CBOE EXECUTE SUCCESS℠

EXCHANGE BULLETIN

January 18, 2013 Volume 41, Number 03

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 1/10/2012 through 1/16/2013

TRADING PERMIT APPLICATIONS RECEIVED FOR WHICH BULLETIN PUBLICATION IS REQUIRED

Individual Applicants

Jacob T. Shapiro
Susquehanna Securities
175 W. Jackson Blvd., Suite 1700
Chicago, IL 60604

TPH Organization Applicants

BMO Capital Markets Corp.
3 Times Square
New York, NY 10036
Patti L. Behnke - Chief Financial Officer
BMO Financial Corp. - Shareholder
Bank of Montreal - Shareholder
Peter C. Hinman - Director and Chief Operating Officer
Perry C. Hoffmeister - Director
Keith C. Leavy - Chief Compliance Officer
Michael J. Miller - Director
Lucas R. Seabrook - Director
Paul F. Secchia - Director
Alan Tannenbaum - Director
Eric C. Tripp - Director
Michael G. Zeiss - Managing Director and Chief Legal Officer

TERMINATIONS

Individuals

Nominee:	Termination Date
Michael R. Kay (MKA) TradeLink LLC	1/10/13
James C Lavery (JCL) PTR, Incorporated	1/11/13

EFFECTIVE TRADING PERMIT HOLDERS

Individuals

Nominee:	Effective Date
Bernard D Schwartz (BSC) **Ronin Capital LLC** Type of Business to be Conducted: Market Maker	1/10/13
Ruimeng Shen (RUI) **Toro Capital Management LLC** Type of Business to be Conducted: Market Maker	1/11/13
Michael R. Kay (MKA) **XR Securities LLC** Type of Business to be Conducted: Market Maker	1/14/13

EFFECTIVE TRADING PERMIT HOLDERS

Individuals

Nominee:	Effective Date
Michael S Sours (SRS) Trinity Executions, LLC Type of Business to be Conducted: Floor Broker	1/15/13
Sanjay Tolia Bengal Capital Trading LLC Type of Business to be Conducted: Proprietary Trading Permit Holder	1/15/13

TPH Organizations

Bengal Capital Trading LLC Type of Business to be Conducted: Proprietary Trading Permit Holder	1/15/13

Research Circulars

The following Research Circulars were distributed between January 11, 2013 and January 17, 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 #RS13-020
January 11, 2013
*****CORRECTION*****CORRECTION*****CORRECTION****
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 #RS13-022
January 11, 2013
*****CORRECTION*****CORRECTION*****CORRECTION****
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 #RS13-023
January 14, 2013
Direct Markets Holdings Corp. ("MKTS")
Stock and Option Symbol Change to "MKTSQ"
Effective Date: January 15, 2013

Research Circular #RS13-024
January 16, 2013
Companhia de Saneamento Basico do Estado de Sao Paulo - SABESP ("SBS")
2-for-1 ADS Split
Ex-Distribution Date: January 24, 2013

Research Circular #RS13-026
January 17, 2013
SEACOR Holdings Inc. ("CKH")
Distribution of Shares of
Era Group Inc. ("ERA")
Ex-Distribution Date: February 1, 2013

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REGULATORY BULLETIN

January 18, 2013 Volume RB24, Number 3

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 RG13-011

Date: January 15, 2013
To: Trading Permit Holders
From: Regulatory Services Division
RE: Multi-Class Broad-Based Index Spread Orders

Certain clarifying changes and obligations under CBOE Rule 24.19 (Multi-Class Broad-Based Index Spread Options) have recently become operative. These changes were made pursuant to Rule Change Filing No. SR-CBOE-2012-117, which is available for review on CBOE's website (www.cboe.org/legal).

Specifically, the following changes were made:

1) The rule was amended to clarify that the term "Multi-Class Broad-Based Index Option Spread Order" may refer to either an order **or** a quote;
2) The rule was amended to include *appropriate Exchange staff* (e.g., PAR Officials or Trading Officials) as a Recipient for whom the Trading Permit Holder ("TPH") initiating the Multi-Class Spread Order must contact at the other trading station (hereinafter referred to as "Secondary Trading Station");[1]
3) The rule was amended to clarify that the Recipient (OBO, DPM or appropriate Exchange staff) in the Secondary Trading Station must verbalize the terms of the Multi-Class Spread Order to the trading crowd; and
4) The rule was amended to codify the obligation of the Recipient (OBO, DPM, or appropriate Exchange staff) in the Secondary Trading Station to properly document the terms of the order. The Recipient must also maintain such record in a manner in which it can be reasonably accessed and provided for upon request by the CBOE Regulatory Services Division.

