C2 Research Circular #C2-RS12-004

DATE: January 12, 2012
TO: Permit Holders
FROM: Scott Speer

RE: *******UPDATE*****UPDATE*****UPDATE*******
General Growth Properties, Inc. ("GGP")
Distribution of Shares of
Rouse Properties, Inc. ("RSE")
Ex-Distribution Date: January 13, 2012

General Growth Properties, Inc. ("GGP") has announced a distribution of shares of Common Stock of Rouse Properties, Inc. ("RSE"). The distribution ratio will be approximately **0.0375** of a share of Common Stock of Rouse Properties, Inc. for each one (1) share of Common Stock of General Growth Properties, Inc. held of record December 30, 2011. The mail date for the distribution will be January 12, 2012. Beginning December 28, 2011 through January 12, 2012, Rouse Properties, Inc. will be trading on the NYSE on a "regular way" basis under the symbol RSE, and on a "when issued" trading under the symbol RSE WI. Also, beginning December 28, 2011 through January 12, 2012, General Growth Properties, Inc. will be trading on the NYSE on a "regular way" basis under the symbol GGP, and on an "ex-distribution"-"when issued" basis under the symbol GGP WI. Rouse Properties, Inc. "when issued" trading and General Growth Properties, Inc. "ex-distribution"-"when issued" trading will be suspended as of the opening on January 13, 2012. **The ex-date for the distribution will be Friday, January 13, 2012.**

Contract Adjustment

Pursuant to Article VI, Section 11 and 11A of OCC's By-Laws, all GGP options outstanding as of Friday, January 13, 2012, shall be adjusted to require the per-contract delivery or receipt of the following: **(A) 100 shares of General Growth Properties, Inc. ("GGP"); plus (B) approximately 3 shares of Rouse Properties, Inc. ("RSE"); plus (C) cash in lieu of approximately 0.75 fractional share of RSE Common Stock.** The GGP option symbol will change to **GGP2**. Premiums and strike-price amounts for the adjusted GGP2 options will continue to be calculated on the basis of a multiplier of 100, *i.e.*, for premium and strike-price extensions, 1.00 will equal $100. Strike prices will remain the same.

New Unadjusted Series

To facilitate the maintenance of a fair and orderly market in General Growth Properties, Inc. options, new GGP series with a contract unit of 100 shares will be introduced on Tuesday, January 17, 2012. The GGP series will be added for February, March, and April expirations at exercise prices nearest the money.

Settlement Procedures

The OCC will delay settlement of GGP2 exercise and assignment activity until the end of "when issued" trading in Rouse Properties, Inc., and until the determination of the cash-in-lieu amount for any fractional share of Rouse Properties, Inc. Common Stock

GTC Order Conversion

On Thursday, January 12, 2012, immediately after the C2 close, the system will convert or cancel all resting orders in the GGP order book. If your firm has requested, all booked orders (phone, wire, and electronic) and all ORS orders residing outside the book (booth or crowd routed) will be converted reflecting the adjustment. If your firm has requested, all booked orders and ORS orders residing outside of the book will be canceled. If your firm receives CXL drops, the CXL confirms will print at your booth at 3:15 p.m. ORS CXLs will also be transmitted electronically to your branches.

A report will be available at the Help Desk listing the orders that are converted or canceled. If converted, this list will also show how the new orders will be adjusted. This report will be available on request anytime during the day prior to the night of the adjustment.

Order Entry After Adjustment

In entering orders, it is essential for member firms to identify trades in old (adjusted) series with the option symbol GGP2; trades in the new (unadjusted) General Growth Properties, Inc. series must have the standard option symbol GGP. Brokers should make certain that customers entering closing transactions describe the option series with the correct symbol. Negligence in this matter could lead customers to establish new positions in unadjusted series rather than closing out existing positions in adjusted series.

Position and Exercise Limits

The Department of Market Regulation has determined that: "The position and exercise limits following this stock distribution will remain the same."

Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). C2 contract adjustment memos can also be accessed from C2Exchange.com at the following web address:

http://www.C2Exchange.com/ContractAdjustments