



## Regulatory Circular RG11-001

**Date:** January 3, 2011

**To:** Trading Permit Holders and Trading Permit Holder Applicants

**From:** Registration Services Department

**Re:** Trading Permit Holder Application and Other Related Fees

The following is a list of the Exchange's Trading Permit Holder application fees and other related fees, together with a brief explanation of each fee, **revised to reflect changes to fees for the following (i) fingerprint processing; (ii) inactive nominee status; (iii) Trading Permits; (iv) tier appointments; and (v) bandwidth packets.**

### List of Fees

Individual Applicant Fee (Trading Permit Holder/Nominee).....	\$2,500
New Trading Permit Holder Orientation & Exam Fee .....	\$500
TPH Organization Application Fee (Corporation/Partnership/LLC).....	\$4,000
TPH Organization Renewal Fee (Corporation/Partnership/LLC) .....	\$2,000
Associated Person Fee .....	\$350
Fingerprint Processing Fee .....	\$60
Renewal/Change of Status Fee .....	\$500
Inactive Nominee Status Change (Trading Permit Swap) Fee	
Submission before 4:00 p.m. on date prior to effective date .....	\$50
Submission after 4:00 p.m. on date prior to effective date	
or before 8:00 a.m. on effective date.....	\$100
Submission after 8:00 a.m. on effective date.....	\$200
Inactive Nominee Status (Parking Space) Quarterly Maintenance Fee .....	\$900
Joint Account Application Fee .....	\$1,000
Trading Permit Transfer Fee.....	\$500
Non-Trading Permit Holder Customer Business Fee.....	\$2,500
Order Service Firm Fee .....	\$1,650
Applicant/Trading Permit Holder/Associated Person Subject to	
Statutory Disqualification.....	\$2,750
Change in Status that, if Approved, Would Require Amended	
or Additional Rule 19h-1(c) Filing.....	\$1,650
Market-Maker Trading Permit Fee* (monthly fee amount) .....	\$6,000
*A Trading Permit Holder may elect to participate in the Market-Maker Trading Permit Sliding Scale set forth in the description below.	
Floor Broker Trading Permit Fee** (monthly fee amount) .....	\$6,000
** An additional monthly fee of \$1,000 per month will be assessed to any Floor Broker Trading Permit Holder (a) that executes more than 20,000 VIX contracts during the month and (b) whose	

aggregate VIX executed contracts during the month comprise more than 30% of the Floor Broker Trading Permit Holder's exchange-wide total executed contracts.

Electronic Access Permit Fee (monthly fee amount) .....	\$1,600
SPX Tier Appointment Fee (monthly fee amount).....	\$3,000
VIX Tier Appointment Fee (monthly fee amount) .....	\$1,000
Quoting and Order Entry Bandwidth Packet Fee (monthly fee amount).....	\$3,000
Order Entry Bandwidth Packet Fee.....	See the Tables Below

<b>Order Entry Bandwidth Packet Fees for Trading Permit Holders</b>	<b>Amount per Packet</b>
1 <sup>st</sup> – 5 <sup>th</sup> Packet	\$1,600 per month
6 <sup>th</sup> – 8 <sup>th</sup> Packet	\$800 per month
9 <sup>th</sup> – 13 <sup>th</sup> Packet	\$400 per month
14 <sup>th</sup> Packet and Each Additional Packet	\$200 per month

<b>Fees for Order Entry Bandwidth Packet(s) Assigned to Sponsored User</b>	<b>Amount per Packet</b>
1 <sup>st</sup> – 6 <sup>th</sup> Packet	\$1,600 per month
7 <sup>th</sup> – 9 <sup>th</sup> Packet	\$800 per month
10 <sup>th</sup> – 14 <sup>th</sup> Packet	\$400 per month
15 <sup>th</sup> Packet and Each Additional Packet	\$200 per month

### **ALL FEES ARE NON-REFUNDABLE**

**Individual Applicant Fee (Trading Permit Holder/Nominee)** - This fee is payable by a new individual applicant for Trading Permit Holder status on the Exchange. The applicant's Fingerprint Processing Fee is included as part of this fee.

