



EXECUTE SUCCESS™

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Via Electronic Mail

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090
Rule-Comments@SEC.GOV

Re: Response to Comment Letter on File No. SR-CBOE-2013-016

Dear Ms. Murphy:

Chicago Board Options Exchange, Incorporated (“CBOE” or “Exchange”) submits this letter in response to the comments submitted to the U.S. Securities and Exchange Commission (“SEC” or “Commission”) by Michael L. Sheedy (“Sheedy”) on the above referenced rule filing in which CBOE proposes to permit the minimum price variation for mini-option contracts that deliver 10 shares to be the same as permitted for standard options that deliver 100 shares on the same security.

CBOE and several other exchanges have already adopted rules to list mini-options on SPDR S&P 500, Apple, Inc., SPDR Gold Trust, Google Inc. and Amazon.com Inc., which are scheduled to begin trading on Monday, March 18, 2013.¹ The Exchange believes that the two issues raised by Sheedy are adequately addressed in the product filings, but is submitting this response nonetheless.

Sheedy’s first comment involves settlement of mini-options. Specifically, Sheedy states that a standard option should not be broken apart to settle a mini-option. CBOE responds that the deliverable security for one class of options is not used to settle a different class of options and that the scenario posed by Sheedy was not proposed in the product filings to list mini-options. As described in the product filings, mini options are permitted on five (5) securities on which there are currently standard options listed for trading. At expiration, mini options will deliver 10 shares and standard options will deliver 100 shares. And while mini-options and standard options are permitted on the same securities, mini-options and standard options on the same security are separate classes and are different products. Therefore,

¹ See Securities Exchange Act Release Nos. 68656 (January 15, 2013), 78 FR 4526 (January 22, 2013) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to List and Trade Option Contracts Overlying 10 Shares of Certain Securities) (SR-CBOE-2013-001), 67948 (September 28, 2012) 77 FR 60735 (October 4, 2012) (Notice of Filing of Amendments No. 1 and Order Granting Accelerated Approval of Proposed Rule Changes as Modified by Amendments No. 1 to List and Trade Option Contracts Overlying 10 Shares of Certain Securities) (SR-NYSEArca-2012-64 and SR-ISE-2012-58) and 68771 (January 30, 2013), 78 FR 8208 (February 5, 2013) (noticing SR-BOX-2013-07) (collectively “product filings”).

mini-options are not fungible with standard options on the same security and there is no price protection between mini-options and standard options on the same security. To be clear, a mini-option will never trade with a standard option.

Sheedy's second comment is that the options symbols for mini-options should be distinct and easily identifiable from standard options on the same security. CBOE responds that the symbology for mini-options was addressed in the product filings. Specifically, CBOE (and other exchanges) represented in the product filings that mini-options will be designated with a different trading symbol than standard options on the same security. CBOE notes that the industry-wide symbology for mini-options will be the use of the same symbol that currently exists for standard options on the same security, followed by the number seven ("7"). Specifically, the options symbols for mini-options will be: AAPL7, AMZN7, GLD7, GOOG7, SPY7.

* * * * *

CBOE respectfully requests that the Commission approve the proposed rule filing on an accelerated basis. Should you require any further information, please do not hesitate to contact the undersigned.

Sincerely,



Jenny Golding

cc: Heather Seidel (SEC)
John Roeser (SEC)
Geoffrey Pemble (SEC)
Yue Ding (SEC)