

Proposed Rule Change by Chicago Board Options Exchange  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial <input checked="" type="checkbox"/>	Amendment <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input type="checkbox"/>	Section 19(b)(3)(A) <input checked="" type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
			Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**  
Provide a brief description of the proposed rule change (limit 250 characters).

**Contact Information**  
Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name	<input type="text" value="Angelo"/>	Last Name	<input type="text" value="Evangelou"/>
Title	<input type="text" value="Assistant General Counsel"/>		
E-mail	<input type="text" value="evangelou@cboe.com"/>		
Telephone	<input type="text" value="(312) 786-7464"/>	Fax	<input type="text" value="(312) 786-7919"/>

**Signature**  
Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date

By  Assistant Secretary

(Name)

(Title)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Angelo Evangelou: evangelou@cboe.com

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

**Form 19b-4 Information**

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change**

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item 1 and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Item 1. Text of the Proposed Rule Change

(a) The Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) proposes to modify the Fee Schedule for its CBOE Stock Exchange (“CBSX”).

Set forth below are the proposed changes to the rule text, with additions represented by underscoring and deletions represented by [bracketing].

Chicago Board Options Exchange, Incorporated  
Rules

\* \* \* \* \*

CBOE Stock Exchange  
Fees Schedule

January 4, 2010 [December 1, 2009]

\* \* \* \* \*

## 2. Transaction Fees

<b>Rate Type (1)</b>	<b>Applies to</b>	<b>Rate</b>
Taker	Transactions in securities priced \$1 or greater	<del>[\$0.0010]</del> <u>\$0.0030</u> per share
Taker for securities under \$1	Transactions in securities priced less than \$1	<del>[0.29%]</del> <u>0.30%</u> of dollar value of transaction
Maker	Transactions in securities priced \$1 or greater	<del>[\$0.0005]</del> <u>\$0.0025</u> per share rebate
Maker for securities under \$1	Transactions in securities priced less than \$1	0.20% of dollar value of transaction rebate
Cross Trade	Cross Trades that are not part of stock option trades	\$0.00 per share
Sweep Portion of Cross and Sweep Orders	Transactions in securities priced \$1 or greater	\$0.0040 per share routed
Sweep Portion of Cross and Sweep Orders	Transactions in securities priced less than \$1	0.40% of dollar value of sweep portion
Orders Routed Away	All	<del>[\$0.0029]</del> <u>\$0.0030</u> per share for

		transactions in securities priced \$1 or greater or [0.29%] <u>0.30%</u> of dollar value of transaction for transactions in securities priced less than \$1
Stock Component of Stock-Option Cross Trade	All	\$.0025 per share (minimum rate of \$1 per trade, maximum rate of \$50 per trade)
Stock Component of Stock-Option Trade Matched Pursuant to CBOE Rule 6.53C, Rule 6.74A.07, and Rule 6.74B.01.	All	See Note (2)
NBBO Step-Up Trades	All	The order that is flashed will be charged \$0.0005 per share. There are no rebates.

**FOOTNOTES:**

- (1) Each rate type is mutually exclusive.
- (2) The execution of stock orders where both orders are the stock component of stock-option orders trading against each other pursuant to Rule 6.53C shall be charged as follows: the order that triggered an auction under Rule 6.53C or that triggered a trade with a resting stock-option order shall be charged [\$0.0005] \$0.0020 per share subject to a [\$1.00] \$2.00 minimum charge and \$25.00 maximum charge. The order that responded to the auction or that was resting prior to the trade shall not be charged and shall not receive a rebate. The execution of the stock component of a stock-option order handled pursuant to Rule 6.53C against a resting order on the CBSX book shall be charged as follows: the resting order is considered a Maker of liquidity and receives the applicable Maker rebate pursuant to the fee schedule above and the non-resting stock order is charged the standard Taker rate pursuant to the fee schedule above. The execution of stock orders where both orders are the stock component of stock-option orders trading against each other pursuant to Rules 6.74A.07 and 6.74B.01 shall be charged as follows: [\$0.0005] \$0.0020 per share subject to a [minimum \$1.00] \$2.00 minimum charge and \$25.00 maximum charge.