**New Trading Permit Holder Orientation & Exam Fee** - This fee is payable by each applicant seeking Trading Permit Holder status, which requires a trading function.

**TPH Organization Application Fee (Corporation/Partnership/LLC)** - This fee is payable by an applicant that desires to be a TPH organization on the Exchange. This fee encompasses the TPH Organization Application and related documentation, one Nominee Individual Application Fee associated with the TPH Organization Application, and Associated Person(s) Fees that are part of this TPH Organization Application.

**TPH Organization Renewal Fee (Corporation/Partnership/LLC)** - This fee is payable by a former trading firm member or TPH organization that reapplies for Trading Permit Holder status within 9 months of their membership or Trading Permit Status termination date and becomes an effective TPH organization within 1 year of their membership or Trading Permit Status termination date. This fee encompasses the TPH Organization Application and related documentation and one Nominee who is

either (i) an existing individual Trading Permit Holder desiring to change Trading Permit Holder status or (ii) a former individual member or Trading Permit Holder who reapplies for Trading Permit Holder status within 9 months of their membership or Trading Permit Status termination date and becomes an effective Trading Permit Holder within 1 year of their membership termination date.

**Associated Person Fee** - The Associated Person Fee is payable for the addition of certain individuals on a TPH organization's Form BD. This fee includes the related Fingerprint Processing Fee. This Fee is payable by each executive officer, general partner, or LLC Manager. Additionally, this Fee is payable by each principal shareholder that has 5% or more direct ownership of a class of a voting security of a TPH organization corporation, limited partner who has the right to receive upon dissolution, or has contributed, 5% or more of the partnership's capital, and LLC member who has the right to receive upon dissolution, or has contributed, 5% or more of the LLC's capital. This Fee is also payable by any person classified as a "Control Person" of the TPH organization.

**Fingerprint Processing Fee** - This Fee will be assessed for employees of Trading Permit Holders and any other individual requesting the Exchange to process a fingerprint, electronically or otherwise, excluding fingerprint requirements for Individual Applicants, individuals applying for Renewal/Change of Status, and Associated Persons subject to the Associated Person Fee set forth above.

**Renewal/Change of Status Fee** - This fee is payable (i) by an existing individual Trading Permit Holder desiring to change Trading Permit Holder status or (ii) by a former individual Trading Permit Holder or former individual member who reapplies for Trading Permit Holder status within 9 months of their membership or Trading Permit Holder status termination date and becomes an effective Trading Permit Holder within 1 year of their membership or Trading Permit Holder status termination date. A former individual Trading Permit Holder or former individual member who reapplies for Trading Permit Holder status within 9 months of termination from membership or Trading Permit Holder status will be assessed the Renewal/Change of Status fee at the time of submission of the application. If that person becomes an effective Trading Permit Holder more than 1 year after their membership or Trading Permit Holder status termination date, the person will then be charged an additional fee equal to the difference between the Individual Application Fee and the Renewal/Change of Status fee. This Fee includes the related Fingerprint Processing Fee, if applicable.

**Inactive Nominee Status Change (Trading Permit Swap) Fee** - This fee is payable whenever an inactive nominee moves to active status. The amount of this fee varies in accordance with when the Registration Services Department receives notice of the status change via the submission of a Notification of Change in Nominee Status Form. If the Notification Form is submitted before 4:00 p.m. on the date prior to the effective date of the status change, the fee is \$50. If the Notification Form is submitted after 4:00 p.m. on the date prior to the effective date of the status change or before 8:00 a.m. on the effective date of the status change, the fee is \$100. If the Notification Form is submitted after 8:00 a.m. on the effective date of the status change, the fee is \$200. No fee applies to moves from active to inactive status.

**Inactive Nominee Status (Parking Space) Quarterly Maintenance Fee** - This fee is payable quarterly by a TPH organization for each inactive nominee status that the TPH organization wishes to maintain. (E.g., a TPH organization firm desiring the ability to have 3 parking spaces within which to designate inactive nominees would pay this fee at the beginning of each quarter for each of the 3 parking spaces.)

