

OMB APPROVAL

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. SR - 2007 - 19

Amendment No.

Proposed Rule Change by Chicago Board Options Exchange
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial <input checked="" type="checkbox"/>	Amendment <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input type="checkbox"/>	Section 19(b)(3)(A) <input checked="" type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action <input type="checkbox"/>			<input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input checked="" type="checkbox"/> 19b-4(f)(6)		
Date Expires <input type="text"/>					

Exhibit 2 Sent As Paper Document



Exhibit 3 Sent As Paper Document

**Description**

Provide a brief description of the proposed rule change (limit 250 characters).

Extension of Pilot Program relating to e-DPMs and RMMs

Contact Information

Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name Last Name
Title
E-mail
Telephone Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date By

(Name)

(Title)

NOTE: Clicking the button at right will digitally sign and lock
this form. A digital signature is as legally binding as a physical
signature, and once signed, this form cannot be changed.



SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3).

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

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Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

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Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item 1 and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Item 1. Text of the Proposed Rule Change

(a) The Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") proposes to extend two pilot programs which allow Remote Market-Makers ("RMMs") and Electronic DPMs ("e-DPMs") to have up to one separate affiliated Market-Maker physically present in the trading crowd. The CBOE proposes to extend the pilots until March 14, 2008.

(b) Inapplicable

(c) Inapplicable

* * * * *

(Additions are underlined and deletions are in [brackets])

Chicago Board Options Exchange, Incorporated
Rules

* * * * *

Rule 8.4. Remote Market-Makers

(a) – (b) No change.

(c) Affiliation Limitations: Except as provided in subparagraphs (i) or (ii), an RMM may not have an appointment as an RMM in any class in which it or its member organization serves as DPM, e-DPM, RMM, or Market-Maker on CBOE.

(c)(i) A CBOE Member or Member Firm operating as an RMM in a class may have, as part of a pilot program until March 14, [2007]2008, one Market-Maker affiliated with the RMM organization trading in open outcry in any specific option class allocated to the RMM, provided such Market-Maker trades on a separate membership.

(c)(ii) No change.

(d) – (f) No change.

* * * * *

Rule 8.93. e-DPM Obligations

Each e-DPM shall fulfill all of the obligations of a Market-Maker and of a DPM under the Rules (except those contained in Rules 8.85(a)(i), (iv), (v), (vii)-(x), and (xii), 8.85(c)(i) and (v), and 8.85(e)), and shall satisfy each of the following requirements:

(i) – (vi) No change.

(vii) as part of a pilot program until March 14, [2007]2008, not allow more than one Market-Maker affiliated with the e-DPM organization to trade on CBOE's trading floor in any specific option class allocated to the e-DPM and provided such Market-Maker is trading on a separate membership (absent the pilot program, an e-DPM may not allow

any Market-Makers affiliated with the e-DPM organization to trade on CBOE's trading floor in any class allocated to the e-DPM);

(viii) – (xi) No change.

* * * * *

Item 2. Procedures of the Self-Regulatory Organization

(a) The CBOE's Office of the Chairman pursuant to delegated authority approved the proposed rule change on February 21, 2007. No further action is required.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, General Counsel, CBOE, 400 South LaSalle, Chicago, IL 60605, (312) 786 7462 or Patrick Sexton, (312) 786-7467.

Item 3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

The Exchange proposes to amend CBOE Rules 8.4(c)(i) and 8.93(vii) to extend the pilot programs allowing an RMM and e-DPM the option to have up to one separate affiliated Market-Maker physically present in the trading crowds where it operates as an RMM or e-DPM, respectively (such Market-Makers would be required to trade on a separate membership).¹ The pilots would be extended from March 14, 2007 until March 14, 2008.

In July of 2003, the SEC approved the e-DPM program, including the pilot program.² The pilot allows e-DPM firms to maintain a physical presence in the trading crowd through an affiliated Market-Maker who would also be able to stream a quote. The pilot however limits the number of separate affiliates per trading crowd to one (1).

In March of 2005, the SEC approved the RMM program, including the pilot program.³ The pilot allows RMM firms to maintain a physical presence in the trading crowd through an affiliated Market-Maker who would also be able to stream a quote. The pilot however limits the number of separate affiliates per trading crowd to one (1).

CBOE has provided the Commission, under separate cover, data relating to these Pilot Programs, which the SEC staff is reviewing.

(b) Statutory Basis

¹ The SEC previously extended the pilot programs for 6 months, from September 14, 2006 until March 14, 2006. See Securities Exchange Act Release No. 54443 (September 14, 2006), 71 FR 55237 (September 21, 2006) (granting immediate effectiveness to SR-CBOE-2006-77).

² See Securities Exchange Act Release No. 50003 (July 12, 2004), 69 FR 43028 (July 19, 2004) (approving SR-CBOE-2004-24).

