



To: Members  
From: Membership Department and Legal Division  
Date: July 15, 2008  
Re: CBOE Sponsored User Program

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The SEC has approved CBOE's proposed rule change to amend its Sponsored User Program. The Program permits a non-member Sponsored User to be provided with electronic access, through a sponsorship arrangement with a Sponsoring Member, to enter and execute orders on certain Exchange trading systems.

The rule change expanded the Program, which had previously only applied to CBOE's CFLEX and CBSX facilities, to permit electronic access for the entry and execution of orders by Sponsored Users to all other products traded on CBOE. This new authorized access to all other CBOE products will apply in the same manner and subject to the same conditions as currently apply to Sponsored Users with authorized access to CFLEX and CBSX. However, the number of Sponsored Users with electronic access to all other products traded on CBOE has been limited to a total of 15 persons or entities (referred to as the 15 "Sponsored User Slots").

The Exchange will begin accepting applications for the Sponsored User Slots beginning at **7:00 a.m. (CT) on Monday, July 28, 2008**. The applications are available online at <https://www.cboe.org/members/generalinfo/MemberFormArchive/SponsoredUser200806.pdf> or can be obtained by contacting the Exchange's Membership Department at 312-786-7449 or [members@cboe.com](mailto:members@cboe.com). Applications must be submitted to the Membership Department by hand-delivery, email to [members@cboe.com](mailto:members@cboe.com) or facsimile to 312-786-8140 and will be processed in the order they are received on a time-stamped basis. For applications received via email or facsimile, the time-stamp will be the time the email/facsimile is received by the Membership Department. If there are more applicants than Sponsored User Slots, the Exchange will maintain a waitlist and use a First In, First Out ("FIFO") method for filling the Sponsored User Slots.

Please note that Sponsoring Members will be billed through their clearing firms for all fees associated with their CBOE Sponsored User's activity, including for the following **Customerdirect** fees (subject to SEC approval):

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| • Sponsored User Registration Fee                              | \$2,500 (one time)             |
| • Cabinet Space measured in "U's" (1.75 inches) if co-locating | \$20 per "U" per month         |
| • Network Access Port Charge                                   | \$80 per month                 |
| • CMI Client Application Server                                | \$80 per month                 |
| • FIX Port   | \$80 per month                 |
| • Sponsored User Inactivity Fee                                | \$5,000 per month <sup>1</sup> |

If you have any questions relating to the Sponsored User Program, please refer to SR-CBOE-2008-54 or Rule 6.20A, which are both available online at [www.cboe.org/legal](http://www.cboe.org/legal). For additional questions, please contact Doug Hoffman at 312-786-7299 or [dhh@cboe.com](mailto:dhh@cboe.com) or the Membership Department at 312-786-7449 or [members@cboe.com](mailto:members@cboe.com).

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<sup>1</sup> The Sponsored User Inactivity Fee would be charged only if a CBOE Sponsored User is not software certified by the Exchange and has not established a production network connection and passed a login test within 90 days of CBOE's acceptance of the CBOE Sponsored User registration status and would continue to apply until the CBOE Sponsored has completed all of the foregoing requirements or the CBOE Sponsored User's registration status is withdrawn.