



REGULATORY CIRCULAR RG07-26

Date: February 21, 2007

To: Members and Member Organizations

From: Department of Market Regulation

Re: Position and Exercise Limits

Effective February 6, 2007, the existing position and exercise limit pilot program (“Pilot Program”), which was due to expire on March 1, 2007, has been extended for an additional six (6) months. As such, until September 1, 2007, the standard position and exercise limits, as provided under Exchange Rule 4.11, Interpretation and Policy .02 to Rule 4.11, and Rule 4.12 shall continue to be 25,000, 50,000, 75,000, 200,000, and 250,000 contracts, respectively.¹ During this same period, the standard position and exercise limits for options on the Nasdaq-100 Index Tracking Stock (“QQQQ”) shall continue to be 900,000 contracts.²

For additional information pertaining to the Pilot Program, refer to CBOE rule change SR-CBOE-2007-12, which is posted on the Exchange website at www.cboe.org/legal. For information on position and exercise limits in general, please refer to Rule 4.11 and Rule 4.12.

Any questions concerning this Regulatory Circular should be directed to Tim MacDonald at (312) 786-7706 or Jaime Galvan at (312) 786-7058.

¹ Without the Pilot Program, the standard position and exercise limits are 13,500, 22,500, 31,500, 60,000, and 75,000 contracts, respectively.

² Without the Pilot Program, the standard position and exercise limit for options on QQQQs is 300,000 contracts.