



EXECUTE SUCCESS<sup>SM</sup>

## CBOE Research Circular #RS13-326

**Date:** June 7, 2013

**To:** Permit Holders

**From:** Scott Speer

**RE:** Cerner Corporation ("CERN")

2-for-1 Stock Split

Ex-Distribution Date: July 1, 2013

Cerner Corporation ("CERN") has announced a 2-for-1 common stock split, with a payable date of June 28, 2013, to shareholders of record June 17, 2013. **The ex-date for the common stock split is Monday, July 1, 2013.**

### Contract Adjustment

Pursuant to OCC rules (Article VI, Section 11 and 11A), all outstanding CERN option series will be adjusted to reflect this 2-for-1 common stock split on Monday, July 1, 2013, at 8:30 A.M. Chicago time. The OCC will issue one additional contract for each open contract on the ex-date. Also on the ex-date, each CERN series will have an adjusted exercise price equal to one-half of the exercise price rounded to the nearest 100<sup>th</sup> of a point for each CERN 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. Monday, July 1, 2013, all trades, corrections, and exercises must be submitted to the CBOE and OCC on an adjusted basis.

### Adjusted Exercise Prices

On Monday, July 1, 2013, the ex-distribution date, trading in CERN 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			
CERN	65.00	2013-07-20	C/P =>	CERN	32.50	2013-07-20	C/P
CERN	70.00	2013-07-20	C/P =>	CERN	35.00	2013-07-20	C/P
CERN	75.00	2013-07-20	C/P =>	CERN	37.50	2013-07-20	C/P
CERN	80.00	2013-07-20	C/P =>	CERN	40.00	2013-07-20	C/P
CERN	85.00	2013-07-20	C/P =>	CERN	42.50	2013-07-20	C/P
CERN	90.00	2013-07-20	C/P =>	CERN	45.00	2013-07-20	C/P
CERN	95.00	2013-07-20	C/P =>	CERN	47.50	2013-07-20	C/P
CERN	100.00	2013-07-20	C/P =>	CERN	50.00	2013-07-20	C/P
CERN	105.00	2013-07-20	C/P =>	CERN	52.50	2013-07-20	C/P
CERN	110.00	2013-07-20	C/P =>	CERN	55.00	2013-07-20	C/P
CERN	115.00	2013-07-20	C/P =>	CERN	57.50	2013-07-20	C/P
CERN	120.00	2013-07-20	C/P =>	CERN	60.00	2013-07-20	C/P
CERN	125.00	2013-07-20	C/P =>	CERN	62.50	2013-07-20	C/P
CERN	45.00	2013-09-21	C/P =>	CERN	22.50	2013-09-21	C/P
CERN	50.00	2013-09-21	C/P =>	CERN	25.00	2013-09-21	C/P

