



Regulatory Circular RG11-094

To: Trading Permit Holders and TPH Organizations

From: Legal Division and Regulatory Services Division

Date: August 4, 2011

Re: Regulatory Independence and Communications Regarding Regulatory Matters

On August 2, 2011, the Boards of CBOE Holdings, Inc. (CBOE Holdings), Chicago Board Options Exchange, Incorporated (CBOE) and C2 Options Exchange, Incorporated (C2) acted to enhance existing policies and practices by adopting two formal policies¹ that are designed to ensure that the CBOE Regulatory Services Division performs its regulatory functions without regard to the actual or perceived business interests of any CBOE company² or any regulated person or entity.

Pursuant to the policies, and for the reasons discussed below, Trading Permit Holders and persons associated with TPHs should not discuss issues, questions or complaints about regulatory matters with directors and non-regulatory personnel of any CBOE company.

In particular, to avoid even the appearance that the Regulatory Services Division might be influenced by business interests, and subject to certain exceptions, the policies prohibit directors and non-regulatory employees of a CBOE company from discussing any issues related to regulatory matters with CBOE regulatory personnel. In addition, directors and non-regulatory personnel of CBOE companies are prohibited from communicating with CBOE's regulatory personnel about issues, questions or complaints that a regulated entity or person has raised about regulatory matters. Non-regulatory personnel also are prohibited from providing any guidance or advice regarding a regulatory matter.

As defined in the policies, regulatory matters include regulatory investigations, examinations or complaints either from or about a regulated entity or person concerning existing or anticipated regulatory actions and all investigative and surveillance activities of the Regulatory Services Division. Regulatory matters do not include activities related to potential legislation, rule-making or general regulatory policies that do not include specific facts about existing or anticipated regulatory investigations, examinations or actions.

¹ Copies of the policies can be found on CBOE's website at:
<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>.

² The term "CBOE company" includes CBOE Holdings, CBOE, C2, and all other subsidiaries or affiliates of CBOE Holdings.

Any Trading Permit Holder or person associated with TPHs that has a question or wishes to raise an issue or complaint regarding a regulatory matter should contact Timothy Thompson, the Chief Regulatory Officer of CBOE, at 312-786-7135, file an online complaint on the Legal and Regulatory section of the CBOE website (<http://www.cboe.com>) at the following link <http://www.cboe.com/aboutCBOE/legal/forms/MemberComment.aspx>, or call the Regulatory Services Division's hotline at 312-786-7261.