**Joint Account Application Fee** - This fee is payable for each application to establish a new joint account.

**Trading Permit Transfer Fee** - This Fee is assessed to a Trading Permit Holder for each Trading Permit for which the Registration Services Department has received a request for transfer under CBOE Rule 3.1(d)(ii). There is a \$2,000 Fee cap for a request covering multiple Trading Permits per transfer.

**Non-Trading Permit Holder Customer Business Fee** - This fee is payable by applicant TPH organizations that plan to conduct a public customer business.

**Order Service Firm Fee** - This fee is payable by applicant firms that plan to conduct an order service business pursuant to CBOE Rule 6.77.

**Applicant/Trading Permit Holder/Associated Person Subject to Statutory Disqualification** - This fee is payable whenever a person or entity is subject to a statutory disqualification under the Securities Exchange Act of 1934 and: (i) is an applicant for Exchange Trading Permit Holder status, (ii) is seeking to be an associated person of an Exchange Trading Permit Holder (except where the Exchange is merely asked to concur in an SEC Rule 19h-1 filing by another self regulatory organization), or (iii) is an existing Exchange Trading Permit Holder or associated person who makes an application in accordance with Rule 3.18(b) or with respect to whom a proceeding is initiated pursuant to Rule 3.18. This fee is in addition to any other Trading Permit-related fees that might be applicable.

**Change in Status that, if Approved, Would Require Amended or Additional SEC Rule 19h-1(c) Filing** - This fee is payable whenever a person or entity, on whose behalf the Exchange has filed a Rule 19h-1(c) filing that has been approved by the SEC, applies for a change in status that requires the Exchange to file an amended or additional Rule 19h-1(c) filing, if the Exchange approves the requested change in status. This fee is in addition to any other Trading Permit-related fees that might be applicable.

**Cap on Trading Permit-Related Fees for Organizational Restructuring** –Trading Permit application fees and other Trading Permit-related fees related solely to a TPH organization structural change (e.g., related to a change from a limited partnership to a limited liability company and not to use of additional Trading Permits) are capped at \$10,000.

**Market-Maker Trading Permit Fee** – This fee will be assessed monthly to each Market-Maker Trading Permit Holder. The Market-Maker Trading Permit entitles the holder to act as a Market-Maker (including a Market-Maker trading remotely), DPM, eDPM or LMM. This Permit provides an appointment credit of 1.0, a quoting and order entry bandwidth allowance, up to three logins, trading floor access and Trading Permit Holder status (including access to CBSX). If a Market-Maker Trading Permit is issued during a calendar month after the first trading day of the month, the access fee for the Market-Maker Trading Permit for that calendar month is prorated based on the remaining trading days in the calendar month. Market-Maker Trading Permits will be renewed automatically for the next month unless the Trading Permit Holder submits written notification to the Registration Services Department by the 25<sup>th</sup> day of the prior month (or the preceding business day if the 25<sup>th</sup> is not a business day) to cancel the Market-Maker Trading Permit effective at or prior to the end of the applicable month.

To the extent a Market-Maker is able to submit electronic quotes in a Hybrid 3.0 class (such as an LMM that streams quotes in the class or a Market-Maker or LMM that streams quotes in a series of a Hybrid 3.0 class that trades on the Hybrid Trading System), the Market-Maker shall receive the quoting bandwidth allowance to quote in, and only in, that class.

A Trading Permit Holder may elect to participate in the Market-Maker Trading Permit Sliding Scale set forth below. The following sliding scale will be available for all Market-Maker Trading Permits held by affiliated Trading Permit Holders and TPH organizations that are used for appointments in any options classes other than SPX, VIX, OEX and XEO. Any Market-Maker Trading Permits used for these four classes, whether in whole or in part, are excluded from this sliding scale and will be priced at \$6,000/month. To qualify for the rates set forth in Tiers 1 and 2 in the sliding scale, the applicable Trading Permit Holder(s) and/or TPH organization(s) must commit in advance to a specific tier that

includes a minimum number of eligible Market-Maker Trading Permits for each calendar year. To do so, a Market-Maker Trading Permit Holder must notify the Registration Services Department by January 25<sup>th</sup> of each year (or the preceding business day if the 25<sup>th</sup> is not a business day) of the Tier of eligible Market-Maker Trading Permits committed to by that Market-Maker Trading Permit Holder for that year. Market-Makers are not obligated to commit to either tier. However, the discounts will apply only to those that do commit to Tier 1 or Tier 2 for the calendar year. Trading Permit Holders that are not eligible for and/or do not commit to Tier 1 or Tier 2 will pay the standard rate for each Market-Maker Trading Permit, regardless of the total number of Market-Maker Trading Permits used.

