



Date: June 1, 2007

To: CBSX Designated Primary Market Makers (DPMs) and Remote Market Makers (RMMs)

Re: Revised Liquidity Provider Guidelines (LPGs)

CBSX has determined to simplify the manner in which it calculates adherence to Liquidity Provider Guidelines (LPGs) while maintaining incentives to provide liquidity at or near the NBBO.

Effective June 1, 2007, the new guidelines will require CBSX market makers, including DPMs and RMMs, to ensure that the CBSX best bid and offer (CBSX BBO) meets both the spread and size requirements set forth in the LPG matrix 90% of the time throughout each business day in order for the market makers who are appointed to those securities to receive the “bonus” rebate above the basic \$0.0024/share that is paid to non-obligated providers of liquidity. If the CBSX BBO does not meet the LPGs 90% of the time, then CBSX DPMs and RMMs will receive the base rebate of \$0.0024/share.

The LPGs are the same as the one previously published, with the exception that the second tier of the two-tiered standard has been eliminated. The LPG matrix appears on the reverse side of this circular.

For questions regarding the LPGs, contact Allison Kile at (312) 786-7210 or Daniel Hustad at (312) 786-7715.

Liquidity Provider Guidelines (“LPGs”)
Effective June 1, 2007

Daily Share Volume		0 to 4,999	5,000 to 24,999	25,000 to 74,999	75,000 to 199,999	200,000 to 499,999	500,000 or more
Requirement		Spread (%) Depth (sh)	Spread (%) Depth (sh)	Spread (%) Depth (sh)	Spread (%) Depth (sh)	Spread (%) Depth (sh)	Spread (%) Depth (sh)
Price (\$)	0 to 4.99	15.00 700	7.00 700	5.00 700	3.00 700	2.00 700	1.00 5,000
	5 to 14.99	6.00 400	3.00 400	1.50 400	1.00 400	0.60 400	0.30 1,000
	15 to 49.99	5.00 300	2.00 300	1.00 300	0.50 300	0.30 300	0.20 500
	50 or more	4.00 200	1.50 200	0.70 200	0.30 200	0.20 200	0.10 300