

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-55984; File No. SR-CBOE-2007-53)

June 29, 2007

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change, as Modified by Amendment No. 1 Thereto, Relating to an Administrative CBOE Billing Rule

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 May 29, 2007, the Chicago Board Options Exchange, Incorporated (“CBOE” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by the CBOE. On June 28, 2007, the Exchange filed Amendment No. 1 to the proposed rule change. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to make a change to an administrative CBOE billing rule. The text of the proposed rule change is available at the CBOE, on the Exchange’s Web site at <http://www.cboe.org/legal>, and in 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, the Exchange 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 these statements may be examined at the places specified

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

in Item IV below. The Exchange 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 Rule 3.23 requires all CBOE members, other than lessor members, to designate a CBOE Clearing Member for the payment of CBOE invoices by means of the Exchange's Integrated Billing System ("IBS"). From time to time, vendors have requested the Exchange to act as their billing agent for vendor invoices for Exchange-related services provided to members. The Exchange would like to enter into arrangements with vendors under which the Exchange would collect payment from members for vendor invoices for Exchange-related services.³ Some of these arrangements may involve payment by the vendor to the Exchange for performing this billing service, and some may involve no payment to the Exchange as mutually agreed by the vendor and the Exchange.

The Exchange proposes to amend Rule 3.23 to make explicit that the Exchange may collect such vendor fees that are designated by the Exchange from members via the IBS. The proposed rule change would benefit Exchange members in that it would allow members to pay vendor invoices for Exchange-related services along with all of their Exchange invoices via the IBS instead of having to receive and pay multiple invoices. The proposed rule change would

³ The Exchange represents that, in the Exchange's written agreement with each vendor for which the Exchange will collect payments via IBS, the Exchange will require the vendor to include a provision in the vendor's written agreement with each member from which payments via IBS will be collected in which the member authorizes CBOE to assess and collect from the member through CBOE's billing procedures and automated systems, on behalf of the vendor, the fees assessed by the vendor to the member for the vendor's service. See Amendment No. 1 to the proposed rule change.

also benefit vendors in that it would relieve vendors of the responsibility for individually billing and collecting from each of their CBOE member customers.

2. Statutory Basis

The proposed rule change is an administrative rule change that is designed to facilitate the efficiency of Exchange operations and to ease administrative burdens on Exchange members by improving CBOE billing procedures. Therefore, the Exchange believes that the proposed rule change is consistent with the requirements provided under Section 6(b)(5)⁴ of the Act that the rules of an exchange be designed to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

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.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing rule change is concerned solely with the administration of the Exchange, it has become effective pursuant to Section 19(b)(3)(A) of the Act⁵ and subparagraph (f)(3) of Rule 19b-4⁶ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the

⁴ 15 U.S.C. 78(f)(b)(5).

⁵ 15 U.S.C. 78s(b)(3)(A).

⁶ 17 CFR 240.19b-4(f)(3).

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.⁷

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-2007-53 on the subject line.

Paper comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2007-53. 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 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

⁷ For purposes of calculating the 60-day period within which the Commission may summarily abrogate the proposed rule change under Section 19(b)(3)(C) of the Act, the Commission considers the period to commence on June 28, 2007, the date on which CBOE submitted Amendment No. 1. See 15 U.S.C. 78s(b)(3)(C).

available for inspection and copying in the Commission's Public Reference Room on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing also will be available for inspection and copying at the principal office of the CBOE. 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-2007-53 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

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

Florence E. Harmon
Deputy Secretary

⁸ 17 CFR 200.30-3(a)(12).