

Regulatory Circular RG13-046

Date: March 15, 2013

To: Trading Permit Holders

From: Business Development Division

RE: Operational Details for Mini-Options Trading on CBOE

This memo supplements and should be read in conjunction with CBOE Regulatory Circular RG13-037.

Beginning on March 18, 2013, Chicago Board Options Exchange, Incorporated (CBOE) and C2 Options Exchange, Incorporated (C2) will begin trading mini-options on the following five securities:

Security Name	Underlying Symbol	Mini-Option Symbol	Price Increments
APPLE INC COM STK	AAPL	AAPL7	\$.01<=\$3, \$.05>\$3
AMAZON.COM INC	AMZN	AMZN7	\$.01<=\$3, \$.05>\$3
SPDR GOLD SHARES	GLD	GLD7	\$.01<=\$3, \$.05>\$3
GOOGLE INC CLASS A	GOOG	GOOG7	\$.05<=\$3, \$.10>\$3
SPDR S&P 500 ETF TRUST	SPY	SPY7	\$.01 all levels

Quote Risk Monitor (QRM) – The QRM for mini-option classes will be separate from the QRM in the standard option class for the same underlying security.

CFLEX – CFLEX transaction will be available for mini-options.

Automated Improvement Mechanism (AIM) – The match order of an AIM paired order for a quantity of 499 or fewer mini contracts must be priced at least \$0.01 inside the NBBO or at the market. Such orders of 500 and greater mini contracts may be priced at or inside the NBBO or at the market.

Solicitation Auction Mechanism (SAM, also referred to as “AON AIM”) – Order quantity must be for a minimum of 5000 mini contracts to be eligible for SAM processing (see circular CBOE Regulatory Circular RG08-53 for SAM details).

Qualified Contingent Cross (QCC) – Order quantity must be for a minimum of 10,000 mini contracts to be eligible for QCC processing (see circular CBOE Regulatory Circular RG10-090 for QCC details).

Complex Orders – Complex orders (up to 4 legs) will be accepted and eligible for electronic processing via the Complex Order Auction (COA) and the Complex Order Book (COB), as long as all legs comprise mini-options and the ratio of the quantity on the largest to smallest leg does not exceed 3-to-1. Such orders that exceed this ratio will be accepted and routed for manual handling. Complex orders that include both mini and standard options on the same security will be accepted and routed for manual handling.



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Complex Orders with A Stock Leg – Complex orders with stock (e.g., buy-writes, conversions, reversals, delta-neutrals, etc.) will be accepted and eligible for electronic processing via COA and COB, as long as the ratio of mini-options to shares does not exceed 80 mini-options-to-100 shares. Such orders that exceed this ratio will be accepted and routed for manual handling.

Additional Information:

For information regarding mini-options please contact the CBOE Help Desk at helpdesk@cboe.com or (866) 728-2263 for additional information.