



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.

Copyright © 2014 Chicago Board Options Exchange, Incorporated

Trading Permit Information for 2/13/2014 THROUGH 2/19/2014

TRADING PERMIT APPLICATIONS RECEIVED FOR WHICH BULLETIN PUBLICATION IS REQUIRED

Individual Applicants

Alex Reinstein
DRW Securities, LLC
540 W. Madison St., Suite 2500
Chicago, IL 60661

Terrance D. Gallery
optionsXpress, Inc.
311 W. Monroe, Suite 1000
Chicago, IL 60606

TERMINATIONS

Individuals

Nominee:	Termination Date
----------	------------------

Matthew P. Campbell optionsXpress Inc	2/18/14
--	---------

EFFECTIVE TRADING PERMIT HOLDERS

Individuals

Nominee:	Effective Date
----------	----------------

Michael G. Tuft (MGT) Greycliff LLC Type of Business to be Conducted: Market Maker	2/14/14
--	---------

Terrance D. Gallery optionsXpress Inc Type of Business to be Conducted: No Trade Function	2/18/14
---	---------

Research Circulars

The following Research Circulars were distributed between February 14, 2014 and February 20, 2014. 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 #RS14-090
February 14, 2014
CEC Entertainment, Inc. ("CEC"):
Merger Completed -- Cash Settlement Research Circular

Research Circular #RS14-091
February 18, 2014
CAMAC Energy Inc. ("CAK")
143.48% Common Stock Dividend
Ex-Distribution Date: February 24, 2014

Research Circular #RS14-092
February 18, 2014
Xyratex Ltd ("XRTX") Proposed Merger
with Seagate Technology International

Research Circular #RS14-093
February 18, 2014
Sterling Financial Corporation ("STSA") Proposed
Merger with Umpqua Holdings Corporation ("UMPQ")

Research Circular #RS14-097
February 20, 2014
Triangle Capital Corporation ("TCAP")
CONTRACT ADJUSTMENT FOR SPECIAL CASH DIVIDEND
Ex-Date: March 3, 2014

Research Circular #RS14-098
February 20, 2014
Vodafone Group PLC ("VOD")
Distribution of Shares of Verizon Communications Inc. ("VZ")
and VOD ADS Consolidation
Anticipated Ex-Distribution Date: February 24, 2014

Research Circular #RS14-099
February 20, 2014
Dover Corporation ("DOV")
Distribution of Shares of
Knowles Corporation ("KN")
Ex-Distribution Date: March 3, 2014

Research Circular #RS14-100
February 20, 2014
ITC Holdings Corp. ("ITC")
3-for-1 Common Stock Split
Ex-Distribution Date: March 3, 2014

February 21, 2014

Volume RB25, Number 8

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 © 2014 Chicago Board Options Exchange, Incorporated.

Regulatory Circulars

Regulatory Circular RG14-019

Date: February 14, 2014

To: Trading Permit Holders

From: Business Development Division

RE: Operational System Settings on Volatility Index Product Settlement Days

This circular replaces Regulatory Circular RG12-098

This circular announces certain operational systems settings for the option classes whose series are used to calculate the exercise price/final settlement value for expiring volatility index options and (security) futures on their respective settlement days, including changes to those settings (which will become effective on the dates set forth below). On all other trading days, these operational system settings for these classes will return to their standard levels as detailed in regulatory circulars referenced below.

Opening Process

On settlement days, all option classes whose series are used to calculate the exercise price/final settlement value for expiring volatility index derivatives will continue to use the modified Hybrid Opening System (HOSS) procedures (see CBOE Regulatory Circular [RG14-005](#)). On all other trading days, classes will continue to use either the regular HOSS process, or the Hybrid Agency Liaison Opening (HAL-O) as has been determined for each class.

Reasonability Checks

Currently, incoming limit orders that are overly marketable when compared to the previous day's closing price and received in a pre-open state, or to the CBOE bid-ask and received in open state, are routed to the firm's designated booth order management terminal (see CBOE Regulatory Circular [RG13-145](#) for more details). Effective February 19, 2014, on final settlement days, orders in option classes whose series are used to calculate volatility indexes routed prior to, and shortly after, the opening will not be subject to the reasonability check. The reasonability check will be reactivated shortly after the opening.

Opening Exchange Prescribed Width (OEPW)

Option series which have quantity to trade will open only if: (A) the opening trade price is within an acceptable price range. The calculation for the acceptable price range is the midpoint of the highest quote bid and lowest quote offer plus/minus half of the OEPW; and (B) the width between the highest quote bid and lowest quote offer is no wider than the OEPW setting. On settlement days, the OEPW will be narrowed to the levels shown in the table below (see CBOE Regulatory Circular [RG13-025](#) for operational system settings on all other trading days).

