SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-65774; File No. SR-CBOE-2011-108)

November 17, 2011

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Expand the Weeklys Program

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 14, 2011, the Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") 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 the Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act[3] and Rule 19b-4(f)(6) 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 Rules 5.5 and 24.9 to increase the number of option classes on which Short Term Options Series ("Weekly options") may be opened in the Exchange's Short Term Option Series Program ("Weeklys Program") from 15 to 25 classes.[5] The text of the

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 15 U.S.C. 78s(b)(3)(A)(iii).

4 17 CFR 240.19b-4(f)(6).

5 This rule filing assumes that proposed changes to Rules 5.5(d)(1) and 24.9(A)(i) contained in a separate rule filing are effective. See Securities Exchange Act Release No. 65445 (September 30, 2011), 75 FR 62102 (October 6, 2011) (noticing SR-CBOE-2011-086, which proposes to increase the number of series permitted per class in the Weeklys Program from 20 series to 30 series).

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

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 purpose of this proposed rule change is to amend Rules 5.5 and 24.9 by increasing the number of option classes on which Weekly options may be opened in the Exchange's Weeklys Program.[6] Currently, the Exchange may select up to 15 currently listed option classes on which Weekly options may be opened in the Weeklys Program.[7] The Exchange is proposing to increase this to a total of 25 classes on which Weekly options may be opened for trading. This is a competitive filing and is based on certain aspects of filings previously submitted by International

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6 On July 12, 2005, the Commission approved the Weeklys Program on a pilot basis. See Securities Exchange Act Release No. 52011 (July 12, 2005), 70 FR 41451 (July 19, 2005) (SR-CBOE-2004-63). The Weeklys Program was made permanent on April 27, 2009. See Securities Exchange Act Release No. 59824 (April 27, 2009), 74 FR 20518 (May 4, 2009) (SR-CBOE-2009-018).

7 The Exchange previously increased the total number of classes on which Weekly options may be opened from 5 to 15 classes. See Securities Exchange Act Release No. 63877 (February 9, 2011), 76 FR 8794 (February 15, 2011) (SR-CBOE-2011-012) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Expand the Short Term Option Series Program)

Securities Exchange, LLC ("ISE"), The NASDAQ Stock Market LLC for the NASDAQ Options Market ("NOM"), and NASDAQ OMX PHLX, Inc. ("PHLX").[8]

CBOE's Weeklys Program is codified in Rules 5.5 and 24.9. These rules provide that after an option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Thursday or Friday that is a business day series of options on no more than fifteen option classes that expire on the Friday of the following business week that is a business day. In addition to the 15-option class limitation, there is a limitation on the number of series that may be opened per class.[9] The strike price of each Weekly option has to be fixed with approximately the same number of strike prices being opened above and below the value of the underlying security at about the time that the Weekly options are initially opened for trading on the Exchange, and with strike prices being within 30% above or below the closing price of the underlying security from the preceding day. The Exchange is not proposing any changes to these additional Weeklys Program limitations other than to increase from 15 to 25 the number of option classes that may participate in the Weeklys Program.

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8 See Securities Exchange Act Release Nos. 65503 (October 6, 2011), 76 FR 63691 (October 13, 2011) (SR-ISE-2011-60); 65528 (October 11, 2011), 76 FR 64142 (October 17, 2011) (SR-NASDAQ-2011-138) and 65529 (October 11, 2011), 76 FR 64144 (October 17, 2011) (SR-PHLX-2011-131).

CBOE notes that on September 19, 2011, it formally submitted a filing to the Commission to increase the number of strikes that may be listed per class that participates in the Weeklys Program. That filing was noticed by the Commission on September 30, 2011. See Securities Exchange Act Release No. 65445 (September 30, 2011), 75 FR 62102 (October 6, 2011) (noticing SR-CBOE-2011-086). On September 23, 2011, ISE formally submitted a filing to the Commission similarly proposing to increase the number of strikes per class that participates in ISE's Weeklys Program. However, in that filing ISE also requested to increase the number of classes (from 15 to 25) that are eligible to participate in ISE's Weekly Program. CBOE's current filing is competitive in that it seeks to permit CBOE to increase the number of classes that may participate in its Weeklys Program at the same time similar changes become operative at other exchanges.

