

CBOE Research Circular #RS13-155

Date: March 25, 2013

To: Permit Holders

From: Scott Speer

RE: Direxion Daily Emerging Markets Bear 3X Shares ("EDZ")
1-for-5 Reverse ETF Split
Ex-Distribution Date: April 2, 2013

Direxion Daily Emerging Markets Bear 3X Shares ("EDZ") has announced a 1-for-5 reverse ETF split, in which each outstanding share of EDZ will automatically be converted into one-fifth of a share of "New" EDZ. **The ex-date for the reverse ETF split is Tuesday, April 2, 2013.**

Contract Adjustment

Pursuant to OCC rules (Article VI, Section 11 and 11A), all outstanding EDZ option series as of Tuesday, April 2, 2013, at 8:30 A.M. Chicago time will be adjusted to reflect this 1-for-5 reverse ETF split. All EDZ options will be adjusted to require the receipt or delivery of: **(A) 20 shares of "New" Direxion Daily Emerging Markets Bear 3X Shares ("EDZ")**. The contract multiplier will remain 100, *i.e.*, 1 point of premium or strike price will equal \$100. Strike prices will remain the same. The option symbol will change to **EDZ1**. Premiums for the adjusted EDZ1 options will continue to be calculated on the basis of a multiplier of 100, *i.e.*, for premium and strike-price extensions, 1.00 will equal \$100. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

The option adjustment will appear in the Daily Position Report of the clearing member firms on the ex-date. After 8:30 A.M. Tuesday, April 2, 2013, all trades, corrections, and exercises must be submitted to the CBOE and OCC on an adjusted basis.

Adjusted Exercise Prices

On Tuesday, April 2, 2013, the ex-distribution date, trading in EDZ series will be on an adjusted basis. At 8:30 A.M., Chicago time, an opening rotation will be effected with the following adjustments:

EXISTING SERIES 100 Shares				ADJUSTED SERIES* 20 Shares			
EDZ	1.00	2013-04-20	C/P =>	EDZ1	1.00	2013-04-20	C/P
EDZ	2.00	2013-04-20	C/P =>	EDZ1	2.00	2013-04-20	C/P
EDZ	3.00	2013-04-20	C/P =>	EDZ1	3.00	2013-04-20	C/P
EDZ	4.00	2013-04-20	C/P =>	EDZ1	4.00	2013-04-20	C/P
EDZ	5.00	2013-04-20	C/P =>	EDZ1	5.00	2013-04-20	C/P
EDZ	6.00	2013-04-20	C/P =>	EDZ1	6.00	2013-04-20	C/P
EDZ	7.00	2013-04-20	C/P =>	EDZ1	7.00	2013-04-20	C/P
EDZ	8.00	2013-04-20	C/P =>	EDZ1	8.00	2013-04-20	C/P
EDZ	9.00	2013-04-20	C/P =>	EDZ1	9.00	2013-04-20	C/P
EDZ	10.00	2013-04-20	C/P =>	EDZ1	10.00	2013-04-20	C/P
EDZ	11.00	2013-04-20	C/P =>	EDZ1	11.00	2013-04-20	C/P
EDZ	12.00	2013-04-20	C/P =>	EDZ1	12.00	2013-04-20	C/P
EDZ	13.00	2013-04-20	C/P =>	EDZ1	13.00	2013-04-20	C/P

