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Regulatory Circular RG11-154

TO: CBOE Trading Permit Holders
FROM: Trading Operations Division and Legal Division
DATE: December 2, 2011
RE: CBOE Complex Order Processing – Deactivation of Percentage Distance Price Check and Re-COA

Please be advised that effective Monday, December 5, 2011, the following two features within the CBOE complex order auction (“COA”) processing system will be temporarily deactivated:

- The “percentage distance” price check parameter (a price drill-through feature that automatically cancels a marketable complex order if, following COA, the execution would be at a price that is not within an acceptable percentage distance from the derived net price of the individual series legs at the start of COA); and
- The “re-COA” feature (process by which orders resting in the complex order book will be eligible to automatically re-auction once they are within a number of ticks from the displayed strategy quote, comprised of the individual CBOE quotes for the component series).

CBOE is in the process of filing rule changes with the Securities and Exchange Commission that will allow CBOE to reactivate these features. Another circular will be issued announcing when these features will be available again.

Questions regarding this circular may be directed to Anthony Montesano, Trading Operations, at 312-786-7365, to the CBOE Help Desk at 866-728-2263, or to Jennifer Lamie, Legal Division, at 312-786-7576.