

## OMB APPROVAL

OMB Number: 3235-0045  
Expires: June 30, 2007  
Estimated average burden  
hours per response.....38

Page 1 of 18

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

File No. SR - 2007 - 76

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

Extension and amendment to the Short Term Option Series pilot program

**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 Jennifer Last Name Lamie  
Title Assistant General Counsel  
E-mail lamie@cboe.com  
Telephone (312) 786-7576 Fax (312) 786-7919

**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 07/02/2007

By Jennifer M. Lamie

(Name)

Assistant General Counsel and Assistant Secretary

(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.

Jennifer Lamie, lamie@cboe.com

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information**

[Add](#) [Remove](#) [View](#)

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**

[Add](#) [Remove](#) [View](#)

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**

[Add](#) [Remove](#) [View](#)

Exhibit Sent As Paper Document

☐

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 3 - Form, Report, or Questionnaire**

[Add](#) [Remove](#) [View](#)

Exhibit Sent As Paper Document

☐

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 4 - Marked Copies**

[Add](#) [Remove](#) [View](#)

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**

[Add](#) [Remove](#) [View](#)

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**

[Add](#) [Remove](#) [View](#)

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

The Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) proposes to extend the period for its Short Term Options Series pilot program (“Pilot Program”) through July 12, 2008 and to amend the Pilot Program related to a restriction on overlapping expirations of Quarterly Options Series and Quarterly Index Options (“QIX”). Set forth below are proposed changes to the rule text, with additions represented by underscoring and deletions represented by [bracketing].

Chicago Board Options Exchange, Incorporated  
Rules

\* \* \* \* \*

Rule 5.5. Option Contracts Open for Trading

(a) – (c) No change.

(d) Short Term Option Series Pilot Program. After an option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Friday that is a business day (“Short Term Option Opening Date”) series of options on that class that expire on the next Friday that is a business day (“Short Term Option Expiration Date”). If the Exchange is not open for business on a Friday, the Short Term Option Opening Date will be the first business day immediately prior to that Friday. Similarly, if the Exchange is not open for business on a Friday, the Short Term Option Expiration Date will be the first business day immediately prior to that Friday.

Regarding Short Term Option Series, no Short Term Option Series may expire in the same week in which monthly option series on the same class expire or, in the case of Quarterly Options Series, on an expiration that coincides with an expiration of Quarterly Option Series on the same class.

The Exchange may continue to list Short Term Option Series until the Short Term Option Series Pilot Program expires on July 12, [2007]2008.

... Interpretations and Policies

.01 - .10 No change.

\* \* \* \* \*

## Rule 24.9 Terms of Index Option Contracts

## Rule 24.9 (a) General.

## (1) No Change.

(2) *Expiration Months.* Index option contracts may expire at three-month intervals or in consecutive months. The Exchange may list up to six expiration months at any one time, but will not list index options that expire more than twelve months out. Notwithstanding the preceding restriction, until the expiration in November 2004, the Exchange may list up to seven expiration months at any one time for the SPX, MNX and DJX index option contracts, provided one of those expiration months is November 2004.

Short Term Option Series Pilot Program. Notwithstanding the preceding restriction, after an index option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Friday that is a business day ("Short Term Option Opening Date") series of options on that class that expire on the next Friday that is a business day ("Short Term Option Expiration Date"). If the Exchange is not open for business on a Friday, the Short Term Option Opening Date will be the first business day immediately prior to that Friday. Similarly, if the Exchange is not open for business on a Friday, the Short Term Option Expiration Date will be the first business day immediately prior to that Friday.

The Exchange may continue to list Short Term Option Series until the Short Term Option Series Pilot Program expires on July 12, [2007]2008.

Regarding Short Term Option Series, the Exchange may select up to five currently listed option classes on which Short Term Option Series may be opened on any Short Term Option Opening Date. In addition to the five-option class restriction, the Exchange also may list Short Term Option Series on any option classes that are selected by other securities exchanges that employ a similar Pilot Program under their respective rules. For each index option class eligible for participation in the Short Term Option Series Pilot Program, the Exchange may open up to seven Short Term Option Series on index options for each expiration date in that class. The strike price of each Short Term Option Series will be fixed at a price per share, with approximately the same number of strike prices being opened above and below the calculated value of the underlying index at about the time that the Short Term Option Series are initially opened for trading on the Exchange (*e.g.*, if seven series are initially opened, there will be at least three strike prices above and three strike prices below the value of the underlying security or calculated index value). If the Exchange has opened less than seven Short Term Option Series for a Short Term Option Expiration Date, additional series may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the current value of the underlying index moves substantially from the exercise price or prices of the series already opened. No Short Term Option Series on an index option class may expire in the same week during which any monthly option series on the same index class expire or, in the

case of Quarterly Options Series or QIXs, [in the same week during which]on an expiration that coincides with an expiration of Quarterly Option Series or QIXs [expire]on the same index class.