	From	To	Amount per Month per Permit
	1 permit	10 permits	\$6,000
Tier 1	11 permits	20 permits	\$4,800
Tier 2	21 or more permits		\$3,000

If a Trading Permit Holder chooses to commit in advance to either Tier 1 or Tier 2, that Trading Permit Holder will be responsible for the minimum number of permits in the commitment tier for the remainder of the calendar year. Even if a Trading Permit Holder does not maintain the minimum level of eligible Trading Permits in the tier, that Trading Permit Holder is still responsible for the minimum payment for that commitment tier for the remainder of the calendar year. For example, a Trading Permit Holder that commits to eleven eligible permits per month will be subject to a minimum monthly access fee of \$64,800 ( $10 \times \$6,000$  plus  $\$4,800 = \$64,800$ ) for that calendar year. Any additional Permits will increase the fee by the applicable amount.

Trading Permit Holders will be able to commit to a higher tier of the sliding scale for the remainder of a calendar year, during a commitment year, if the Trading Permit Holder obtains enough eligible Market-Maker Trading Permits and provides written notification to the Registration Services Department by the 25<sup>th</sup> day of the month preceding the month in which the higher tier will be effective (or the preceding business day if the 25<sup>th</sup> is not a business day). For example, a Trading Permit Holder may provide written notice to commit to Tier 1 effective July 1 for the remainder of the calendar year as long as the Trading Permit Holder obtains enough eligible Trading Permits and provides written notice by June 25<sup>th</sup> that the Trading Permit Holder would like to participate in the sliding scale starting in July for the remainder of that calendar year. Even if that Trading Permit Holder subsequently falls below the minimum number of eligible Market-Maker Trading Permits (in the committed calendar year), for the committed tier, the Trading Permit Holder will remain responsible for paying for the tier minimum for the remainder of the calendar year.

Trading Permit Holders will be responsible to pay for at least the minimum amount of eligible Market-Maker Trading Permits in the committed tier for the calendar year on a monthly basis unless the Trading Permit Holder entirely terminates as a Trading Permit Holder during the year. If a Trading Permit Holder combines, merges, or is acquired during the course of the calendar year, the surviving Trading Permit Holder will maintain responsibility for the committed number of eligible Market-Maker Trading Permits.

**Floor Broker Trading Permit Fee** – This fee will be assessed monthly to each Floor Broker Trading Permit Holder. The Floor Broker Trading Permit entitles the holder to act as a Floor Broker. This Permit provides an order entry bandwidth allowance, up to three logins, trading floor access and Trading Permit Holder Status (including access to CBSX). If a Floor Broker Trading Permit is issued during a calendar month after the first trading day of the month, the access fee for the Floor Broker Trading Permit for that calendar month is prorated based on the remaining trading days in the calendar month. Floor Broker

Trading Permits will be renewed automatically for the next month unless the Trading Permit Holder submits written notification to the Registration Services Department by the 25<sup>th</sup> day of the prior month (or the preceding business day if the 25<sup>th</sup> is not a business day) to cancel the Floor Broker Trading Permit effective at or prior to the end of the applicable month.

An additional monthly fee of \$1,000 per month will be assessed to any Floor Broker Trading Permit Holder (a) that executes more than 20,000 VIX contracts during the month and (b) whose aggregate VIX executed contracts during the month comprise more than 30% of the Floor Broker Trading Permit Holder's exchange-wide total executed contracts.

