

## OMB APPROVAL

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

File No. SR - 2007 - 106  
Amendment No. 1

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

Initial <input type="checkbox"/>	Amendment <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input checked="" type="checkbox"/>	Section 19(b)(3)(A) <input type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action <input type="checkbox"/>	Section 19(b)(3)(C) <input type="checkbox"/>	Section 19(b)(3)(D) <input type="checkbox"/>		

## Description

## 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 Jaime Last Name Galvan  
Title Assistant Secretary  
E-mail galvanj@cboe.com  
Telephone (312) 786-7058 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 11/13/2007

By Jaime Galvan

(Name)

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.

Jaime Galvan galvanj@cboe.com

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 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.

**PARTIAL AMENDMENT**

Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") hereby submits this Partial Amendment, constituting Amendment No. 1, to its rule filing SR-CBOE-2007-106 filed on September 5, 2007, in which the Exchange proposes to amend certain rules that govern an Exchange member's conduct of doing business with the public. The Exchange proposes to amend the filing as described below in response to a comment letter received from the Securities Industry and Financial Markets Association ("SIFMA").<sup>1</sup>

First, the Exchange proposes to amend proposed Rule 9.2.02 to clarify that the review of the acceptance of a discretionary account must be performed by a Series 4 qualified Registered Options Principal ("ROP"). In other words, members would be free to assign the function of accepting discretionary accounts to individuals who are Series 9/10 qualified ROPs. The Exchange believes that the individual who reviews the acceptance of a discretionary account (who is an individual other than the ROP who accepted the account as required by Rule 9.10(a)) should be Series 4 qualified in that such review is not a routine sales supervisory function and requires a more in-depth knowledge of options than what is covered by the Series 9/10 examination. In addition, the Exchange proposes to amend Rule 9.21(b) to eliminate the requirement that the Compliance Registered Options Principal approve options communications, and instead permit a ROP designated by the member or member organization's written supervisory procedures to perform such function. This change was proposed in an earlier filing (SR-CBOE-2007-30) and the Exchange has determined to include the change in the instant filing. The Exchange has no response to the SIFMA comment concerning corresponding changes by other SROs since the comment is not directed to the substance of CBOE's rule filing.

With the exception of these changes, the rest of the proposed rule change, as contained in the original rule filing, remains unchanged.

(Double underscoring indicates material to be added and [brackets] indicate material to be deleted.)

**Chicago Board Options Exchange, Inc.  
Rules**

**Chapter IX**

**Doing Business with the Public**

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**Rule 9.2** Unchanged.

...Interpretations and Policies:

.01 Unchanged.

.02 Individuals who are delegated responsibility pursuant to Rule 9.8 for reviewing the acceptance of discretionary accounts, for approving exceptions to a member organization's criteria or standards for

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<sup>1</sup> See letter from Melissa MacGregor, Vice President and Assistant General Counsel, SIFMA, to Nancy Morris, Secretary, Commission, dated October 16, 2007.

uncovered options accounts, and for approval of communications, shall be designated as Options Principals and are required to qualify as an Options Principal by passing the Registered Options Principal Examination (Series 4).

**Rule 9.21. Communications to Customers**

(a) Unchanged.

(b) *Approval by [Compliance]Registered Options Principal.*

All advertisements, sales literature (except completed worksheets), and educational material issued by a member or member organization pertaining to options shall be approved in advance by a [the Compliance]Registered Options Principal [or designee designated by the member or member organization's written supervisory procedures]. Copies thereof, together with the names of the persons who prepared the material, the names of the persons who approved the material and, in the case of sales literature, the source of any recommendations contained therein, shall be retained by the member or member organization and be kept at an easily accessible place for examination by the Exchange for a period of three years.

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