



Regulatory Circular RG 08-120

To: Members
From: Division of Member and Regulatory Services
Date: September 29, 2008
Re: Short Sale Ban Duration

The SEC emergency order issued on September 18, 2008 (the "Order") that prohibits short sales (with certain exceptions including for options market makers) is currently set to terminate on October 2, 2008. By statute, the SEC may extend the Order, but not for more than 30 calendar days in total duration. If extended for the maximum duration, the Order would be effective up to 11:59 p.m. ET on October 17, 2008 (the Friday of the October '08 Expiration). Short sales occurring thereafter would not be subject to the Order.¹ For example, the automatic exercise of an October equity put option would result in a short stock position on Saturday, October 18, 2008, which is after the Order would no longer be in effect.

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If you have any questions, please contact James Adams at 312-786-7718 or Jennifer Lamie at 312-786-7576.

¹ This is consistent with OneChicago's circular dealing with the impact of the Order on customers who trade new single stock futures short positions for contracts that expire in October '08, located at <http://www.onechicago.com/?p=1121>.