The text of the proposed rule change is provided below (additions are underlined and deletions are [bracketed]).

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Chicago Board Options Exchange, Incorporated
Rules

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Rule 6.53 - Certain Types of Orders Defined

RULE 6.53. One or more of the following order types may be made available on a class-by-class basis. Certain order types may not be made available for all Exchange systems. The classes and/or systems for which the order types shall be available will be as provided in the Rules, as the context may indicate, or as otherwise specified via Regulatory Circular.

(a) *Market Order.* A market order is an order to buy or sell a stated number of option contracts and is to be executed at the best price obtainable when the order reaches the post.

(b) *Limit Order.* A limit order is an order to buy or sell a stated number of option contracts at a specified price, or better.

(c) *Contingency Order.* A contingency order is a limit or market order to buy or sell that is contingent upon a condition being satisfied while the order is at the post.

(i) *Market-if-touched order.* A market-if-touched (MIT) order is a contingency order to buy or sell when the market for a particular option contract reaches a specified price. An MIT order to buy becomes a market order when the option contract trades at or below the order price. An MIT order to sell becomes a market order when the option contract trades at or above the order price.

(ii) *Market-on-close order.* A market or limit order may be designated a market-on-close order to be executed as close as possible to the closing bell, or during the closing rotation, and should be near to or at the closing price for the particular series of option contracts.

(iii) *Stop (stop-loss) order.* A stop order is a contingency order to buy or sell when the market for a particular option contract reaches a specified price on the CBOE floor. A stop order to buy becomes a market order when the option contract trades or is bid at or above the stop price on the CBOE floor. A stop order to sell becomes a market order when the option contract trades or is offered at or below the stop-limit price on the CBOE floor.

(iv) *Stop-limit order.* A stop-limit order is a contingency order to buy or sell when the market for a particular option contract reaches a specified price. A stop order to buy becomes a limit order when the option contract trades or is bid at or above the stop-limit price. A stop-limit order to sell becomes a limit order when the option contract trades or is offered at or below the stop-limit price.

(d) *Spread Order.* A spread order is an order to buy a stated number of option contracts and to sell the same number of option contracts, or contracts representing the same number of shares at option, of the same class of options.

(e) *Combination Order.* A combination order is an order involving a number of call option contracts and the same number of put option contracts in the same underlying security. In the case of adjusted option contracts, a combination order need not consist of the same number of put and call contracts if such contracts both represent the same number of shares at option.

(f) *Straddle Order.* A straddle order is an order to buy a number of call option contracts and the same number of put option contracts on the same underlying security which contracts have the same exercise price and expiration date; or an order to sell a number of call option contracts and the same number of put option contracts on the same underlying security which contracts have the same exercise price and expiration date. (E.g., an order to buy two XYZ July 50 calls and to buy two July 50 XYZ puts is a straddle order.) In the case of adjusted option contracts, a straddle order need not consist of the same number of put and call contracts if such contracts both represent the same number of shares at option.

(g) *Not Held Order.* A not held order is an order marked "not held", "take time" or which bears any qualifying notation giving discretion as to the price or time at which such order is to be executed.

(h) *One-Cancels-the-Other (OCO) Order.* A one-cancels-the-other order consists of two or more orders treated as a unit. The execution of any one of the orders causes the others to be cancelled.

(i) *All-or-None Order.* An all-or-none order is a market or limit order which is to be executed in its entirety or not at all.

(j) *Fill-or-Kill Order.* A fill-or-kill order is an order which is to be executed in its entirety as soon as it is represented in the trading crowd, and such order, if not so executed, is to be treated as cancelled.

(k) *Immediate-or-Cancel Order.* An immediate-or-cancel order is a market or limit order which is to be executed in whole or in part as soon as such order is represented in the trading crowd. Any portion not so executed is to be treated as cancelled.

(l) *Opening Rotation Order.* An opening rotation order is a market order which is to be executed in whole or in part during the opening rotation of an option series or not at all. Any portion not so executed is to be treated as cancelled.

(m) *Facilitation Order.* A facilitation order is an order which is only to be executed in whole or in part in a cross transaction with an order for a public customer of the member organization and which is clearly designated as a facilitation order.

(n) *Ratio Order.* A Ratio Order is a spread, straddle, or combination order in which the stated number of option contracts to buy (sell) is not equal to the stated number of option contracts to sell (buy), provided that the number of contracts differ by a permissible ratio. For purposes of this section, a permissible ratio is any ratio that is equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00). For example, a one-to-two (.5) ratio, a two-to-three (.667) ratio, or a two-to-one (2.00) ratio is permissible, whereas a one-to-four (.25) ratio or a four-to-one (4.0) ratio is not.

(o) *Attributable Order.* An attributable order is a market or limit order which displays the user firm ID for purposes of electronic trading on the Exchange. Use of attributable orders is voluntary. [Attributable orders may not be available for all Exchange systems. The Exchange will issue a Regulatory Circular specifying the systems (*e.g.* Complex Order Auction, Hybrid Agency Liaison, etc.) for which the attributable order-type shall be available.]

(p) *Intermarket Sweep Order.* An intermarket sweep order (ISO) shall have the meaning set forth in Rule 6.80. ISOs shall not be processed pursuant to Rules 6.14 and 6.14A. ISOs that are not designated as immediate or cancel shall book if not executed upon receipt.

(q) *AIM Sweep Order.* An AIM sweep order (AIM ISO) is the transmission of two orders for crossing pursuant to Rule 6.74A without regard for better priced Protected Bids/Offers (as defined in Rule 6.80) because the member transmitting the AIM ISO to the Exchange has, simultaneously with the routing of the AIM ISO, routed one or more ISOs, as necessary, to execute against the full displayed size of any Protected Bid/Offer that is superior to the starting AIM auction price and has swept all interest in the Exchange's book priced better than the proposed auction starting price. Any execution(s) resulting from such sweeps shall accrue to the AIM Agency Order.

(r) *Sweep and AIM Order*. A sweep and AIM order is the transmission of two orders for crossing pursuant to Rule 6.74A with an auction starting price that does not need to be within the Exchange's best bid and offer and where the Exchange will "sweep" all Protected Bids/Offers (as defined in Rule 6.80) by routing one or more ISOs, as necessary, to execute against the full displayed size of any Protected Bid/Offer that is superior to the starting AIM auction price, as well as sweep all interest in the Exchange's book priced better than the proposed auction starting price concurrent with the commencement of the AIM auction with any execution(s) resulting from such sweeps accruing to the AIM Agency Order.

(s) *CBOE-Only Order*. A CBOE-only order is an order to buy or sell that is to be executed in whole or in part on the Exchange without routing the order to another market center and that is to be cancelled if routing would be required under the Exchange's Rules.

(t) *Reserve Order.* A reserve order is a limit order that has both a displayed size as well as an additional non-displayed amount. Both the displayed and non-displayed portions of the reserve order are available for potential execution against incoming orders. If the displayed portion of a reserve order is fully executed, the System will replenish the displayed portion from reserve up to the size of the original display amount. A new timestamp is created for the replenished portion of the order each time it is replenished from reserve, while the reserve portion retains the time-stamp of its original entry.

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