

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-62227; File No. SR-CBOE-2010-050)

June 4, 2010

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

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on May 21, 2010, the Chicago Board Options Exchange, Incorporated (“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 Exchange has designated this proposal as one establishing or changing a due, fee, or other charge imposed by CBOE under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder.⁴ 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 Fees Schedule to establish fees for transactions in all S&P 500 Dividend Index options, regardless of the specified accrual period. The text of the proposed rule change is available on the Exchange’s website (<http://www.cboe.org/Legal>), on the Commission’s Web site at <http://www.sec.gov>, at the Exchange’s Office of the Secretary and at the Commission’s Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

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

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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange previously received approval to list options on the S&P 500 Dividend Index, which represents the accumulated ex-dividend amounts of all S&P 500 Index component securities over a specified accrual period (e.g., quarterly, semi-annually, annually), and recently approval to list options on the S&P 500 Annual Dividend Index with an applied scaling factor of 1.⁵ The Exchange currently lists S&P 500 Dividend Index ("DVS") options with a specified quarterly accrual period and will begin listing options on the S&P 500 Annual Dividend Index on May 25, 2010.

The purposes [sic] of this filing is to amend the CBOE Fees Schedule to extend the existing fees for transactions in DVS options to all options on the S&P 500 Dividend Index, regardless of the specified accrual period.⁶ Currently the established transaction fees for DVS options are as follows:

⁵ See Securities Exchange Act Release Nos. 61136 (December 10, 2009), 74 FR 66711 (December 16, 2009) (SR-CBOE-2009-022) and 62023 (May 3, 2010), 75 FR 25899 (May 10, 2010) (SR-CBOE-2010-039).

⁶ See Securities Exchange Act Release No. 61295 (January 6, 2010), 75 FR 2166 (January 14, 2010) (SR-CBOE-2009-098) (filing establishing transaction fees for DVS options).

- \$0.20 per contract for Market-Maker and Designated Primary Market-Maker transactions;⁷
- \$0.20 per contract for member firm proprietary transactions;
- \$0.40 per contract for manually executed broker-dealer transactions;
- \$0.40 per contract for electronically executed broker-dealer transactions;
- \$0.40 per contract for voluntary professional transactions;
- \$0.40 per contract for professional transactions;
- \$0.40 per contract for customer transactions; and
- \$0.10 per contract CFLEX surcharge fee.

The Exchange also assesses a \$.10 per contract surcharge fee on all non-public customer transactions in DVS options to help the Exchange recoup license fees the Exchange pays to the reporting authority. Further, the Exchange’s Liquidity Provider Sliding Scale applies to transaction fees in DVS options, but the Exchange’s marketing fee⁸ does not apply.

To affect the current proposal, the Exchange proposes to replace all references to “DVS” in the CBOE Fees Schedule with a reference to “S&P 500 Dividend Index.” The transaction fees for options on the “S&P 500 Dividend Index” will apply to all options on the S&P 500 Dividend Index regardless of the specified accrual period (e.g., quarterly, semi-annually, annually).

The Exchange believes the rule change will further the Exchange’s goal of introducing new products to the marketplace that are competitively priced.⁹ Also, the Exchange states that the surcharge fee on all non-public customer transactions in options on the S&P 500 Dividend

⁷ This is the standard rate that is subject to the Liquidity Provider Sliding Scale as set forth in Footnote 10 to the Fees Schedule.

⁸ See Footnote 6 of the Fees Schedule.

⁹ Linkage order fees are inapplicable for options on CBOE's proprietary products.

Index is to help the Exchange recoup license fees the Exchange pays to Standard & Poor's Financial Services LLC to list options on the S&P 500 Dividend Index.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(4)¹¹ of the Act 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. The Exchange believes the fee changes proposed by this filing are equitable and reasonable in that [sic] will further the Exchange's goal of introducing new products to the marketplace that are competitively priced and will help the Exchange recoup license fees that the Exchange pays to the reporting authority.

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

The Exchange neither solicited nor received comments on the proposal.

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

Because the foregoing proposed rule change establishes or changes a due, fee, or other charge imposed by the Exchange, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹² and subparagraph (f)(2) of Rule 19b-4¹³ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(4).

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(2).

it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CBOE-2010-050 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-CBOE-2010-050. 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 Web site viewing and printing 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 Exchange. 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 No. SR-CBOE-2010-050 and should be submitted on or before [insert date 21 days from date of publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Florence E. Harmon
Deputy Secretary

¹⁴ 17 CFR 200.30-3(a)(12).