[1] Pursuant to paragraph (b)(i) of Rule 24.19, immediately after the order is announced at the Primary Trading Station, or concurrent with the announcement, the TPH initiating the order must contact an OBO, the DPM, or appropriate Exchange staff, as applicable, at the Secondary Trading Station to have a notice of such order disseminated to the other trading crowd.

In order to contact the appropriate Exchange staff Recipient, immediately after the order is announced at the primary trading station or concurrent with the announcement, the TPH must call Ext. 4848 to have a notice of such order disseminated promptly to the Secondary Trading Station. Such notice shall be disseminated by the Recipient, who shall verbalize the terms of the order to the other trading crowd, as well as specify a contact person and a telephone number where the TPH representing the order may be reached at the Primary Trading Station. As noted above, the Recipient shall also document the terms of the order.

Additional Information:

Please refer to Rule 24.19 and SR-CBOE-2012-117 for further information. Please refer to Regulatory Circular RG12-113 for the complete list of classes currently eligible to participate in the multi-class broad-based index spread orders program under Rule 24.19. Please contact the Regulatory Interpretations and Guidance team at RegInterps@cboe.com or (312) 786-8141 for any additional information.

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-2012-094 Issuer Compensation Committees

On January 11, 2013, the SEC approved Rule Change File No. SR-CBOE-2012-094, which filing updates the Exchange's listing rules to conform with a new SEC rule. New SEC Rule 10C-1 requires exchanges to adopt new standards regarding compensation committees of issuers who do original listing of stock on those exchanges. While CBOE (and CBSX) does not have any issuers that originally list stock on the Exchange, the Exchange does have listing rules, and has updated them to conform with this new rule. Any questions regarding the rule change may be directed to Jeff Dritz, Legal Division, at 312-786-7070. The rule text is shown below and the rule filing is available at http://www.cboe.com/publish/RuleFilingsSEC/SR-CBOE-2012-094.pdf.

Rule 31.10. Corporate Governance
(a)-(b) No Change
(c) Compensation of Officers

(1) Compensation of all[the chief] executive officers of the company must be determined, or recommended to the board for determination, [either] by a compensation committee. For purposes of this Rule 31.10, the term "compensation committee" shall mean:

(A) a committee of the board of directors that is designated as the compensation committee; or

(B) in the absence of a committee of the board of directors that is designated as the compensation committee, a committee of the board of directors performing functions typically performed by a compensation committee, including oversight of executive compensation, even if it is not designated as the compensation committee or also performs other functions; or

(C) in the absence of a committee as described in paragraphs (c)(1)(A) or (B) of this Rule 31.10, the members of the board of directors who oversee executive compensation matters on behalf of the board of directors.

(2) All members of a compensation committee must be "independent directors" as defined in this Rule 31.10(h)(2). If a member of a compensation committee ceases to be an "independent director" for reasons outside of that member's reasonable control, that person may remain a compensation committee member until the earlier of the next annual shareholders meeting of the issuer or one year from the occurrence of the event that caused the member to no longer be an "independent director". An issuer relying on this provision must provide notice to the Exchange immediately upon learning of the event or circumstance that caused the member to cease to be an "independent director".[:

(A) a majority of the independent directors; or

(B) a compensation committee comprised solely of independent directors. The chief executive officer may not be present during voting or deliberations.

(2) Compensation of all other executive officers must be determined, or recommended to the board for determination, either by

(A) a majority of the independent directors; or

(B) a compensation committee comprised solely of independent directors.]

(3) The executive officer for whom compensation is being determined may not be present during voting or deliberations regarding compensation of that executive officer.

[(3) Notwithstanding paragraphs (c)(1)(B) and (c)(2)(B) above, if the compensation committee is comprised of at least three members, one director, who is not independent as defined in Rule 31.10(h)(2) and is not a current officer or employee or a family member of an officer or employee, may be appointed to the compensation committee if the board, under exceptional and limited circumstances, determines that such individual's membership on the committee is required by the best interests of the company and its shareholders, and the board discloses, in the proxy statement for the next annual meeting subsequent to such determination (or, if the issuer does not file a proxy, in its Form 10-K or 20-F), the nature of the relationship and the reasons for the determination. A member appointed under this exception may not serve longer than two years.]

(d)-(e) No Change

(f) Exemptions

(1) No change.

