

CBOE Research Circular #RS12-680

Date: December 11, 2012

To: Permit Holders

From: Scott Speer

RE: VisionChina Media Inc. ("VISN")

1-for-20 Reverse ADS Split

Ex-Distribution Date: December 12, 2012

VisionChina Media Inc. ("VISN") has announced a 1-for-20 reverse American Depositary Share (ADS) split, in which each outstanding VISN ADS will automatically be converted into one-twentieth (0.05) of an ADS of "New" VISN. **The ex-date for the reverse ADS split is Wednesday, December 12, 2012.**

Contract Adjustment

Pursuant to OCC rules (Article VI, Section 11 and 11A), all outstanding VISN option series as of Wednesday, December 12, 2012, at 8:30 A.M. Chicago time will be adjusted to reflect this 1-for-20 reverse ADS split. All VISN options will be adjusted to require the receipt or delivery of: **5 ADSs of "New" VisionChina Media Inc. ("VISN")**. 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 **VISN1**. Premiums for the adjusted VISN1 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. Wednesday, December 12, 2012, all trades, corrections, and exercises must be submitted to the CBOE and OCC on an adjusted basis.

Adjusted Exercise Prices

On Wednesday, December 12, 2012, the ex-distribution date, trading in VISN 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				
100 Shares				5 Shares				
VISN	1.00	2012-12-22	C/P	=>	VISN1	1.00	2012-12-22	C/P
VISN	2.00	2012-12-22	C/P	=>	VISN1	2.00	2012-12-22	C/P
VISN	1.00	2013-01-19	C/P	=>	VISN1	1.00	2013-01-19	C/P
VISN	2.00	2013-01-19	C/P	=>	VISN1	2.00	2013-01-19	C/P
VISN	3.00	2013-01-19	C/P	=>	VISN1	3.00	2013-01-19	C/P
VISN	1.00	2013-04-20	C/P	=>	VISN1	1.00	2013-04-20	C/P
VISN	2.00	2013-04-20	C/P	=>	VISN1	2.00	2013-04-20	C/P
VISN	1.00	2013-07-20	C/P	=>	VISN1	1.00	2013-07-20	C/P
VISN	2.00	2013-07-20	C/P	=>	VISN1	2.00	2013-07-20	C/P

GTC Order Conversion

On Tuesday, December 11, 2012, immediately after the CBOE close, the system will convert or cancel all resting orders in the VISN 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>