



The Bylaws and Rules of Chicago Board Options Exchange, Incorporated ("Exchange"), in certain specific instances, require the Exchange to provide notice to Exchange Trading Permit Holders. To satisfy this requirement, a copy of the Exchange Bulletin, including the Regulatory Bulletin, is delivered by e-mail or by hard copy free of charge to all effective Trading Permit Holders on a weekly basis.

Trading Permit Holders are encouraged to receive the Exchange and Regulatory Bulletin and Information Circulars via e-mail. E-mail subscriptions may be obtained by Trading Permit Holders by submitting your name, firm if applicable, e-mail address, and phone number, to registration@cboe.com. If you do sign up for e-mail delivery, please remember to inform the Registration Services Department of e-mail address changes. Subscriptions by Trading Permit Holders for hard copy delivery may be obtained by submitting your name, firm if any, mailing address and telephone number to: Chicago Board Options Exchange, Registration Services Department, 400 South LaSalle, Chicago, Illinois 60605, Attention: Bulletin Subscriptions.

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Trading Permit Information for 1/3/2012 through 1/9/2013

TRADING PERMIT APPLICATIONS RECEIVED FOR WHICH BULLETIN PUBLICATION IS REQUIRED

Individual Applicants

Scott M Peach
Archelon Balanced Volatility Trading, LTD
200 S. Wacker Dr., Suite 2400
Chicago, IL 60606

TERMINATIONS

Individuals

Nominee:	Termination Date
Michael A Klaus (KLS) TradingBlock	1/8/13
Michael S Sours (SRS) TradingBlock	1/8/13
Matthew S. Heyn (HEY) TradingBlock	1/8/13
Scott M. Johnson (NFG) TradingBlock	1/8/13

EFFECTIVE TRADING PERMIT HOLDERS

Individuals

Nominee:	Effective Date
Elias Balasis Quasar Trading, LLC Type of Business to be Conducted: Proprietary Trading Permit Holder	1/4/13

TPH Organizations

Quasar Trading, LLC Type of Business to be Conducted: Proprietary Trading Permit Holder	1/4/13
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Research Circulars

The following Research Circulars were distributed between December 27, 2013 and January 3, 2013. If you wish to read the entire document, please refer to the CBOE website at www.cboe.com and click on the "Trading Tools" Tab. New listings and series information is also available in the Trading Tools section of the website. For questions regarding information discussed in a Research Circular, please call The Options Clearing Corporation at 1-888-OPTIONS.

Research Circular #RS13-009
January 4, 2013
Caribou Coffee Company, Inc. ("CBOU")
Tender Offer by Pine Merger Sub, Inc.

Research Circular #RS13-010
January 4, 2013
Retail HOLDERS ("RTHYL"):
Liquidation -- Cash Settlement

Research Circular #RS13-011
January 7, 2013
Lorillard, Inc. ("LO")
3-for-1 Common Stock Split
Ex-Distribution Date: January 16, 2013

Research Circular #RS13-012
January 7, 2013
Ancestry.com Inc. ("ACOM") Merger COMPLETED
with Global Generations International Inc.

Research Circular #RS13-013
January 7, 2013
Gilead Sciences, Inc. ("GILD")
2-for-1 Stock Split
Ex-Distribution Date: January 28, 2013

Research Circular #RS13-014
January 8, 2013
Titanium Metals Corporation ("TIE"):
Merger Completed -- Cash Settlement

Research Circular #RS13-015
January 8, 2013
Sunrise Senior Living, Inc. ("SRZ") Merger COMPLETED
with Health Care REIT, Inc. ("HCN") – Cash Settlement

Research Circular #RS13-016
January 9, 2013
Fushi Copperweld, Inc. ("FSIN") Merger COMPLETED
with Green Dynasty Limited – Cash Settlement

Research Circular #RS13-017
January 10, 2013
Liberty Media Corporation Series A Liberty Capital ("LMCA")
Distribution of Shares of
Liberty Spinco, Inc. Series A ("LMCAD")
Ex-Distribution Date: January 14, 2013

Research Circular #RS13-018
January 10, 2013
Deer Consumer Products, Inc. ("DEER")
Change in Marketplace
Effective Date: January 11, 2013

January 11, 2013

Volume RB24, Number 2

The Bylaws and Rules of Chicago Board Options Exchange, Incorporated ("Exchange"), in certain specific instances, require the Exchange to provide notice to Trading Permit Holders. The weekly Regulatory Bulletin is delivered to all effective Trading Permit Holders to satisfy this requirement. Copyright © 2013 Chicago Board Options Exchange, Incorporated.