**EXISTING SERIES
100 Shares**

**ADJUSTED SERIES*
20 Shares**

EDZ	14.00	2013-04-20	C/P	=>	EDZ1	14.00	2013-04-20	C/P
EDZ	15.00	2013-04-20	C/P	=>	EDZ1	15.00	2013-04-20	C/P
EDZ	16.00	2013-04-20	C/P	=>	EDZ1	16.00	2013-04-20	C/P
EDZ	17.00	2013-04-20	C/P	=>	EDZ1	17.00	2013-04-20	C/P
EDZ	18.00	2013-04-20	C/P	=>	EDZ1	18.00	2013-04-20	C/P
EDZ	19.00	2013-04-20	C/P	=>	EDZ1	19.00	2013-04-20	C/P
EDZ	20.00	2013-04-20	C/P	=>	EDZ1	20.00	2013-04-20	C/P
EDZ	21.00	2013-04-20	C/P	=>	EDZ1	21.00	2013-04-20	C/P
EDZ	22.00	2013-04-20	C/P	=>	EDZ1	22.00	2013-04-20	C/P
EDZ	23.00	2013-04-20	C/P	=>	EDZ1	23.00	2013-04-20	C/P
EDZ	24.00	2013-04-20	C/P	=>	EDZ1	24.00	2013-04-20	C/P
EDZ	25.00	2013-04-20	C/P	=>	EDZ1	25.00	2013-04-20	C/P
EDZ	26.00	2013-04-20	C/P	=>	EDZ1	26.00	2013-04-20	C/P
EDZ	1.00	2013-05-18	C/P	=>	EDZ1	1.00	2013-05-18	C/P
EDZ	2.00	2013-05-18	C/P	=>	EDZ1	2.00	2013-05-18	C/P
EDZ	3.00	2013-05-18	C/P	=>	EDZ1	3.00	2013-05-18	C/P
EDZ	4.00	2013-05-18	C/P	=>	EDZ1	4.00	2013-05-18	C/P
EDZ	5.00	2013-05-18	C/P	=>	EDZ1	5.00	2013-05-18	C/P
EDZ	6.00	2013-05-18	C/P	=>	EDZ1	6.00	2013-05-18	C/P
EDZ	7.00	2013-05-18	C/P	=>	EDZ1	7.00	2013-05-18	C/P
EDZ	8.00	2013-05-18	C/P	=>	EDZ1	8.00	2013-05-18	C/P
EDZ	9.00	2013-05-18	C/P	=>	EDZ1	9.00	2013-05-18	C/P
EDZ	10.00	2013-05-18	C/P	=>	EDZ1	10.00	2013-05-18	C/P
EDZ	11.00	2013-05-18	C/P	=>	EDZ1	11.00	2013-05-18	C/P
EDZ	12.00	2013-05-18	C/P	=>	EDZ1	12.00	2013-05-18	C/P
EDZ	13.00	2013-05-18	C/P	=>	EDZ1	13.00	2013-05-18	C/P
EDZ	14.00	2013-05-18	C/P	=>	EDZ1	14.00	2013-05-18	C/P
EDZ	15.00	2013-05-18	C/P	=>	EDZ1	15.00	2013-05-18	C/P
EDZ	16.00	2013-05-18	C/P	=>	EDZ1	16.00	2013-05-18	C/P
EDZ	17.00	2013-05-18	C/P	=>	EDZ1	17.00	2013-05-18	C/P
EDZ	18.00	2013-05-18	C/P	=>	EDZ1	18.00	2013-05-18	C/P
EDZ	19.00	2013-05-18	C/P	=>	EDZ1	19.00	2013-05-18	C/P
EDZ	1.00	2013-07-20	C/P	=>	EDZ1	1.00	2013-07-20	C/P
EDZ	2.00	2013-07-20	C/P	=>	EDZ1	2.00	2013-07-20	C/P
EDZ	3.00	2013-07-20	C/P	=>	EDZ1	3.00	2013-07-20	C/P
EDZ	4.00	2013-07-20	C/P	=>	EDZ1	4.00	2013-07-20	C/P
EDZ	5.00	2013-07-20	C/P	=>	EDZ1	5.00	2013-07-20	C/P
EDZ	6.00	2013-07-20	C/P	=>	EDZ1	6.00	2013-07-20	C/P
EDZ	7.00	2013-07-20	C/P	=>	EDZ1	7.00	2013-07-20	C/P
EDZ	8.00	2013-07-20	C/P	=>	EDZ1	8.00	2013-07-20	C/P
EDZ	9.00	2013-07-20	C/P	=>	EDZ1	9.00	2013-07-20	C/P
EDZ	10.00	2013-07-20	C/P	=>	EDZ1	10.00	2013-07-20	C/P
EDZ	11.00	2013-07-20	C/P	=>	EDZ1	11.00	2013-07-20	C/P
EDZ	12.00	2013-07-20	C/P	=>	EDZ1	12.00	2013-07-20	C/P
EDZ	13.00	2013-07-20	C/P	=>	EDZ1	13.00	2013-07-20	C/P

