



Regulatory Circular RG06-72

To: CBOE Members

From: Equity Market Performance Committee
Index Market Performance Committee

Date: July 21, 2006

Subject: Amendment to Marketing Fee Rebate Provisions

CBOE has amended the rebate provisions of CBOE's Marketing Fee Program. (See SR-CBOE-2006-63 and SR-CBOE-2006-68, which are available on CBOE's website at www.cboe.org/legal.)

Specifically, as amended, if less than 80% of the marketing fee funds collected in a given month is paid out by the DPM/LMM or Preferred Market-Maker, then CBOE would refund such surplus at the end of the month on a pro rata basis based upon contributions made by the Market-Makers, RMMs, e-DPMs, DPMs and LMMs in that month. However, if 80% or more of the funds collected in a given month is paid out by the DPM/LMM or Preferred Market-Maker, there will not be a rebate for that month and the excess funds will be included in an Excess Pool of funds to be used by the DPM/LMM or Preferred Market-Maker in subsequent months. The total balance of the Excess Pool of funds for a DPM/LMM cannot exceed \$25,000, and the total balance of the Excess Pool of funds for a Preferred Market-Maker cannot exceed \$80,000. If in any month the DPM/LMM Excess Pool balance were to exceed \$25,000, or the Preferred Market-Maker Excess Pool balance were to exceed \$80,000, the funds in excess of \$25,000 or \$80,000, respectively, would be refunded on a pro rata basis based upon contributions made by the Market-Makers, RMMs, DPMs, e-DPMs and LMMs in that month.

If you have any questions concerning this circular, please contact Daniel Hustad at (312) 786-7715.