

REGULATORY CIRCULAR RG96-03

Date: January 1, 1996

To: Members and Applicants for Membership

From: Membership Department

Re: Membership Application and Other Membership Fees

Exchange Rules 2.22 and 3.9 authorize the Board of Directors to impose fees and the Membership Department to investigate all applicants for membership, respectively. All applicants for CBOE membership, regardless of their Designated Examining Authority or standing at other self-regulatory organizations, are investigated and assessed the appropriate fees. This includes all persons associated within applicant member organizations, i.e., general and limited partners, executive officers, principal shareholders, and LLC members and managers. Moreover, investigations are conducted and the fees for such associated persons are assessed each time a new person of such status becomes associated with the firm, as well as at the time an initial application is filed.

In connection with this process, member organizations are reminded of their obligation under CBOE Rule 3.5(b) to file with the Exchange and keep current a list and descriptive identification of those persons associated with the member organization who are its executive officers, directors, principal shareholders, general and limited partners, and LLC members and managers. Member organizations who have not fulfilled this obligation should do so by filing such a list with the Membership Department.

For information purposes, following is a list of membership application and other membership fees, together with a brief explanation of each fee:

List of Fees

Individual/Nominee/Lessee/Lessor	\$2,000
Non-member Customer Business	\$ 500
Order Service Firm	\$1,500
General Partner	\$ 250
Executive Officer.....	\$ 250
LLC Manager	\$ 250
Principal Shareholder	\$ 250
Limited Partner	\$ 250
LLC Member	\$ 250
CBT Exerciser	\$ 500
Corporation/Partnership/LLC.....	\$ 250
Renewal/Change of Status	\$ 100

Orientation	\$ 200
Lease Fee	\$ 500
Lease Deposit	\$ 500
Amendments to Partnership Agreement	\$ 100
Inactive Nominee Status Change	
Submission before 4:00 p.m. on date prior to effective date	\$ 40
Submission after 4:00 p.m. on date prior to effective date or before	
8:00 a.m. on effective date	\$ 75
Submission after 8:00 a.m. on effective date.....	\$ 150
Fingerprint Processing and Photograph Fee	\$ 35
Transfer of Membership into Trust.....	\$ 500
Inactive Nominee Status Quarterly Maintenance Fee	\$ 600

ALL FEES ARE NON-REFUNDABLE AND MUST ACCOMPANY APPLICATIONS

Individual/Nominee/Lessee/Lessor - This fee is payable by each new individual applicant for membership on the Exchange.

Non-Member Customer Business - This fee is payable by applicant firms that plan to conduct a public customer business.

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

General Partner - This fee is payable by each General Partner of a member firm applicant and each additional General Partner who is added to such firm. General Partners must also be fingerprinted and incur the fingerprint processing fee.

Executive Officer - This fee is payable by each Executive Officer of a member firm applicant and each additional Executive Officer who is added to such firm. Executive Officers must also be fingerprinted and incur the fingerprint processing fee.

LLC Manager - This fee is payable by each LLC Manager of an applicant LLC and each additional LLC Manager who is added to the LLC. LLC Managers must also be fingerprinted and incur the fingerprint processing fee.

Principal Shareholder - This fee is payable by each Shareholder that directly owns 5% or more of a class of a voting security of an applicant corporation and each additional such Shareholder who is added to the corporation.

Limited Partner - This fee is payable by each Limited Partner of an applicant partnership that has the right to receive upon dissolution, or has contributed, 5% or more of the partnership's capital and each additional such Limited Partner who is added to the partnership.

LLC Member - This fee is payable by each LLC Member of an applicant LLC that has the right to receive upon dissolution, or has contributed, 5% or more of the LLC's capital and each additional such LLC Member who is added to the LLC. LLC Members must also be fingerprinted and incur the fingerprint processing fee.

CBT Exerciser - This fee is payable by each Chicago Board of Trade member applying to exercise the right of membership on CBOE. (As a result of an on-going CBOE/CBT Joint Venture, this fee is currently being waived.)

Corporation/Partnership/LLC - This fee is payable by each new firm applicant for membership on the Exchange. If a member organization changes its legal structure (e.g., from partnership to corporation or the reverse, from partnership to LLC or the reverse, or from corporation to LLC or the reverse), the firm is considered a new entity and assessed all application fees.

Renewal/Change of Status - This fee is payable by an existing individual member (including sole proprietors, nominees, lessees, and lessors) desiring to change membership status or by a former individual member who is reapplying for membership within 6 months of his/her termination date.

Orientation - This fee (for an Orientation Seminar and Examination) is payable by each applicant seeking membership as a market maker or floor broker.

Lease Fee - The lease fee must accompany every new lease agreement filed with the Exchange.

Lease Deposit - Every lessee, nominee on a leased seat, and CBT delegate must deposit this sum with the Exchange. Upon termination of membership, the deposit will be used to satisfy debts owed to the Exchange. Upon completion of the termination process, any amount remaining after payment of Exchange debts will be returned without interest to the lessee, nominee, or delegate.

Partnership Agreement Amendments - This fee is payable each time a partnership agreement is amended. Other applicable fees are also assessed (e.g., new General or Limited Partner fees).

Inactive Nominee Status Change Fee - This fee is payable whenever an inactive nominee moves to active status. The amount of this fee varies in accordance with when the Membership 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 \$40. 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 \$75. If the Notification Form is submitted after 8:00 a.m. on the effective date of the status change, the fee is \$150. No fee shall apply to moves from active to inactive status.

Fingerprint Processing Fee - This fee is payable by all individual, nominee, lessee, and lessor applicants and every General Partner, Executive Officer, LLC Member, and LLC Manager of member and applicant firms.

Transfer of Membership into Trust - This fee is payable by every individual member applying to transfer his or her membership into trust pursuant to CBOE Rule 3.25.

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

Any questions regarding this Regulatory Circular may be directed to Rae Tapia-Pancake, Director, Membership Department, at (312) 786-7460.

(Regulatory Circulars RG90-19, RG91-48, RG92-37, RG95-47, and RG95-58 Revised).