



To: Trading Permit Holders
From: Trading Operations
Date: January 27, 2011
Re: Reserve Orders

Effective February 1, 2011, reserve orders will be permitted in all classes. Previously, reserve orders were permitted in all classes except SPX, VIX, OEX, XEO, XSP and DJX.

Reserve orders allow a user to display only a designated portion of the total order quantity, while the entire order quantity is available in the electronic marketplace. Functional highlights are as follows:

- The feature is available for simple and complex orders.
- FIX order formats require the display quantity in tag 111. CMI formats require 'RESERVE' in the CONTINGENCY TYPE field and display quantity in the QUANTITY field of the contingency struct.
- The display quantity will be replenished only when the full display quantity is traded.
- For any allocation involving entitlements or priority, only the initial display quantity will qualify.
- Reserve quantity, although available in the electronic marketplace, will be eligible to trade only after all other displayed interest. If multiple reserve orders are resting at a given price, the reserve quantities for those orders will trade in time sequence.
- For crossing purposes, the entire order quantity is considered exposed as soon as any quantity on the order is displayed. Note that an order must be exposed for a minimum of 1 second before an opposing principal or solicited order can be submitted to trade/cross with the booked order (see Rules 6.45A.03 and 6.45B.04).

Questions regarding this functionality may be directed to Anthony Montesano at 312-786-7365 or montesan@cboe.com; or the CBOE Help Desk at 866-728-2263 or helpdesk@cboe.com. Questions regarding order formats and testing may be directed to the API Group at 312-786-7300 or api@cboe.com.

(Updates Regulatory Circular RG10-75)