

OMB APPROVAL

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

File No. SR - 2007 - 129

Approval 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 checked="" type="checkbox"/>	Section 19(b)(3)(A) <input type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action <input type="checkbox"/>	Date expires <input type="text"/>
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<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(2)
<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(4)
<input type="checkbox"/> 19b-4(f)(5)	<input type="checkbox"/> 19b-4(f)(6)

Description

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

This filing makes changes to requirements regarding the CBSX Floor Post.

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 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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Exhibit Sent As Paper Document

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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 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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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 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.

Item 1. Text of the Proposed Rule Change

The Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") proposes to modify the rules applicable to the CBOE Stock Exchange ("CBSX") Floor Post. The text of the proposed rule change is shown below with additions underlined and deletions [bracketed].

Chicago Board Options Exchange, Incorporated
Rules

* * * * *

Rule 51.12 CBSX Floor Post

(a) *Generally.* CBSX [will] may maintain a location on the Exchange trading floor apart from the equity option trading posts for purposes of providing price discovery for securities traded on CBSX. Floor Brokers and CBSX DPM personnel shall have access to the CBSX Floor Post. CBSX DPMs are not required to maintain personnel at the CBSX Floor Post. Open-outcry trading of CBSX securities is not allowed at the CBSX Floor Post. All orders entered at the CBSX Floor Post shall trade on the CBSX System in accordance with these Rules in the same manner as orders entered from remote locations. CBSX shall ensure that no direct sightlines exist between the CBSX Floor Post and the equity option trading posts.

(b) *Restrictions.*

- (1) Members are prohibited from using hand signals or other like means of communication to communicate between the CBSX Floor Post and the equity option trading posts.
- (2) Except for DPMs, members may only enter proprietary orders while at the CBSX Floor Post if such orders are submitted as cross orders or IOC orders as defined in Rule 51.8.

* * * * *

Rule 53.50 CBSX DPM Defined

A "CBSX Designated Primary Market-Maker" or "CBSX DPM" is a member organization that is approved by CBSX to function on the CBSX System in allocated securities as a CBSX Remote Market-Maker (as defined in Rule 53.20 except for the provision that CBSX Remote Market-Makers must act in a remote capacity) with the additional obligations provided for in this Section C of Chapter 53[, and to maintain a presence at the CBSX Floor Post to respond to price discovery inquiries]. Determinations concerning whether to grant or withdraw the approval to act as a CBSX DPM are made by CBSX in accordance with Rules 53.53-53.55. CBSX DPMs are allocated securities by CBSX in accordance with Rule 53.54.

* * * * *

Rule 53.56 CBSX DPM Obligations

(a) Each CBSX DPM shall fulfill all of the obligations of a CBSX Remote Market-Maker under the Rules, and shall satisfy each of the following requirements, in respect of each of the securities allocated to the CBSX DPM:

- (1) assure that its disseminated market quotations are accurate;
- (2) provide opening quotes for all allocated securities;
- (3) [ensure that the CBSX Floor Post is adequately staffed in order to respond meaningfully to price discovery inquiries] Reserved.
- (4) provide continuous quotes in all of the securities assigned to a CBSX DPM; and
- (5) segregate in a manner prescribed by CBSX (A) all transactions consummated by the CBSX DPM in securities allocated to the CBSX DPM and (B) any other transactions consummated by or on behalf of the CBSX DPM that are related to the CBSX DPM's DPM business.

To the extent that there is any inconsistency between the specific obligations of a CBSX DPM set forth in sub-paragraphs (a)(1) through (a)(5) of this Rule and the general obligations of a CBSX DPM under the Rules, sub-paragraphs (a)(1) through (a)(5) shall govern.

(b) - (c) 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 November 1, 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 Angelo Evangelou, (312) 786-7464.

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

(a) Purpose

CBSX is the Exchange's stock trading facility. It is an all-electronic trading platform. In connection with the establishment of CBSX, the Exchange created a space on the CBOE trading floor (apart from the equity option trading posts) to allow for in-person price discovery. All CBSX DPMs are required to maintain personnel at this post (the "Floor Post") to respond to price discovery inquiries from brokers (any resulting orders/trades are entered and processed electronically). There is no open-outcry trading on CBSX.

The proposed rule change has two purposes. First, the filing proposes to modify Rule 51.12 to state that CBSX *may* maintain a Floor Post. Currently, that Rule contemplates that CBSX will maintain a Floor Post. Although the Exchange intends to continue to maintain the Floor Post, this change will provide the flexibility to remove the Floor Post if at a later time the Exchange deems such action prudent.

The second change is to eliminate the requirement that CBSX DPMs maintain personnel at the Floor Post. As proposed, it would be optional for CBSX DPM firms to staff the Floor Post. Certain CBSX DPMs have requested this change noting that it could allow them to more efficiently allocate resources. The Exchange believes that a change to the requirement would have absolutely no adverse impact to trading on CBSX.

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act¹ in general and furthers the objectives of Section 6(b)(5) of the Act² in particular in that it is designed to promote just and equitable principles of trade, serve to remove impediments to and

¹ 15 U.S.C. 78f(b).

² 15 U.S.C. 78f(b)(5).

perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest.

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

CBOE does not believe that the proposed rule change will impose a burden on competition that is not necessary or appropriate in furtherance of 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.

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)

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-2007-129)

Dated: _____

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing of a Proposed Rule Change Regarding the CBSX Floor Post

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Exchange Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 2, 2007, the Chicago Board Options Exchange, Incorporated (the "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 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 change CBOE Stock Exchange ("CBSX") rules relating to the CBSX Floor Post. The text of the proposed rule change is available on the Exchange's Web site (<http://www.cboe.com>), at the Office of the Secretary, CBOE 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

CBSX is the Exchange's stock trading facility. It is an all-electronic trading platform. In connection with the establishment of CBSX, the Exchange created a space on the CBOE trading floor (apart from the equity option trading posts) to allow for in-person price discovery. All CBSX DPMs are required to maintain personnel at this post (the "Floor Post") to respond to price discovery inquiries from brokers (any resulting orders/trades are entered and processed electronically). There is no open-outcry trading on CBSX.

The proposed rule change has two purposes. First, the filing proposes to modify Rule 51.12 to state that CBSX *may* maintain a Floor Post. Currently, that Rule contemplates that CBSX will maintain a Floor Post. Although the Exchange intends to continue to maintain the Floor Post, this change will provide the flexibility to remove the Floor Post if at a later time the Exchange deems such action prudent.

The second change is to eliminate the requirement that CBSX DPMs maintain personnel at the Floor Post. As proposed, it would be optional for CBSX DPM firms to staff the Floor Post. Certain CBSX DPMs have requested this change noting that it could allow them to more efficiently allocate resources. The Exchange believes that a change to the requirement would have absolutely no adverse impact to trading on CBSX.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the

Act³ in general and furthers the objectives of Section 6(b)(5) of the Act⁴ in particular in that it is designed to promote just and equitable principles of trade, serve to remove impediments to and perfect the mechanism of a free and open market and a national market system, and 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 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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve such proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

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

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(5).

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-2007-129 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-2007-129. 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-2007-129 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.⁵

Dated: _____

Nancy M. Morris
Secretary

⁵ 17 CFR 200.30-3(a)(12).