



## Regulatory Circular RG08-114

Date: September 19, 2008

To: Clearing Member Firms

From: Member & Regulatory Services

Re: Notification to OCC of Contrary Exercise Intentions

Pursuant to CBOE Rules 11.1(d)(1), CBOE has determined to extend the cut-off time for the submission of contrary exercise advices<sup>1</sup> ("CEAs") and advice cancels (CEA Cancels) to CBOE for expiring equity options. The cut-off time will be extended for clearing members to 7:00 p.m. (CT) for the September 2008 expiration. Please be advised that all exercise decisions must still be made prior to the 4:30 p.m. (CT) cut-off time.<sup>2</sup> The extension is for operational purposes only.

Members and Clearing Members are reminded that notification of all CEAs and CEA Cancels must be documented and retained (including accurate time stamps). In addition, Clearing Members are reminded that any adjustments made may be subject to review. CBOE makes no representations regarding the propriety of a Member's actions with regard to instructions received from a customer.

Questions concerning this circular can be directed to Ji Min Kim at (312) 786-7043.

---

<sup>1</sup> Also known as Expiring Exercise Declarations.

<sup>2</sup> Members and member organizations may make final exercise decisions after the exercise cutoff time, but prior to expiration, without having submitted a CEA: (1) in order to remedy mistakes made in good faith; (2) to take appropriate action as the result of a failure to reconcile unmatched Exchange option transactions; or (3) where exceptional circumstances have restricted an option holder's ability to inform a member organization of a decision regarding exercise, or a member organization's ability to receive an option holder's decision by the cutoff time. The burden of establishing any of the above exceptions rests solely on the member or member organization seeking to rely on such exceptions.