

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-60589; File No. SR-CBOE-2009-047)

August 31, 2009

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Order Approving a Proposed Rule Change to Permit All CBSX Market-Makers to Operate from the CBSX Floor Post

On July 2, 2009, the Chicago Board Options Exchange, Incorporated (“Exchange” or “CBOE”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to allow all CBSX Market-Maker types to operate from the Floor Post. The exchange filed Amendment No. 1 to the proposed rule change on July 23, 2009. The proposed rule change, as amended, was published for comment in the Federal Register on July 30, 2009.<sup>3</sup> The Commission received no comment letters on the proposed rule change. This order approves the proposed rule change.

CBSX is an all-electronic stock marketplace operated by the Exchange. The CBSX Floor Post is a location on the CBOE trading floor where market-makers can be stationed to respond to stock price discovery requests from CBOE’s trading floor community. The Floor Post is a location for price discovery only; since CBSX is an electronic exchange, there is no open-outcry trading permitted, and any trades agreed to at the Floor Post must be entered into the CBSX system in accordance with the applicable rules.<sup>4</sup>

---

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 60375 (July 23, 2009), 74 FR 38071.

<sup>4</sup> See, e.g., CBOE Rule 52.11, Facilitation of Orders and Crossing Trades.

Currently, only members who serve as Designated Primary Market-Makers (“DPMs”) on CBSX may operate from the CBSX Floor Post.<sup>5</sup> The Exchange now proposes to permit all CBSX Market-Makers types to operate from the Floor Post. The Floor Post will continue to restrict any sightlines to the equity options trading posts.

After careful review, the Commission finds that the proposal is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>6</sup> In particular, the Commission the believes that the proposal is consistent with the requirements of Section 6(b)(5) of the Act<sup>7</sup> - which requires, among other things, that the rules of a national securities exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, 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 - because it will promote additional price discovery at the CBSX Floor Post.

---

<sup>5</sup> No CBSX DPMs are stationing personnel at the Floor Post at this time.

<sup>6</sup> In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (SR-CBOE-2009-047) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

Florence E. Harmon  
Deputy Secretary

---

<sup>8</sup> 17 CFR 200.30-3(a)(12).