



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 12/5/2013 THROUGH 12/11/2013

CHANGES IN TRADING FUNCTION

Individuals	Effective Date
James W. Boland From: Nominee For CTC XS LLC; Floor Broker To: Nominee For X-Change Financial Access LLC; Floor Broker	12/9/13
Robert J. Grum From: Nominee For CTC XS LLC; Floor Broker To: Nominee For X-Change Financial Access LLC; Floor Broker	12/9/13
Timothy J Pirowski From: Nominee For CTC XS LLC; Floor Broker To: Nominee For X-Change Financial Access LLC; Floor Broker	12/9/13

Research Circulars

The following Research Circulars were distributed between December 9, 2013 and December 12, 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 #RS13-663

December 9, 2013

US Airways Group, Inc. ("LCC") Merger COMPLETED with AMR Corporation ("AAMRQ")

Research Circular #RS13-664

December 9, 2013

AMR Corporation ("AAMRQ") Merger COMPLETED with U.S. Airways Group, Inc. ("LCC")

Research Circular #RS13-665

December 9, 2013

Molex Incorporated ("MOLX") and Molex Incorporated Class A ("MOLXA") Merger COMPLETED with Koch Industries, Inc.

Research Circular #RS13-668

December 10, 2013

PIMCO 0-5 Year High Yield Corporate Bond Index Exchange-Traded Fund ("HYS")
PIMCO Total Return Exchange-Traded Fund ("BOND")
Capital Gains Distributions
Ex-Distribution Date: December 11, 2013

Research Circular #RS13-669

December 11, 2013

iStar Financial Inc. ("SFI")
Stock and Option Symbol Change to ("STAR")
Effective Date: December 19, 2013

Research Circular #RS13-670

December 11, 2013

BorgWarner Inc. ("BWA")
2-for-1 Stock Split
Ex-Distribution Date: December 17, 2013

Research Circular #RS13-671

December 11, 2013

Fiserv, Inc. ("FISV")
2-for-1 Stock Split
Ex-Distribution Date: December 17, 2013

Research Circular #RS13-672

December 11, 2013

Capitol Federal Financial, Inc. ("CFFN")
CONTRACT ADJUSTMENT FOR SPECIAL CASH DIVIDEND
Ex-Date: December 18, 2013

Research Circular #RS13-673

December 11, 2013

Direxion Daily Healthcare Bull 3x Shares Direxion ("CURE")
Direxion Daily Japan Bull 3x Shares ("JPNL")
Direxion Daily Mid Cap Bull 3x Shares ("MIDU")
Direxion Daily Small Cap Bull 3x Shares ("TNA")
Capital Gains Distributions
Ex-Distribution Date: December 12, 2013

Research Circular #RS13-674

December 12, 2013

Berry Petroleum Company Class A ("BRY")
Proposed Merger
with LinnCo, LLC ("LNCO")

Research Circular #RS13-675

December 12, 2013

Lender Processing Services, Inc. ("LPS") Proposed Merger with Fidelity National Financial, Inc. Class A ("FNF")

Research Circular #RS13-676

December 12, 2013

Lannett Company, Inc. ("LCI")
To Move To and Begin Trading on the NYSE
Effective Date: December 13, 2013

December 13, 2013

Volume RB24, Number 50

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Regulatory Circulars

Regulatory Circular RG13-157

Date: December 9, 2013**To: CBOE and CBSX Trading Permit Holders****From: Legal Division and Regulatory Services Division****RE: Regulatory Independence and Communications Regarding Regulatory Matters**

The purpose of this circular is to remind Trading Permit Holders (“TPHs”) of two formal Regulatory Independence Policies¹ adopted by the Boards of CBOE Holdings, Inc. (“CBOE Holdings”), Chicago Board Options Exchange, Incorporated (“CBOE”) and C2 Options Exchange, Incorporated (“C2”) that apply with respect to CBOE, C2 and CBOE Stock Exchange, LLC (“CBSX”). The policies are designed to ensure that the CBOE Regulatory Services Division performs its regulatory functions without regard to the actual or perceived business interests of any CBOE company² or any regulated person or entity.

