



Regulatory Circular RG08-96

Date: August 25, 2008

To: Members

From: Trading Operations

Re: Amendment to Hybrid Electronic Quoting Fee

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In an effort to improve the quality of CBOE's disseminated quote while maintaining its quote mitigation efforts, the Hybrid Electronic Quoting Fee will be amended effective September 1, 2008.<sup>1</sup>

As you know, CBOE assesses all liquidity providers who are submitting electronic quotations to CBOE in Hybrid option classes a monthly amount of \$450 per membership utilized. CBOE also assesses or credits fees on liquidity providers that vary depending on: (i) the quality of the liquidity provider's quotation; and (ii) the value of the underlying security and CBOE's bid in the option series. Currently, a liquidity provider's total credits cannot exceed the total debits assessed.

Effective September 1, 2008, CBOE will establish a cap of \$50,000 on the amount a liquidity provider's total credits can exceed the total debits assessed. If the liquidity provider is a member organization utilizing more than one membership, the \$50,000 cap is applied per member organization. CBOE believes that establishing a cap of \$50,000 will serve as an incentive to liquidity providers to submit competitive quotations, and that the Fee will continue to promote and encourage more efficient quoting and help to reduce quote traffic.

For further details, please consult the CBOE Fee Schedule. If you have questions or would like to receive an email that includes a projection of the impact on your quote fees, please call or email Charles Hullihan at (312) 786-7176 or [hullihan@cboe.com](mailto:hullihan@cboe.com).

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<sup>1</sup> CBOE intends to submit a rule filing to the SEC on August 29, 2008 to implement this fee change.