9 See Rules 5.5 and 24.9.

The principal reason for the proposed expansion is market demand for adding, and not removing, Weekly option classes from the Weeklys Program. In order for the Exchange not to exceed the current 15-option class restriction, from time to time the Exchange has had to discontinue trading one short term option class before it could begin trading other option classes within the Weeklys Program. This has negatively impacted investors and traders, particularly retain public customers. These same market participants also repeatedly request that the Exchange add classes to the Weeklys Program, which the Exchange is unable to do as it has already reached its maximum allotment of 15 classes. The Exchange has also observed increased demand for more classes when market moving events, such as significant market volatility, corporate events, or large market, sector or individual issue price swings have occurred.

The Exchange notes that the Weeklys Program has been well-received by market participants, in particular by retail investors. The Exchange believes a modest increase to the number of classes that may participate in the Weeklys Program, such as the one proposed in this rule filing, will permit the Exchange to meet increased customer demand and provide market participants with the ability to hedge in a greater number of option classes.

With regard to the impact of this proposal on system capacity, the Exchange has analyzed its capacity and represents that it and the Options Price Reporting Authority ("OPRA") have the necessary systems capacity to handle the potential additional traffic associated with trading of an expanded number of classes that participate in the Weeklys Program.

The Exchange believes that the Weeklys Program has provided investors with greater trading opportunities and flexibility and the ability to more closely tailor their investment and risk management strategies and decisions. The Exchange further believes this proposed rule change will provide investors with additional Weekly option classes for investment, trading and risk management purposes. Therefore, the Exchange requests a modest expansion of the current Weeklys Program.

The proposed increase to the number of classes eligible to participate in the Weeklys Program is required for competitive purposes as well as to ensure consistency and uniformity among the competing options exchanges that have adopted similar Weeklys Programs.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)[10] of the Act and the rules and regulations under the Act, in general, and furthers the objectives of Section 6(b)(5),[11] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanisms of a free and open market and a national market system, and, in general, to protect investors and the public interest. The Exchange believes that expanding the Weeklys Program will result in a continuing benefit to investors by giving them more flexibility to closely tailor their investment decisions and hedging decisions in a greater number of securities. The Exchange also believes that expanding the Weeklys Program will provide the investing public and other market participants with additional opportunities to hedge their investment thus allowing these investors to better manage their risk exposure. While the expansion of the Weeklys Program will generate additional quote traffic, the Exchange does not believe that this increased traffic will become unmanageable since the proposal remains limited to a fixed number of classes. Further, the Exchange does not believe that the proposal will result

10 15 U.S.C. 78f(b).

11 15 U.S.C. 78f(b)(5).

in a material proliferation of additional series because the number of series per class also remains limited, and the Exchange does not believe that the additional price points will result in fractured liquidity.

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. In this regard and as indicated above, the Exchange notes that the rule change is being proposed as a competitive response to proposed rule changes of ISE, NOM and PHLX. CBOE believes this proposed rule change is necessary to permit fair competition among the options exchanges with respect to their short term options programs.

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

Because the foregoing proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act[12] and Rule 19b-4(f)(6) thereunder.[13]

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12 15 U.S.C. 78s(b)(3)(A).

13 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

The Exchange has requested that the Commission waive the 30-day operative delay. The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest because the proposal is substantially similar to that of another exchange that has been approved by the Commission.[14] Therefore, the Commission designates the proposal operative upon filing.[15]

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-2011-108 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.

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14 See Securities Exchange Act Release No. 65771 (November 17, 2011) (SR-ISE-2011-60) (order approving expansion of Short Term Option Program).

15 For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

All submissions should refer to File Number SR-CBOE-2011-108. 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 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 the 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 Number SR-CBOE-2011-108 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.[16]

Kevin M. O'Neill
Deputy Secretary

[16] 17 CFR 200.30-3(a)(12).