Effective February 19, 2014, the OEPW parameters will be as follows:

Bid Price	SPX, SPXW, RUT and NDX		All Other Option Classes Used to Calculate Volatility Indexes	
	Final Settlement Day	Non-Final Settlement Days	Final Settlement Day	Non-Final Settlement Days
0.00 – 1.99	0.60	1.00	0.30	0.50
2.00 – 5.00	1.00	1.60	0.50	0.80
5.01 – 10.00	1.20	2.00	0.60	1.00
10.01 – 20.00	1.60	4.00	0.80	1.60
20.01 – 30.00	2.40	6.00	1.00	2.00
30.01 – 50.00	3.40	6.00	1.25	3.00
50.01 – 100.00	6.00	10.00	1.50	4.00
100.01 – 200.00	10.00	16.00	2.00	6.00
> =200.01	16.00	24.00	3.00	8.00

Additional Information:

Questions regarding the operational topics in this circular may be directed to the CBOE Help Desk at 866-728-2263 or helpdesk@cboe.com. Questions regarding regulatory matters related to this circular may be directed to the Regulatory Interpretations and Guidance team at reginterps@cboe.com or (312) 786-8141.

Regulatory Circular RG14-020

Date: February 20, 2014

To: Trading Permit Holders
From: Registration Services Division
RE: Increase in Authorized Number of Trading Permits

Due to increasing demand, CBOE has determined to raise the authorized number of Market-Maker Trading Permits, as provided for under CBOE Rule 3.1, from 850 to 900. With this change, the authorized number of trading permits is as follows:

- 900 Market-Maker Trading Permits
- 150 Floor Broker Permits
- 150 Electronic Access Permits

The authorized number of market maker tier appointments remains unchanged as follows:

- 225 SPX Tier Appointments
- 70 VIX Tier Appointments

To the extent that there are available trading permits and tier appointments, they will be issued based on order-in-time priority to any Trading Permit Holder or party approved to become a Trading Permit Holder that applies. CBOE will maintain a waiting list to the extent that there are trading permit and tier appointment requests in excess of the applicable limit.

Additional Information:

Any questions regarding this circular may be directed to Stan Leimer, Director, Registration Services Department, at (312) 786-7299 or Leimer@cboe.com or Regina Millison, Manager, Registration Services Department, at (312) 786-7452 or millison@cboe.com.

Regulatory Circular RG14-021

Date: February 20, 2014

To: Trading Permit Holders

From: Registration Services Department

RE: Elimination of the Exchange Bulletin

CBOE recently submitted a rule change to eliminate the requirement to publish certain administrative and regulatory information in the weekly Exchange Bulletin. As a result, publication of the Exchange Bulletin in its entirety will cease following its issuance on February 21, 2014. Certain information, such as notice of proposed transfers of DPM appointments and complete hearing decisions issued by the Business Conduct Committee will continue to be made available via the CBOE website (See <https://www.cboe.org/members/generalinfo/dpm.aspx> and <http://www.cboe.com/aboutCBOE/legal/disciplinary.aspx>, respectively). For additional information, please see rule filing [SR-CBOE-2014-009](#).

Additional Information:

Any questions regarding this circular may be directed to Stan Leimer, Director, Registration Services Department, at (312) 786-7299 or Leimer@cboe.com or Corinne Klott, Attorney, CBOE Legal Division, at (312) 786-7793 or klott@cboe.com.

Rule Changes

PROPOSED RULE CHANGE(S)

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"), and Rule 19b-4 thereunder, the Exchange has filed the following proposed rule change(s) with the Securities and Exchange Commission ("SEC"). Below, any additions to rule text are underlined and any deletions are [bracketed]. Copies of the rule change filing(s) are available at www.cboe.org/legal/submittedsecfilings.aspx. Trading Permit Holders may submit written comments to the Legal Division.

The effective date of a proposed rule change will be the date of approval by the SEC, unless otherwise noted.

SR-CBOE-2014-014 AIM and SAM

On February 12, 2014, the Exchange filed Rule Change File No. SR-CBOE-2014-014, which filing proposes to permit Market-Makers to be solicited on orders in their assigned classes for the Automated Improvement Mechanism ("AIM") and the Solicitation Auction Mechanism ("SAM"). 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-2014-014.pdf>.

