



Regulatory Circular RG15-141

Date: October 9, 2015

To: Trading Permit Holders

From: Business Development Division

RE: Operational System Settings for New Options on Three FTSE Russell Indexes

Commencing October 20, 2015, Chicago Board Options Exchange, Incorporated ("CBOE") will list new options on three FTSE Russell Indexes. This circular announces certain operational systems settings for these new Russell Index options which will generally follow those for the Russell 2000 Index ("RUT") options. The new classes will be listed on CBOE only and not on C2.

Ticker Symbol

- Russell 1000 Index – RUI
- Russell 1000 Value Index - RLV
- Russell 1000 Growth Index - RLG

Trading Hours

- Regular Trading Hours: Monday through Friday from 8:30 A.M. CT to 3:15 P.M. CT

Expiration and Settlement

- The Expiration-Settlement Date will generally be the third Friday of the expiration month.
- Trading in expiring RUI, RLV and RLG options will generally end on the business day, usually a Thursday, preceding the day on which the exercise-settlement is calculated.

New Contract Listings

CBOE anticipates listing the following standard expiration months:

- RUI:
 - 2015: November and December
 - 2016: January, March, June, September and December
- RLG:
 - 2015: November and December
 - 2016: March and June
- RLV:
 - 2015: November and December
 - 2016: March and June

Designated Primary Market-Maker ("DPM") and Trading Floor Location

- DPM: Susquehanna Securities
- Post and Station: Post 3 Station 4

Orders

- Minimum Price Increment for Simple Orders: \$0.05 under \$3.00, and \$0.10 above \$3.00.
- Minimum Price Increment for Complex Orders: \$0.01.
- Complex Order Book (COB): Complex orders from all participants will be eligible to rest in the COB (see Rule 6.53C).

Matching Algorithm and Auctions

- The Matching Algorithm will be equal to the algorithm currently in place for RUT options, that is:
 - Public customer priority; then pro-rata, with Designated Primary Market-Maker (DPM) participation entitlements.
 - Matching Algorithm for the Complex Order Book (COB): Public customer priority; then pro-rata.
- Preferred Market Maker (PMM): PMM participation entitlement will be unavailable.
- Open Outcry Crossing Entitlement: 20% for Solicitations and 40% for Facilitations.
- Matching algorithm for the Complex Order Auction (COA): The COA matching algorithm will be in accordance with Rule 6.53C(d)(v), with allocation among auction responses from public customer in time priority; then pro-rata, capped at the size of the auctioned order. All participants are permitted to respond to COA.
- Automated Improvement Mechanism (AIM): AIM will be active, with a 1000 millisecond timer (See Rule 6.74A). Both simple and complex orders will be supported. Rule 6.74A(b)(3) describes the AIM allocation, which will be public customer priority; then pro-rata. The participation entitlement for the contra/match order will be the greater of (A) 1 contract or (B) 50% if matched by one participant or 40% if matched by two or more participants. Auction responses are permitted from Market-Makers with an appointment in the class and TPHs acting on behalf of orders at the top of the book (or COB) at the start of the auction. The minimum price increment for AIM will be \$.01 for simple and complex orders. At least three quoters are required to start the auction.
- The Solicitation Auction Mechanism (SAM): SAM, or "AON AIM", will not be active.
- Hybrid Agency Liaison (HAL): HAL will be active for purposes of drill-through protection, with a 20 millisecond timer.
- HAL on the Open (HAL-O) will be active, with a 20 millisecond timer.
- Complex Order Auction (COA): COA will be active, with a 100 millisecond timer, for complex orders from customers (origin code C) and professional customers (origin code W).

Other

- Multi-class spreads will be permitted under Rule 24.19. Please see circular RG15-142 for a list of valid multi-class spreads.
- Opening timers, Exchange Prescribed Width (EPW), Opening EPW (OEPW), limit order price reasonability and drill-through protection settings will be set at standard levels currently in use for RUT (See Regulatory Circulars [RG14-156](#), [RG13-145](#), [RG12-019](#) and [RG11-072](#)).
- The Exercise Style will be European and A.M. settled.
- FLEX will be available for these options.

Additional Information:

Operational questions regarding this circular may be directed to the CBOE Help Desk at 866-728-2263 or helpdesk@cboe.com.