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

File No. SR - 2007 - 92
Amendment No

Proposed Rule Change by Chicago Board Options Exchange

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial	Amendment	Withdrawal	Section 19(b)(2)	Section 19(b)(3)(A)	Section 19(b)(3)(B)
☑	☐	☐	☐	☑	☐

Pilot	Extension of Time Period for Commission Action	Date Expires
☐	☐	

Rule

☐ 19b-4(f)(1)	☐ 19b-4(f)(4)
☑ 19b-4(f)(2)	☐ 19b-4(f)(5)
☐ 19b-4(f)(3)	☐ 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).

Proposal to establish transaction fees for Credit Default Options.

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 07/27/2007

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 EFFS 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 Proposed Rule Change

Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") proposes to amend its Fees Schedule to establish fees for transactions in Credit Default Options ("CDOs"). The text of the proposed rule change is set forth in Exhibit 5.

Item 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 July 27, 2007.

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

(a) Purpose

The Exchange recently received approval to list and trade CDOs, which are binary call options based on credit events in one or more debt securities of an issuer or guarantor.[1] The purpose of this rule change is to establish transaction fees for CDOs.

The amount of the transactions fees shall be $0.20 per contract for Market-Makers, Designated Primary Market-Makers and Remote Market-Makers; $0.20 per contract for member firm proprietary transactions; $0.25 per contract for manually executed broker-dealer transactions; $0.45 per contract for electronically executed broker-dealer transactions (i.e., broker-dealer orders that are automatically executed on the CBOE Hybrid Trading System),[2] and $0.85 per contract for public customer transactions. In addition, the

1 See Securities Exchange Act Release No. 55871 (June 6, 2007), 72 FR 32372 (June 12, 2007)(SR-CBOE-2006-84).

2 Broker-dealer manual and electronic transaction fees will apply to broker-dealer orders (orders with "B" origin code), non-member market-maker orders (orders with "N" origin code) and orders from specialists in the underlying security (orders with "Y" origin code).

Exchange's Liquidity Provider Sliding Scale[3] shall apply to transaction fees in CDOs, but the Exchange's Marketing Fee[4] shall not apply. The Exchange believes the rule change will further the Exchange's goal of introducing new products to the marketplace that are competitively priced.

(b) Statutory Basis

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

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

This proposed rule change does not impose any burden on competition that is 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

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

Item 6. Extension of Time Period for Commission Action

Not applicable.

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3 See Footnote 10 of the Fees Schedule.

4 See Footnote 6 of the Fees Schedule.

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

6 15 U.S.C. 78f(b)(4).

Item 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 establishing or changing a due, fee, or other charge applicable to a member, thereby qualifying for effectiveness on filing pursuant to Section 19(b)(3)(A)(ii)[7] of the Act and subparagraph (f)(2) of Rule 19b-4[8] thereunder.

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 5. Text of Proposed Rule Change.

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7 15 U.S.C. 78s(b)(3)(A)(ii).

8 17 C.F.R. 240.19b-4(f)(2).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-   ; File No. SR-CBOE-2007-92)

Dated:____________

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to Transaction Fees for Credit Default Options

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 has designated this proposal as one establishing or changing a due, fee, or other charge imposed by CBOE under Section 19(b)(3)(A)(ii) of the Act[3] and Rule 19b-4(f)(2) 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

The Exchange proposes to amend its Fees Schedule to establish fees for transactions in Credit Default Options ("CDOs"). The text of the proposed rule change is available on the

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

2 17 CFR 240.19b-4.

3 15 U.S.C. 78s(b)(3)(A)(ii).

4 17 CFR 240.19b-4(f)(2).

Exchange's 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

The Exchange recently received approval to list and trade CDOs, which are binary call options based on credit events in one or more debt securities of an issuer or guarantor.[5] The purpose of this rule change is to establish transaction fees for CDOs.

The amount of the transactions fees shall be $0.20 per contract for Market-Makers, Designated Primary Market-Makers and Remote Market-Makers; $0.20 per contract for member firm proprietary transactions; $0.25 per contract for manually executed broker-dealer transactions; $0.45 per contract for electronically executed broker-dealer transactions (i.e., broker-dealer orders that are automatically executed on the CBOE Hybrid Trading System),[6] and $0.85 per contract for public customer transactions. In addition, the

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5 See Securities Exchange Act Release No. 55871 (June 6, 2007), 72 FR 32372 (June 12, 2007)(SR-CBOE-2006-84).

6 Broker-dealer manual and electronic transaction fees will apply to broker-dealer orders (orders with "B" origin code), non-member market-maker orders (orders with

Exchange's Liquidity Provider Sliding Scale[7] shall apply to transaction fees in CDOs, but the Exchange's Marketing Fee[8] shall not apply. The Exchange believes the rule change will further the Exchange's goal of introducing new products to the marketplace that are competitively priced.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,[9] in general, and furthers the objectives of Section 6(b)(4)[10] of the Act, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among CBOE members and other persons using its facilities.