(2) *Registered Management Investment Companies.* Management investment companies registered under the Investment Company Act of 1940 are exempt from the requirements of Rules 31.10(a), (c), (d) and (e). Such companies are otherwise required to comply with the remainder of Rule 31.10, except that open-end management investment companies are required to comply with Rule 31.10(b) only to the extent required by Exchange Act Rule 10A-3. In addition, open-end management investment companies must comply with the provision of Rule 31.10(b)(2) requiring audit committees of investment companies to establish procedures for the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters by employees of the investment adviser, administrator, principal underwriter, or any other provider of accounting related services for the investment company, as well as employees of the investment company. This responsibility must be addressed in the audit committee charter. The exemption of management investment companies from the requirements of Rule 31.10(c) shall be controlling over any other potentially-conflicting exemptions that may arise under this Rule 31.10(f)(6).

(3) – (5) No change.

(6) *Additional Exemptions.* In addition to the exemptions listed in this paragraph (f), the categories of issuers listed in §240.10C-1(b)(1)(iii)(A)(1)-(4) of the Securities Exchange Act of 1934 are also exempt from the requirements Rule 31.10(c)(2).

(g)-(i) No change.

. . . Interpretations and Policies:

.01-.10 No Change

.11 Compensation Consultants, Independent Legal Counsel and Other Compensation Advisors

(a) *Authority to retain compensation consultants, independent legal counsel and other compensation advisers.*

(1) The compensation committee of an issuer, in its capacity as a committee of the board of directors, may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser.

(2) The compensation committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel and other adviser retained by the compensation committee.

(3) Nothing in this Interpretation and Policy .11 to Rule 31.10 shall be construed:

(A) To require the compensation committee to implement or act consistently with the advice or recommendations of the compensation consultant, independent legal counsel or other adviser to the compensation committee; or

(B) To affect the ability or obligation of a compensation committee to exercise its own judgment in fulfillment of the duties of the compensation committee.

(b) *Funding.* Each listed issuer must provide for appropriate funding, as determined by the compensation committee, in its capacity as a committee of the board of directors, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other adviser retained by the compensation committee.

(c) *Independence of compensation consultants and other advisers.* The compensation committee of a listed issuer may select a compensation consultant, legal counsel or other adviser to the compensation committee only after taking into consideration the following factors:

(1) The provision of other services to the issuer by the person that employs the compensation consultant, legal counsel or other adviser;

(2) The amount of fees received from the issuer by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;

(3) The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;

(4) Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee;

(5) Any stock of the issuer owned by the compensation consultant, legal counsel or other adviser; and

(6) Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive office of the issuer.

A compensation committee must consider the above factors with respect to any compensation consultant, legal counsel or other advisor that provides advice to the compensation committee (other than in-house legal counsel).

(d) The requirements of this section shall not apply to:

(1) Any controlled company or to any smaller reporting company.

(2) The listing of a security futures product cleared by a clearing agency that is registered pursuant to section 17A of the Act (15 U.S.C. 78q-1) or that is exempt from the registration requirements of section 17A(b)(7)(A) (15 U.S.C. 78q-1(b)(7)(A)).

(3) The listing of a standardized option, as defined in § 240.9b-1(a)(4), issued by a clearing agency that is registered pursuant to section 17A of the Act (15 U.S.C. 78q-1).

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-2013-005 MDX Data Feeds

On January 11, 2013, the Exchange filed Rule Change File No. SR-CBOE-2013-005, which filing proposes to identify certain additional market data made available by Market Data Express, LLC ("MDX") as part of the CBOE BBO Data Feed and as a separate data feed. Any questions regarding the rule change may be directed to Jaime Galvan, Legal Division, at 312-786-7058. The rule filing is available at http://www.cboe.com/publish/RuleFilingsSEC/SR-CBOE-2013-005.pdf.

SR-CBOE-2013-006 Pre-Opening Information

On January 17, 2013, the Exchange filed Rule Change File No. SR-CBOE-2013-006, which filing proposes to amend Rule 6.2B, *Hybrid Opening System ("HOSS")*, regarding the dissemination of certain pre-opening information. 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-2013-006.pdf.

Rule 6.2B. Hybrid Opening System ("HOSS")

(a) *Pre-Opening Period:* For a period of time before the opening of trading in the underlying security or, in the case of index options, prior to 8:30 a.m. (all times are CT) (as determined by the Exchange on a class-by-class basis), the System will accept orders and quotes.

(i) No change.