**3. MARKET DATA**

[A) Rebates: Total fees owed by a participant will be reduced (and participants will be paid for any unused credits) by the application of a tape credit

"Tape credit" means 50% of monthly tape revenue from the Consolidated Tape Association (less all direct CTA costs) and Nasdaq UTP (less all direct Nasdaq UTP costs) generated by liquidity-providing (Maker) trades (not including Crosses) effected on CBSX by the participant in a particular Tape A, Tape B, or Tape C security.

Tape credits will be applied on a quarterly basis, after CBSX receives its payments from the reporting plans. To the extent that CBSX tape revenue is subject to a year-end adjustment, tape credits may be adjusted accordingly.

B)] Market Data Infrastructure Fee: This fee is charged to participants who receive market data from a third party market data vendor through CBSX's market data infrastructure. The amount of the fee is equal to \$10,800 divided by the number of participants receiving the data.

4. – 6. No change

\* \* \* \* \*

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) CBOE's Office of the Chairman pursuant to delegated authority approved the proposed rule change on December 28, 2009. No further action is required.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, General Counsel, CBOE, 400 South LaSalle, Chicago, IL 60605, (312) 786-7462 or Angelo Evangelou, (312) 786-7464.

Item 3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

CBSX proposes to make fee modifications in order to better attract business to the exchange. Specifically, CBSX proposes to change to \$0.0030 per share its Taker Fee and Routing Fee applicable to transactions of securities priced at \$1 or greater. CBSX proposes to change to 0.30% (of the dollar value of the transaction) its Taker Fee and Routing Fee for transactions in securities priced less than \$1. CBSX proposes to change to \$0.0025 per share the rebate for Makers, applicable to transactions in securities priced at \$1 or greater.

CBSX also proposes to change the fee rates applicable to stock executions effected pursuant to Rules 6.53C, 6.74A.07 and 6.74B.01. Rule 6.53C is CBOE's complex order auction (COA) and book (COB) rule. The COA system facilitates the handling and execution of complex orders by allowing for complex orders to rest in the system and allowing for inbound complex orders to trigger an auction where auction participants may submit complex order responses to trade with the order that is being auctioned. Some complex orders contain a stock

component (e.g. a buy-write order), and the stock component of a stock-option complex order handled by the system is executed on CBSX. This filing changes the rate applicable to the stock executions that result from stock-option orders trading pursuant to Rule 6.53C as follows: the order that triggered a COA auction or that triggered a trade with a resting COB order shall be charged \$0.0020 per share subject to a \$2.00 minimum charge (the \$25.00 maximum charge will remain unchanged).

Rule 6.74A.07 is CBOE's Automated Improvement Mechanism (AIM) rule for complex orders. It allows complex orders (including stock-option orders) to be crossed after an electronic auction. Rule 6.74B.01 is the Solicitation Auction Mechanism. It allows for the execution of large size complex orders against solicited orders. Any stock executions resulting from orders processed through these mechanisms are handled on CBSX. This filing changes the rate applicable to the stock executions that result from stock-option orders trading pursuant to Rule 6.74A.07 and 6.74B.01 as follows: \$0.0020 per share subject to a \$2.00 minimum charge and \$25.00 maximum charge (the \$25.00 maximum charge will remain unchanged).

Lastly, this filing eliminates the CBSX market data rebate program. CBSX will cease issuing tape credits.

The fee changes will take effect on January 4, 2010.

(b) Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup>, in general, and furthers the objectives of Section 6(b)(4)<sup>2</sup> of the Act in

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<sup>1</sup> 15 U.S.C. 78f(b).

<sup>2</sup> 15 U.S.C. 78f(b)(4).

particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among CBOE members and other persons using its facilities.

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

CBOE does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Item 5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposal.

Item 6. Extension of Time Period for Commission Action

CBOE does not consent to an extension of the time period for Commission action.

