



DATE: February 21, 2013

TO: MIAX Options Exchange Members

RE: System Issue – Improper Classification of Certain Options as Long-Term Options

The MIAX Options Exchange has identified a system issue that caused options with an expiration date of 10/19/2013 to be improperly classified on February 19, 2013 as Long-Term Options (LTOs) within the MIAX Options trading system. The incorrect classification only occurred on the trade date of February 19, 2013.

MIAX uses the designation of LTO to determine if standard bid/ask differentials are exempt during the opening process pursuant to MIAX Rule 406. In addition, the LTO classification is used by the MIAX Options trading system for determining eligibility as a priority quote when allocating trades that occur at the opening. MIAX has investigated all opening trades occurring on the MIAX Options Exchange on February 19, 2013 and has confirmed that there were no opening trades in the affected options. Member firms also received an incorrect LTO indicator on both the MIAX Express Interface (MEI) and the Top of Market (ToM) data feed as part of a Series Update message which is sent upon a member firm connecting to either of the MIAX trading system interfaces.

MIAX has mitigated this system issue in order to prevent further occurrences. If you have any questions please contact Trading Operations at (609) 897-7302 or TradingOperations@MIAXOptions.com.