Pursuant to the policies, and for the reasons discussed below, TPHs and persons associated with TPHs should not discuss issues, questions or complaints about regulatory matters with directors and non-regulatory personnel of any CBOE company.

In particular, to avoid even the appearance that the Regulatory Services Division might be influenced by business interests, and subject to certain exceptions, the policies prohibit directors and non-regulatory employees of a CBOE company from discussing any issues related to regulatory matters with CBOE regulatory personnel. In addition, directors and non-regulatory personnel of CBOE companies are prohibited from communicating with CBOE’s regulatory personnel about issues, questions or complaints that a regulated entity or person has raised about regulatory matters. Non-regulatory personnel also are prohibited from providing any guidance or advice regarding a regulatory matter.

As defined in the policies, regulatory matters include regulatory investigations, examinations or complaints either from or about a regulated entity or person concerning existing or anticipated regulatory actions and all investigative and surveillance activities of the Regulatory Services Division. Regulatory matters do not include activities related to potential legislation, rule-making or general regulatory policies

¹ Copies of the policies can be found on the Legal and Regulatory section of the CBOE website at <http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>.

² The term “CBOE company” includes CBOE Holdings, CBOE, C2, CBSX and all other subsidiaries or affiliates of CBOE Holdings.

that do not include specific facts about existing or anticipated regulatory investigations, examinations or actions.

The following Q&A addresses some questions regarding the policies:

Q: What communications do the Regulatory Independence Policies apply to?

A: The policies apply to communications about regulatory matters.

Q: What is a “regulatory matter”?

A: For purposes of the policies, a “regulatory matter” includes an existing or anticipated regulatory investigation, examination or complaint. “Regulatory matters” also include surveillance and investigative activities of the Regulatory Services Division.

Q: Who can I speak with at the Exchange about general regulatory questions that do not relate to a specific regulatory matter?

A: There are no restrictions under the Regulatory Independence Policies on speaking with anyone, including non-regulatory and non-legal staff, about regulatory questions or issues that do not relate to a specific regulatory matter. However, please keep in mind that non-regulatory and non-legal staff are not going to be able to provide regulatory guidance regarding TPH obligations on behalf of the Exchange.

You should feel free to contact the Regulatory Interpretations and Guidance team about questions relating to requirements existing under Exchange rules and regulatory circulars, how a particular rule applies, the meaning of a particular rule provision, or other questions of a regulatory nature that do not relate to a specific regulatory matter.

If you have a regulatory question that does not relate to a specific regulatory matter, you should contact the Regulatory Interpretations and Guidance team at (312) 786-8141 or by email at RegInterps@cboe.com.

If you have a regulatory question related to SEC rules and interpretations, you may contact the SEC’s Division of Trading and Markets, Office of Interpretation and Guidance either by telephone at (202) 551-5777 or by email at tradingandmarkets@sec.gov.

Q: If I am involved in a regulatory matter and I have a question about it, who should I contact?

A: You should contact the regulatory staff handling the matter. If you do not know who this is, you may contact the Regulatory Interpretations and Guidance team at (312) 786-8141 or by email at RegInterps@cboe.com.

Q: Should I speak with non-regulatory staff about a regulatory matter?

A: No. Under the Regulatory Independence Policies, non-regulatory staff are not permitted to speak with regulatory staff about regulatory matters, so you should direct any questions regarding a regulatory matter to the regulatory staff handling the matter or the Regulatory Interpretations and Guidance team at (312) 786-8141 or by email at RegInterps@cboe.com.

Q: If I have a concern about the way a regulatory manner is being handled, who can I contact?

A: You should contact Chief Regulatory Officer Timothy Thompson at (312) 786-7135 if you have an issue, concern or complaint about the way a regulatory matter is being handled by the Exchange.

