EXECUTE SUCCESS℠

EXCHANGE BULLETIN

October 25, 2013 Volume 41, Number 43

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 10/17/2013 through 10/23/2013

TERMINATIONS

Individuals

Nominee:	Termination Date
Paul R Demmel **Allston Trading LLC**	**10/17/13**

Research Circulars

The following Research Circulars were distributed between October 22, 2013 and October 25, 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 #RS13-571
October 22, 2013
SHFL entertainment, Inc. ("SHFL") Proposed Merger
with Bally Technologies, Inc. ("BYI")

Research Circular #RS13-572
October 22, 2013
Dole Food Company, Inc. ("DOLE") Proposed Merger
with DFC Holdings, LLC

Research Circular #RS13-576
October 24, 2013
Pharmaceuticals, Inc. ("OPTR") Merger COMPLETED
with Cubist Pharmaceuticals, Inc. ("CBST")

Research Circular #RS13-577
October 24, 2013
Thor Industries, Inc. ("THO")
CONTRACT ADJUSTMENT FOR SPECIAL CASH DIVIDEND
Ex-Date: November 1, 2013

Research Circular #RS13-578
October 24, 2013
Clear Channel Outdoor Holdings, Inc. Class A ("CCO")
CONTRACT ADJUSTMENT FOR SPECIAL CASH DIVIDEND
Ex-Date: November 12, 2013

Research Circular #RS13-579
October 25, 2013
Boise Inc. ("BZ"):
Merger Completed -- Cash Settlement

October 25, 2013 Volume RB24, Number 43

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Regulatory Circulars

Regulatory Circular RG13-131

Date: October 18, 2013

To: Trading Permit Holders
From: Regulatory Services Division
RE: Not Held Orders

This Regulatory Circular reminds Trading Permit Holders ("TPHs") of certain requirements for handling Not Held Orders. According to Exchange Rule 6.53(g) a Not Held Order is an order marked "not held", "take time" or which bears any qualifying notation giving discretion as to the price or time at which such order is to be executed. It is the TPH's responsibility to ensure that a Not Held Order is appropriately marked in accordance with Rule 6.53(g). Within CBOE, Not Held Orders have a Contingency Type of 7 or 8. Any order that is not appropriately marked will not be treated as a Not Held Order when such order is evaluated for purposes of determining whether the order was handled in accordance with Exchange Rules.

Additional Information:
Please contact the Regulatory Interpretations and Guidance team at RegInterps@cboe.com or (312) 786-8141 for additional information.

CBOE Regulatory Circular RG13-132
C2 Regulatory Circular RG13-050

Date: October 21, 2013

To: Trading Permit Holders
From: Regulatory Services Division
RE: Exercises of Expiring Option Contracts for Position Limit Purposes

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The Options Clearing Corp. ("OCC") does not accept exercise instructions for expiring option contracts on the final day of trading of such option. However, the Exchange has determined that a Trading Permit Holder ("TPH") or customer may irrevocably exercise near-term, in-the-money expiring option positions on this day to eliminate such positions from their account for position limit purposes. A position is considered irrevocably exercised at the time an irrevocable exercise instruction memorandum ("irrevocable memorandum") is prepared and time stamped. Therefore, any TPH or customer with an overall position near the applicable limit on the final day of trading of an expiring option may prepare and time stamp an irrevocable memorandum for their near-term, in-the-money expiring options to enable an increase in their overall position. An irrevocable memorandum must be completed prior to establishing additional positions that would otherwise put the account over the position limit. It is important to note that the irrevocable memorandum must be completed, even though the position may be subject to the OCC's exercise-by-exception process. Only those near-term expiring option contracts indicated on the irrevocable memorandum which are actually exercised will be eliminated from the account for position limit purposes.

To be applied against a position for position limit purposes, a copy of the irrevocable memorandum must be submitted to the Department of Market Regulation, at irrevocableexercise@cboe.com, no later than the Monday following expiration. A copy of the irrevocable memorandum must also be maintained by both the entering and clearing TPH for the appropriate amount of time in accordance with SEC rules.

