



Regulatory Circular RG03-50

TO: Members and Member Organizations

FROM: Stock Selection Committee

DATE: July 8, 2003

RE: Revised Listing Standards for Equity Option Classes

The SEC recently approved a change to CBOE Rule 5.3 that revises the pricing standard that an underlying security must satisfy in order for CBOE to list equity options on the underlying security. Specifically, Interpretation .01 to Rule 5.3 now provides that for an underlying security that is listed on the NYSE, AMEX or Nasdaq NMS, CBOE may list options on the underlying security if the market price per share of the underlying security closed at or above \$3 in the primary market in which it is traded during the five previous consecutive business days. (Please note that the other listing criteria in Rule 5.3, including those pertaining to float, holders and trading volume, have not been changed and continue to apply.)

Previously, Rule 5.3 required that the market price per share of any underlying security be at least \$7.50 for the majority of business days during the three calendar months preceding the date of selection. If the underlying security is not listed on the NYSE, AMEX or Nasdaq NMS, the \$7.50 price requirement and the three-month "look back" requirement will continue to apply.

Members who would like to submit a written request that CBOE list a particular option class may do so by either submitting (i) an e-mail through a direct link on CBOE's password protected Member site at CBOE.com (click on the direct link "**Request New Options**" under the Member Quick Links portion of the Member site); or (ii) a written request to Ben Parker, John Streibich, or to Shahe Alexanian in the CBOE Research Department.

Questions regarding this Regulatory Circular may be directed to Jim Flynn, Legal Division, at (312) 786-7070.