CBOE EXECUTE SUCCESS℠

CBOE Research Circular #RS13-086

Date: February 22, 2013

To: Permit Holders
From: Scott Speer
RE: Jefferies Group, Inc. ("JEF") Proposed Merger with Leucadia National Corporation ("LUK")

Shareholders of Jefferies Group, Inc. ("JEF") will vote on Thursday, February 28, 2013, to approve a proposed Merger between JEF and Leucadia National Corporation ("LUK"). Pursuant to the terms of the Merger, each share of JEF Common Stock outstanding immediately prior to the consummation of the Merger will be converted into the right to receive **0.81 of a share** of LUK Common Stock. The Merger is expected to become effective before the opening of business on March 1, 2013.

THE FOREGOING IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE MERGER, PREPARED BY CBOE FOR THE CONVENIENCE OF ITS PERMIT HOLDERS. CBOE ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. PERMIT HOLDERS SHOULD REFER TO THE JEFFERIES GROUP, INC. AND LEUCADIA NATIONAL CORPORATION JOINT PROXY STATEMENT/PROSPECTUS DATED JANUARY 28, 2013, FOR THE AUTHORITATIVE DESCRIPTION OF THE MERGER AND ALL OF ITS TERMS AND CONDITIONS.

Contract Adjustments

Pursuant to Article VI, Section 11, of OCC's By-Laws, all outstanding JEF options shall be adjusted as follows. On the business day immediately following the Effective Time of the Merger each adjusted Jefferies Group, Inc. contract will require the receipt or delivery of 81 shares of LUK Common Stock. Premiums for the adjusted Jefferies Group, Inc. 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. The Jefferies Group, Inc. option symbol will change to **LUK2**. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

Adjusted Option Symbols

On the business day immediately following the Effective Time of the Merger, trading in the JEF option series will be on an adjusted basis. At 8:30 A.M., Chicago time, the following symbol adjustments to the options will be effected:

EXISTING SERIES					ADJUSTED SERIES*			
JEF	10.00	2013-03-16	C/P	=>	LUK2	10.00	2013-03-16	C/P
JEF	11.00	2013-03-16	C/P	=>	LUK2	11.00	2013-03-16	C/P
JEF	12.00	2013-03-16	C/P	=>	LUK2	12.00	2013-03-16	C/P
JEF	13.00	2013-03-16	C/P	=>	LUK2	13.00	2013-03-16	C/P
JEF	14.00	2013-03-16	C/P	=>	LUK2	14.00	2013-03-16	C/P
JEF	15.00	2013-03-16	C/P	=>	LUK2	15.00	2013-03-16	C/P
JEF	16.00	2013-03-16	C/P	=>	LUK2	16.00	2013-03-16	C/P
JEF	17.00	2013-03-16	C/P	=>	LUK2	17.00	2013-03-16	C/P
JEF	18.00	2013-03-16	C/P	=>	LUK2	18.00	2013-03-16	C/P