Additional Information:
Please contact the Regulatory Interpretations and Guidance team at RegInterps@cboe.com or (312) 786-8141 for additional information.

(CBOE Regulatory Circular RG01-02, Revised)

Regulatory Circular RG13-133

Date: October 22, 2013

To: Trading Permit Holders
From: Member Firm Regulation
RE: Continuing Education Firm Element Advisory

The Securities Industry/Regulatory Council on Continuing Education ("Council") publishes a Firm Element Advisory ("FEA"), as a guide for Trading Permit Holders (TPH) and TPH Organizations to utilize when developing their continuing education Firm Element Training for covered registered persons and their supervisors. The Council has updated the FEA for firms to use in identifying topics to include in their Firm Element Training. Topics added to the FEA since the prior publications have been identified as such.

FEA topics are not exhaustive and are intended for consideration for inclusion in training plans by firms. Each firm should consider whether a FEA topic is relevant, bearing in mind the specific nature of their business, clients, products and services.

The updated FEA, as well as previous editions, can be accessed on the Council's website at: http://www.cecouncil.com/publications/council_publications/

Additional Information:

Questions concerning this Regulatory Circular can be directed to the Regulatory Interpretations and Guidance line at (312) 786-8141 or RegInterps@cboe.com.

CBOE Regulatory Circular RG13-134
C2 Regulatory Circular RG13-052

Date: October 24, 2013

To: CBOE, C2, and CBSX Trading Permit Holders
From: Regulatory Services Division
RE: New SEC Rules: Financial Responsibility and Broker-Dealer

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In two separate rulemakings, the SEC has adopted amendments to the net capital, customer protection, books and records, and notification rules (SEA Rules 15c3-1, 15c3-1a, 15c3-3, 15c3-3a, 17a-3, 17a-4, and 17a-11), and has amended annual reporting and audit requirements under SEA Rule 17a-5. Among other things, the new rules establish a new Form Custody that all registered broker-dealers must file at specific times with their designated examining authority.

The Federal Register notices for the new rules are available at:

http://www.gpo.gov/fdsys/pkg/FR-2013-08-21/pdf/2013-18734.pdf

http://www.gpo.gov/fdsys/pkg/FR-2013-08-21/pdf/2013-18738.pdf

On October 17, 2013, the SEC issued an order that temporarily exempts broker-dealers until March 3, 2014 from the requirements of the following new amendments to the broker-dealer financial responsibility rules adopted in the Exchange Act Release No. 70072:

- Rule 15c3-3, except paragraph (j)(1);
- Rule 15c3-3a;
- Rule 17a-3;
- Rule 17a-4; and
- Paragraph (c)(2)(iv)(E)(2) of Rule 15c3-1.

The SEC's order is available at www.sec.gov/rules/exorders/2013/34-70701.pdf

Additional Information:
Please contact the Regulatory Interpretations and Guidance team at RegInterps@cboe.com or (312) 786-8141 for additional information.

BUSINESS CONDUCT COMMITTEE DECISIONS

At its meeting on October 9, 2013, the Business Conduct Committee ("BCC") resolved the following disciplinary matters by accepting 6 Offers of Settlement, and 2 Letters of Consent in which the Respondent and/or Subject 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. 13-0024 (Offer of Settlement, Decision issued October 16, 2013).
Toro Trading, LLC ("Toro Trading"), an Exchange TPH organization, was censured and fined $20,000 for the following conduct. In or about October 2012, in multiple option classes on several trade dates, Toro Trading failed to maintain a continuous, two-sided market in 90% of the non-adjusted option series of each multiply-listed option class and 100% of the non-adjusted option series of each singly-listed option class. (Exchange Rule 8.85 – DPM Obligations)