**Electronic Access Permit (EAP) Fee** – This fee will be assessed monthly to each EAP Holder. The EAP entitles the holder to electronic access to the Exchange. Holders must be broker-dealers registered with the Exchange in one or more of the following capacities: (a) Clearing Trading Permit Holder; (b) TPH organization approved to transact business with the public; (c) Proprietary Trading Permit Holder; and (d) order service firm. This permit does not provide access to the trading floor. A Proprietary Trading Permit Holder is a Trading Permit Holder with electronic access to the Exchange to submit proprietary orders that are not Market-Maker orders (i.e. that are not M orders for the Proprietary Trading Permit Holder's own account or an affiliated Market-Maker account). The EAP provides an order entry bandwidth allowance, up to three logins and Trading Permit Holder Status (including access to CBSX). If an EAP is issued during a calendar month after the first trading day of the month, the access fee for the EAP for that calendar month is prorated based on the remaining trading days in the calendar month. EAPs will be renewed automatically for the next month unless the Trading Permit Holder submits written notification to the Registration Services Department by the 25<sup>th</sup> day of the prior month (or the preceding business day if the 25<sup>th</sup> is not a business day) to cancel the EAP effective at or prior to the end of the applicable month.

**SPX Tier Appointment Fee** – This fee will be assessed monthly to any Market-Maker Trading Permit Holder that either (a) has an SPX Tier Appointment at any time during a calendar month; or (b) conducts any open outcry transactions in SPX or any open outcry or electronic transactions in SPX Weeklys at any time during a calendar month. Each SPX Tier Appointment may only be used with one designated Market-Maker Trading Permit. SPX Tier Appointments will be renewed automatically for the next month unless the Trading Permit Holder submits written notification to the Registration Services Department by the last business day of the prior month to cancel the SPX Tier Appointment effective at or prior to the end of the applicable month.

**VIX Tier Appointment Fee** – This fee will be assessed monthly to any Market-Maker Trading Permit Holder that either (a) has a VIX Tier Appointment at any time during a calendar month; or (b) conducts any transactions in VIX at any time during a calendar month. Each VIX Tier Appointment may only be used with one designated Market-Maker Trading Permit. VIX Tier Appointments will be renewed automatically for the next month unless the Trading Permit Holder submits written notification to the Registration Services Department by the last business day of the prior month to cancel the VIX Tier Appointment effective at or prior to the end of the applicable month.

**Quoting and Order Entry Bandwidth Packet Fee** – This fee will be assessed monthly to Market-Maker Trading Permit Holders that have registered for a Quoting and Order Entry Bandwidth Packet. A Quoting and Order Entry Bandwidth Packet is available to Market-Maker Trading Permit Holders only and entitles the holder to a quoting and order entry bandwidth allowance and up to three additional logins, which may then be added onto the total bandwidth pool for a Market-Maker's acronym(s) and Trading Permit(s). If a Quoting and Order Entry Bandwidth Packet is issued during a calendar month after the first trading day of the month, the fee for that calendar month is prorated based on the remaining trading days in the calendar month. Quoting and Order Entry Bandwidth Packets will be renewed automatically for the next month.

unless the Trading Permit Holder submits written notification to the Registration Services Department by the last business day of the prior month to cancel the Quoting and Order Entry Bandwidth Packet effective at or prior to the end of the applicable month.

**Order Entry Bandwidth Packet Fee** - This fee will be assessed monthly to Trading Permit Holders that have registered for an Order Entry Bandwidth Packet. An Order Entry Bandwidth Packet is available to all Trading Permit Holders and entitles the holder to order entry bandwidth allowance and up to three additional logins. A Trading Permit Holder may also obtain and assign to a Sponsored User of the Trading Permit Holder one or more Order Entry Bandwidth Packets. In that event, the fees for the assigned bandwidth packet(s) are assessed to the Trading Permit Holder and the bandwidth packet(s) may be utilized solely by the Sponsored User (and not by the Trading Permit Holder or any other Sponsored User). If an Order Entry Bandwidth Packet is issued during a calendar month after the first trading day of the month, the fee for that calendar month is prorated based on the remaining trading days in the calendar month. Order Entry Bandwidth Packets will be renewed automatically for the next month unless the Trading Permit Holder submits written notification to the Registration Services Department by the last business day of the prior month to cancel the Order Entry Bandwidth Packet effective at or prior to the end of the applicable month.

Any questions regarding this Regulatory Circular may be directed to Regina Millison at (312) 786-7452 or Stan Leimer at (312) 786-7299 in the Registration Services Department.

(Regulatory Circular RG10-123 Revised).