\* \* \* \* \*

(3) – (5) No change.

(b) – (c) No change.

. . . Interpretations and Policies:

.01 - .11 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 May 11, 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 Jennifer Lamie, (312) 786-7576.

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

(a) Purpose

On July 12, 2005, the Securities and Exchange Commission ("Commission") approved the Pilot Program.<sup>1</sup> The Pilot Program allows CBOE to list and trade Short Term

---

<sup>1</sup> See Securities Exchange Act Release No. 52011 (July 12, 2005), 70 FR 41451 (July 19, 2005)(SR-CBOE-2004-63)("Pilot Program Approval Order"). The Pilot Program has since been extended and is currently scheduled to expire on July 12, 2007. See Securities Exchange Act Release No. 53984 (June 14, 2006), 71 FR 35718 (June 21, 2006)(SR-CBOE-2006-48)(immediately effective rule change extending the Pilot Program, which would have otherwise expired on July 12, 2006, through July 12, 2007); see also Securities Exchange Act Release No. 54338 (August 21, 2006), 71 FR

Option Series, which would expire one week after the date on which a series is opened.

Under the Pilot Program, CBOE can select up to five approved option classes on which Short Term Option Series could be opened.<sup>2</sup> A series could be opened on any Friday that is a business day and would expire on the next Friday that is a business day.<sup>3</sup> If a Friday were not a business day, the series could be opened (or would expire) on the first business day immediately prior to that Friday.

If selected for the Pilot Program, the Exchange would open up to seven Short Term Option Series for each expiration date in that class. The strike price of each Short Term Option Series are fixed at a price per share, with approximately the same number of strike prices above and below the value of the underlying security or calculated index value at about the time that the Short Term Option Series is opened. CBOE will not open a Short Term Option Series in the same week that the corresponding monthly option series is

---

50952 (August 28, 2006)(SR-CBOE-2006-49)(order approving an amendment to the Pilot Program that increased the number of series that may be listed for a class selected to participant in the Pilot Program from five series to seven series).

<sup>2</sup> A Short Term Option Series could be opened in any option class that satisfied the applicable listing criteria under CBOE rules (i.e., stock options, options on exchange-traded funds as defined under Interpretation and Policy .06 to CBOE Rule 5.3, or options on indexes). The Exchange could also list and trade Short Term Option Series on any option class that is selected by another exchange that employs a similar pilot program, though to date the Exchange is not aware of any other exchanges listing Short Term Option Series.

<sup>3</sup> Under the Pilot Program, Short Term Option Series are settled in the same manner as the monthly expiration series in the same class. Thus, if the monthly option contract for a particular class would be A.M.-settled, as most index options are, the Short Term Option Series for that class also would be A.M.-settled; if the monthly option contract for a particular class were P.M.-settled, as most non-index options are, the Short Term Option Series for that class also would be P.M.-settled. The Exchange notes that certain monthly expiration index options – specifically, American- and European-style options on the S&P 100 Index (OEX and XEO, respectively) – are P.M.-settled. Therefore, Short Term Option Series in these series would also be

expiring, because the monthly option series in its last week before expiration is functionally equivalent to the Short Term Option Series. The interval between strike prices on a Short Term Option Series is the same as with the corresponding monthly option series. Lastly, CBOE aggregates a Short Term Option Series with its corresponding monthly series for purposes of the Exchange's rules on position limits.

The Exchange has selected the following four options classes to participant in the Pilot Program: S&P 500 Index options (SPX), S&P 100 Index American-style options (OEX), Mini-S&P 500 Index options (XSP), and S&P 100 Index European-style options (XEO). CBOE believes the Pilot Program has been successful and well received by its members and the investing public. Thus, CBOE proposes to extend the Pilot Program through July 12, 2008.

In support of the proposed rule change, and as required by the Pilot Program Approval Order, the Exchange is submitting to the Commission a Pilot Program report (the "Report") detailing the Exchange's experience with the Pilot Program. Specifically, the Report contains data and written analysis regarding the four options classes include in the Pilot Program. The Report is being submitted under separate cover and seeks confidential treatment under the Freedom of Information Act.