Additional Information:

Questions regarding the application of the Regulatory Independence Policies should be directed to Chief Regulatory Officer Timothy Thompson at (312) 786-7135 or General Counsel Joanne Moffic-Silver at (312) 786-7462. Any TPH or person associated with a TPH that has a question or wishes to raise an issue or complaint regarding a regulatory matter should contact Timothy Thompson, file an online complaint on the Legal and Regulatory section of the CBOE website (<http://www.cboe.com>) at the following link <http://www.cboe.com/aboutCBOE/legal/forms/MemberComment.aspx>, or call the Regulatory Services Division's hotline at (312) 786-7261.

(Combines and Replaces RG11-094 and RG11-133)

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-2013-096 Short Term Option Series

On December 6, 2013, the SEC approved Rule Change File No. SR-CBOE-2013-096, which filing amends Rules 5.5(d) and 24.9(a)(2)(A) to allow the Exchange to list five Short Term Option Series at one time and to specify that new Short Term Option Series may be listed up to, and including on, the expiration date. 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-2013-096.pdf>.

Rule 5.5. Series of Option Contracts Open for Trading

(a) – (c) No change.

(d) Short Term Option Series Program. After an option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Thursday or Friday that is a business day (“Short Term Option Opening Date”) series of options on that class that expire at the close of business on each of the next five [consecutive] Fridays that are business days and are not Fridays in which monthly options series or Quarterly Options Series expire (“Short Term Option Expiration Dates”). The Exchange may have no more than a total of five Short Term Option Expiration Dates. If the Exchange is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if the Exchange is not open for business on the Friday of the following business week, the Short Term Option Expiration Date will be the first business day immediately prior to that Friday. Regarding Short Term Option Series:

(1) – (3) No change.

(4) Additional Series. The Exchange may open up to 10 additional series for each option class that participates in the Short Term Option Series Program when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying security moves substantially from the exercise price or prices of the series already opened. Any additional strike prices listed by the Exchange shall be within thirty percent (30%) above or below the current price of the underlying security. The Exchange may also open additional strike prices of Short Term Option Series that are more than 30% above or below the current price of the underlying security provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers. Market-Makers trading for their own account shall not be considered when determining customer interest under this provision. In the event that the underlying security has moved such that there are no series that are at least 10% above or below the current price of the underlying security and all existing series have open interest, the Exchange may list additional series, in excess of the thirty series per class limit set forth in Rule 5.5(d)(1), that are between 10% and 30% above or below the price of the underlying security. The opening of the new Short Term Option Series shall not affect the series of options of the same class previously opened. Notwithstanding any other provisions in this Rule 5.5, Short Term Option Series may be added up to and including on the Short Term Option Expiration Date for that options series.

(5) – (6) No change.

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Rule 24.9. Terms of Index Option Contracts

(a) General.

(1) – (2) No change.

(A) Short Term Option Series Program. Notwithstanding the preceding restriction, after an index option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Thursday or Friday that is a business day (“Short Term Option Opening Date”) series of options on that class that expire at the close of business on each of the next five [consecutive] Fridays that are business days and are not Fridays in which monthly options series or Quarterly Options Series expire (“Short Term Option Expiration Dates”). The Exchange may have no more than a total of five Short Term Option Expiration Dates for each series. If the Exchange is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if the Exchange is not open for business on the Friday of the following business week, the Short Term Option Expiration Date will be the first business day immediately prior to that Friday. Regarding Short Term Option Series:

(i) – (iii) No change.

(iv) Additional Series. The Exchange may open up to 10 additional series for each open class that participates in the Short Term Option Series Program when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the current value of the underlying index moves substantially from the exercise price or prices of the series already opened. Any additional strike prices listed by the Exchange shall be within thirty percent (30%) above or below the current value of the underlying index. The Exchange may also open additional strike prices of Short Term Option Series that are more than 30% above or below the current value of the underlying index provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers. Market-Makers trading for their own account shall not be considered when determining customer interest under this provision. In the event that the underlying index has moved such that there are no series that are at least 10% above or below the current value of the underlying index and all existing series have open interest, the Exchange may list additional series, in excess of the thirty series per class limit set forth in Rule 24.9(a)(2)(A)(i), that are between 10% and 30% above or below the value of the underlying index. The opening of the new Short Term Option Series shall not affect the series of options of the same class previously opened. Notwithstanding any other provisions in this Rule 24.9, Short Term Option Series may be added up to, and including on, the Short Term Option Expiration Date for that options series.

