

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-53976; File No. SR-CBOE-2006-39)

June 12, 2006

**Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated;
Order Approving a Proposed Rule Change Regarding the e-DPM Membership
Ownership Requirement**

On April 20, 2006, the Chicago Board Options Exchange, Incorporated (“CBOE” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to clarify the membership ownership requirements for e-DPMs set forth in CBOE Rule 8.92(d). Specifically, the proposal clarifies that a parent company of an e-DPM entity may own or lease the required memberships on behalf of the e-DPM entity provided such memberships are dedicated solely to the e-DPM organization’s e-DPM activity. The proposed rule change was published for comment in the Federal Register on May 12, 2006.³ The Commission received no comments on the proposal.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange⁴ and, in particular, the requirements of Section 6 of the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 53771 (May 8, 2006), 71 FR 27757.

⁴ In approving this proposed rule change, the Commission notes that it has considered the proposed rule’s impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

Act⁵ and the rules and regulations thereunder. The Commission specifically finds that the proposed rule change is consistent with Section 6(b)(5) of the Act⁶ in that it is designed to promote just and equitable principles of trade, to remove impediments and to perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The Commission believes that the proposal should provide more flexibility to e-DPM organizations in satisfying the membership ownership requirements of CBOE Rule 8.92.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change (SR-CBOE-2006-39) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Nancy M. Morris
Secretary

⁵ 15 U.S.C. 78f.

⁶ 15 U.S.C. 78f(b)(5).

⁷ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(12).