Regulatory Circulars

Regulatory Circular RG13-006

Date: January 4, 2013

To: Trading Permit Holders

From: Member Firm Regulation

RE: Annual Reporting Pursuant to CBOE Rule 9.8 – Supervision of Accounts

Trading Permit Holders and TPH organizations that are approved to conduct a non-Trading Permit Holder customer business are reminded that CBOE Rule 9.8(g), requires that each Trading Permit Holder and TPH organization submit to the Exchange a written report by April 1 of each year detailing the TPH organization's supervision and compliance effort, including its options compliance program, during the preceding year as well as reporting on the adequacy of the TPH organization's ongoing compliance processes and procedures.

In addition, CBOE Rule 9.8(h) requires that each Trading Permit Holder and TPH organization submit, by April 1 of each year, a copy of the CBOE Rule 9.8(g) annual report to one or more of its control persons or, if the Trading Permit Holder or TPH organization has no control person, to the audit committee of its board of directors or its equivalent committee or group.

CBOE Rule 9.8(g) provides that a Trading Permit Holder and TPH organization that specifically includes its options compliance program in a report that complies with substantially similar requirements of FINRA will be deemed to have satisfied the requirements of Rules 9.8(g) and 9.8(h), however, Trading Permit Holders and TPH organizations are still required to file the report with CBOE.

Additional Information:

Trading Permit Holders and TPH organizations may submit the required report to the Department of Member Firm Regulation. Questions concerning this Regulatory Circular can be directed to the Regulatory Interpretations and Guidance line at (312) 786-8141 or RegInterps@cboe.com

Replaces RG12-005

Regulatory Circular RG13-007

Date: January 7, 2013

To: Trading Permit Holders
From: Business Development Division
RE: Side Added to Complex Order Auction (COA) Message

Beginning in March of 2013, CBOE will make a change to the Complex Order Auction (COA) message format.

Currently, when a COA auction is initiated, the Request-for-Response (RFR) auction message that is published includes the product code of the strategy and the contract size, but not the side, of the complex order being auctioned.

With the upcoming change, the side of the complex order being auctioned will additionally be included in the RFR message. Once the message format change is in effect, participants who respond to the auction should submit a response only on the side opposite the auctioned order, and responses on the same side as the auctioned order will continue to be rejected.

FIX and CMI specification details for this change are forthcoming.

Additional Information:

- Questions regarding message formats and testing may be directed to the CBOE API group at (312)786-7300 or api@cboe.com
- General questions regarding this matter may be directed to Anthony Montesano at (312)786-7365 or montesan@cboe.com
- For additional information on the upcoming change, please see rule filing [SR-CBOE-2012-085](#).

Regulatory Circular RG13-008

Date: January 8, 2013

To: Trading Permit Holders
From: Business Development Division
RE: Fees for Customized Option Pricing Service

Customized Option Pricing Service (COPS)

On January 14, 2013, Chicago Board Options Exchange, Incorporated (“CBOE”), through its affiliate Market Data Express, LLC (“MDX”), will launch the Customized Option Pricing Service (“COPS”). COPS provides end-of-day valuations for Flexible Exchange options and other customized options. Valuations are averages of multiple submissions provided by participating

CBOE registered market-makers (see Information Circular IC12-059). Customers may request valuations for customized options not already included in COPS by sending an email request to valuationrequests@cboe.com.

Customers can choose which end-of-day valuations to purchase by registering first on the MDX website (<http://www.marketdataexpress.com/>) and then proceeding to the COPS microsite: www.cboe.com/cops.

Customers purchasing valuations will be subject to the following fee schedule, which can also be found on the Price List on the MDX website:

# of options valuations purchased per day	Fee per option per day
0-50	\$1.25
51-100	\$1.00
101-500	\$0.75
500+	\$0.50

Additional Information:

For more information about COPS contact Matt McFarland in CBOE Business Development at (312) 786-7978 or mcfarland@cboe.com.

