

OMB APPROVAL

OMB Number: 3235-0045
Expires: June 30, 2010
Estimated average burden
hours per response.....38

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

File No. SR - 2007 - 124

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"/>	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 type="checkbox"/> 19b-4(f)(6)		

Description

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

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.

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

☐

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-2007-124, filed on October 30, 2007, in which the Exchange proposes to trade on its stock trading facility, the CBOE Stock Exchange ("CBSX"), shares ("Shares") of 93 funds of the ProShares Trust pursuant to unlisted trading privileges.

The Exchange proposes to add the following paragraph to the end of the Purpose section on page 11 of the original filing.

"Finally, the Exchange is proposing to amend CBOE Rule 53.6, which is the CBSX suitability rule, so that member organizations' obligation under that Rule is heightened. Specifically, the Exchange proposes to amend the Rule to provide that, in making a recommendation to a customer, a member organization must have reasonable grounds for the recommendation upon the basis of the information furnished by the customer after reasonable inquiry concerning the customer's investment objectives, customer's tax status, financial situation and needs, and any other information known by such member organization. Other exchanges have adopted similar rule text.¹ That enhanced obligation would apply to member organizations' recommendations of securities that are the subject of the rules in Chapters 50 through 54, including the Shares."

The Exchange also proposes to add to the original filing the following proposed rule text, which shows additions with underscoring and deletions in [brackets]:

Chicago Board Options Exchange, Incorporated
Rules

* * * * *

Rule 53.6 Doing Business with the Public

(a) - (f) No change.

(g) Communications to Customers. No member organization may publish, circulate or distribute, directly or indirectly, any advertisement, sales literature or market letter that the member organization knows, or in the exercise of reasonable care should have known, contains any untrue statement of a material fact or is otherwise false or misleading. In addition, no member organization shall publish, circulate or distribute any advertisement, sales literature or market letter which fails to meet the standards set forth in this Rule. Advertisements include any material for use in any newspaper or magazine or other public media or by radio, telephone recording, motion picture or television. Sales literature and market letters include any communication for general distribution to customers or the public in which a particular security

¹ See, e.g., American Stock Exchange Rule 411, Commentary .05; and NYSE Arca Equities Rule 9.2(a)(2).

is featured or recommended, any such communication containing forecasts of business or market trends, and notices, circulars, reports, newsletters, research reports, form letters or reprints of published articles.

(1) Making Recommendations. In making a recommendation, whether or not labeled as such, (i) the member organization must have [a] reasonable [basis] grounds for the recommendation upon the basis of the information furnished by the customer after reasonable inquiry concerning the customer's investment objectives, customer's tax status, financial situation and needs, and any other information known by such member, member organization or registered employee, and (ii) the following facts should be disclosed: the price at the time the original recommendation is made; that the member organization usually makes a market in the issue if such is the case; and, in addition if applicable, that the member organization intends to buy or sell the securities recommended for its own account, and ownership, if any, of options, rights or warrants to purchase any security of the issuer whose securities are recommended unless the extent of such ownership is merely nominal. The member organization must also provide or offer to furnish upon request appropriate investment information supporting the recommendations.

(2) -(4) No change.

(h) - (i) No change.

. . . Interpretations and Policies:

.01 - .03 No change.

* * * * *

The Exchange requests that the Commission make changes to Exhibit 1 of the original filing that conform that Exhibit to this amendment.

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