



EXECUTE SUCCESSSM

CBOE Regulatory Circular RG13-119 C2 Regulatory Circular RG13-042

DATE: August 30, 2013

To: CBOE, C2 and CBSX Trading Permit Holders
From: Regulatory Services Division
RE: SEC's OCIE Issues Risk Alert Concerning Regulation SHO

This circular is being issued to advise Trading Permit Holders that the SEC's Office of Compliance Inspections and Examinations ("OCIE") recently published a risk alert highlighting trading strategies that have been observed by which some broker-dealers and clearing firms appear to circumvent certain requirements of Regulation SHO. The alert describes these activities, summarizes certain key enforcement actions involving such activities, and notes effective practices that the OCIE staff has observed at some firms to identify risks and detect trading activities that could be used to circumvent certain Regulation SHO requirements.

The alert is available on the SEC's website via the following link:
<http://www.sec.gov/about/offices/ocie/options-trading-risk-alert.pdf>