CHICAGO BOARD OPTIONS EXCHANGE

Date: July 9, 2003 Regulatory Circular RG03-52

To: Membership

From: Allocation Committee

Re: Delisting Option Classes

The Board of Directors, upon the recommendation of the Allocation Committee, has approved the following policy regarding option class delistings. This policy provides for a more efficient utilization of Exchange resources by helping to conserve quote capacity both internally and at the vendor level. Therefore, **during July 2003, the Allocation Committee will be conducting a delisting effort as described below:**

Option Class Delisting Policy

A. For Singly Listed Option Classes, Including CBOE Sector Indices:

All singly traded option classes that have been listed on CBOE for 1 year or more, have traded 20 or fewer contracts/day during the most recent three month period and have 1000 or less customer contracts open interest will be delisted. The delisting of those classes will be accomplished by notifying each crowd/DPM that those classes will cease to have new series listed as old series expire. Each singly traded option class will be reviewed after its first year anniversary, and every three months thereafter to determine its eligibility status. Any option class not meeting the above eligibility criteria will be delisted.

B. For Multiply Listed Option Classes:

All multiply traded option classes that have been listed on CBOE for six months or more and have traded 50 or fewer contracts/day on CBOE during the most recent three month period will be delisted. The delisting of these classes will be accomplished by ceasing to trade those classes within five business days after the crowd/DPM has been notified. Each multiply listed option class will be reviewed after its six-month anniversary and every three months thereafter to determine its eligibility status. Any option class not meeting the above eligibility criteria will be delisted.

(Over)

C. Due Process for Delisting Classes:

Each DPM/trading crowd that has been notified that an option class is no longer eligible for trading on the Exchange as set forth may, within two business days of being notified, submit a written request to the Allocation Committee asking that the class not be delisted. Such request must include justification for not delisting the class. Representatives of the DPM and/or trading crowd may be called upon to appear before the Allocation Committee to answer any questions the Committee may have. If the request of the DPM/trading crowd is denied by the Allocation Committee, representatives of the DPM/trading crowd may request the opportunity to appear before the Committee to further explain their desire not to delist the class. If the Allocation Committee ultimately determines to delist the class, the DPM/trading crowd may appeal the Committee's decision under Chapter XIX of the Rules.

The Allocation Committee as well as the Office of the Chairman may make exceptions to the above policies in appropriate cases.

These changes will allow CBOE to effectively deal with the constraints that are imposed on us by the ever-present burden of quote traffic. Listing of classes that do not trade in significant volume has a direct cost to the Exchange, its members and firms and the data vendors. It is important that CBOE proactively address this issue for the benefit of investors trading our products.

Questions regarding the class delisting policy may be directed to Allison Marquis at (312) 786-7210.