



Regulatory Circular RG08-07

To: Members

From: Legal Division

Date: January 7, 2008

Re: Expansion of \$1 Strike Program

The SEC has approved CBOE's proposed rule change to expand the \$1 Strike Program. Specifically, CBOE now can select a total of 10 individual stocks on which option series may be listed at \$1 strike price intervals (previously, CBOE was limited to 5 stocks). Additionally, the price range on which CBOE may list \$1 strikes has been expanded from \$3 to \$50 (previously, the range was \$3 to \$20). The existing restrictions on listing \$1 strikes continue, *i.e.*, no \$1 strike price may be listed that is greater than \$5 from the underlying stock's closing price in its primary market on the previous day, and CBOE is restricted from listing any series that would result in strike prices being \$0.50 apart.

If you have any questions relating to the \$1 Strike Program, please contact Allison Kile at (312) 786-7210.