Regulatory Circular RG13-009

Date: January 10, 2013

To: Trading Permit Holders

From: Business Development Division

RE: AIM Primary Order Allowed in Penny Increments

Beginning January 22, 2013, CBOE will begin rolling out a change to the Automated Improvement Mechanism (AIM) and the Solicitation Auction Mechanism (SAM) to allow the primary order to include a limit price in penny increments, regardless of the minimum trading increment for the option.

For example, assume the NBBO for XYZ APR 40 Call is \$5.05 – 5.15, with the minimum price increment being \$.05. An AIM or SAM paired submission will be permitted if the primary order is priced at the market, as well as any limit price that is in penny increments, even though the minimum increment for the option series is \$.05.

Please note that paired orders marked with the “A:AIR” designation in tag 9324 will continue to require that the primary order be priced at the market or a limit price that is in standard increments for the option series, and such orders sent with a smaller increment will continue to be returned to the entering Trading Permit Holder. Note that primary orders marked “A:AIR” will be retained and processed as an un-paired order if, for any reason, the auction cannot initiate.

This functionality will be rolled to one trade server, also referred to as a “Business Cluster” (BC), effective January 22, 2013 and to all remaining BCs by January 25, 2013.

Additional Information:

- Questions regarding message formats and testing may be directed to the CBOE API group at (312)786-7300 or api@cboe.com
 - General questions regarding this matter may be directed to Anthony Montesano at (312)786-7365 or montesan@cboe.com
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Regulatory Circular RG13-010

Date: January 10, 2013

To: Trading Permit Holders

From: Market Operations Department

RE: Restrictions on Transactions in Deer Consumer Products, Inc (DEER)

Effective January 11, 2013, Deer Consumer Products, Inc. (DEER) will be delisted from the NASDAQ Global Select Market (NASDAQ). Trading in DEER will commence on the Other-OTC market under the symbol DEER. No adjustment to DEER option contracts will be made to reflect this move from NASDAQ.

Trading on CBOE in existing series of DEER options will be subject to the following restrictions. Only closing transactions may be affected in any series of DEER options except for (i) opening transactions by Market-Makers executed to accommodate closing transactions of other market participants and (ii) opening transactions by CBOE TPH organizations to facilitate the closing transactions of public customers executed as crosses pursuant to and in accordance with CBOE Rule 6.74(b) or (d).

The execution of opening transactions in DEER options, except as permitted above, and/or the misrepresentation as to whether an order is opening or closing, will constitute a violation of CBOE rules, and may result in disciplinary action. TPH organizations should ensure that they have appropriate procedures in place to prevent their customers from entering opening orders in this restricted option class. In addition, transactions in contravention of this restriction may be subject to nullification pursuant to Exchange Rule 6.25.

There are no restrictions in place with respect to the exercise of DEER options.

Any questions regarding this circular may be directed to Kerry Winters at helpdesk@cboe.com and (312) 786-7312 or the Regulatory Interpretations and Guidance team at RegInterps@cboe.com and by telephone at (312) 786-8141.

CBOE restricted class memos can be accessed from CBOE.org at the following web address: <http://www.cboe.org/Restrictions>

Rule Changes

APPROVED RULE CHANGE(S)

The Securities and Exchange Commission (“SEC”) has approved the following change(s) to Exchange rules pursuant to Section 19(b) of the Securities Exchange Act of 1934 (the “Act”). Below, any additions to rule text are underlined and any deletions are [bracketed]. Copies are available on the CBOE public website at www.cboe.com/legal/effectivefiling.aspx. *The effective date of the rule change is the date of approval unless otherwise noted.*

SR-CBOE-2012-108 CBOE Authority to Cancel Orders; Operation of Routing Service Error Accounts

On January 4, 2013, the SEC approved Rule Change File No. SR-CBOE-2012-108, which filing amends the Exchange Rules to (i) address the authority of CBOE to cancel orders (or release routing-related orders) when a technical or systems issue occurs; and (ii) describe the operation of a CBOE error account(s) and routing broker error account(s), which may be used to liquidate unmatched executions that may occur in the provision of CBOE’s routing service. Any questions regarding the rule change may be directed to Jennifer Lamie, Legal Division, at 312-786-7576. The rule text is shown below and the rule filing is available at <http://www.cboe.com/publish/RuleFilingsSEC/SR-CBOE-2012-108.pdf>.