The Exchange believes there is sufficient investor interest and demand to extend the Pilot Program another year. The Exchange believes that the Pilot Program has provided investors with additional means of managing their risk exposures and carrying out their investment objectives. Furthermore, the Exchange has not experienced any capacity-related

---

P.M.-settled. Similarly, Short Term Option Series for a particular class are physically settled or cash-settled in the same manner as the monthly option contract in that class.

problems with respect to Short Term Option Series. The Exchange also represents that it has the necessary system capacity to support the option series listed under the Pilot Program.

Lastly, the Exchange is proposing to amend the Pilot Program to provide that no Short Term Option Series on any option series may have an expiration that coincides with an expiration of Quarterly Options Series on the same class. Currently, the Exchange's rules do not have such a restriction. The Exchange is also proposing to amend the Pilot Program as it pertains to index options to provide that no Short Term Option Series may have an expiration that coincides with an expiration of QIX option series on the same class. Currently, the Exchange's rules provide that no Short Term Option Series may expire in the same week during which the QIXs expire. The Exchange believes these changes should provide consistency in the Exchange's rules with those of other exchanges sponsoring similar pilot programs.

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act")<sup>4</sup> and the rules and regulations thereunder and, in particular, the requirements of Section 6(b) of the Act.<sup>5</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>6</sup> requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and

---

<sup>4</sup> 15 U.S.C. 78s(b)(1).

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

<sup>6</sup> 15 U.S.C. 78f(b)(5).

the public interest. The Exchange believes that extension of the Pilot Program will result in a continuing benefit to investors, by allowing them additional means to manage their risk exposures and carry out their investment objectives, and will allow the Exchange to further study investor interest in Short Term Option Series.

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)

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

(b) This proposed rule change does not significantly affect the protection of investors or the public interest, nor does it impose any significant burden on competition. Other than the information provided in the Pilot Program Report, nothing in this proposed rule filing raises any additional or substantive issues from those raised in the initial filing seeking approval of the Pilot Program. Additionally, as required by Rule 19b-4(f)(6),<sup>8</sup> the Exchange provided the

---

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>8</sup> 17 CFR 240.19b-4(f)(6).

Commission with written notice of its intent to file this proposed rule change at least five business days prior to the date of the filing of the proposed rule change. As such, this proposed rule change may take effect upon filing with the Commission pursuant to Rule 19b-4(f)(6) and may become operative 30 days after such filing.

To the extent necessary, the Exchange requests that the Commission waive the operative date of this filing in order to allow the duration of the Pilot Program to continue without interruption. The Exchange believes that acceleration of the operative date is consistent with the protection of investors and the public interest.

(c) Not applicable.

(d) Not applicable.

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

Not applicable

Item 9. Exhibits

Exhibit 1. Notice of proposed rule change for publication in the Federal Register.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-       ; File No. SR-CBOE-2007-76)

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

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Extension and Amendment of a Pilot Program That Allows for the Listing and Trading of Short Term Option Series

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

(the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> 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 Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> 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

The Exchange proposes to extend the period for its Short Term Options Series pilot program (“Pilot Program”) through July 12, 2008 and to amend the Pilot Program related to a restriction on overlapping expirations of Quarterly Options Series and Quarterly Index Options (“QIX”). The text of the proposed rule change is available on the Exchange’s

---

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

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

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

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

website (<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, the self-regulatory organization 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 those 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

On July 12, 2005, the Commission approved the Pilot Program.<sup>5</sup> The Pilot Program allows CBOE to list and trade Short Term Option Series, which would expire one week after the date on which a series is opened. Under the Pilot Program, CBOE can select up to five approved option classes on which Short Term Option Series could be opened.<sup>6</sup> A series

<sup>5</sup> See Securities Exchange Act Release No. 52011 (July 12, 2005), 70 FR 41451 (July 19, 2005)(SR-CBOE-2004-63)("Pilot Program Approval Order"). The Pilot Program has since been extended and is currently scheduled to expire on July 12, 2007. See Securities Exchange Act Release No. 53984 (June 14, 2006), 71 FR 35718 (June 21, 2006)(SR-CBOE-2006-48)(immediately effective rule change extending the Pilot Program, which would have otherwise expired on July 12, 2006, through July 12, 2007); see also Securities Exchange Act Release No. 54338 (August 21, 2006), 71 FR 50952 (August 28, 2006)(SR-CBOE-2006-49)(order approving an amendment to the Pilot Program that increased the number of series that may be listed for a class selected to participant in the Pilot Program from five series to seven series).

<sup>6</sup> A Short Term Option Series could be opened in any option class that satisfied the applicable listing criteria under CBOE rules (i.e., stock options, options on exchange-traded funds as defined under Interpretation and Policy .06 to CBOE Rule 5.3, or options on indexes). The Exchange could also list and trade Short Term Option Series

could be opened on any Friday that is a business day and would expire on the next Friday that is a business day.<sup>7</sup> If a Friday were not a business day, the series could be opened (or would expire) on the first business day immediately prior to that Friday.