EXISTING SERIES				ADJUSTED SERIES*			
100 Shares				100 Shares			
CERN	55.00	2013-09-21	C/P =>	CERN	27.50	2013-09-21	C/P
CERN	60.00	2013-09-21	C/P =>	CERN	30.00	2013-09-21	C/P
CERN	65.00	2013-09-21	C/P =>	CERN	32.50	2013-09-21	C/P
CERN	70.00	2013-09-21	C/P =>	CERN	35.00	2013-09-21	C/P
CERN	75.00	2013-09-21	C/P =>	CERN	37.50	2013-09-21	C/P
CERN	80.00	2013-09-21	C/P =>	CERN	40.00	2013-09-21	C/P
CERN	85.00	2013-09-21	C/P =>	CERN	42.50	2013-09-21	C/P
CERN	90.00	2013-09-21	C/P =>	CERN	45.00	2013-09-21	C/P
CERN	95.00	2013-09-21	C/P =>	CERN	47.50	2013-09-21	C/P
CERN	100.00	2013-09-21	C/P =>	CERN	50.00	2013-09-21	C/P
CERN	105.00	2013-09-21	C/P =>	CERN	52.50	2013-09-21	C/P
CERN	110.00	2013-09-21	C/P =>	CERN	55.00	2013-09-21	C/P
CERN	115.00	2013-09-21	C/P =>	CERN	57.50	2013-09-21	C/P
CERN	120.00	2013-09-21	C/P =>	CERN	60.00	2013-09-21	C/P
CERN	125.00	2013-09-21	C/P =>	CERN	62.50	2013-09-21	C/P
CERN	130.00	2013-09-21	C/P =>	CERN	65.00	2013-09-21	C/P
CERN	135.00	2013-09-21	C/P =>	CERN	67.50	2013-09-21	C/P
CERN	140.00	2013-09-21	C/P =>	CERN	70.00	2013-09-21	C/P
CERN	50.00	2013-12-21	C/P =>	CERN	25.00	2013-12-21	C/P
CERN	55.00	2013-12-21	C/P =>	CERN	27.50	2013-12-21	C/P
CERN	60.00	2013-12-21	C/P =>	CERN	30.00	2013-12-21	C/P
CERN	65.00	2013-12-21	C/P =>	CERN	32.50	2013-12-21	C/P
CERN	70.00	2013-12-21	C/P =>	CERN	35.00	2013-12-21	C/P
CERN	75.00	2013-12-21	C/P =>	CERN	37.50	2013-12-21	C/P
CERN	80.00	2013-12-21	C/P =>	CERN	40.00	2013-12-21	C/P
CERN	85.00	2013-12-21	C/P =>	CERN	42.50	2013-12-21	C/P
CERN	90.00	2013-12-21	C/P =>	CERN	45.00	2013-12-21	C/P
CERN	95.00	2013-12-21	C/P =>	CERN	47.50	2013-12-21	C/P
CERN	100.00	2013-12-21	C/P =>	CERN	50.00	2013-12-21	C/P
CERN	105.00	2013-12-21	C/P =>	CERN	52.50	2013-12-21	C/P
CERN	110.00	2013-12-21	C/P =>	CERN	55.00	2013-12-21	C/P
CERN	115.00	2013-12-21	C/P =>	CERN	57.50	2013-12-21	C/P
CERN	120.00	2013-12-21	C/P =>	CERN	60.00	2013-12-21	C/P
CERN	125.00	2013-12-21	C/P =>	CERN	62.50	2013-12-21	C/P
CERN	130.00	2013-12-21	C/P =>	CERN	65.00	2013-12-21	C/P
CERN	135.00	2013-12-21	C/P =>	CERN	67.50	2013-12-21	C/P
CERN	140.00	2013-12-21	C/P =>	CERN	70.00	2013-12-21	C/P
CERN	40.00	2014-01-18	C/P =>	CERN	20.00	2014-01-18	C/P
CERN	45.00	2014-01-18	C/P =>	CERN	22.50	2014-01-18	C/P
CERN	50.00	2014-01-18	C/P =>	CERN	25.00	2014-01-18	C/P
CERN	55.00	2014-01-18	C/P =>	CERN	27.50	2014-01-18	C/P
CERN	60.00	2014-01-18	C/P =>	CERN	30.00	2014-01-18	C/P
CERN	65.00	2014-01-18	C/P =>	CERN	32.50	2014-01-18	C/P
CERN	70.00	2014-01-18	C/P =>	CERN	35.00	2014-01-18	C/P
CERN	75.00	2014-01-18	C/P =>	CERN	37.50	2014-01-18	C/P
CERN	80.00	2014-01-18	C/P =>	CERN	40.00	2014-01-18	C/P

