

To: CBSX & CBOE Trading Permit Holders
From: Trading Operations
Date: September 22, 2010
Re: Individual Stock Trading Pause & CBSX Clearly Erroneous Rules Amended

Individual Stock Trading Pause “Phase II” Amendments

In June 2010, the SEC approved a pilot program to establish a market-wide trading pause for individual stocks in the S&P 500 Index that experience a price change of 10%, as well as individual equity options overlying those stocks, as announced in Regulatory Circular RG10-68 <http://www.cbsx.com/publish/RegCir/RG10-068.pdf>.

On September 10, 2010, the SEC approved rule changes submitted by the national securities exchanges and the FINRA to amend the Single Stock Trading Pause pilot to include additional securities. The pilot has been expanded to include individual stocks in the Russell 1000 Index and select Exchange-Traded Products, as well as individual equity options overlying those stocks.

For information on the CBSX and CBOE procedures for trading pauses, please refer to Regulatory Circular RG10-68. For a list of Phase II stocks, please review the following links:

Russell 1000

http://www.russell.com/indexes/documents/Membership/Russell1000_Membership_List.pdf

ETF Products

<http://sec.gov/rules/sro/nasdaq/2010/34-62414-ex3.pdf>

CBSX Clearly Erroneous Rule Amendments

On September 10, 2010, the SEC approved amendments to CBSX's clearly erroneous rule. The amendments to the clearly erroneous rule were developed in conjunction with the other U.S. stock markets and the SEC staff in response to the market disruption of May 6. The amendments make it clearer on when — and at what prices — trades will be broken by the stock exchanges and FINRA. As with the Individual Stock Trading Pause pilot program, these rules will be in effect on a pilot basis through December 10, 2010.

For detailed information relating to CBSX's updated Clearly Erroneous Policy, please review the following links:

<http://www.sec.gov/rules/sro/bats/2010/34-62886.pdf>

<http://cchwallstreet.com/CBOETools/PlatformViewer.asp?searched=1&selectednode=chp%5F1%5F5%5F3%5F4&CiRestriction=52%2E4&>manual=%2Fcboc%2Frules%2Fcboc%2Drules%2F>

For additional information, please refer to rule filings SR-CBOE-2010-056 and SR-CBOE-2010-065, located at www.cboe.org/legal. Further questions may be directed to David Reed at 312-786-8857, the CBSX Help Desk at 866.458.2279 or the CBOE Help Desk at 866-728-2263.