(v) - (vi) No change.

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SR-CBOE-2013-114 Arbitration

On December 5, 2013, the SEC approved Rule Change File No. SR-CBOE-2013-114, which filing permits CBOE’s Director of Arbitration to appoint to an arbitration panel in Trading Permit Holder controversies arbitrators from either the Arbitration Committee or, if necessary, from a roster of arbitrators provided by FINRA. Any questions regarding the rule change may be directed to Corinne Klott, Legal Division, at 312-786-7793. The rule text is shown below and the rule filing is available at <http://www.cboe.com/publish/RuleFilingsSEC/SR-CBOE-2013-114.pdf>.

Rule 18.2 Procedures in Trading Permit Holder Controversies

The following procedures shall apply in any dispute, claim or controversy between parties who are Trading Permit Holders or persons associated with a Trading Permit Holder which is submitted for arbitration pursuant to Rule 18.1(a):

(a) Selection of Arbitrators. The arbitration panel shall be selected by the Director of Arbitration and shall consist of not less than three [members of the Arbitration Committee] arbitrators. The arbitrators shall be selected from the Arbitration Committee or, if necessary, from a roster provided by the Financial Industry Regulatory Authority, Inc. ("FINRA") of qualified non-public arbitrators and/or non-public chairperson-qualified arbitrators, as defined by FINRA's rules governing arbitration industry disputes.

(b)-(d) no change.

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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-2013-118 Cabinet Trades

On December 6, 2013, the Exchange filed Rule Change File No. SR-CBOE-2013-118, which filing proposes to extend the Exchange's program that allows transactions to take place at a price that is below \$1 per option contract through January 5, 2015. 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-2013-118.pdf>.

Rule 6.54 - Accommodation Liquidations (Cabinet Trades)

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. . . Interpretations and Policies:

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.03 Limit Orders Priced Below \$1: Limit orders with a price of at least \$0 but less than \$1 per option contract may trade under the terms and conditions in Rule 6.54 above in each series of option contracts open for trading on the Exchange, except that:

- (a) Bids and offers for opening transactions are only permitted to accommodate closing transactions.
- (b) These procedures are available for trading in all options classes trading on the Exchange, including options classes participating in the Penny Pilot Program.
- (c) Transactions shall be reported for clearing utilizing forms, formats and procedures established by the Exchange.
- (d) Unless otherwise extended, the effectiveness of this Interpretation and Policy .03 terminates January 5, 2014⁵.

SR-CBOE-2013-119 Fees Schedule

On December 9, 2013, the Exchange filed Rule Change File No. SR-CBOE-2013-119, which filing proposes to amend the CBSX Fees Schedule to continue to exclude odd lots orders from the calculation of Total Consolidated Volume through January 31, 2014. 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-2013-119.pdf>.

PROPOSED RULE CHANGE(S)

Pursuant to Section 19(b)(1) of the Act, and Rule 19b-4 thereunder, the Exchange has filed the following proposed rule change(s) with the 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-2013-120 QRM Mechanism

On December 9, 2013, the Exchange filed Rule Change File No. SR-CBOE-2013-120, which filing proposes to enhance CBOE's Quote Risk Monitor Mechanism ("QRM Mechanism"). The Exchange proposes to adopt functionality that triggers the QRM Mechanism when a Market-Maker reaches a pre-set Cumulative Percentage Limit or Number of Series Fully Traded in that class (canceling quotes in a class). The Exchange also proposes to adopt functionality that triggers the QRM Mechanism when a Market-Maker has a certain number of QRM Incidents in a time period (canceling all the Market-Maker's quotes and orders on the Exchange). 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-2013-120.pdf>.