EXISTING SERIES 100 Shares				ADJUSTED SERIES* 100 Shares			
CERN	85.00	2014-01-18	C/P =>	CERN	42.50	2014-01-18	C/P
CERN	90.00	2014-01-18	C/P =>	CERN	45.00	2014-01-18	C/P
CERN	95.00	2014-01-18	C/P =>	CERN	47.50	2014-01-18	C/P
CERN	100.00	2014-01-18	C/P =>	CERN	50.00	2014-01-18	C/P
CERN	105.00	2014-01-18	C/P =>	CERN	52.50	2014-01-18	C/P
CERN	110.00	2014-01-18	C/P =>	CERN	55.00	2014-01-18	C/P
CERN	115.00	2014-01-18	C/P =>	CERN	57.50	2014-01-18	C/P
CERN	120.00	2014-01-18	C/P =>	CERN	60.00	2014-01-18	C/P
CERN	125.00	2014-01-18	C/P =>	CERN	62.50	2014-01-18	C/P
CERN	130.00	2014-01-18	C/P =>	CERN	65.00	2014-01-18	C/P
CERN	135.00	2014-01-18	C/P =>	CERN	67.50	2014-01-18	C/P
CERN	140.00	2014-01-18	C/P =>	CERN	70.00	2014-01-18	C/P
<b>2015 LEAPS</b>							
CERN	40.00	2015-01-17	C/P =>	CERN	20.00	2015-01-17	C/P
CERN	45.00	2015-01-17	C/P =>	CERN	22.50	2015-01-17	C/P
CERN	50.00	2015-01-17	C/P =>	CERN	25.00	2015-01-17	C/P
CERN	55.00	2015-01-17	C/P =>	CERN	27.50	2015-01-17	C/P
CERN	60.00	2015-01-17	C/P =>	CERN	30.00	2015-01-17	C/P
CERN	65.00	2015-01-17	C/P =>	CERN	32.50	2015-01-17	C/P
CERN	70.00	2015-01-17	C/P =>	CERN	35.00	2015-01-17	C/P
CERN	75.00	2015-01-17	C/P =>	CERN	37.50	2015-01-17	C/P
CERN	80.00	2015-01-17	C/P =>	CERN	40.00	2015-01-17	C/P
CERN	85.00	2015-01-17	C/P =>	CERN	42.50	2015-01-17	C/P
CERN	90.00	2015-01-17	C/P =>	CERN	45.00	2015-01-17	C/P
CERN	95.00	2015-01-17	C/P =>	CERN	47.50	2015-01-17	C/P
CERN	100.00	2015-01-17	C/P =>	CERN	50.00	2015-01-17	C/P
CERN	105.00	2015-01-17	C/P =>	CERN	52.50	2015-01-17	C/P
CERN	110.00	2015-01-17	C/P =>	CERN	55.00	2015-01-17	C/P
CERN	115.00	2015-01-17	C/P =>	CERN	57.50	2015-01-17	C/P
CERN	120.00	2015-01-17	C/P =>	CERN	60.00	2015-01-17	C/P
CERN	125.00	2015-01-17	C/P =>	CERN	62.50	2015-01-17	C/P
CERN	130.00	2015-01-17	C/P =>	CERN	65.00	2015-01-17	C/P
CERN	135.00	2015-01-17	C/P =>	CERN	67.50	2015-01-17	C/P
CERN	140.00	2015-01-17	C/P =>	CERN	70.00	2015-01-17	C/P

Any additional CERN series that are added prior to the ex-date (e.g., the August series) will also be adjusted in the manner described above.

#### IMPORTANT –Order Entry After Adjustment

Please note that at the time of the adjustment, the strike prices of all CERN options will be reduced by one-half, and OCC will issue one additional contract for each open contract on the ex-date. **At 8:30 A.M., Chicago time, on Monday, July 1, 2013, all outstanding CERN 40 options will become 20 options, and CERN 80 options will become 40 options. Any CERN 40 positions opened prior to the ex-date that are closed out on or after the ex-date must be closed out as 20 options. Negligence in this matter could lead customers to establish new positions in the 40 options rather than closing out then-existing positions in the 20 options.**

Strikes that will be affected by the adjustment in the manner described above are included in the table below. Permit Holders should be aware of the potential for confusion respecting any of the related pairs of strikes shown below, and should be cautious in this regard.

<b>Existing</b>	<b>-&gt;</b>	<b>Adjusted</b>	<b>&amp;</b>	<b>Existing</b>	<b>-&gt;</b>	<b>Adjusted</b>
40.00	->	20.00		80.00	->	40.00
45.00	->	22.50		90.00	->	45.00
50.00	->	25.00		100.00	->	50.00
55.00	->	27.50		110.00	->	55.00
60.00	->	30.00		120.00	->	60.00
65.00	->	32.50		130.00	->	65.00
70.00	->	35.00		140.00	->	70.00

### GTC Order Conversion

On Friday, June 28, 2013, immediately after the CBOE close, the system will convert or cancel all resting orders in the CERN 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 stock split will be any combination of CERN option contracts on the same side of the market not to exceed 400,000 contracts (40,000,000 shares) through January 17, 2015. Following the January 2015 expiration the position and exercise limits will revert to the standard limit of 20,000 contracts (20,000,000 shares) of CERN."

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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>