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.

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.

"N" origin code) and orders from specialists in the underlying security (orders with "Y" origin code).

7 See Footnote 10 of the Fees Schedule.

8 See Footnote 6 of the Fees Schedule.

9 15 U.S.C. 78f(b).

10 15 U.S.C. 78f(b)(4).

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

Because the foregoing proposed rule change establishes or changes a due, fee, or other charge imposed by the Exchange, it has become effective pursuant to Section 19(b)(3)(A) of the Act[11] and subparagraph (f)(2) of Rule 19b-4[12] 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-2007-92 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.

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11 15 U.S.C. 78s(b)(3)(A).

12 17 C.F.R. 240.19b-4(f)(2).

All submissions should refer to File Number SR-CBOE-2007-92. 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 20549-9303, 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 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-2007-92 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]

Dated: ________________________

Nancy M. Morris
Secretary

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13 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(Changes are indicated by underlining additions and [bracketing deletions].
Only those fees that are affected are shown.)

CHICAGO BOARD OPTIONS EXCHANGE, INC.
FEES SCHEDULE
JULY [26]27, 2007

1. OPTIONS TRANSACTION FEES (1)(3)(4)(7)(15): **PER CONTRACT**

* * * * *

EQUITY OPTIONS (13):

* * * * *

QQQQ and SPDR OPTIONS:

* * * * *

INDEX OPTIONS (includes ETF and HOLDRs options):

* * * * *

CREDIT DEFAULT OPTIONS:

I.	**CUSTOMER:**	**$.85**
II.	**CBOE MARKET-MAKER/DPM/RMM** (standard rate, subject to sliding scale)(10)	**$.20**
III.	**MEMBER FIRM PROPRIETARY** (11)	**$.20**
IV.	**BROKER-DEALER** (16)	
	• MANUAL	**$.25**
	• ELECTRONIC	**$.45**

LIQUIDITY PROVIDER SLIDING SCALE (10):

* * * * *

2. MARKETING FEE (6) .... **$.65**
- Penny Pilot Classes (Except QQQQ and IWM) .... **$.10**

3. – 4. Unchanged.

FOOTNOTES:

(1) – (5) Unchanged.

(6) The Marketing Fee will be assessed only on transactions of Market-Makers, RMMs, e-DPMs, DPMs, and LMMs resulting from (i) orders for less than 1,000 contracts from payment accepting firms, or (ii) customer orders for less than 1,000 contracts that have designated a "Preferred Market-Maker" under CBOE Rule 8.13 at the rate of $.65 per contract on all classes of equity options, options on HOLDRs, options on SPDRs, options on DIA, options on NDX, and options on RUT. With respect to the option classes participating in the Penny Pilot Program in which the Marketing Fee is applicable, the marketing fee will be assessed as provided above at the rate of $.10 per contract. The fee will not apply to: Market-Maker-to-Market-Maker transactions including transactions resulting from orders from non-member market-makers; transactions resulting from inbound P/A orders or a transaction resulting from the execution of an order against the DPM's account if an order directly related to that order is represented and executed through the Linkage Plan using the DPM's account; transactions resulting from accommodation liquidations (cabinet trades); and transactions resulting from dividend strategies, merger strategies, and short stock interest strategies as defined in footnote 13 of this Fees Schedule. This fee shall not apply to index options, [and] options on ETFs (other than options on SPDRs, options on DIA, options on NDX, and options on RUT) and credit default options. A Preferred Market-Maker will only be given access to the marketing fee funds generated from a Preferred order if the Preferred Market-Maker has an appointment in the class in which the Preferred order is received and executed.

Rebate/Carryover Process. If less than 80% of the marketing fee funds collected in a given month is paid out by the DPM/LMM or Preferred Market-Maker in a given month, then the Exchange would refund such surplus at the end of the month on a pro rata basis based upon contributions made by the Market-Makers, RMMs, e-DPMs, DPMs and LMMs in that month. However, if 80% or more of the funds collected in a given month is paid out by the DPM/LMM or Preferred Market-Maker, there will not be a rebate for that month and the excess funds will be included in an Excess Pool of funds to be used by the DPM/LMM or Preferred Market-Maker in subsequent months. The total balance of the Excess Pool of funds for a DPM/LMM cannot exceed $25,000, and the total balance of the Excess Pool of funds for a Preferred Market-Maker cannot exceed $80,000. If in any month the DPM/LMM Excess Pool balance were to exceed $25,000, or the Preferred Market-Maker Excess Pool balance were to exceed $80,000, the funds in excess of $25,000 or $80,000, respectively, would be refunded on a pro rata basis based upon contributions made by the Market-Makers, RMMs, DPMs, e-DPMs and LMMs in that month.

(7) – (10) Unchanged.

Remainder of Fees Schedule – Unchanged.