EXECUTE SUCCESS℠

CBOE Research Circular #RS13-072

Date: February 12, 2013

To: Permit Holders
From: Scott Speer
RE: Sycamore Networks, Inc. ("SCMR & adj. SCMR1")
CONTRACT ADJUSTMENT FOR SPECIAL CASH DIVIDEND
Ex-Date: March 1, 2013

Sycamore Networks, Inc. ("SCMR & adj. SCMR1") has declared a special cash dividend of **$1.81** per share on its outstanding common stock. The special cash dividend has a record date of February 18, 2013 and a payable date of February 28, 2013. **The ex-distribution date is Friday, March 1, 2013.**

Please note that the currently adjusted SCMR1 series call for the per-contract delivery or receipt of: (A) 100 shares of Sycamore Networks, Inc. ("SCMR") Common Stock; plus (B) $1,250.00 cash, and a contract multiplier of 100. Please refer to CBOE Research Circular #RS12-657, dated December 5, 2012, for more information regarding the previously adjusted SCMR1 contract.

THE FOREGOING DISCUSSION IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE SPECIAL CASH DIVIDEND, PREPARED BY CBOE FOR THE CONVENIENCE OF ITS PERMIT HOLDERS. CBOE ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS SUMMARY. PERMIT HOLDERS SHOULD REFER TO THE SYCAMORE NETWORKS, INC. PRESS RELEASE DATED FEBRUARY 8, 2013, FOR THE AUTHORITATIVE DESCRIPTION OF THE SPECIAL DIVIDEND AND ALL OF ITS TERMS AND CONDITIONS.

Contract Adjustment

Pursuant to OCC rules (Article VI, Section 11 and 11A), all outstanding SCMR/SCMR1 option series will be adjusted/further adjusted to reflect this special cash dividend on Friday, March 1, 2013, at 8:30 A.M. Chicago time as follows:

A) **The SCMR series will be adjusted by decreasing the strike price by $1.81, the amount of the cash dividend.** The SCMR option symbol will remain the same. Premiums and strike-price amounts for the adjusted SCMR 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.

B) The previously adjusted **SCMR1** series will be further adjusted to require the per-contract delivery or receipt of**: (A) 100 shares of Sycamore Networks, Inc. ("SCMR") Common Stock; plus (B) $1,431.00 cash ($1,250.00 + $181.00).** The SCMR1 option symbol and strike prices will remain the same. Premiums and strike-price amounts for the further adjusted SCMR1 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.]

Adjusted Option Symbols

On Friday, March 1, 2013, trading in SCMR 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*			
SCMR	2.50	2013-02-16	C/P	=>	SCMR	0.69	2013-02-16	C/P
SCMR	5.00	2013-02-16	C/P	=>	SCMR	3.19	2013-02-16	C/P
SCMR	7.50	2013-02-16	C/P	=>	SCMR	5.69	2013-02-16	C/P
SCMR	2.50	2013-03-16	C/P	=>	SCMR	0.69	2013-03-16	C/P
SCMR	5.00	2013-03-16	C/P	=>	SCMR	3.19	2013-03-16	C/P
SCMR	2.50	2013-06-22	C/P	=>	SCMR	0.69	2013-06-22	C/P
SCMR	5.00	2013-06-22	C/P	=>	SCMR	3.19	2013-06-22	C/P
SCMR	7.50	2013-06-22	C/P	=>	SCMR	5.69	2013-06-22	C/P
SCMR	2.50	2013-09-21	C/P	=>	SCMR	0.69	2013-09-21	C/P
SCMR	5.00	2013-09-21	C/P	=>	SCMR	3.19	2013-09-21	C/P
SCMR	7.50	2013-09-21	C/P	=>	SCMR	5.69	2013-09-21	C/P

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

GTC Order Conversion

On Thursday, February 28, 2013, immediately after the CBOE close, the system will convert or cancel all resting orders in the SCMR 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.

A report will be available at the Help Desk listing the orders that are converted or canceled. 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."

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