

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-61431; File No. SR-CBOE-2010-003)

January 27, 2010

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Temporary Waiver of Certain Fees

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ notice is hereby given that on January 7, 2010 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 prepared by CBOE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

Chicago Board Options Exchange, Incorporated (“CBOE” or “Exchange”) proposes to amend its Fees Schedule to (i) temporarily waive the Change of Status Fee for a membership status change involving a Temporary Member or a person on an Interim Trading Permit (“ITP”) who goes onto a CBOE transferable membership and (ii) temporarily waive the Lease Application Fee for a lease under which a Temporary Member or a person on an ITP goes onto a CBOE transferable membership. 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’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

¹ 15 U.S.C. 78s(b)(1).

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. 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

1. Purpose

The Exchange proposes to amend its Fees Schedule to (i) temporarily waive the Change of Status fee for a membership status change involving a Temporary Member² or a person on an ITP³ who goes onto a CBOE transferable membership and (ii) temporarily waive the Lease Application fee for a lease under which a Temporary Member or a person on an ITP goes onto a CBOE transferable membership. The Exchange proposes to institute these fee waivers effective January 7, 2010.

The Exchange currently has a number of unleased CBOE transferable memberships. The Exchange intends to provide incentives for Temporary Members and persons on ITPs to go onto CBOE transferable memberships to reduce the number of unleased CBOE transferable memberships. Specifically, CBOE will waive the \$500 change of status fee for any Temporary Member who goes onto a CBOE transferable membership as well as for any person on an ITP who goes onto a CBOE transferable membership (to the extent that the change of status fee

² See Securities Exchange Act Release No. 56458 (September 18, 2007), 72 FR 54309 (September 24, 2007) (SR-CBOE-2007-107) for a description of the Temporary Membership status under Rule 3.19.02.

³ See Securities Exchange Act Release No. 58178 (July 17, 2008), 73 FR 42634 (July 22, 2008) (SR-CBOE-2008-40) for a description of the Interim Trading Permits under Rule 3.27.

would otherwise be applicable to the person switching off of the ITP). In addition, CBOE will waive the \$600 lease application fee for any CBOE transferable membership lease under which a Temporary Member or person on an ITP goes onto a CBOE transferable membership. These fee waivers will be in effect through April 2, 2010.

For example, Floor Broker ABC (a Temporary Member) is employed by Firm XYZ (a member organization) and is an individual member with a Temporary Membership that has been registered for Firm XYZ. Firm XYZ now wishes to lease a CBOE transferable membership for Floor Broker ABC to have Floor Broker ABC become a nominee of Firm XYZ and eliminate his Temporary Membership status. Currently, the change of status to a nominee and the lease of a CBOE transferable membership by Firm XYZ would result in a \$500 Change in Status fee for Floor Broker ABC and a \$600 Lease Application fee for the new lease. CBOE believes it is appropriate to temporarily waive this Change in Status fee and Lease Application fee to provide incentives for these types of status changes. These fee waivers would result in a total cost savings of \$1,100 to Firm XYZ and Floor Broker ABC (\$500 savings for the Change in Status fee and \$600 savings for the Lease Application fee).

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (“Act”)⁴, in general, and furthers the objectives of Section 6(b)(4)⁵ of the Act in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities in

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(4).

that it is designed to provide incentives to reduce the number of unleased CBOE transferable memberships.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁶ and subparagraph (f)(2) of Rule 19b-4⁷ 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 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
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CBOE-2010-003 on the subject line.

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(2).

Paper Comments:

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

All submissions should refer to File Number SR-CBOE-2010-003. 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 Exchange. 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 No. SR-CBOE-2010-003 and should be submitted on or before [insert date 21 days from date of publication in the Federal Register].

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

Florence E. Harmon
Deputy Secretary

⁸ 17 CFR 200.30-3(a)(12).