

Trader E-News

Information Circular IC14-006

January 24, 2014

Back-Up Data Center Test Tomorrow

- REMINDER: Tomorrow, CBOE and CBOE Futures Exchange (CFE) will conduct tests to simulate a failure at CBOE's Equinix NY4 primary data center and a recovery to back-up systems at CBOE's 400 South LaSalle Street data center.
- Please refer to CBOE [Regulatory Circular RG14-008](#) and CFE [Information Circular IC14-004](#) for information and procedures regarding the tests.

CBOE and S&P Announce Successful Conclusion of Index Litigation

- S&P Dow Jones Indices LLC (SPDJI) and CBOE reported today that International Securities Exchange (ISE) has not appealed a federal court decision that rejected ISE's attempt in the New York courts to challenge SPDJI's rights to control the use of the S&P 500 and the Dow Jones Industrial Average as the basis of index options. CBOE holds an exclusive license to list options on the S&P 500 Index, the Dow Jones Industrial Average, and select other indices calculated and published by SPDJI.
- ISE's decision not to appeal brings to an end more than seven years of unsuccessful challenges to SPDJI's and CBOE's rights.
- Most recently, on December 18, 2013, a New York federal judge dismissed ISE's lawsuit after finding that the earlier rulings by the Illinois courts were final and binding on ISE. ISE's final deadline to appeal the federal court decision has passed.
- See the [CBOE and S&P Joint Press Release](#).

Quarterly Rebalance of Option Class Tiers

- CBOE rebalances option class appointment cost tiers (excluding the "AA" tier) every calendar quarter based on national average daily volume, which may result in additions or deletions to each tier's composition. When a class changes tiers, it is assigned the appointment cost of the new tier.
- Each tier rebalancing takes effect on the first business day of the second calendar month following the end of the calendar quarter (i.e. the rebalancing using 4th quarter 2013 data takes effect the first business day of February 2014.)
- Please be advised that beginning with the February 2014 effective date, if a Market-Maker or Market-Maker affiliated firm holds a combination of appointments whose cost is greater than the net appointment credits they hold, the Market-Maker or Market-Maker affiliated firm **will automatically be assigned** as many Market-Maker Trading Permits as necessary to ensure that they no longer hold a combination of appointments whose cost exceeds their appointment credits.
- Refer to CBOE [Regulatory Circular RG14-009](#) for complete information.

We encourage your input on these and other exchange matters. Please feel free to contact us directly with your comments.

Ed Tilly: tilly@cboe.com

Ed Provost: provost@cboe.com