



C2 Regulatory Circular C2 RG12-031

To: Trading Permit Holders
From: Business Development
Date: June 21, 2012
RE: Russell Reconstitution on Friday, June 22, 2012

The NASDAQ Stock Market recently issued NASDAQ Equity Trader Alert #2012-25 which, in relevant part, indicates that on Friday, June 22, 2012, Russell Investment Group will use the NASDAQ Closing Cross for the annual Russell Reconstitution and includes a list of potential contingency scenarios in order to prepare the industry for unusual market conditions. Certain contingency scenarios identified in the NASDAQ Equity Trader Alert – in particular Scenarios 4 and 5 - involve scenarios where NASDAQ has an internal systems problem and would determine to resume/extend trading in an underlying stock for a period of time after the normal 3:00 pm close (all times noted are Central Time).

C2 Options Exchange, Incorporated (“Exchange”) has received inquiries from market participants about our contingency plans for options trading on the Exchange should any of the contingency scenarios identified by NASDAQ occur, but particularly in the event that NASDAQ would determine to resume/extend trading after the normal 3:00 pm close. The Exchange is therefore issuing this circular to confirm that, for each of the Russell contingency scenarios outlined by NASDAQ in its Equity Trader Alert, the Exchange does not intend to extend its trading session beyond the normal 3:00 pm or 3:15 pm close, as applicable, for any options class.

Due to the unpredictability of market events, this circular is intended to provide only general guidance and the Exchange reserves the right to modify its plans as necessary, without advance notification to the industry, in order to maintain fair and orderly markets and address additional unforeseen situations.

Should the Exchange determine to take some action other than as noted above to address unusual market conditions in connection with the Russell Reconstitution and NASDAQ Closing Cross, the Exchange intends to use the following communications media to notify Trading Permit Holders of any action by the Exchange, as applicable:

- “System Status” alert page on the www.C2Exchange.com site
- The Exchange will also use Regulatory Circulars and email notifications as needed.

For more information about the Russell Reconstitution, the NASDAQ Closing Cross and NASDAQ’s Russell contingency scenarios, please refer to the NASDAQ Equity Trader Alert #2012-25.

Questions on this circular may be directed to the C2 Help Desk at (866) 728-2263.