

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-63472; File No. SR-CBOE-2010-103)

December 8, 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 November 30, 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 the description of a Market-Maker Trading Permit. The text of the proposed rule change is available on the Exchange’s website (<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 the Market-Maker Trading Permit description in its Fees Schedule and Trading Permit Fee Circular to accommodate the listing of series on the Hybrid Trading System, in a class that is typically traded on the Hybrid 3.0 Platform.³ Currently, the bandwidth allowance associated with a Market-Maker Trading Permit where the Trading Permit Holder maintains an appointment in a Hybrid 3.0 class is proportionately reduced to [sic] by the appointment cost of the class. However, if a Market-Maker is able to submit electronic quotes in a Hybrid 3.0 class, such as a Lead Market-Maker that streams quotes in the class, the Market-Maker shall receive the quoting bandwidth allowance attributable to that Hybrid 3.0 class to quote in, and only in, that class.

To accommodate the listing of series on the Hybrid Trading System in a class that is considered to be a Hybrid 3.0 class, CBOE is proposing the following changes effective December 1, 2010. First, because there is only one product that trades on Hybrid 3.0 (the S&P 500 Index option class or "SPX"), and the appointment cost for that class is 1.0, CBOE is proposing to delete the provision in the CBOE Fees Schedule and the Trading Permit Fee

³ CBOE Rule 1.1(aaa) provides that the "Hybrid Trading System" refers to the Exchange's trading platform that allows Market-Makers to submit electronic quotes in their appointed classes. "Hybrid 3.0 Platform" is an electronic trading platform on the Hybrid Trading System that allows one or more quoters to submit electronic quotes which represent the aggregate Market-Maker quoting interest in a series for the trading crowd...Classes authorized by the Exchange for trading on the Hybrid 3.0 Platform shall be referred to as Hybrid 3.0 classes."

Circular that reduces [sic] amount of quoting bandwidth proportionate to the appointment cost allocated to Market-Maker Trading Permit Holders that maintain an appointment in a Hybrid 3.0 class and CBOE is proposing to delete the language referencing the bandwidth allowance “attributable to that class.” Second, CBOE is proposing to add language to the description in both the Fees Schedule and the Trading Permit Fee Circular to specifically reference series traded on the Hybrid Trading System within a Hybrid 3.0 class. The allocated bandwidth allowance will continue to be limited to quoting only in that class. For example, if a particular series of SPX trades on the Hybrid Trading System, a Market-Maker Trading Permit Holder with an appointment in SPX may only use its allocated bandwidth to trade in SPX.

2. Statutory Basis

The proposed rule change will treat all Market-Maker Trading Permit Holders with an appointment in a Hybrid 3.0 class in a consistent manner. Accordingly, the Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁴ in general, and furthers the objectives of Section 6(b)(4) of the Act⁵ 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.

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.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(4).

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 Act⁶ and subparagraph (f)(2) of Rule 19b-4⁷ 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-2010-103 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-2010-103. 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 website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(2).

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 website 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-2010-103 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.⁸

Florence E. Harmon
Deputy Secretary

⁸ 17 CFR 200.30-3(a)(12).