



February 10, 2012
MR-12-03

**CHICAGO STOCK EXCHANGE, INC.
MARKET REGULATION DEPARTMENT
INFORMATION MEMORANDUM**

**RE: Guidance related to Institutional Brokers' Requests for Busts / Cancels
(Stock Option Rule) and Away Trade Name Changes**

The CHX's Market Regulation Department (the "Department") would like to provide further guidance to CHX Institutional Broker (IB) firms related to scenarios which pertain to a stock-option trade cancellation and away trade name change request after initial clearing submission.

As previously communicated to IB firms in Market Regulation Notice to Participants MR-11-13, dated September 7, 2011, IB firms are required to record and maintain, at a minimum, the following derivative trade-related information which shall be readily available upon request as proof of their reliance on the QCT Regulation NMS Exception:

- Option series related to the component issue
 - Expiration month and year
 - Strike price
- Option firm sending the order (contact information as necessary)
- Where the derivative was printed (related Exchange)
- Option print time
- Option volume

To the extent that a CHX IB firm requests a stock trade cancellation pursuant to CHX Article 20, Rule 9(b) (Cancellation of stock-option orders), if the option leg was cancelled by the exchange on which it was executed, the IB must provide a copy of the information obtained at time of initial receipt of the stock-option related order (as outlined above) in addition to the supporting documentation evidencing the option trade being cancelled by the exchange on which it was executed. This will allow CHX staff to confirm that the option trade cancelled is in fact the option trade that was part of the stock-option order in which the CHX stock print cancellation request is being made.

The Department would also like to remind IBs that pursuant to CHX Article 21, Rule 6. I&P .04 (Post-trade cancellations and corrections: *Clearing Participant name changes*), IBs are required to maintain and provide documentary evidence of the acknowledgment by both parties involved in an away trade clearing name change request which is made out of, and in connection with, a misidentification of the initial Clearing Participant on the clearing entry.

If you have any questions concerning this notice, please contact the undersigned at 312-663-2548.

Marguerite Donovan
VP, Equity Surveillance
Market Regulation Department