

## OMB APPROVAL

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

File No. SR - 2007 - 53

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"/>			Date Expires <input type="text"/>		
			<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 checked="" type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)		

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).

Proposes to amend CBOE Rule 3.23 (Integrated Billing System).

**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 officer.

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 EFFT 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 I 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.

1. Text of Proposed Rule Change

Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") proposes to make a change to an administrative CBOE billing rule. The text of the proposed rule change is provided below with additions underlined.

**CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED  
RULES**

\* \* \* \* \*

**CHAPTER III**

**MEMBERSHIP**

\* \* \* \* \*

**Rule 3.23 – Integrated Billing System**

Every member, other than members that are approved to act solely as lessors, must designate a Clearing Member for the payment of the member's Exchange invoices and vendor invoices for Exchange-related services designated by the Exchange by means of the Exchange's integrated billing system ("IBS"). The designated Clearing Member shall pay to the Exchange on a timely basis any amount that is not disputed pursuant to IBS procedures by the member who is directly involved. Such payments shall be drafted by the Exchange against the designated Clearing Member's account at the Clearing Corporation. The Clearing Corporation shall have no liability in connection with its forwarding to the Exchange each month a check representing the total amount that the Exchange advises the Clearing Corporation is owed to the Exchange.

\* \* \* \* \*

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Exchange's Office of the Chairman, pursuant to delegated authority, on May 29, 2007. No further action is required.

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

CBOE Rule 3.23 requires all CBOE members, other than lessor members, to designate a CBOE Clearing Member for the payment of CBOE invoices by means of the Exchange's Integrated Billing System ("IBS"). From time to time vendors have requested the Exchange to act as their billing agent for vendor invoices for Exchange-related services. The Exchange would like to enter into arrangements with

vendors under which the Exchange would collect payment from members for vendor invoices for Exchange-related services. Some of these arrangements may involve payment by the vendor to the Exchange for performing this billing service and some may involve no payment to the Exchange as mutually agreed by the vendor and the Exchange.

The Exchange proposes to amend Rule 3.23 to make explicit that the Exchange may collect such vendor fees that are designated by the Exchange from members via the IBS. The proposed rule change would benefit Exchange members in that it would allow members to pay vendor invoices for Exchange-related services along with all of their Exchange invoices via the IBS instead of having to receive and pay multiple invoices. The proposed rule change would also benefit vendors in that it would relieve vendors of the responsibility for individually billing and collecting from each of their CBOE member customers.

#### Statutory Basis

The proposed rule change is an administrative rule change that is designed to facilitate the efficiency of Exchange operations and to ease administrative burdens on Exchange members by improving CBOE billing procedures. Therefore, the Exchange believes that the proposed rule change is consistent with the requirements provided under Section 6(b)(5)<sup>1</sup> of the Securities Exchange Act of 1934, as amended, that the rules of an exchange be designed 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.

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

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

#### 5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received

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<sup>1</sup> 15 U.S.C. 78(f)(b)(5).

from Members, Participants, or Others.

No written comments were solicited or received with respect to the proposed rule change.

6. Extension of Time Period for Commission Action

Not applicable.

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

The proposed rule change is designated by the Exchange as concerned solely with the administration of the self-regulatory organization, thereby qualifying for effectiveness on filing pursuant to Section 19(b)(3)(A)(iii)<sup>2</sup> of the Act and subparagraph (f)(3) of Rule 19b-4<sup>3</sup> thereunder.

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

The proposed rule changes are not based on the rules of another self-regulatory organization or the Commission.

9. Exhibits

List of Exhibits Filed:

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

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<sup>2</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>3</sup> 17 C.F.R. 240.19b-4(f)(2).

## EXHIBIT 1

## SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-CBOE-2007-53)

**Self-Regulatory Organizations; Notice of Filing of a Proposed Rule Change Relating to an Administrative CBOE Billing Rule.**

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Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1), notice is hereby given that on \_\_\_\_\_, 2006, Chicago Board Options Exchange, Incorporated filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 make a change to an administrative CBOE billing rule. The text of the proposed rule change is available on the Exchange's Web site (<http://www.cboe.org/legal>), at the Exchange's Office of the Secretary, and at the Commission.

**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. 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 the Statutory Basis for, the Proposed Rule Change**

CBOE Rule 3.23 requires all CBOE members, other than lessor members, to designate a CBOE Clearing Member for the payment of CBOE invoices by means of the Exchange's Integrated Billing System ("IBS"). From time to time vendors have requested the Exchange to act as their billing agent for vendor invoices for Exchange-related services. The Exchange would like to enter into arrangements with vendors under which the Exchange would collect payment from members for vendor invoices for Exchange-related services. Some of these arrangements may involve payment by the vendor to the Exchange for performing this billing service and some may involve no payment to the Exchange as mutually agreed by the vendor and the Exchange.

The Exchange proposes to amend Rule 3.23 to make explicit that the Exchange may collect such vendor fees that are designated by the Exchange from members via the IBS. The proposed rule change would benefit Exchange members in that it would allow members to pay vendor invoices for Exchange-related services along with all of their Exchange invoices via the IBS instead of having to receive and pay multiple invoices. The proposed rule change would also benefit vendors in that it would relieve vendors of the responsibility for individually billing and collecting from each of their CBOE member customers.

#### Statutory Basis

The proposed rule change is an administrative rule change that is designed to facilitate the efficiency of Exchange operations and to ease administrative burdens on Exchange members by improving CBOE billing procedures. Therefore, the Exchange believes that the proposed rule change is consistent with the requirements provided under

Section 6(b)(5)<sup>1</sup> of the Securities Exchange Act of 1934, as amended, that the rules of an exchange be designed 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.

**(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**

Because the foregoing rule change is concerned solely with the administration of the Exchange, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>2</sup> and subparagraph (f)(3) of Rule 19b-4<sup>3</sup> 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.

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<sup>1</sup> 15 U.S.C. 78(f)(b)(5).

<sup>2</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>3</sup> 17 C.F.R. 240.19b-4(f)(3).

#### **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](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2007-53 on the subject line.

##### **Paper comments:**

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F. Street N.E., Washington DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2007-53. 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 Section, 100 F Street, NE,

Washington, DC 20549. 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-2007-53 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.<sup>4</sup>

Nancy M. Morris  
Secretary

Dated: \_\_\_\_\_

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<sup>4</sup> 17 CFR 200.30-3(a)(12).