

OMB APPROVAL

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

Page 1 of 12

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

File No. SR - 2007 - 139

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"/>
			Rule		
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 checked="" 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)	

I am filing this Amendment as a:



Form 19b-4 as a Paper Amendment

**Description**

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

Proposes to establish fees applicable to trading on the FLEX Hybrid Trading System.

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 EDFS 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 applicable to trading on the Exchange's FLEX Hybrid Trading System. 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 October 23, 2007.

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

On November 15, 2007, the Commission approved Exchange rules that provide for the trading of Flexible Exchange ("FLEX") options on the Exchange's new FLEX Hybrid Trading System ("CLEX").¹ CFLEX is a trading platform that incorporates both open outcry and electronic trading functionality.

The Exchange proposes to amend its Fees Schedule to establish fees applicable to trading on the CFLEX system. First, the Exchange proposes to assess a \$.10 per contract surcharge fee on all orders (i.e., applicable to all origin codes) executed electronically on the CFLEX system ("CFLEX Surcharge Fee"). The CFLEX Surcharge Fee would only be charged up to the first 2,500 contracts per trade for public customers. The CFLEX Surcharge Fee would assist the Exchange in recouping the cost of developing the CFLEX system.

Second, the Exchange proposes to assess a monthly fee of \$100 per log-in ID assigned by the Exchange to each individual member for use in accessing the electronic component of the CFLEX system ("CLEX Log-in Fee"). The CLEX Log-in Fee would only be charged up to the

¹ See Securities Exchange Act Release No. 56792 (November 15, 2007) (SR-CBOE-2006-99).

first five (5) log-ins (\$500) per member organization². The CFLEX Log-in Fee would assist the Exchange in offsetting the cost of rolling out and maintaining the CFLEX system.

Lastly, in order to promote the launch of the CFLEX system, the Exchange proposes to waive the CFLEX Surcharge Fee and the CFLEX Log-in Fee beginning with the launch of trading on the CFLEX system through December 31, 2007.

Statutory Basis.

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 ("Act")³, in general, and furthers the objectives of Section 6(b)(4)⁴ 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.

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, thereby qualifying for effectiveness on filing pursuant to Section 19(b)(3)(A)(ii)⁵ of the Act and subparagraph (f)(2) of Rule 19b-4⁶ thereunder.

² For purposes of the CFLEX Log-in Fee, "member organization" means the member organization with which the individual member is affiliated.

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(4).

⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

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.

⁶ 17 C.F.R. 240.19b-4(f)(2).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-CBOE-2007-139)

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Incorporated Relating to Fees for Trading on the FLEX Hybrid Trading System.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1), notice is hereby given that on _____, Chicago Board Options Exchange, Incorporated ("CBOE" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by CBOE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") proposes to amend its Fees Schedule to establish fees applicable to trading on the Exchange's FLEX Hybrid Trading System. The text of the proposed rule change is available on the 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, CBOE 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 these statements may be examined at the places specified in Item IV below. CBOE has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

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

On November 15, 2007, the Commission approved Exchange rules that provide for the trading of Flexible Exchange ("FLEX") options on the Exchange's new FLEX Hybrid Trading System ("CLEX").¹ CFLEX is a trading platform that incorporates both open outcry and electronic trading functionality.

The Exchange proposes to amend its Fees Schedule to establish fees applicable to trading on the CFLEX system. First, the Exchange proposes to assess a \$.10 per contract surcharge fee on all orders (i.e., applicable to all origin codes) executed electronically on the CFLEX system ("CFLEX Surcharge Fee"). The CFLEX Surcharge Fee would only be charged up to the first 2,500 contracts per trade for public customers. The CFLEX Surcharge Fee would assist the Exchange in recouping the cost of developing the CFLEX system.

Second, the Exchange proposes to assess a monthly fee of \$100 per log-in ID assigned by the Exchange to each individual member for use in accessing the electronic component of the CFLEX system ("CLEX Log-in Fee"). The CLEX Log-in Fee would only be charged up to the first five (5) log-ins (\$500) per member organization². The CFLEX Log-in Fee would assist the Exchange in offsetting the cost of rolling out and maintaining the CFLEX system.

¹ See Securities Exchange Act Release No. 56792 (November 15, 2007) (SR-CBOE-2006-99).

Lastly, in order to promote the launch of the CFLEX system, the Exchange proposes to waive the CFLEX Surcharge Fee and the CFLEX Log-in Fee beginning with the launch of trading on the CFLEX system through December 31, 2007.

Statutory Basis.

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 ("Act")³, in general, and furthers the objectives of Section 6(b)(4)⁴ 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 that is not necessary or appropriate in furtherance of 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

Because the foregoing 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)

² For purposes of the CFLEX Log-in Fee, "member organization" means the member organization with which the individual member is affiliated.

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(4).

of the Act⁵ and subparagraph (f)(2) of Rule 19b-4⁶ 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-2007-139 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, D.C. 20549-1090.

All submissions should refer to File Number SR-CBOE-2007-139. 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

⁵ 15 U.S.C. 78s(b)(3)(A).

⁶ 17 C.F.R. 240.19b-4(f)(2).

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 on official business days between the hours of 10:00 a.m. and 3:00 p.m. 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-2007-139 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.⁷

Nancy M. Morris
Secretary

⁷ 17 CFR 200.30-3(a)(12).