(ii) At specified intervals of time that will be [announced to Trading Permit Holders] determined by the Exchange, the System will disseminate [to market participants (as defined in Rule 6.45A or 6.45B)] information about resting orders in the Book that remain from the prior business day and any orders and quotes submitted before the opening, including the expected opening price ("EOP") and expected opening size ("EOS") given the current resting orders and quotes to all users that have elected to receive such information. The EOP is the price at which the greatest number of orders and quotes in the Book are expected to trade. An EOP may only be calculated if: (i) there are market orders in the Book, or the Book is crossed (highest bid is higher than the lowest offer) or locked (highest bid equals the lowest offer), and (ii) at least one quote is present.

(b) – (h) No change.

… Interpretations and Policies: No change.

SR-CBOE-2013-008 Preferred Market-Makers

On January 11, 2013, the Exchange filed Rule Change File No. SR-CBOE-2013-008, which filing proposes to exclude Long-Term Equity Options Series ("LEAPS") from the continuous quoting obligation of Preferred Market-Makers and to clarify that Preferred Market-Makers that elect to quote in a LEAPS series in their preferred classes may still receive a participation entitlement in that series. Any questions regarding the rule change may be directed to Laura Dickman, Legal Division, at 312-786-7572. The rule text is shown below and the rule filing is available at http://www.cboe.com/publish/RuleFilingsSEC/SR-CBOE-2013-008.pdf.

Rule 8.13. Preferred Market-Maker Program

(a) *Generally.* The Exchange may allow, on a class-by-class basis, for the receipt of marketable orders, through the Exchange's Order Routing System when the Exchange's disseminated quote is the NBBO, that carry a designation from the Trading Permit Holder transmitting the order that specifies a Market-Maker in that class as the "Preferred Market-Maker" for that order. A qualifying recipient of a Preferred Market-Maker order shall be afforded a participation entitlement as set forth in subparagraph (c) below.

(b) *Eligibility.* No change.

(c) *Entitlement Rate.* No change.

(d) *Quoting Obligations*: The Preferred Market-Maker must comply with the quoting obligations applicable to its Market-Maker type under Exchange rules and must provide continuous electronic quotes (as defined in Rule 1.1(ccc)) in at least the lesser of 99% of the non-adjusted option series that have a time to expiration of less than nine months or 100% of the non-adjusted option series that have a time to expiration of less than nine months minus one call-put pair of each class for which it receives Preferred Market-Maker orders, with the term "call-put pair" referring to one call and one put that cover the same underlying instrument and have the same expiration date and exercise price.

. . . Interpretations and Policies:

.01 No change.

.02 Rule 8.13(d) does not require a Preferred Market-Maker to provide continuous electronic quotes in series that have a time to expiration of nine months or more in the classes for which it receives Preferred Market-Maker orders. However, a Preferred Market-Maker may still receive a participation entitlement in such series if it elects to quote in such series and otherwise satisfies the requirements set forth in Rule 8.13(b).

SR-CBOE-2013-009 Minimum Volume Orders

On January 16, 2013, the Exchange filed Rule Change File No. SR-CBOE-2013-009, which filing proposes to amend the Exchange Rules to codify the Minimum Volume Order. Any questions regarding the rule change may be directed to Megan Malone, Legal Division, at 312-786-7304. The rule text is shown below and the rule filing is available at http://www.cboe.com/publish/RuleFilingsSEC/SR-CBOE-2013-009.pdf.

Rule 6.44. Bids and Offers in Relation to Units of Trading

* * * * *

… Interpretations and Policies:

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.05 A minimum volume order bid or offer shall be deemed to have been made for the full size of the order or any lesser number of option contracts that is at least equal to the

minimum volume specified. Minimum volume orders and bids and offers made on a minimum volume basis shall be deemed to be all-or-none for purposes of Interpretations and Polices .01 and .03 above. To the extent available pursuant to Rule 6.53, minimum volume orders may only be made available by the Exchange for open outcry trading.

* * * * *

Rule 6.53. Certain Types of Orders Defined

One or more of the following order types may be made available on a class-by-class basis. Certain order types may not be made available for all Exchange systems. The classes and/or systems for which the order types shall be available will be as provided in the Rules, as the context may indicate, or as otherwise specified via Regulatory Circular.

(a) – (v) *No changes.*

(w) *Minimum Volume Order.* A minimum volume order is an order represented in open outcry for which an execution must at least equal the minimum volume specified. To the extent there is any remaining balance of a minimum volume order after the minimum volume is executed, the remainder will no longer have a minimum fill contingency and will be represented, in open outcry or electronically, unless cancelled by the customer. A minimum volume order that has a minimum volume size equal to the full size of the original order will be considered an all-or-none order as described in Rule 6.53(i).