SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-57109; File No. SR-CBOE-2007-134)

January 7, 2008

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Order Granting Approval of Proposed Rule Change Relating to the Continuous Quoting Obligations of DPMs

On November 9, 2007, 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 modify the continuous electronic quoting obligation of DPMs in multiply-listed option classes. The proposed rule change was published for comment in the Federal Register on November 29, 2007.[3] The Commission received no comments on the proposed rule change. This order approves the proposed rule change.

CBOE proposes to reduce the continuous electronic quoting obligation of DPMs in multiply-listed option classes, and make them consistent with the continuous quoting obligation of e-DPMs[4] and Lead Market-Makers in Hybrid option classes.[5] Specifically, CBOE proposes to reduce the continuous electronic quoting obligation of DPMs from 100% to at least 90% of the series of each multiply-listed option class allocated to it.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities

1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 See Securities Exchange Act Release No. 56824 (November 20, 2007), 72 FR 67615.

4 See CBOE Rule 8.93.

5 See CBOE Rule 8.15A. The Commission notes that the Exchange is not proposing to change the continuous electronic quoting obligation of DPMs in classes listed solely on CBOE.

exchange.[6] In particular, the Commission believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,[7] in that it is designed to promote just and equitable principles of trade, 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. The Commission believes that the Exchange's proposal to reduce the continuous electronic quoting obligation of DPMs from 100% to at least 90% of the series of each multiply-listed option class allocated to it is appropriate given the reduction in benefits afforded to DPMs.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,[8] that the proposed rule change (SR-CBOE-2007-134) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[9]

Florence E. Harmon
Deputy Secretary

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

7 15 U.S.C. 78f(b)(5).

8 15 U.S.C. 78s(b)(2).

9 17 CFR 200.30-3(a)(12).