



Regulatory Circular RG09-88

Date: August 21, 2009

To: Members and Member Firms

From: Trading Operations

Re: Amendment to the Options Listing Procedures Plan – Limitations on the Listing of New Series

On Wednesday, August 19, 2009 the SEC approved a filing by the CBOE and all of the other options exchanges that establishes limitations on the listing of new options series.<sup>1</sup> The purpose of the filing was to apply uniform objective standards to the range of options series available for trading as a quote mitigation strategy. Below is a general summary of these new provisions.

Going forward, the addition of new series for option classes overlying equity securities, ETFs, or HOLDERS will be subject to the following:

- If the price of the underlying security is less than or equal to \$20, the addition of new option series will be limited to 100% above or below the price of the underlying security.
- If the price of the underlying security is greater than \$20, the addition of new option series will be limited to 50% above or below the price of the underlying security. (Each options exchange can designate five option classes that would be exceptions to this limitation. For each exception, the range for adding new series is 100% above or below the price of the underlying security.)

The reference price for these determinations will be measured by the reported daily high and low of each underlying security. These restrictions do not apply to the listing of \$1 strike prices in option classes participating in the \$1 Strike Program, or to the listing of FLEX options.

If you have questions concerning this amendment to the OLPP, please contact Charlie Hullihan at 786-7176 or Tom Knorring at 786-7363.

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<sup>1</sup> CBOE and the other options exchanges amended the Options Listing Procedures Plan ("OLPP"), which is a national market system plan under the Securities Exchange Act of 1934. The SEC's approval order of Amendment No. 3 to the OLPP is available at <http://www.sec.gov/rules/sro/nms.shtml>.