If selected for the Pilot Program, the Exchange would open up to seven Short Term Option Series for each expiration date in that class. The strike price of each Short Term Option Series are fixed at a price per share, with approximately the same number of strike prices above and below the value of the underlying security or calculated index value at about the time that the Short Term Option Series is opened. CBOE will not open a Short Term Option Series in the same week that the corresponding monthly option series is expiring, because the monthly option series in its last week before expiration is functionally equivalent to the Short Term Option Series. The interval between strike prices on a Short Term Option Series is the same as with the corresponding monthly option series. Lastly, CBOE aggregates a Short Term Option Series with its corresponding monthly series for purposes of the Exchange's rules on position limits.

---

on any option class that is selected by another exchange that employs a similar pilot program, though to date the Exchange is not aware of any other exchanges listing Short Term Option Series.

<sup>7</sup> Under the Pilot Program, Short Term Option Series are settled in the same manner as the monthly expiration series in the same class. Thus, if the monthly option contract for a particular class would be A.M.-settled, as most index options are, the Short Term Option Series for that class also would be A.M.-settled; if the monthly option contract for a particular class were P.M.-settled, as most non-index options are, the Short Term Option Series for that class also would be P.M.-settled. The Exchange notes that certain monthly expiration index options – specifically, American- and European-style options on the S&P 100 Index (OEX and XEO, respectively) – are P.M.-settled. Therefore, Short Term Option Series in these series would also be P.M.-settled. Similarly, Short Term Option Series for a particular class are physically settled or cash-settled in the same manner as the monthly option contract in that class.

The Exchange has selected the following four options classes to participant in the Pilot Program: S&P 500 Index options (SPX), S&P 100 Index American-style options (OEX), Mini-S&P 500 Index options (XSP), and S&P 100 Index European-style options (XEO). CBOE believes the Pilot Program has been successful and well received by its members and the investing public. Thus, CBOE proposes to extend the Pilot Program through July 12, 2008.

In support of the proposed rule change, and as required by the Pilot Program Approval Order, the Exchange is submitting to the Commission a Pilot Program report (the "Report") detailing the Exchange's experience with the Pilot Program. Specifically, the Report contains data and written analysis regarding the four options classes include in the Pilot Program. The Report is being submitted under separate cover and seeks confidential treatment under the Freedom of Information Act.

The Exchange believes there is sufficient investor interest and demand to extend the Pilot Program another year. The Exchange believes that the Pilot Program has provided investors with additional means of managing their risk exposures and carrying out their investment objectives. Furthermore, the Exchange has not experienced any capacity-related problems with respect to Short Term Option Series. The Exchange also represents that is has the necessary system capacity to support the option series listed under the Pilot Program.

Lastly, the Exchange is proposing to amend the Pilot Program to provide that no Short Term Option Series on any option series may have an expiration that coincides with an expiration of Quarterly Options Series on the same class. Currently, the Exchange's rules do not have such a restriction. The Exchange is also proposing to amend the Pilot Program as it pertains to index options to provide that no Short Term Option Series may have an expiration that coincides with an expiration

of QIX option series on the same class. Currently, the Exchange's rules provide that no Short Term Option Series may expire in the same week during which the QIXs expire. The Exchange believes these changes should provide consistency in the Exchange's rules with those of other exchanges sponsoring similar pilot programs.

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act<sup>8</sup> and the rules and regulations thereunder and, in particular, the requirements of Section 6(b) of the Act.<sup>9</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>10</sup> requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest. The Exchange believes that extension of the Pilot Program will result in a continuing benefit to investors, by allowing them additional means to manage their risk exposures and carry out their investment objectives, and will allow the Exchange to further study investor interest in Short Term Option Series.

### 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 Act.

---

<sup>8</sup> 15 U.S.C. 78s(b)(1).

<sup>9</sup> 15 U.S.C. 78f(b).

<sup>10</sup> 15 U.S.C. 78f(b)(5).

C. 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.

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 at least five business days prior to the date of filing of the proposed rule change or such shorter time as designated by the Commission, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>11</sup> and Rule 19b-4(f)(6) thereunder.<sup>12</sup> 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:

---

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

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-2007-76 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-2007-76. 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 20549-1090. 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-2007-76 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>13</sup>

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

Nancy M. Morris  
Secretary

---

<sup>13</sup> 17 CFR 200.30-3(a)(12).