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The proposed rule change is designated by the Exchange as establishing or changing a due, fee, or other charge, thereby qualifying for effectiveness on filing pursuant to Section 19(b)(3)(A)(ii)<sup>3</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>4</sup> thereunder.

Item 8. Proposed Rule Change Based on Rules or By-Laws of Another Self-Regulatory Organization or of the Commission

Not applicable.

Item 9. Exhibits

Exhibit 1. Form of notice of proposed rule change for publication in the Federal Register.

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<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>4</sup> 17 C.F.R. 240.19b-4(f)(2).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-CBOE-2009-102)

Dated: \_\_\_\_\_

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend its Chicago Board Options Exchange Stock Exchange Fees Schedule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on December 30, 2009, the Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend its CBOE Stock Exchange (“CBSX”) Fees Schedule. The text of the proposed rule change is available on the Exchange’s Web site (<http://www.cboe.org/legal>), at the Exchange’s Office of the Secretary, and at the Commission.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

CBSX proposes to make fee modifications in order to better attract business to the exchange. Specifically, CBSX proposes to change to \$0.0030 per share its Taker Fee and Routing Fee applicable to transactions of securities priced at \$1 or greater. CBSX proposes to change to 0.30% (of the dollar value of the transaction) its Taker Fee and Routing Fee for transactions in securities priced less than \$1. CBSX proposes to change to \$0.0025 per share the rebate for Makers, applicable to transactions in securities priced at \$1 or greater.

CBSX also proposes to change the fee rates applicable to stock executions effected pursuant to Rules 6.53C, 6.74A.07 and 6.74B.01. Rule 6.53C is CBOE's complex order auction (COA) and book (COB) rule. The COA system facilitates the handling and execution of complex orders by allowing for complex orders to rest in the system and allowing for inbound complex orders to trigger an auction where auction participants may submit complex order responses to trade with the order that is being auctioned. Some

complex orders contain a stock component (e.g. a buy-write order), and the stock component of a stock-option complex order handled by the system is executed on CBSX. This filing changes the rate applicable to the stock executions that result from stock-option orders trading pursuant to Rule 6.53C as follows: the order that triggered a COA auction or that triggered a trade with a resting COB order shall be charged \$0.0020 per share subject to a \$2.00 minimum charge (the \$25.00 maximum charge will remain unchanged).

Rule 6.74A.07 is CBOE's Automated Improvement Mechanism (AIM) rule for complex orders. It allows complex orders (including stock-option orders) to be crossed after an electronic auction. Rule 6.74B.01 is the Solicitation Auction Mechanism. It allows for the execution of large size complex orders against solicited orders. Any stock executions resulting from orders processed through these mechanisms are handled on CBSX. This filing changes the rate applicable to the stock executions that result from stock-option orders trading pursuant to Rule 6.74A.07 and 6.74B.01 as follows: \$0.0020 per share subject to a \$2.00 minimum charge and \$25.00 maximum charge (the \$25.00 maximum charge will remain unchanged).

Lastly, this filing eliminates the CBSX market data rebate program. CBSX will cease issuing tape credits.

The fee changes will take effect on January 4, 2010.

## 2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 ("Act")<sup>3</sup>, in general, and furthers the objectives of Section 6(b)(4)<sup>4</sup> of the Act

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<sup>3</sup> 15 U.S.C. 78f(b).

<sup>4</sup> 15 U.S.C. 78f(b)(4).

in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among CBOE members and other persons using its facilities.

B. Self-Regulatory Organization's Statement on Burden on Competition

CBOE does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change is designated by the Exchange as establishing or changing a due, fee, or other charge, thereby qualifying for effectiveness on filing pursuant to Section 19(b)(3)(A)(ii)<sup>5</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>6</sup> thereunder.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form

(<http://www.sec.gov/rules/sro.shtml>); or

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<sup>5</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>6</sup> 17 C.F.R. 240.19b-4(f)(2).

- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2009-102 on the subject line.

Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2009-102. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the CBOE. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2009-102 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

Dated: \_\_\_\_\_

Secretary

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<sup>7</sup> 17 CFR 200.30-3(a)(12).