EXISTING SERIES 100 Shares					ADJUSTED SERIES* 20 Shares				
EDZ	14.00	2013-07-20	C/P	=>	EDZ1	14.00	2013-07-20	C/P	
EDZ	15.00	2013-07-20	C/P	=>	EDZ1	15.00	2013-07-20	C/P	
EDZ	16.00	2013-07-20	C/P	=>	EDZ1	16.00	2013-07-20	C/P	
EDZ	17.00	2013-07-20	C/P	=>	EDZ1	17.00	2013-07-20	C/P	
EDZ	18.00	2013-07-20	C/P	=>	EDZ1	18.00	2013-07-20	C/P	
EDZ	19.00	2013-07-20	C/P	=>	EDZ1	19.00	2013-07-20	C/P	
EDZ	20.00	2013-07-20	C/P	=>	EDZ1	20.00	2013-07-20	C/P	
EDZ	21.00	2013-07-20	C/P	=>	EDZ1	21.00	2013-07-20	C/P	
EDZ	22.00	2013-07-20	C/P	=>	EDZ1	22.00	2013-07-20	C/P	
EDZ	23.00	2013-07-20	C/P	=>	EDZ1	23.00	2013-07-20	C/P	
EDZ	24.00	2013-07-20	C/P	=>	EDZ1	24.00	2013-07-20	C/P	
EDZ	25.00	2013-07-20	C/P	=>	EDZ1	25.00	2013-07-20	C/P	
EDZ	1.00	2013-10-19	C/P	=>	EDZ1	1.00	2013-10-19	C/P	
EDZ	2.00	2013-10-19	C/P	=>	EDZ1	2.00	2013-10-19	C/P	
EDZ	3.00	2013-10-19	C/P	=>	EDZ1	3.00	2013-10-19	C/P	
EDZ	4.00	2013-10-19	C/P	=>	EDZ1	4.00	2013-10-19	C/P	
EDZ	5.00	2013-10-19	C/P	=>	EDZ1	5.00	2013-10-19	C/P	
EDZ	6.00	2013-10-19	C/P	=>	EDZ1	6.00	2013-10-19	C/P	
EDZ	7.00	2013-10-19	C/P	=>	EDZ1	7.00	2013-10-19	C/P	
EDZ	8.00	2013-10-19	C/P	=>	EDZ1	8.00	2013-10-19	C/P	
EDZ	9.00	2013-10-19	C/P	=>	EDZ1	9.00	2013-10-19	C/P	
EDZ	10.00	2013-10-19	C/P	=>	EDZ1	10.00	2013-10-19	C/P	
EDZ	11.00	2013-10-19	C/P	=>	EDZ1	11.00	2013-10-19	C/P	
EDZ	12.00	2013-10-19	C/P	=>	EDZ1	12.00	2013-10-19	C/P	
EDZ	13.00	2013-10-19	C/P	=>	EDZ1	13.00	2013-10-19	C/P	
EDZ	14.00	2013-10-19	C/P	=>	EDZ1	14.00	2013-10-19	C/P	
EDZ	15.00	2013-10-19	C/P	=>	EDZ1	15.00	2013-10-19	C/P	
EDZ	16.00	2013-10-19	C/P	=>	EDZ1	16.00	2013-10-19	C/P	
EDZ	17.00	2013-10-19	C/P	=>	EDZ1	17.00	2013-10-19	C/P	
EDZ	18.00	2013-10-19	C/P	=>	EDZ1	18.00	2013-10-19	C/P	
2014 LEAPS									
EDZ	1.00	2014-01-18	C/P	=>	EDZ1	1.00	2014-01-18	C/P	
EDZ	2.00	2014-01-18	C/P	=>	EDZ1	2.00	2014-01-18	C/P	
EDZ	3.00	2014-01-18	C/P	=>	EDZ1	3.00	2014-01-18	C/P	
EDZ	4.00	2014-01-18	C/P	=>	EDZ1	4.00	2014-01-18	C/P	
EDZ	5.00	2014-01-18	C/P	=>	EDZ1	5.00	2014-01-18	C/P	
EDZ	6.00	2014-01-18	C/P	=>	EDZ1	6.00	2014-01-18	C/P	
EDZ	7.00	2014-01-18	C/P	=>	EDZ1	7.00	2014-01-18	C/P	
EDZ	8.00	2014-01-18	C/P	=>	EDZ1	8.00	2014-01-18	C/P	
EDZ	9.00	2014-01-18	C/P	=>	EDZ1	9.00	2014-01-18	C/P	
EDZ	10.00	2014-01-18	C/P	=>	EDZ1	10.00	2014-01-18	C/P	
EDZ	11.00	2014-01-18	C/P	=>	EDZ1	11.00	2014-01-18	C/P	
EDZ	12.00	2014-01-18	C/P	=>	EDZ1	12.00	2014-01-18	C/P	
EDZ	13.00	2014-01-18	C/P	=>	EDZ1	13.00	2014-01-18	C/P	
EDZ	14.00	2014-01-18	C/P	=>	EDZ1	14.00	2014-01-18	C/P	