Rule 6.6A. Order Cancellation/Release

(a) The Exchange may cancel orders as it deems to be necessary to maintain fair and orderly markets if a technical or systems issue occurs at the Exchange, a routing broker in connection with the routing service provided under Rule 6.14B, or another exchange to which an Exchange order has been routed. A routing broker may only cancel orders being routed to another exchange based on the Exchange’s standing or specific instructions or as otherwise provided in the Exchange Rules. The Exchange shall provide notice of the cancellation to affected Trading Permit Holders as soon as practicable.

(b) The Exchange may release orders being held on the Exchange awaiting an away exchange execution as it deems necessary to maintain fair and orderly markets if a technical or systems issue occurs at the Exchange, a routing broker, or another exchange to which an Exchange order has been routed.

(c) For purposes of this Rule, technical or system issues shall include, without limitation, instances where the Exchange has not received confirmation of an execution (or cancellation) on another exchange from a routing broker within a response time interval designated by the Exchange, which interval may not be less than three (3) seconds.

* * * * *

Rule 6.14C. Routing Service Error Accounts

Each routing broker shall maintain, in the name of the routing broker, one or more accounts for the purpose of liquidating unmatched trade positions that may occur in connection with the routing service provided under Rule 6.14B (“error positions”). The Exchange may also maintain, in the name of the Exchange, one or more accounts (each an “Exchange Error Account”) for the purpose of liquidating error positions in the circumstances described below.

For purposes of this Rule:

(a) Errors to which this Rule applies include any action or omission by the Exchange, a routing broker, or another exchange to which an Exchange order has been routed, that result in an unmatched trade position due to the execution of an order that is subject to the away market routing service and for which there is no corresponding order to pair with the execution (each a "routing error"). Such routing errors would include, without limitation, positions resulting from determinations by the Exchange to cancel or release an order pursuant to Rule 6.6A.

(b) An error position will generally be liquidated in a routing broker's error account. An Exchange Error Account may (but is not required to) be utilized in instances where a routing broker is unable to utilize its own error account or when the routing error is due to a technical or systems issue at the Exchange.

(c) The Exchange shall not accept any positions in an Exchange Error Account from an account of a Trading Permit Holder or permit any Trading Permit Holder to transfer any positions from the Trading Permit Holder's account to an Exchange Error Account.

(d) To the extent a routing broker utilizes its own account to liquidate error positions, the routing broker shall liquidate the error positions as soon as practicable. The routing broker shall:

(i) establish and enforce policies and procedures reasonably designed to (1) adequately restrict the flow of confidential and proprietary information associated with the liquidation of the error positions in accordance with Rule 6.14B, and (2) prevent the use of information associated with other orders subject to the routing services when making determinations regarding the liquidation of error positions; and

(ii) make and keep records associated with the liquidation of such routing broker error positions and shall maintain such records in accordance with Rule 17a-4 under the Exchange Act.

(e) To the extent the Exchange utilizes an Exchange Error Account to liquidate error positions, the Exchange shall liquidate error positions as soon as practicable. The Exchange shall:

(i) provide complete time and price discretion for the trading to liquidate error positions in an Exchange Error Account to a third-party broker-dealer and shall not attempt to exercise any influence or control over the timing or methods of such trading. Such a third-party broker-dealer may include a routing broker not affiliated with the Exchange;

(ii) establish and enforce policies and procedures reasonably designed to adequately restrict the flow of confidential and proprietary information between the Exchange and the third-party broker-dealer associated with the liquidation of the error positions; and

(iii) make and keep records to document all determinations to treat positions as error positions under this Rule (whether or not an Exchange Error Account is utilized to liquidate such error positions), as well as records associated with the liquidation of Exchange Error Account error positions through a third-party broker-dealer, and shall maintain such records in accordance with Rule 17a-1 under the Exchange Act.