Rule 6.74A. Automated Improvement Mechanism ("AIM")

* * * * *

... Interpretations and Policies:

* * * * *

.04 Any solicited orders submitted by the Initiating Trading Permit Holder to trade against the Agency Order may [not] be for the account of a Market-Maker assigned to the option class. In such a case, the Trading Permit Holder entering the order must enter the solicited Market-Maker or account of the solicited Market-Maker, and the Exchange will reject an auction response if the Market-Maker or associated account on the auction response matches that on the solicited order.

* * * * *

Rule 6.74B. Solicitation Auction Mechanism

* * * * *

... Interpretations and Policies:

* * * * *

.03 Under Rule 6.74B, Trading Permit Holders may enter contra orders that are solicited. The Auction provides a facility for Trading Permit Holders that locate liquidity for their customer orders. Trading Permit Holders may not use the Auction to circumvent Rules 6.45A.01, 6.45B.01 or 6.74A limiting principal transactions. This may include, but is not limited to, Trading Permit Holders entering contra orders that are solicited from (a) affiliated broker-dealers, or (b) broker-dealers with which the Trading Permit Holder has an arrangement that allows the Trading Permit Holder to realize similar economic benefits from the solicited transaction as it would achieve by executing the customer order in whole or in part as principal. Additionally, solicited contra orders entered by Trading Permit Holders to trade against Agency Orders may [not] be for the account of a CBOE Market-Maker assigned to the options class. In such a case, the Trading Permit Holder entering the order must enter the solicited Market-Maker or account of the solicited Market-Maker, and the Exchange will reject an auction response if the Market-Maker or associated account on the auction response matches that on the solicited order.

SR-CBOE-2014-017 COA

On February 19, 2014, the Exchange filed Rule Change File No. SR-CBOE-2014-017, which filing proposes to amend Rule 6.53C to require all complex orders in Hybrid classes with three or more legs to be subject to a complex order RFQ auction (“COA”). 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-2014-017.pdf>.

Rule 6.53C. Complex Orders on the Hybrid System

(a) Definition: No change.

(b) Types of Complex Orders: No change.

(c) Complex Order Book

No change.

(d) Process for Complex Order RFR Auction: Prior to routing to the COB or once on PAR, eligible complex orders may be subject to an automated request for responses (“RFR”) auction process.

(i) For purposes of paragraph (d):

(1) “COA” is the automated complex order RFR auction process.

(2) A “COA-eligible order” means a complex order that, as determined by the Exchange on a class-by-class basis, is eligible for a COA considering the order’s marketability (defined as a number of ticks away from the current market), size, complex order type (as defined in paragraphs (a) and (b) above) and complex order origin types (as defined in subparagraph (c)(i) above). Complex orders processed through a COA may be executed without consideration to prices of the same complex orders that might be available on other exchanges.

(ii) Initiation of a COA: On receipt of (1) a COA-eligible order with two legs and request from the Trading Permit Holder representing the order or the PAR operator handling the order, as applicable, that it be COA’d or (2) a complex order with three or more legs, regardless of the order’s routing parameters or handling instructions (except for orders routed for manual handling), the [Exchange]System will send an RFR message to all Trading Permit Holders who have elected to receive RFR messages. The System will reject back to a Trading Permit Holder any complex order with three or more legs that includes a request pursuant to Interpretation and Policy .04 that the order not COA. Any complex order with three or more legs on PAR will COA even if the PAR operator requests that the order not COA. The RFR message will identify the component series, the size and side of the market of the COA-eligible order and any contingencies, if applicable.

(iii) – (ix) No change.

... Interpretations and Policies:

.01 – .09 No change.

.10 Execution of Complex Orders in Hybrid 3.0 Classes: For each class trading on the Hybrid 3.0 Platform, the Exchange may determine to not allow marketable complex orders entered into COB and/or COA to automatically execute against individual quotes residing in the EBook. The Exchange also may determine for each class trading on the Hybrid 3.0 Platform to not allow leg orders to be generated pursuant to paragraph (c)(iv) for complex orders resting in the COB. The allocation of such marketable complex orders against orders residing in the EBook and other complex orders shall be based on the best net price(s) and, at the same net price, multiple orders will be allocated as provided in paragraphs (c) and/or (d) in the Rule, as applicable, subject to the following:

(a) – (d) No change.

(e) On receipt of any COA-eligible order, the Exchange will send an RFR message to all Trading Permit Holders who have elected to receive RFR messages. The RFR message will identify the component series, the size and side of the market of the COA-eligible order and any contingencies, if applicable.

.11 – .12 No change.