



REGULATORY CIRCULAR RG05-101

Date: November 1, 2005

To: Members and Member Organizations

From: Legal Division
Department of Market Regulation

Re: Position and Exercise Limits

On October 21, 2005, the Securities and Exchange Commission ("SEC") approved a CBOE rule change to eliminate position and exercise limits for options and FLEX options on the NASDAQ 100 Index ("NDX Options"). This rule change is now effective. Please note that certain members or member organizations that maintain NDX Option positions shall be subject to the reporting requirements and the margin and clearing firm requirements under Interpretation and Policy .03 and .04 to CBOE Rule 24.4, and Rule 24A.7(b), respectively.

For information regarding this rule change, refer to CBOE rule change SR-CBOE-2005-41 and the SEC order approving this rule change, which are both posted on the Exchange website at <http://www.cboe.org/Legal/filings.aspx>.

Any questions concerning this Regulatory Circular should be directed to Tim MacDonald at (312) 786-7706 or Jim Flynn at (312) 786-7070.