EXISTING SERIES					ADJUSTED SERIES*			
JEF	19.00	2013-03-16	C/P	=>	LUK2	19.00	2013-03-16	C/P
JEF	20.00	2013-03-16	C/P	=>	LUK2	20.00	2013-03-16	C/P
JEF	21.00	2013-03-16	C/P	=>	LUK2	21.00	2013-03-16	C/P
JEF	22.00	2013-03-16	C/P	=>	LUK2	22.00	2013-03-16	C/P
JEF	23.00	2013-03-16	C/P	=>	LUK2	23.00	2013-03-16	C/P
JEF	24.00	2013-03-16	C/P	=>	LUK2	24.00	2013-03-16	C/P
JEF	25.00	2013-03-16	C/P	=>	LUK2	25.00	2013-03-16	C/P
JEF	26.00	2013-03-16	C/P	=>	LUK2	26.00	2013-03-16	C/P
JEF	27.00	2013-03-16	C/P	=>	LUK2	27.00	2013-03-16	C/P
JEF	5.00	2013-04-20	C/P	=>	LUK2	5.00	2013-04-20	C/P
JEF	6.00	2013-04-20	C/P	=>	LUK2	6.00	2013-04-20	C/P
JEF	7.00	2013-04-20	C/P	=>	LUK2	7.00	2013-04-20	C/P
JEF	8.00	2013-04-20	C/P	=>	LUK2	8.00	2013-04-20	C/P
JEF	9.00	2013-04-20	C/P	=>	LUK2	9.00	2013-04-20	C/P
JEF	10.00	2013-04-20	C/P	=>	LUK2	10.00	2013-04-20	C/P
JEF	11.00	2013-04-20	C/P	=>	LUK2	11.00	2013-04-20	C/P
JEF	12.00	2013-04-20	C/P	=>	LUK2	12.00	2013-04-20	C/P
JEF	13.00	2013-04-20	C/P	=>	LUK2	13.00	2013-04-20	C/P
JEF	14.00	2013-04-20	C/P	=>	LUK2	14.00	2013-04-20	C/P
JEF	15.00	2013-04-20	C/P	=>	LUK2	15.00	2013-04-20	C/P
JEF	16.00	2013-04-20	C/P	=>	LUK2	16.00	2013-04-20	C/P
JEF	17.00	2013-04-20	C/P	=>	LUK2	17.00	2013-04-20	C/P
JEF	18.00	2013-04-20	C/P	=>	LUK2	18.00	2013-04-20	C/P
JEF	19.00	2013-04-20	C/P	=>	LUK2	19.00	2013-04-20	C/P
JEF	20.00	2013-04-20	C/P	=>	LUK2	20.00	2013-04-20	C/P
JEF	21.00	2013-04-20	C/P	=>	LUK2	21.00	2013-04-20	C/P
JEF	22.00	2013-04-20	C/P	=>	LUK2	22.00	2013-04-20	C/P
JEF	23.00	2013-04-20	C/P	=>	LUK2	23.00	2013-04-20	C/P
JEF	24.00	2013-04-20	C/P	=>	LUK2	24.00	2013-04-20	C/P
JEF	25.00	2013-04-20	C/P	=>	LUK2	25.00	2013-04-20	C/P
JEF	26.00	2013-04-20	C/P	=>	LUK2	26.00	2013-04-20	C/P
JEF	8.00	2013-07-20	C/P	=>	LUK2	8.00	2013-07-20	C/P
JEF	9.00	2013-07-20	C/P	=>	LUK2	9.00	2013-07-20	C/P
JEF	10.00	2013-07-20	C/P	=>	LUK2	10.00	2013-07-20	C/P
JEF	11.00	2013-07-20	C/P	=>	LUK2	11.00	2013-07-20	C/P
JEF	12.00	2013-07-20	C/P	=>	LUK2	12.00	2013-07-20	C/P
JEF	13.00	2013-07-20	C/P	=>	LUK2	13.00	2013-07-20	C/P
JEF	14.00	2013-07-20	C/P	=>	LUK2	14.00	2013-07-20	C/P
JEF	15.00	2013-07-20	C/P	=>	LUK2	15.00	2013-07-20	C/P
JEF	16.00	2013-07-20	C/P	=>	LUK2	16.00	2013-07-20	C/P
JEF	17.00	2013-07-20	C/P	=>	LUK2	17.00	2013-07-20	C/P
JEF	18.00	2013-07-20	C/P	=>	LUK2	18.00	2013-07-20	C/P
JEF	19.00	2013-07-20	C/P	=>	LUK2	19.00	2013-07-20	C/P
JEF	20.00	2013-07-20	C/P	=>	LUK2	20.00	2013-07-20	C/P

