

Date: August 1, 2006

To: The Membership

From: Financial Planning Committee

Subject: Fee Reductions for August 2006 and DPM Equities Transaction Fee Increase

August Fee Reductions:

CBOE has averaged approximately 2.7 million contracts per day (CPD) on a year-to-date basis.

Per the 2006 Prospective Fee Reduction Program, Market Maker and DPM transaction fees and floor brokerage fees will be reduced by 20% per contract from standard rates during August 2006. July 2006 discounts were also 20%.

Fee	Standard Rate	Aug. '06 Rate
Equities Market Maker Trans. Fee	22 cents	17.6 cents
Equities DPM Trans. Fee	16 cents	12.8 cents
QQQQ, SPY, DIA, DJX & Indexes Mrkt. Maker/DPM Trans. Fee	24 cents (1)	19.2 cents (1)
Mini-SPX (XSP) Market Maker Trans. Fee	15 cents	12.0 cents
Floor Brokerage Fee – SPX, OEX & DXL	4 cents	3.2 cents

(1) Above rates exclude a 10 cents license fee surcharge for the following products:

- Mini Nasdaq 100 (MNX)
- Nasdaq 100 (NDX)
- Russell 2000 cash settled index (RUT)
- Dow Jones indexes, excluding DJX and DIA

DPM Equities Transaction Fee Increase:

Effective August 1, 2006, the standard DPM equities transaction fee will increase by 2 cents per contract. The revised standard rate will be 16 cents per contract versus 14 cents prior to August 1 (and prior to 20% discount noted above). This increase was included in the 2006 budget.

Please call Ermer Love (312-786-7032) if you have any questions.