In the Matter of Hard Eight Trading, LLC; File No. 13-0040 (Letter of Consent, Decision issued October 16, 2013).
Hard Eight Trading, LLC ("Hard Eight"), an Exchange TPH organization, was censured and fined $15,000 for the following conduct. Hard Eight failed to register and qualify one Associated Person[1] as a Proprietary Trader Principal (TP) in WebCRD. Additionally, Hard Eight failed to register and qualify three Associated Persons as Proprietary Traders (PT) in WebCRD. Hard Eight also failed to register one additional Associated Person as a PT in WebCRD. (Exchange Rule 3.6A - Qualification and Registration of Trading Permit Holders and Associated Persons)

In the Matter of Allston Trading LLC; File No. 13-0042 (Letter of Consent, Decision issued October 16, 2013).
Allston Trading LLC ("Allston"), an Exchange TPH organization, was censured and fined $15,000 for the following conduct. During the approximate time period from on or about February 1, 2012 through on or about May 31, 2012, Allston responded to 12,887 COA auctions receiving execution on 6,006 contracts, while not holding an appointment in the relevant option classes. In addition, Allston responded to 36 AIM auctions, receiving execution on 97 contracts, while not holding an appointment in the relevant option classes. (Exchange Rules 6.53C – Complex Orders on the Hybrid System and 6.74A – Automated Improvement Mechanism ("AIM"))

In the Matter of Chimera Securities, LLC; File No. 13-0043 (Offer of Settlement, Decision issued October 16, 2013).
Chimera Securities, LLC, ("Chimera"), a CBSX Trading Permit Holder, was censured and fined $5,000 for the following conduct. In or about August 2012, Chimera failed to obtain and review 18 of 164 personal brokerage account statements. (Exchange Rules 4.2 - Adherence to Law, 4.18 - Prevention of the Misuse of Material, Nonpublic Information and 15.1 - Maintenance, Retention and Furnishing of Books, Records and Other Information; Section 15(g) of the Securities and Exchange Act of 1934, as amended (the "Act"); and Section 17(a) of the Act and Rules 17a-3 - Records to be Made by Certain Exchange Members, Brokers and Dealers and 17a-4 - Records to be Preserved by Certain Exchange Members, Brokers and Dealers thereunder)

In the Matter of Geneva Stock, L.L.C.; File No. 13-0048 (Offer of Settlement, Decision issued October 16, 2013).
Geneva Stock, L.L.C. ("Geneva Stock"), an Exchange TPH organization, was censured and fined $10,000 for the following conduct. Geneva Stock failed to register and qualify one Associated Person as a Proprietary Trader Principal (TP) in WebCRD by November 5, 2011. (Exchange Rule 3.6A – Qualification and Registration of Trading Permit Holders and Associated Persons)

[1] Person associated with a broker or dealer as defined in the Securities Exchange Act of 1934, as amended, Section 3(a)(18).

In the Matter of Geneva Trading, LLC; File No. 13-0049 (Offer of Settlement, Decision issued October 16, 2013).
Geneva Trading, LLC ("Geneva Trading"), an Exchange TPH organization, was censured and fined $10,000 for the following conduct. Geneva Trading failed to register and qualify one Associated Person as a Proprietary Trader Principal (TP) in WebCRD by November 5, 2011. (Exchange Rule 3.6A – Qualification and Registration of Trading Permit Holders and Associated Persons)

In the Matter of Heels 27 LLC; File No. 13-0050 (Offer of Settlement, Decision issued October 16, 2013).
Heels 27 LLC ("Heels 27"), an Exchange TPH organization, was censured and fined $10,000 for the following conduct. Heels 27 failed to register and qualify one Associated Person as a Proprietary Trader Principal (TP) in WebCRD by November 5, 2011. (Exchange Rule 3.6A – Qualification and Registration of Trading Permit Holders and Associated Persons)

In the Matter of Hilltop Trading, LLC; File No. 13-0051 (Offer of Settlement, Decision issued October 16, 2013).
Hilltop Trading, LLC ("Hilltop Trading"), an Exchange TPH organization, was censured and fined $10,000 for the following conduct. Hilltop Trading failed to register and qualify one Associated Person as a Proprietary Trader Principal (TP) in WebCRD by November 5, 2011. (Exchange Rule 3.6A – Qualification and Registration of Trading Permit Holders and Associated Persons)