



Date: September 25, 2008  
To: Members  
From: Market Quality and Allocation Committee  
Re: Modified Bid/Ask Differentials

Due to the volatility in the stocks affected by the SEC's emergency order prohibiting short sales and other factors affecting both the options and the underlying, the Market Quality and Allocation Committee ("Committee"), by its authority under the provisions of Exchange Rule 8.7(b)(iv), has temporarily established modified bid/ask differentials in the option series overlying all financial company stocks affected by the emergency order prohibiting short sales. This relief is granted from the opening of business on September 25, 2008 until further notice. Please note that the list of stocks affected by the emergency order is subject to change at any time throughout the trading day. A list of these classes can be found at <http://www.cboe.com/ShortSale>.

The Committee has granted triple wide relief on the open for both open outcry as well as electronic quotations, and triple wide relief in open outcry throughout the trading day. Therefore, bids and offers made in open outcry (and electronically on the open) shall be priced so as to create differences of no more than \$0.75 between the bid and offer for each option contract for which the bid is less than \$2, no more than \$1.20 where the bid is at least \$2 but does not exceed \$5, no more than \$1.50 where the bid is more than \$5 but does not exceed \$10, no more than \$2.40 where the bid is more than \$10 but does not exceed \$20, and no more than \$3 where the bid is more than \$20. Following the open, bids and offers made electronically shall be no wider than \$5.00. Triple wide relief has been granted with the contingency that the disseminated markets in these classes will be competitive and in many instances will be narrower than the relief granted. The Committee will continue to monitor the activity in the underlying securities of these options, and will modify the bid/ask differentials in the respective options accordingly. Any questions regarding this circular should be directed to the Market Quality Assurance Department at [mqa@cboe.com](mailto:mqa@cboe.com).