

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-58616; File No. SR-CBOE-2008-99)

September 22, 2008

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by Chicago Board Options Exchange, Incorporated Relating to Transfer of Interim Trading Permits

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 September 19, 2008, 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 the CBOE. CBOE has filed the proposal pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

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

CBOE proposes to amend the transfer provisions applicable to Interim Trading Permits. 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

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 rule change. The text of these statements may be examined at the places specified in Item IV below. The 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

(a) Purpose

CBOE Rule 3.27(g) currently provides that Interim Trading Permits are non-transferable, except that in a form and manner prescribed by the Exchange (i) a member organization may change the designation of the nominee in respect of each Interim Trading Permit it holds and (ii) an individual Interim Trading Permit holder at any time after the issuance of that Interim Trading Permit may transfer that Interim Trading Permit to a member organization with which such individual is then associated.

The Exchange is proposing to amend Rule 3.27(g) to provide for a third circumstance in which an Interim Trading Permit may be transferred. Specifically, the Exchange proposes to amend Rule 3.27(g) to provide that the holder of an Interim Trading Permit may transfer the Interim Trading Permit to an organization which has succeeded, through statutory merger, exchange of stock, or acquisition of assets to the business of the transferor.

⁴

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

This proposed new provision is equivalent to CBOE Rule 3.14(c)(ii) which permits the owner of a transferable CBOE membership to transfer the membership to an organization which has succeeded, through statutory merger, exchange of stock, or acquisition of assets to the business of the transferor.

(b) Statutory Basis

The proposed rule change will allow for the business and trading operations of an Interim Trading Permit holder to continue without interruption when the business of that Interim Trading Permit holder is transferred to another organization and avoid a disruption to those trading operations that would result from the loss of the Interim Trading Permits that support those operations and the need for the successor organization to obtain other trading access to the Exchange, which may not be available at that time. Accordingly, the Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act in general,⁵ and furthers the objectives of Section 6(b)(5) in particular,⁶ in that it is designed to facilitate transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and 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 purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

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 proposed rule change does not (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for thirty days after the date of filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, provided that the self-regulatory organization has given the Commission written notice of its intent to file 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,⁷ the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁸ and Rule 19b-4(f)(6) thereunder.⁹

Under Rule 19b-4(f)(6) of the Act,¹⁰ the proposal does not become operative for 30 days after the date of its filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay based upon CBOE's representation to the Commission that Lehman Brothers Inc. is seeking to transfer its trading operations on CBOE to Barclays Capital Inc. on an expeditious basis and that the waiver of the foregoing time period will help to facilitate the orderly transfer of these

⁷ The Exchange has fulfilled this requirement.

⁸ 15 U.S.C. 78s(b)(3)(A).

⁹ 17 CFR 240.19b-4(f)(6).

operations and avoid the disruption to those operations and to CBOE's market that would result if those operations needed to be curtailed because Barclays Capital Inc. would not have immediate use of the Interim Trading Permits used to support those operations. Although the foregoing is the impetus for this rule change, going forward any other Interim Trading Permit holder would also be able to avail themselves of the proposed transfer provision if desired. Based on these reasons, the Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest, and thus designates the proposal effective upon filing.¹¹

At any time within sixty days of the filing of the proposed rule change, the Commission may summarily abrogate the 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

¹⁰ Id.

¹¹ For purposes only of waiving the operative date of this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CBOE-2008-99 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-CBOE-2008-99. 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 available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, 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-2008-99 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.¹²

Florence E. Harmon
Acting Secretary

¹² 17 CFR 200.30-3(a)(12).