

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-62704; File No. SR-CBOE-2010-073)

August 12, 2010

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend its Fees Schedule and Circular Regarding Trading Permit Holder Application and Other Related Fees

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on August 3, 2010, the Chicago Board Options Exchange, Incorporated (“CBOE” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by CBOE. 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

Chicago Board Options Exchange, Incorporated (“CBOE” or “Exchange”) proposes to amend its Fees Schedule and circular regarding Trading Permit Holder application and other related fees (“Trading Permit Fee Circular”) as they apply to tier appointments and bandwidth packets.

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’s Public Reference Room.

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

In its filing with the Commission, CBOE included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

rule change. The text of these statements may be examined at the places specified in Item IV below. CBOE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

CBOE is proposing to amend its Fees Schedule and Trading Permit Fee Circular to extend the deadline for notification of termination of a tier appointment or bandwidth packet until the last business day of the prior month. Specifically, tier appointments and bandwidth packets will be renewed automatically for the next month unless the Trading Permit Holder submits written notification to the CBOE Registration Services Department by the last business day of the prior month to cancel the tier appointment or bandwidth packet effective at or prior to the end of the applicable month. Trading Permit Holders were previously required to submit this notification by the 25th day of the prior month (or the preceding business day if the 25th was not a business day). CBOE no longer believes that it requires this additional notice in the context of tier appointment and bandwidth packet terminations.

CBOE is also proposing to amend its Fees Schedule and Trading Permit Fee Circular to establish a fee scale for the purchase of Order Entry Bandwidth Packets under which the cost of an Order Entry Bandwidth Packet would decline at certain break points as additional Order Entry Bandwidth Packets are purchased. Specifically, the first through fifth Order Entry Bandwidth Packets obtained by a Trading Permit Holder would cost \$2,000 per packet per month, the sixth through eighth Order Entry Bandwidth Packets obtained by that Trading Permit Holder would cost \$1,000 per packet per month, the ninth through thirteenth Order Entry Bandwidth Packets

obtained by that Trading Permit Holder would cost \$500 per packet per month, and the fourteenth and each additional Order Entry Bandwidth Packet obtained by that Trading Permit Holder would cost \$250 per packet per month. As with CBOE's current bandwidth packet fees, the foregoing fees would be discounted by 20% through the end of 2010.

CBOE also proposes to allow Trading Permit Holders to obtain and assign to a particular Sponsored User of the Trading Permit Holder one or more Order Entry Bandwidth Packets. In that event, the fees for the assigned bandwidth packet(s) would be assessed to the Trading Permit Holder and the bandwidth packet(s) could be utilized solely by the Sponsored User (and not by the Trading Permit Holder or any other Sponsored User).

Fees for Order Entry Bandwidth Packets assigned to a particular Sponsored User would be subject to the same fee scale as above and to the 20% discount through the end of 2010 that would apply to Order Entry Bandwidth Packets obtained by Trading Permit Holders that are not assigned to a particular Sponsored User, with one difference. Specifically, each break point in the fee scale would be one numeral higher than in the fee scale for Order Entry Bandwidth Packets not assigned to a particular Sponsored User. Thus, for example, the first tier of the fee scale for Order Entry Bandwidth Packets assigned to a particular Sponsored User would be for the first four Order Entry Bandwidth Packets instead of for the first three Order Entry Bandwidth Packets. The reason for this difference is that each Trading Permit Holder has already paid for the order entry bandwidth allocation that is provided by the Trading Permit by paying for the Trading Permit so the fee scale is structured so that the fee for the first Order Entry Bandwidth Packet that is assigned to a Sponsored User is paid before the sliding scale becomes applicable.

Thus, the full fee scale for Order Entry Bandwidth Packets assigned by a Trading Permit Holder to a Sponsored User would be that the first through sixth Order Entry Bandwidth Packets

assigned to the Sponsored User would cost \$2,000 per packet per month, the seventh through ninth Order Entry Bandwidth Packets assigned to that Sponsored User would cost \$1,000 per packet per month, the tenth through fourteenth Order Entry Bandwidth Packets assigned to that Sponsored User would cost \$500 per packet per month, and the fifteenth and each additional Order Entry Bandwidth Packet assigned to that Sponsored User would cost \$250 per packet per month.

CBOE is proposing to implement the foregoing changes effective for the month of August 2010.

2. Statutory Basis

The proposed rule change will treat all Trading Permit Holders in a consistent manner and apply the same fees with respect to all Sponsored Users. The difference in the fee scale applicable with respect to Sponsored Users is reasonable in that Sponsored Users are not CBOE Trading Permit Holders and have not already obtained an order entry bandwidth allowance through the purchase of a Trading Permit. Accordingly, the Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,³ in general, and furthers the objectives of Section 6(b)(4) of the Act⁴ in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among persons using its facilities for the reasons described above.

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 that is not necessary or appropriate in furtherance of the purposes of the Act.

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(4).

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 foregoing rule has become effective pursuant to Section 19(b)(3)(A) of the Act⁵ and subparagraph (f)(2) of Rule 19b-4⁶ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if 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-2010-073 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-2010-073. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your

⁵ 15 U.S.C. 78s(b)(3)(A).

⁶ 17 CFR 240.19b-4(f)(2).

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-2010-073 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.⁷

Florence E. Harmon
Deputy Secretary

⁷ 17 CFR 200.30-3(a)(12).