



Regulatory Circular RG06-90

To: Members

From: Research & Legal Divisions

Date: August 23, 2006

Re: Approval of Changes to Weeklys Pilot Program

A rule change that modifies CBOE's short term option series ("Weeklys") pilot program has been approved by the Securities and Exchange Commission (Release 34-54338, SR-CBOE-2006-49). A copy of the rule change is available on CBOE's website at www.cboe.com.

Through the rule change, CBOE modified the program to provide that up to seven (as opposed to five) Weeklys series may be opened for each expiration date.¹ The rule change also modified the program to provide that, if CBOE has opened less than seven Weeklys series for a given expiration date, additional series may be opened for trading when CBOE deems it necessary to maintain an orderly market, to meet customer demand or when the current value of the underlying index moves substantially from the exercise price or prices of the series already opened. In any event, the total number of series for a given expiration date will not exceed seven series.

For additional information regarding this rule change, please refer to CBOE rule filing SR-CBOE-2006-49. Any further questions should be directed to Dennis O'Callahan, Research Division, at (312) 786-7508 or Jennifer Lamie, Legal Division, at (312) 786-7576.

¹ Weeklys are generally opened on a Friday and expire on the next Friday. If a Friday were not a business day, the series could be opened (or would expire) on the first business day immediately prior to that Friday. Additionally, CBOE will not open a Weeklys series in the same week that the corresponding monthly option series is expiring, because the monthly option series in its last week before expiration is functionally equivalent to the Weeklys series.