EXISTING SERIES					ADJUSTED SERIES*			
JEF	21.00	2013-07-20	C/P	=>	LUK2	21.00	2013-07-20	C/P
JEF	22.00	2013-07-20	C/P	=>	LUK2	22.00	2013-07-20	C/P
JEF	23.00	2013-07-20	C/P	=>	LUK2	23.00	2013-07-20	C/P
JEF	24.00	2013-07-20	C/P	=>	LUK2	24.00	2013-07-20	C/P
JEF	25.00	2013-07-20	C/P	=>	LUK2	25.00	2013-07-20	C/P
JEF	26.00	2013-07-20	C/P	=>	LUK2	26.00	2013-07-20	C/P
JEF	13.00	2013-10-19	C/P	=>	LUK2	13.00	2013-10-19	C/P
JEF	14.00	2013-10-19	C/P	=>	LUK2	14.00	2013-10-19	C/P
JEF	15.00	2013-10-19	C/P	=>	LUK2	15.00	2013-10-19	C/P
JEF	16.00	2013-10-19	C/P	=>	LUK2	16.00	2013-10-19	C/P
JEF	17.00	2013-10-19	C/P	=>	LUK2	17.00	2013-10-19	C/P
JEF	18.00	2013-10-19	C/P	=>	LUK2	18.00	2013-10-19	C/P
JEF	19.00	2013-10-19	C/P	=>	LUK2	19.00	2013-10-19	C/P
JEF	20.00	2013-10-19	C/P	=>	LUK2	20.00	2013-10-19	C/P
JEF	21.00	2013-10-19	C/P	=>	LUK2	21.00	2013-10-19	C/P
JEF	22.00	2013-10-19	C/P	=>	LUK2	22.00	2013-10-19	C/P
JEF	23.00	2013-10-19	C/P	=>	LUK2	23.00	2013-10-19	C/P
JEF	24.00	2013-10-19	C/P	=>	LUK2	24.00	2013-10-19	C/P
JEF	25.00	2013-10-19	C/P	=>	LUK2	25.00	2013-10-19	C/P
JEF	26.00	2013-10-19	C/P	=>	LUK2	26.00	2013-10-19	C/P
JEF	27.00	2013-10-19	C/P	=>	LUK2	27.00	2013-10-19	C/P
JEF	28.00	2013-10-19	C/P	=>	LUK2	28.00	2013-10-19	C/P
JEF	29.00	2013-10-19	C/P	=>	LUK2	29.00	2013-10-19	C/P
2014 LEAPS								
JEF	3.00	2014-01-18	C/P	=>	LUK2	3.00	2014-01-18	C/P
JEF	5.00	2014-01-18	C/P	=>	LUK2	5.00	2014-01-18	C/P
JEF	8.00	2014-01-18	C/P	=>	LUK2	8.00	2014-01-18	C/P
JEF	10.00	2014-01-18	C/P	=>	LUK2	10.00	2014-01-18	C/P
JEF	12.00	2014-01-18	C/P	=>	LUK2	12.00	2014-01-18	C/P
JEF	15.00	2014-01-18	C/P	=>	LUK2	15.00	2014-01-18	C/P
JEF	17.00	2014-01-18	C/P	=>	LUK2	17.00	2014-01-18	C/P
JEF	20.00	2014-01-18	C/P	=>	LUK2	20.00	2014-01-18	C/P
JEF	22.00	2014-01-18	C/P	=>	LUK2	22.00	2014-01-18	C/P
JEF	25.00	2014-01-18	C/P	=>	LUK2	25.00	2014-01-18	C/P
JEF	30.00	2014-01-18	C/P	=>	LUK2	30.00	2014-01-18	C/P
2015 LEAPS								
JEF	5.00	2015-01-17	C/P	=>	LUK2	5.00	2015-01-17	C/P
JEF	8.00	2015-01-17	C/P	=>	LUK2	8.00	2015-01-17	C/P
JEF	10.00	2015-01-17	C/P	=>	LUK2	10.00	2015-01-17	C/P
JEF	13.00	2015-01-17	C/P	=>	LUK2	13.00	2015-01-17	C/P
JEF	15.00	2015-01-17	C/P	=>	LUK2	15.00	2015-01-17	C/P
JEF	17.00	2015-01-17	C/P	=>	LUK2	17.00	2015-01-17	C/P
JEF	20.00	2015-01-17	C/P	=>	LUK2	20.00	2015-01-17	C/P

EXISTING SERIES					ADJUSTED SERIES*			
2015 LEAPS								
JEF	22.00	2015-01-17	C/P	=>	LUK2	22.00	2015-01-17	C/P
JEF	25.00	2015-01-17	C/P	=>	LUK2	25.00	2015-01-17	C/P
JEF	27.00	2015-01-17	C/P	=>	LUK2	27.00	2015-01-17	C/P
JEF	30.00	2015-01-17	C/P	=>	LUK2	30.00	2015-01-17	C/P

*** Any additional JEF series that are added prior to the effective time of the merger will also be adjusted in the manner described above.**

Settlement

The OCC will delay settlement of LUK2 exercise and assignment activity until the end of "when issued" trading in LUK, if any.

Hypothetical Pricing Example

Based on a 0.81 Exchange Ratio, the Jefferies Group, Inc. adjusted contract deliverable is 81 shares of LUK Common Stock. Under these circumstances a **hypothetical** adjusted LUK2 underlying "price" may be determined as follows:

LUK2 = 0.81(LUK), rounded to the nearest 1/100th. For example, if LUK closes at $27.95, the underlying "per-share price" of LUK2 would be:

0.81($27.95)
= $22.6395
= $22.64 (rounded to the nearest 1/100th)

In this hypothetical example, a LUK2 20 Call contract would be $264.00 in the money (difference of strike amount of $20 x 100 = $2,000.00 and the underlying deliverable "value" of $2,264.00 = $22.64 x 100).

GTC Order Conversion

On the Effective Date of the Merger, immediately after the CBOE close, the system will convert or cancel all resting orders in the JEF 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.

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.

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://LUK2.cboe.com/ContractAdjustments