SR-CBOE-2012-109 CBSX Authority to Cancel Orders; Operation of Routing Service Error Accounts

On January 4, 2013, the SEC approved Rule Change File No. SR-CBOE-2012-109, which filing amends the Exchange Rules to (i) address the authority of CBSX to cancel orders (or release routing-related orders) when a technical or systems issue occurs; and (ii) describe the operation of a CBSX error account(s) and routing broker error account(s), which may be used to liquidate

unmatched executions that may occur in the provision of CBSX's routing service. Any questions regarding the rule change may be directed to Jennifer Lamie, Legal Division, at 312-786-7576. The rule text is shown below and the rule filing is available at <http://www.cboe.com/publish/RuleFilingsSEC/SR-CBOE-2012-109.pdf>.

Rule 52.3A Order Cancellation/Release

(a) CBSX may cancel orders as it deems to be necessary to maintain fair and orderly markets if a technical or systems issue occurs at CBSX, a routing broker in connection with the routing service provided under Rule 52.10, or another trading center to which a CBSX order has been routed. A routing broker may only cancel orders being routed to another trading center based on CBSX's standing or specific instructions or as otherwise provided in the Exchange Rules. CBSX shall provide notice of the cancellation to affected Trading Permit Holders as soon as practicable.

(b) CBSX may release orders being held on CBSX awaiting another trading center execution as it deems necessary to maintain fair and orderly markets if a technical or systems issue occurs at CBSX, a routing broker, or another trading center to which a CBSX order has been routed.

(c) For purposes of this Rule, technical or system issues shall include, without limitation, instances where CBSX has not received confirmation of an execution (or cancellation) on another trading center from a routing broker within a response time interval designated by CBSX, which interval may not be less than three (3) seconds.

* * * * *

Rule 52.7 Sweeping and Trading Through Away Markets

When the CBSX System is enabled to automatically transmit outbound Intermarket Sweep Orders to other trading centers, the provisions of this Rule shall apply.

(a) Except when one or more of the following eight circumstances exist, CBSX shall generate an Intermarket Sweep Order to any away trading center displaying a Protected Quotation simultaneously with the execution of a transaction on CBSX that would constitute a trade-through:

(1) – (9) No change.

An Intermarket Sweep Order shall be generated if an order that is entered on CBSX would lock or cross a protected quotation in an away market.

In the event that CBSX does not receive any response at all to an outbound Intermarket Sweep Order, [and assuming that no system errors have been detected, CBSX will issue a cancellation at the expiration of the expiration delay timer on the Intermarket Sweep Order. This action] at the expiration of the response time interval, CBSX will release the corresponding order that had been suspended on the CBSX Book pending the response to the Intermarket Sweep Order in accordance with Rule 52.3A, and the released order will re-aggress the CBSX Book (including the generation of Intermarket Sweep Orders to other away markets, if necessary).

In the event that CBSX receives a rejection (*i.e.*, a no-fill or partial fill cancellation) in response to an outbound Intermarket Sweep Order and the quotation at the away market is not updated, CBSX will release the corresponding order that had been suspended on the CBSX Book so that it may re-aggress the CBSX Book as described in the immediately prior paragraph (including the generation of Intermarket Sweep Orders to other away markets, if necessary). Other Intermarket Sweep Orders will still continue to be routed to that particular away market's Protected Quotation in that security.

(b) No change.

* * * * *

Rule 52.10A Routing Service Error Accounts

Each routing broker shall maintain, in the name of the routing broker, one or more accounts for the purpose of liquidating unmatched trade positions that may occur in connection with the routing service provided under Rule 52.10 ("error positions"). CBSX may also maintain, in the name of CBSX, one or more accounts (each a "CBSX Error Account") for the purpose of liquidating error positions in the circumstances described below.

For the purposes of this Rule:

(a) Errors to which this Rule applies include any action or omission by CBSX, a routing broker, or another trading center to which a CBSX order has been routed, that result in an unmatched trade position due to the execution of an order that is subject to the away market routing service and for which there is no corresponding order to pair with the execution (each a "routing error"). Such routing errors would include, without limitation, positions resulting from determinations by CBSX to cancel or release an order pursuant to Rule 52.3A.

(b) An error position will generally be liquidated in a routing broker's error account. A CBSX Error Account may (but is not required to) be utilized in instances where a routing broker is unable to utilize its own error account or when the routing error is due to a technical or systems issue at CBSX.

(c) CBSX shall not accept any positions in a CBSX Error Account from an account of a Trading Permit Holder or permit any Trading Permit Holder to transfer any positions from the Trading Permit Holder's account to a CBSX Error Account.