EXISTING SERIES
100 Shares

ADJUSTED SERIES*
20 Shares

2014 LEAPS

EDZ	15.00	2014-01-18	C/P	=>	EDZ1	15.00	2014-01-18	C/P
EDZ	16.00	2014-01-18	C/P	=>	EDZ1	16.00	2014-01-18	C/P
EDZ	17.00	2014-01-18	C/P	=>	EDZ1	17.00	2014-01-18	C/P
EDZ	18.00	2014-01-18	C/P	=>	EDZ1	18.00	2014-01-18	C/P
EDZ	19.00	2014-01-18	C/P	=>	EDZ1	19.00	2014-01-18	C/P
EDZ	20.00	2014-01-18	C/P	=>	EDZ1	20.00	2014-01-18	C/P
EDZ	21.00	2014-01-18	C/P	=>	EDZ1	21.00	2014-01-18	C/P
EDZ	22.00	2014-01-18	C/P	=>	EDZ1	22.00	2014-01-18	C/P
EDZ	23.00	2014-01-18	C/P	=>	EDZ1	23.00	2014-01-18	C/P
EDZ	24.00	2014-01-18	C/P	=>	EDZ1	24.00	2014-01-18	C/P
EDZ	25.00	2014-01-18	C/P	=>	EDZ1	25.00	2014-01-18	C/P
EDZ	26.00	2014-01-18	C/P	=>	EDZ1	26.00	2014-01-18	C/P
EDZ	27.00	2014-01-18	C/P	=>	EDZ1	27.00	2014-01-18	C/P
EDZ	28.00	2014-01-18	C/P	=>	EDZ1	28.00	2014-01-18	C/P
EDZ	29.00	2014-01-18	C/P	=>	EDZ1	29.00	2014-01-18	C/P
EDZ	30.00	2014-01-18	C/P	=>	EDZ1	30.00	2014-01-18	C/P
EDZ	31.00	2014-01-18	C/P	=>	EDZ1	31.00	2014-01-18	C/P
EDZ	32.00	2014-01-18	C/P	=>	EDZ1	32.00	2014-01-18	C/P
EDZ	33.00	2014-01-18	C/P	=>	EDZ1	33.00	2014-01-18	C/P
EDZ	34.00	2014-01-18	C/P	=>	EDZ1	34.00	2014-01-18	C/P
EDZ	35.00	2014-01-18	C/P	=>	EDZ1	35.00	2014-01-18	C/P