Exhibit 5 to SR-CBOE-2007-139

(Changes are indicated by underlining additions and [bracketing deletions].)

CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED
FEES SCHEDULE
NOVEMBER [19] 20, 2007

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

EQUITY OPTIONS (13):

I.	CUSTOMER	\$.00
	• CUSTOMER COMPLEX ORDER TAKING LIQUIDITY FROM COB – largest leg (12)	\$.18
II.	CBOE MARKET-MAKER/DPM/E-DPM/RMM (standard rate, subject to sliding scale) (10)	\$.20
III.	MEMBER FIRM PROPRIETARY: (11)	\$.20
IV.	BROKER-DEALER (16)	
	• MANUAL	\$.25
	• ELECTRONIC	\$.45
V.	LINKAGE ORDERS (8)	\$.26
VI.	CFLEX SURCHARGE FEE (17)	\$.10

QQQQ and SPDR OPTIONS:

I.	CUSTOMER	
	• QQQQ	\$.00
	• SPDR	\$.18
	• QQQQ CUSTOMER COMPLEX ORDER TAKING LIQUIDITY FROM COB - largest leg (12)	\$.18
II.	CBOE MARKET-MAKER/DPM/RMM (standard rate, subject to sliding scale) (10)	\$.20
III.	MEMBER FIRM PROPRIETARY: (11)	\$.20
IV.	BROKER-DEALER (16)	
	• QQQQ	\$.25
	• SPDR MANUAL	\$.25
	• SPDR ELECTRONIC	\$.45
V.	LINKAGE ORDERS (8)	\$.26
VI.	CFLEX SURCHARGE FEE (17)	\$.10

INDEX OPTIONS (includes ETF and HOLDRs options):

I.	CUSTOMER (2):	
	• OEX and XEO	\$.30
	• SPX, PREMIUM > or = \$1	\$.44
	• SPX, PREMIUM < \$1	\$.27
	• DXL, MVR and VOLATILITY INDEXES	\$.40
	• OTHER INDEXES, ETFs and HOLDRs	\$.18
II.	CBOE MARKET-MAKER/DPM/RMM (standard rate, subject to sliding scale) (10)	\$.20
III.	MEMBER FIRM PROPRIETARY: (11)	\$.20
IV.	BROKER-DEALER (16)	
	• OEX and XEO	\$.30
	• SPX	\$.40
	• IWM and MVR	\$.25
	• OTHER INDEXES, ETFs and HOLDRs - MANUAL	\$.25
	• OTHER INDEXES, ETFs and HOLDRs - ELECTRONIC	\$.45
V.	SURCHARGE FEE: (14)	
	• OEX, XEO, SPX, VOLATILITY INDEXES	\$.04
	• DJX, DXL, MNX, NDX and RUT	\$.10
VI.	LINKAGE ORDERS (8)(14)	\$.26
VII.	CFLEX SURCHARGE FEE (17)	\$.10

CREDIT DEFAULT OPTIONS AND CREDIT DEFAULT BASKET OPTIONS: Unchanged.**LIQUIDITY PROVIDER SLIDING SCALE (10):** Unchanged.

2. – 4. Unchanged.

Exhibit 5 to SR-CBOE-2007-139 (continued)**FOOTNOTES:**

(1) - (16) Unchanged.

(17) The CFLEX Surcharge Fee applies to all orders (all origin codes) executed electronically on the FLEX Hybrid Trading System (CFLEX). The CFLEX Surcharge Fee will only be charged up to the first 2,500 contracts per trade for public customers. The CFLEX Surcharge Fee and the CFLEX Log-in Fee set forth in Section 15 of this Fees Schedule shall be waived through December 31, 2007.

5. – 14. Unchanged.

15. MISCELLANEOUS:

Periodic license or royalty fees for DPM-traded products -	CBOE costs passed-through to DPM (12)
Member Death Benefit (calculated @ \$50,000 divided by number of members assessed)	
Trading Floor Printer Maintenance (Per Month)	\$75
Exchange Bulletin Subscription (Annual)	\$200 per hard copy subscription; no charge for electronic delivery
Late Payment Penalty (Assessed to balances over 30 days old, per month, compounded)	prime rate
Market Maker Failure to Change Appointment or Failure to meet	
in-person Trading Requirements (allowed 1 warning letter before fee)	\$250 per quarter
ABIL Brokerage Billing	\$.005 per contract, minimum \$50, maximum \$200 per month
ORS Analysis, Floor Efficiency Project or Market Penetration Reports	\$100 per month
Ad Hoc Information Services Requests	Production Costs
DPM requests for post modifications/equipment	CBOE costs passed-through
Crowd Space Dispute Resolution Hearing Fee (per hearing, per member)*	\$1,000
<u>CFLEX Log-In Fee</u>	<u>\$100 per log-in per month, capped at 5 log-ins per member organization</u>

* The Crowd Space Dispute Resolution Hearing Fee is \$1,000 per hearing for each party to the dispute and will escalate under certain circumstances pursuant to CBOE Rule 24.21(e). After the hearing is held and all rights of appeal are exhausted, the prevailing party in dispute shall obtain a refund of the Hearing Fee from the Exchange.

Remainder of Fees Schedule – Unchanged.