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DATE: **JULY 5, 2012**

SUBJECT: **QIAO XING UNIVERSAL RESOURCES, INC. - TRADING
SUSPENSION/DELAYED SETTLEMENT
OPTION SYMBOL: XINGF**

**OCC STRONGLY RECOMMENDS CLEARING MEMBERS CONTACT ALL HOLDERS OF EXPIRING
XINGF OPTIONS TO APPRISE THEM OF THE CONTENTS OF THIS MEMO.**

OCC has been informed that on July 5, 2012, the Securities and Exchange Commission ("SEC") issued
an Order of Suspension of Trading for securities of Qiao Xing Universal Resources, Inc. ("XINGF"). (A
copy of the SEC's suspension order may be accessed at
http://www.sec.gov/litigation/suspensions/2012/34-67349-o.pdf) This trading suspension commenced at
9:30 a.m. EDT time on July 5, 2012 and will terminate at 11:59 p.m. EDT, on July 18, 2012.

XINGF Common Shares (CUSIP G7303A109) have been traded on an OTC market since May 10, 2012
and underlie options listed under symbol XINGF on the the Chicago Board Options Exchange ("CBOE "),
the NYSE AMEX Exchange ("AMEX"), and the NYSE ARCA Exchange ("AMEX"). Pursuant to the SEC
order, effective July 5, 2012, the OTC market suspended trading in XINGF Securities, and options trading
is likewise suspended.

<u>**No Exercise Restrictions**</u>
In light of the court's decision in <u>H. Kook & Co., Inc et al vs. Scheinman, Hochstin & Trotta, Inc.,</u> 414 F.2d
93, 1969 App. Lexis 11518 and our discussions with the staff of the SEC's Division of Market Regulation,
OCC has determined not to impose any exercise restrictions with respect to XINGF options. OCC
therefore will continue to accept and process exercise instructions in accordance with its Rules.

<u>**Exercise/Assignment Settlement**</u>
Pursuant to OCC Rule 903(b), OCC has determined to delay settlement of XINGF exercise/assignment
activity until such time as an appropriate settlement method can be determined.   OCC will continue to
margin XINGF exercise/assignment activity until settlement is accomplished. Additional information on
settlement will be forthcoming.

For questions regarding this memo, call 1-888-OPTIONS or email options@theocc.com.