2015 LEAPS

EDZ	1.00	2015-01-17	C/P	=>	EDZ1	1.00	2015-01-17	C/P
EDZ	2.00	2015-01-17	C/P	=>	EDZ1	2.00	2015-01-17	C/P
EDZ	3.00	2015-01-17	C/P	=>	EDZ1	3.00	2015-01-17	C/P
EDZ	4.00	2015-01-17	C/P	=>	EDZ1	4.00	2015-01-17	C/P
EDZ	5.00	2015-01-17	C/P	=>	EDZ1	5.00	2015-01-17	C/P
EDZ	6.00	2015-01-17	C/P	=>	EDZ1	6.00	2015-01-17	C/P
EDZ	7.00	2015-01-17	C/P	=>	EDZ1	7.00	2015-01-17	C/P
EDZ	8.00	2015-01-17	C/P	=>	EDZ1	8.00	2015-01-17	C/P
EDZ	9.00	2015-01-17	C/P	=>	EDZ1	9.00	2015-01-17	C/P
EDZ	10.00	2015-01-17	C/P	=>	EDZ1	10.00	2015-01-17	C/P
EDZ	11.00	2015-01-17	C/P	=>	EDZ1	11.00	2015-01-17	C/P
EDZ	12.00	2015-01-17	C/P	=>	EDZ1	12.00	2015-01-17	C/P
EDZ	13.00	2015-01-17	C/P	=>	EDZ1	13.00	2015-01-17	C/P
EDZ	14.00	2015-01-17	C/P	=>	EDZ1	14.00	2015-01-17	C/P
EDZ	15.00	2015-01-17	C/P	=>	EDZ1	15.00	2015-01-17	C/P
EDZ	16.00	2015-01-17	C/P	=>	EDZ1	16.00	2015-01-17	C/P
EDZ	17.00	2015-01-17	C/P	=>	EDZ1	17.00	2015-01-17	C/P
EDZ	18.00	2015-01-17	C/P	=>	EDZ1	18.00	2015-01-17	C/P
EDZ	19.00	2015-01-17	C/P	=>	EDZ1	19.00	2015-01-17	C/P
EDZ	20.00	2015-01-17	C/P	=>	EDZ1	20.00	2015-01-17	C/P

* Any additional EDZ series that are added prior to the effective time of the Reverse Split will also be adjusted in the manner described above.

New Unadjusted Series

To facilitate the maintenance of a fair and orderly market Direxion Daily Mid Cap Bear 3X Shares options, new EDZ series with a contract unit of 100 shares will be introduced on Wednesday, April 3, 2013. The EDZ series will be added for April, May, July, and October expirations at exercise prices nearest the money. Also, new EDZ LEAP series with a contract unit of 100 shares will be introduced on April 3, 2013, for the January 2014 and January 2015 expirations at exercise prices nearest the money.

GTC Order Conversion

On Monday, April 1, 2013, immediately after the CBOE close, the system will convert or cancel all resting orders in the EDZ order book. If your firm has requested, all booked orders (phone, wire, and electronic) and all ORS orders residing outside the book (booth or crowd routed) will be converted reflecting the adjustments. If your firm has requested, all booked orders and ORS orders residing outside of the book will be canceled. If your firm receives CXL drops, the CXL confirms will print at your booth at 3:15 p.m. ORS CXLs will also be transmitted electronically to your branches.

Immediately after the close, the book staff will return a final written report listing the orders that are converted or canceled to all firms. If converted, this list will also show how the new orders will be adjusted. This report will be available on request anytime during the day prior to the night of the adjustment.

Position and Exercise Limits

The CBOE Department of Market Regulation has determined that: "The position and exercise limits following this reverse ETF split will remain the same."

Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

<http://www.cboe.com/ContractAdjustments>