(d) To the extent a routing broker utilizes its own account to liquidate error positions, the routing broker shall liquidate the error positions as soon as practicable. The routing broker shall:

(i) establish and enforce policies and procedures reasonably designed to (1) adequately restrict the flow of confidential and proprietary information associated with the liquidation of the error positions in accordance with Rule 52.10, and (2) prevent the use of information associated with other orders subject to the routing services when making determinations regarding the liquidation of error positions; and

(ii) make and keep records associated with the liquidation of such routing broker error positions and shall maintain such records in accordance with Rule 17a-4 under the Exchange Act.

(e) To the extent CBSX utilizes a CBSX Error Account to liquidate error positions, CBSX shall liquidate error positions as soon as practicable. CBSX shall:

(i) provide complete time and price discretion for the trading to liquidate error positions in a CBSX Error Account to a third-party broker-dealer and shall not attempt to exercise any influence or control over the timing or methods of such trading. Such a third-party broker-dealer may include a routing broker not affiliated with CBSX;

(ii) establish and enforce policies and procedures reasonably designed to adequately restrict the flow of confidential and proprietary information between CBSX and the third-party broker-dealer associated with the liquidation of the error positions; and

(iii) make and keep records to document all determinations to treat positions as error positions under this Rule (whether or not a CBSX Error Account is utilized to liquidate such error positions), as well as records associated with the liquidation of CBSX Error Account error positions through a third-party broker-dealer, and shall maintain such records in accordance with Rule 17a-1 under the Exchange Act.

EFFECTIVE-ON-FILING RULE CHANGE(S)

The following rule filings were submitted to the SEC “effective on filing,” and may have taken effect pursuant to Section 19(b)(3) of the Act. They will remain in effect barring further action by the SEC within 60 days after publication in the Federal Register. Below, any additions to rule text are underlined, and any deletions are [bracketed]. Copies are available on the CBOE public website at www.cboe.org/legal/effectivefiling.aspx.

SR-CBOE-2013-001 Mini Options

On January 4, 2013, the Exchange filed Rule Change File No. SR-CBOE-2013-001, which filing proposes to list and trade option contracts overlying 10 shares of a security (Mini Options). Mini Options will be permitted on five classes: SPDR S&P 500 (SPY), Apple, Inc. (AAPL), SPDR Gold Trust (GLD), Google Inc. (GOOG) and Amazon.com Inc. (AMZN). Any questions regarding the rule change may be directed to Jenny Klebes-Golding, Legal Division, at 312-786-7466. The rule text is shown below and the rule filing is available at <http://www.cboe.com/publish/RuleFilingsSEC/SR-CBOE-2013-001.pdf>.

4.11. Position Limits

No change.

...Interpretations and Policies:

.01 - .07 No change.

.08 For purposes of determining compliance with the position limits under this Rule 4.11, ten mini-option contracts (as permitted under Rule 5.5.22) shall equal one standard contract overlying 100 shares.

* * * * *

Rule 5.5. Series of Option Contracts Open for Trading

(a) - (e) No change.

...Interpretations and Policies:

.01 - .21 No change.

.22 Mini Option Contracts

(a) After an option class on a stock, exchange-traded fund (ETF) share (referred to as “Unit” in Rule 5.3.06), Trust Issued Receipt (TIR), exchange-traded note (ETN), and other Index-Linked Security with a 100 share deliverable has been approved for listing and trading on the Exchange, series of option contracts with a 10 share deliverable on that stock, ETF share, TIR, ETN and other Index-Linked Security may be listed for all expirations opened for trading on the Exchange. Mini-option contracts may currently be listed on SPDR S&P 500 (SPY), Apple, Inc. (AAPL), SPDR Gold Trust (GLD), Google, Inc. (GOOG) and Amazon.com Inc. (AMZN).

(b) Strike prices for mini-options shall be set at the same level as for standard options. For example, a call series strike price to deliver 10 shares of stock at \$125 per share has a total deliverable value of \$1250, and the strike price will be set at 125.

(c) No additional series of mini-options may be added if the underlying security is trading at \$90 or less. The underlying security must trade above \$90 for five consecutive days prior to listing mini-option contracts in an additional expiration month.

