



Regulatory Circular RG12- 004

DATE: January 3, 2012

FROM: Market Operations Department

RE: Restrictions on Transactions in
Sears Holdings Corporation Adjusted Symbol (SHLD1)

On December 14, 2011, Sears Holdings Corporation adjusted symbol (SHLD1) required delivery of 4 shares of class A Orchard Supply Hardware Stores (OSH), plus 4 shares of OSH preferred. On January 3, 2012, OSH preferred was listed on the Over-The-Counter (OTC) market; therefore, shares of adjusted symbol SHLD1 will be subject to restrictions.

Trading on the CBOE in existing series of SHLD1 options will be subject to the following restrictions. Only closing transactions may be affected in any series of SHLD1 options except for (i) opening transactions by Market-Makers executed to accommodate closing transactions of other market participants and (ii) opening transactions by CBOE TPH organizations to facilitate the closing transactions of public customers executed as crosses pursuant to and in accordance with CBOE Rule 6.74(b) or (d).

The execution of opening transactions in SHLD1 options, except as permitted above, and/or the misrepresentation as to whether an order is opening or closing, will constitute a violation of CBOE rules, and may result in disciplinary action. TPH organizations should ensure that they have appropriate procedures in place to prevent their customers from entering opening orders in this restricted option class. In addition, transactions in contravention of this restriction may be subject to nullification pursuant to Exchange Rule 6.25.

There are no restrictions in place with respect to the exercise of SHLD1 options. The provisions of this circular apply to any options on SHLD1 traded on CBOE.

Any questions regarding this circular may be directed to Kerry Winters at (312) 786-7312 or Regulatory Services Division at (312) 786-7730 or (312) 786-8460.

CBOE restricted class memos can be accessed from CBOE.org at the following web address:

<http://www.cboe.org/Restrictions>