Rule 8.18 Quote Risk Monitor Mechanism

Each Market-Maker who is obligated to provide and maintain continuous electronic quotes (as defined in Rule 1.1(ccc)) in an option class traded on the Hybrid Trading System ("Hybrid Market-Maker"), or the TPH organization with which the Hybrid Market-Maker is associated, may establish parameters by which the Exchange will activate the Quote Risk Monitor ("QRM") Mechanism.

The functionality of the QRM Mechanism that is available to Hybrid Market-Makers [that use the QRM Mechanism shall specify] includes, for each such option class in which the Hybrid Market-Maker is engaged in trading[,] (i) a maximum number of contracts for such option class (the "Contract Limit") and a rolling time period in milliseconds within which such Contract Limit is to be measured (the "Measurement Interval")[,] (ii) a maximum cumulative percentage that the Hybrid Market-Maker is willing to trade (the "Cumulative Percentage Limit"), where the cumulative percentage is the sum of the percentages of the original quoted size of each side of each series that traded, and a Measurement Interval; and (iii) the maximum number of series for which either side of the quote is fully traded (the "Number of Series Fully Traded") and a Measurement Interval. This functionality is optional and Hybrid Market-Makers are not required to set parameters for the aforementioned QRM Mechanism functions.

When the Exchange determines that the Hybrid Market-Maker has traded [more than] at least the Contract Limit or Cumulative Percentage Limit for such option class on a trading platform during any rolling Measurement Interval, or has traded at least the Number of Series Fully Traded on an option class on a trading platform during any rolling Measurement Interval, the QRM Mechanism shall cancel all electronic quotes [that are] being disseminated on the same trading platform with respect to that Hybrid Market-Maker in that option class and any other classes with the same underlying security until the Hybrid Market-Maker refreshes those electronic quotes. Such action by the Exchange is referred to herein as a QRM Incident. Once the QRM Mechanism is triggered, all counters that determine whether the QRM Mechanism is triggered and a QRM Incident occurs will be reset for all classes for which quotes were canceled for all parties for whom such quotes were canceled.

A Hybrid Market-Maker or a TPH organization may also specify a maximum number of QRM Incidents on an Exchange-wide basis. When the Exchange determines that such Hybrid Market-Maker or TPH organization has reached its QRM Incident limit during any rolling Measurement Interval, the QRM Mechanism shall cancel all of the Hybrid Market-Maker's or TPH organization's electronic quotes and Market-Maker orders resting in the Book in all option classes on the Exchange and prevent the Hybrid Market-Maker or TPH organization from sending additional quotes or orders to the Exchange until the Hybrid Market-Maker or TPH organization reactivates its ability to send quotes or orders in a manner prescribed by the Exchange. Once the QRM Mechanism is triggered and quotes and orders are cancelled, all counters that determine whether

the QRM Mechanism is triggered and a QRM Incident occurs will be reset for all parties for whom the QRM Mechanism was triggered and for all classes for which quotes and orders were canceled. If the Exchange cancels all of the Hybrid Market-Maker's or TPH organization's electronic quotes and Market-Maker orders resting in the Book, and the Hybrid Market-Maker or TPH organization does not reactivate its ability to send quotes or orders, the block will be in effect only for the trading day that the Hybrid Market-Maker or TPH organization reached its QRM Incident limit. The time that a Hybrid Market-Maker is not quoting or sending orders to the Exchange due to an Exchange-wide QRM Incident will not be counted regarding consideration of the Hybrid Market-Maker's requirement to fulfill his continuous quoting obligations (provided that the Hybrid Market-Maker experiences fewer than three such Exchange-wide events in any given trading day or five such Exchange-wide events in any given calendar month (once a Hybrid Market-Maker exceeds these limits, the time that the Hybrid-Market-Maker is not quoting or sending orders to the Exchange due to an Exchange-wide QRM Incident beyond those limits will be counted regarding consideration of the Hybrid Market-Maker's requirement to fulfill his continuous quoting obligations)). Hybrid Market-Makers and TPH organizations are not required to set parameters for the Exchange-wide QRM.