* * * * *

Rule 6.41. Meaning of Premium Bids and Offers

(a) *General*. Except as provided in paragraph (b), bids and offers shall be expressed in terms of dollars per unit of the underlying security. (e.g., a bid of "7" shall represent a bid of \$700 for an option contract having a unit of trading consisting of 100 shares of an underlying security, or a bid of \$770 for an option contract having a unit of trading consisting of 110 shares of an underlying security.)

(b) *Special cases*. Bids and offers for an option contract for which an adjusted unit of trading has been established in accordance with Rule 5.7 shall be expressed in terms of dollars per .01 part of the total securities and/or other property constituting such adjusted unit of trading. (e.g., an offer of "6" shall represent an offer of \$600 on an option contract having a unit of trading consisting of 100 shares of an underlying security plus 10 rights.)

(c) *Mini-options*. Bids and offers for an option contract overlying 10 shares shall be expressed in terms of dollars per 1/10th part of the total value of the contract. An offer of ".50" shall represent an offer of \$5.00 for an option contract having a unit of trading consisting of 10 shares.

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SR-CBOE-2013-002 Fees Schedule

On January 7, 2013, the Exchange filed Rule Change File No. SR-CBOE-2013-002, which filing proposes to amend the CBOE Fees Schedule to amend a number of fees for 2013. Specifically, this proposed change will (i) increase JBO fees, (ii) increase firm automatic execution fees for multiply-listed options, (iii) adopt new fees for VIX options customer transactions, (iv) increase the SPX (and SPX Range Options) license fee, (v) amend the Liquidity Provider Sliding Scale, (vi) adopt a new CMI CAS Server allotment regime and fee for an extra CMI CAS Server, (vii) increase CRD fees (pursuant to FINRA increases), and (viii) decrease booth rental fees.¹ Any questions regarding the rule change may be directed to Jeff Dritz, Legal Division, at 312-786-7070. The rule filing is available at <http://www.cboe.com/publish/RuleFilingsSEC/SR-CBOE-2013-002.pdf>.

SR-CBOE-2013-003 Fees Schedule

On January 7, 2013, the Exchange filed Rule Change File No. SR-CBOE-2013-003, which filing proposes to amend the CBOE Fees Schedule to adopt a VIX Options Sliding Scale that will allow VIX options transaction fees to be reduced for Clearing Trading Permit Holder proprietary orders, provided the Clearing Trading Permit Holder reaches certain VIX options trading volume in a given month.² Any questions regarding the rule change may be directed to Jeff Dritz, Legal Division, at 312-786-7070. The rule filing is available at <http://www.cboe.com/publish/RuleFilingsSEC/SR-CBOE-2013-003.pdf>.

¹ Rule Change File No. SR-CBOE-2013-002 replaces Rule Change File No. SR-CBOE-2012-128, which was included in the December 28, 2012 Bulletin.

² Rule Change File No. SR-CBOE-2013-003 replaces Rule Change File No. SR-CBOE-2012-129, which was included in the December 28, 2012 Bulletin.

SR-CBOE-2013-004 Fees Schedule

On January 7, 2013, the Exchange filed Rule Change File No. SR-CBOE-2013-004, which filing proposes to amend the CBOE Fees Schedule to (i) convert the Volume Incentive Program (“VIP”) from being based on nominal customer contracts-per-day thresholds to a relative contracts-per-month threshold structure that uses the TPH’s percentage of national customer volume in multiply-listed options monthly to determine his credit under the VIP, (ii) amend the different fees in the VIP, (iii) adopt a \$0.10-per-contract credit for the electronic execution of each leg of a customer complex order in multiply-listed options, and (iv) adopt a \$0.10-per-contract surcharge for the electronic execution of each leg of a complex order in multiply-listed options that executes against a customer complex order.³ Any questions regarding the rule change may be directed to Jeff Dritz, Legal Division, at 312-786-7070. The rule filing is available at <http://www.cboe.com/publish/RuleFilingsSEC/SR-CBOE-2013-004.pdf>.

³ Rule Change File No. SR-CBOE-2013-004 replaces Rule Change File No. SR-CBOE-2012-130, which was included in the December 28, 2012 Bulletin.