³ See Securities Exchange Act Release No. 51366 (March 14, 2005), 70 FR 13217 (March, 18, 2005) (approving SR-CBOE-2004-75).

CBOE believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”)⁴ and the rules and regulations under the Act applicable to a national securities exchange and, in particular, the requirements of Section 6(b) of the Act.⁵ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁶ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, and to protect investors and the public interest.

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

CBOE does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Item 5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposal.

Item 6. Extension of Time Period for Commission Action

The Exchange does not consent to an extension of the time-period for Commission action.

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

(a) The proposed rule change has taken effect upon filing pursuant to Section 19(b)(3)(A) of the Act.⁷

(b) The Exchange asserts that the proposed rule change (i) will not significantly affect the protection of investors or the public interest, (ii) will not impose any significant burden on competition, and (iii) will not become operative for 30 days after the date of this filing or such shorter time as the Commission may designate. The Exchange requests that the Commission waive the 30-day operative period in order to allow the pilots to continue uninterrupted. For the foregoing reasons, this rule filing qualifies for expedited approval as a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Act.⁸

(c) Not applicable.

(d) Not applicable.

⁴ 15 U.S.C. 78a *et seq.*

⁵ 15 U.S.C. 78(f)(b).

⁶ 15 U.S.C. 78(f)(b)(5).

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f)(6).

Item 8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or the Commission

Not applicable.

Item 9. Exhibits

Exhibit 1. Form of Notice of Proposed Rule Change for Publication in the Federal Register.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-CBOE-2007-019)

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Incorporated to Extend Two Pilot Programs which Allow RMMs and e-DPMs to have up to One Affiliated Market-Maker Physically Present in the Trading Crowd.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

(the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on _____, 2007, the Chicago Board Options Exchange, Incorporated ("Exchange" or "CBOE") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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

CBOE proposes to extend two pilot programs allowing Remote Market-Makers ("RMMs") and Electronic DPMs ("e-DPMs") to have up to one separate affiliated Market-Maker physically present in the trading crowd. The CBOE proposes to extend the pilots until March 14, 2008. The text of the proposed rule change is available on CBOE's website (www.cboe.org/Legal), at the CBOE'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).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

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 in Item IV below. The Exchange has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant parts of such statements.

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

The Exchange proposes to amend CBOE Rules 8.4(c)(i) and 8.93(vii) to extend the pilot programs allowing an RMM and e-DPM the option to have up to one separate affiliated Market-Maker physically present in the trading crowds where it operates as an RMM or e-DPM, respectively (such Market-Makers would be required to trade on a separate membership).⁵ The pilots would be extended from March 14, 2007 until March 14, 2008.

In July of 2003, the SEC approved the e-DPM program, including the pilot program.⁶ The pilot allows e-DPM firms to maintain a physical presence in the trading crowd through an affiliated Market-Maker who would also be able to stream a quote. The pilot however limits the number of separate affiliates per trading crowd to one (1).

In March of 2005, the SEC approved the RMM program, including the pilot program.⁷ The pilot allows RMM firms to maintain a physical presence in the trading crowd through an affiliated Market-Maker who would also be able to stream a quote. The pilot however limits the number of separate affiliates per trading crowd to one (1).

⁵ The SEC previously extended the pilot programs for 6 months, from September 14, 2006 until March 14, 2006. See Securities Exchange Act Release No. 54443 (September 14, 2006), 71 FR 55237 (September 21, 2006) (granting immediate effectiveness to SR-CBOE-2006-77).

⁶ See Securities Exchange Act Release No. 50003 (July 12, 2004), 69 FR 43028 (July 19, 2004) (approving SR-CBOE-2004-24).

⁷ See Securities Exchange Act Release No. 51366 (March 14, 2005), 70 FR 13217 (March 18, 2005) (approving SR-CBOE-2004-75).

CBOE has provided the Commission, under separate cover, data relating to these Pilot Programs, which the SEC staff is reviewing.

Accordingly, CBOE believes the proposed rule change is consistent with the Act⁸ and the rules and regulations under the Act applicable to a national securities exchange and, in particular, the requirements of section 6(b) of the Act.⁹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁰ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts 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 not necessary or appropriate in furtherance of the purposes of the Exchange Act.

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

The Exchange neither received nor solicited written comments on the proposal

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

Because the foregoing rule 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 30 days from the date on which it was filed, 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 prior to the date of filing of the proposed rule change or such shorter time as designated by the Commission, the proposed

⁸ 15 U.S.C. 78a et seq.

⁹ 15 U.S.C. 78(f)(b).

¹⁰ 15 U.S.C. 78(f)(b)(5).

rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6) thereunder.¹²

At any time within 60 days of the filing of such 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-2007-019 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-2007-019. 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

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

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 Section, 100 F Street, NE, Washington, DC 20549-9303. 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-2007-019 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.¹³

Nancy M. Morris
Secretary

Dated: _____

¹³ 17 CFR 200.30-3(a)(12).