



Regulatory Circular RG08-116

DATE: September 22, 2008

TO: Members and Member Organizations

FROM: Regulatory Services Division

RE: Opening Transactions in Restricted Classes

This Regulatory Circular is being issued to remind the membership of the Exchange's rules relating to the prohibition on entering opening orders in restricted series.

Whenever the Exchange deems a particular class of options to be restricted, in accordance with the provisions of CBOE Rule 5.4, only closing transactions may be affected in any series of options of that class except for (i) opening transactions by market makers executed to accommodate closing transactions of other market participants and (ii) opening transactions by CBOE member organizations to facilitate the closing transactions of public customers executed as crosses pursuant to and in accordance with CBOE Rule 6.74(b) or (d).

The execution of opening transactions in options, except as permitted above, and/or the misrepresentation as to whether an order is opening or closing, will constitute a violation of CBOE rules, and may result in disciplinary action. **Member organizations should ensure that they have appropriate procedures in place to prevent the routing of opening orders in series of options of a restricted class and should not rely on Exchange systems to block such orders.**

CBOE restricted class memos can be accessed from CBOE.org at the following web address:
<https://www.cboe.org/members/GeneralInfo/restrictionsclosingorders.aspx>

And from CBOE.com at the following web address:
<http://www.cboe.com/TradTool/newseriesrestrictions.aspx>

Any questions regarding this circular may be directed to Ji Min Kim at (312) 786-7043.