BUSINESS CONDUCT COMMITTEE DECISIONS

At its meeting on December 6, 2012, the Business Conduct Committee (“BCC”) resolved the following disciplinary matters by accepting two Offers of Settlement and four Letters of Consent, in which the Respondents and Subjects, respectively, consented to stipulations of facts and findings as detailed below without admitting or denying that Exchange Rules had been violated.

In the Matter of Toro Trading, LLC; File No. 12-0012 (Offer of Settlement, Decision issued December 20, 2012)

Toro Trading, LLC (“Toro Trading”), an Exchange Trading Permit Holder, was censured and fined \$25,000 for the following conduct. Toro Trading’s written aggregation unit plan assigned two traders to more than one aggregation unit at the same time. Toro Trading failed close-out for ten fail-to-deliver positions within the required timeframe. In addition, Toro Trading failed to notify its clearing firm that it did not perform the close-outs and that it had become subject to the pre-borrow requirement for the positions that were not closed out within the required timeframe. (Exchange Rule 4.2 - Adherence to Law and 15.1 – Maintenance, Retention and Furnishing of Books, Records and Other Information; and Regulation SHO, promulgated under the Securities Exchange Act of 1934, as amended (“the Act”) and Rules 200 – Definition of “Short Sale” and Marking Requirements and 204 – Close-Out Requirement thereunder.)

In the Matter of Belvedere Trading, L.L.C.; Consolidated File Nos. 12-0058 and 12-0077 (Offer of Settlement and Letter of Consent, Decision issued December 20, 2012)

Belvedere Trading, L.L.C. (“Belvedere”), an Exchange Trading Permit Holder, was censured and fined \$12,500 for the following conduct. Belvedere failed to designate a Chief Compliance Officer on Schedule A of Form BD in a timely manner.¹ In addition, Belvedere failed to maintain some of its electronic communications, including instant messages, in a Write Once–Read Many (“WORM”) format. Belvedere also failed to obtain a third party undertaking letter from one of its vendors pertaining to the use of its electronic communications. (Exchange Rules 3.6A - Qualification and Registration of Trading Permit Holders and Associated Persons 4.2 – Adherence to Law and 15.1 – Maintenance, Retention and Furnishing of Books, Records and Other Information; and Section 17(a) Securities and Exchange Act of 1934, as amended (the “Act”) and Rule 17a-4 – Records to be Preserved by Certain Exchange Members, Brokers and Dealers thereunder.)

In the Matter of AOS, Inc. d/b/a Trading Block; File No. 12-0028 (Letter of Consent, Decision issued December 20, 2012)

AOS, Inc. (“AOS”), an Exchange Trading Permit Holder, was censured and fined \$5,000 for the following conduct. AOS failed to register with the Exchange 3 of 9 associated persons by January 11, 2011. (Exchange Rules 3.6A – Qualification and Registration of Certain Associated Person and 15.1 – Maintenance, Retention and Furnishing of Books, Records and Other Information.)

In the Matter of Diligentia Capital, LLC; File No. 12-0067 (Letter of Consent, Decision issued December 20, 2012)

¹Belvedere designated its Chief Compliance Officer on Schedule A of Form BD on September 1, 2011.

Diligentia Capital, LLC. (“Diligentia”), an Exchange Trading Permit Holder, was censured and fined \$2,500 for the following conduct. Diligentia failed to designate a Chief Compliance Officer on Schedule A of Form BD in a timely manner.² (Exchange Rules 3.6A - Qualification and Registration of Trading Permit Holders and Associated Persons and 15.1 – Maintenance, Retention and Furnishing of Books, Records and Other Information.)

In the Matter of Brandt Equities, L.L.C.; File No. 12-0068 (Letter of Consent, Decision issued December 20, 2012)

Brandt Equities, L.L.C. (“Brandt”), an Exchange Trading Permit Holder, was censured and fined \$2,500 for the following conduct. Brandt failed to designate a Chief Compliance Officer on Schedule A of Form BD in a timely manner.³ (Exchange Rules 3.6A - Qualification and Registration of Trading Permit Holders and Associated Persons and 15.1 – Maintenance, Retention and Furnishing of Books, Records and Other Information.)

² Diligentia designated its Chief Compliance Officer on Schedule A of Form BD on December 16, 2011.

³ Brandt designated its Chief Compliance Officer on Schedule A of Form BD on June 15, 2012.