CBSH	40.00	2013-05-18	C/P	=>	CBSH1	40.00	2013-05-18	C/P
CBSH	45.00	2013-05-18	C/P	=>	CBSH1	45.00	2013-05-18	C/P
CBSH	50.00	2013-05-18	C/P	=>	CBSH1	50.00	2013-05-18	C/P

* Any additional CBSH series that are added prior to the ex-date will also be adjusted in the manner described above.

New Unadjusted Series

To facilitate the maintenance of a fair and orderly market in Commerce Bancshares, Inc. options, new CBSH series with a contract unit of 100 shares will be introduced on Thursday, November 29, 2012. The CBSH series will be added for December, January, February, and May expirations at exercise prices nearest the money.

GTC Order Conversion

On Tuesday, November 27, 2012, immediately after the CBOE close, the system will convert or cancel all resting orders in the CBSH 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 following this CBSH dividend will be any combination of CBSH and CBSH1 option contracts on the same side of the market not to exceed 7,875,000 shares of the underlying security through May 18, 2013. Following the May 2013 expiration, the position and exercise limits will revert to the standard limit of 75,000 contracts (7,500,000 shares) of CBSH."

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>