

## CBOE Research Circular #RS13-213

**Date:** April 26, 2013

**To:** Permit Holders

**From:** Scott Speer

**RE:** Companhia de Saneamento Basico do Estado de Sao Paulo - SABESP ("SBS")  
3-for-1 ADS Split

Ex-Distribution Date: April 30, 2013

Companhia de Saneamento Basico do Estado de Sao Paulo - SABESP ("SBS") has announced a 3-for-1 American Depositary Share (ADS) split, with a payable date of April 29, 2013, to shareholders of record April 25, 2013. The ex-date for the ADS split is Tuesday, April 30, 2013.

### Contract Adjustment

Pursuant to OCC rules (Article VI, Section 11 and 11A), all outstanding SBS option series will be adjusted to reflect this 3-for-1 ADS split on Tuesday, April 30, 2013, at 8:30 A.M. Chicago time. The OCC will issue two additional contracts for each open contract on the ex-date. Also on the ex-date, each SBS series will have an adjusted exercise price equal to one-third of the exercise price rounded to the nearest 1/100<sup>th</sup> of a point for each SBS series existing on the business day immediately prior to the ex-date. The option symbol will remain the same. Adjusted exercise prices are shown below. [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 30, 2013, all trades, corrections, and exercises must be submitted to the CBOE and OCC on an adjusted basis.

### Adjusted Exercise Prices

On Tuesday, April 30, 2013, the ex-distribution date, trading in SBS 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					ADJUSTED SERIES*				
100 Shares					100 Shares				
SBS	25.00	2013-05-18	C/P	=>	SBS	8.33	2013-05-18	C/P	
SBS	30.00	2013-05-18	C/P	=>	SBS	10.00	2013-05-18	C/P	
SBS	35.00	2013-05-18	C/P	=>	SBS	11.67	2013-05-18	C/P	
SBS	40.00	2013-05-18	C/P	=>	SBS	13.33	2013-05-18	C/P	
SBS	45.00	2013-05-18	C/P	=>	SBS	15.00	2013-05-18	C/P	
SBS	50.00	2013-05-18	C/P	=>	SBS	16.67	2013-05-18	C/P	
SBS	55.00	2013-05-18	C/P	=>	SBS	18.33	2013-05-18	C/P	
SBS	60.00	2013-05-18	C/P	=>	SBS	20.00	2013-05-18	C/P	
SBS	65.00	2013-05-18	C/P	=>	SBS	21.67	2013-05-18	C/P	
SBS	70.00	2013-05-18	C/P	=>	SBS	23.33	2013-05-18	C/P	
SBS	25.00	2013-06-22	C/P	=>	SBS	8.33	2013-06-22	C/P	
SBS	30.00	2013-06-22	C/P	=>	SBS	10.00	2013-06-22	C/P	

EXISTING SERIES					ADJUSTED SERIES*				
100 Shares					100 Shares				
SBS	35.00	2013-06-22	C/P	=>	SBS	11.67	2013-06-22	C/P	
SBS	40.00	2013-06-22	C/P	=>	SBS	13.33	2013-06-22	C/P	
SBS	45.00	2013-06-22	C/P	=>	SBS	15.00	2013-06-22	C/P	
SBS	50.00	2013-06-22	C/P	=>	SBS	16.67	2013-06-22	C/P	
SBS	55.00	2013-06-22	C/P	=>	SBS	18.33	2013-06-22	C/P	
SBS	60.00	2013-06-22	C/P	=>	SBS	20.00	2013-06-22	C/P	
SBS	65.00	2013-06-22	C/P	=>	SBS	21.67	2013-06-22	C/P	
SBS	22.50	2013-07-20	C/P	=>	SBS	7.50	2013-07-20	C/P	
SBS	25.00	2013-07-20	C/P	=>	SBS	8.33	2013-07-20	C/P	
SBS	27.50	2013-07-20	C/P	=>	SBS	9.17	2013-07-20	C/P	
SBS	30.00	2013-07-20	C/P	=>	SBS	10.00	2013-07-20	C/P	
SBS	32.50	2013-07-20	C/P	=>	SBS	10.83	2013-07-20	C/P	
SBS	35.00	2013-07-20	C/P	=>	SBS	11.67	2013-07-20	C/P	
SBS	37.50	2013-07-20	C/P	=>	SBS	12.50	2013-07-20	C/P	
SBS	40.00	2013-07-20	C/P	=>	SBS	13.33	2013-07-20	C/P	
SBS	42.50	2013-07-20	C/P	=>	SBS	14.17	2013-07-20	C/P	
SBS	45.00	2013-07-20	C/P	=>	SBS	15.00	2013-07-20	C/P	
SBS	47.50	2013-07-20	C/P	=>	SBS	15.83	2013-07-20	C/P	
SBS	50.00	2013-07-20	C/P	=>	SBS	16.67	2013-07-20	C/P	
SBS	52.50	2013-07-20	C/P	=>	SBS	17.50	2013-07-20	C/P	
SBS	55.00	2013-07-20	C/P	=>	SBS	18.33	2013-07-20	C/P	
SBS	57.50	2013-07-20	C/P	=>	SBS	19.17	2013-07-20	C/P	
SBS	25.00	2013-10-19	C/P	=>	SBS	8.33	2013-10-19	C/P	
SBS	30.00	2013-10-19	C/P	=>	SBS	10.00	2013-10-19	C/P	
SBS	35.00	2013-10-19	C/P	=>	SBS	11.67	2013-10-19	C/P	
SBS	40.00	2013-10-19	C/P	=>	SBS	13.33	2013-10-19	C/P	
SBS	45.00	2013-10-19	C/P	=>	SBS	15.00	2013-10-19	C/P	
SBS	50.00	2013-10-19	C/P	=>	SBS	16.67	2013-10-19	C/P	
SBS	55.00	2013-10-19	C/P	=>	SBS	18.33	2013-10-19	C/P	
SBS	60.00	2013-10-19	C/P	=>	SBS	20.00	2013-10-19	C/P	
SBS	65.00	2013-10-19	C/P	=>	SBS	21.67	2013-10-19	C/P	
SBS	70.00	2013-10-19	C/P	=>	SBS	23.33	2013-10-19	C/P	

**Any additional SBS series that are added prior to the ex-date will also be adjusted in the manner described above.**

**GTC Order Conversion**

On Monday, April 29, 2013, immediately after the CBOE close, the system will convert or cancel all resting orders in the SBS 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.

A report will be available at the Help Desk listing the orders that are converted or canceled. 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 ADS split will be any combination of SBS option contracts on the same side of the market not to exceed 450,000, contracts (45,000,000 shares) through July 20, 2013. Following the July 20, 2013 expiration the position and exercise limits will decrease to the standard limit of 150,000 contracts (15,000,000 shares). Following the October 19, 2013 expiration the position and exercise limits will decrease to 75,000 contracts (7,500,000 shares) of SBS."

---

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>