



400 S. La Salle
Chicago, IL 60605

Date: October 30, 2009
To: Members
From: Trading Operations
Re: **Linkage Implementation – New Schedule**

Regulatory Circular RG09-124

CBOE will restart linkage implementation of outbound Intermarket Sweep Order (ISO) routing to away exchanges on Friday, October 30th.

The new schedule for outbound routing implementation includes the following dates:

Friday, October 30th includes the following two option classes:

- T (AT&T) and GDX (Market Vectors TR Gold M).

Friday, November 6th includes the following 10 classes:

- AMGN (AMQ), CAT, CSCO (CYQ), DIA, GS, INTC (INQ), MSFT (MSQ), SPY, XOM, YHOO (YHQ)

Tuesday, November 10th includes the following 25 classes:

- AA, AAPL (AAQ), AIG, BAC, C, DRYs (DQR), EK, ETFC (EUS), FCX, GE, GLD, GOOG (GOQ), IWM, JPM, LVS, MGM, MOT, ORCL (ORQ), PALM (UPY), QQQQ (QQQ), RIMM (RUL), WFC, WMT, XLF, XLU

Thursday, November 12th: All remaining multiple listed option classes will be enabled for new linkage routing.

- Rollout is complete.

Floor brokers will be enabled for access to outbound linkage via the Sweep & Return functionality on PAR. Floor broker enablement will occur after the linkage rollout and after an education session has been completed.

Education sessions will begin the week of 11/23/09.

Summary of New Functionality:

New functionality and order types have been developed in support of the Distributive Linkage Plan. As classes are migrated to new option linkage, a new HAL auction process (HAL2) will be activated. Responses to the HAL2 auction are permitted at any price equal to or better than the CBOE BBO. Those at the NBBO or better will trade immediately, with no joining period. At the conclusion of HAL2, ISOs will be shipped to those markets displaying better priced quotes than CBOE, while any remaining order balance will simultaneously trade at CBOE's price. ISO fills will be applied to the originating order, creating a corresponding trade at CBOE.

The following order types will be eligible once a given class is activated (see RG09-84 for further details):

- Sweep-and-AIM – Allows brokers to submit AIM crosses outside the NBBO. Upon receipt, CBOE will sweep all better priced protected quotes at away markets along with better CBOE prices, while simultaneously starting an auction for the remaining volume at the crossing price designated on the contra/match order.
- AIM-ISO – Allows brokers to submit AIM crosses outside the NBBO with the understanding that the broker is sweeping all better priced protected quotes at away exchanges themselves. Upon receipt, CBOE will clear all better internal prices while starting an auction at the crossing price designated on the contra/match order, irrespective of the NBBO.
- Do-Not-Route (DNR) Order – Instructs CBOE to trade the order or book it. If order pricing requires linking to an away market, the order is canceled. This order type is also known as "CBOE-only". If using FIX protocol for DNR, please contact our API group for enablement.

For linkage questions please contact Roger Mulcahy at (312) 786-7280, Tim Watkins at (312) 786-7172, or the CBOE Help Desk at (312) 786-7100. For questions relating to new order type formats or to set up ISO testing, contact CBOE's API Group at (312) 786-7300. For HAL or AIM, call Anthony Montesano at (312) 786-7365, Mike Trees at (312) 786-8408, or Greg Burkhardt at (312) 786-7531.