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

File No. SR - 2007 - 145

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).

Amendment to Hybrid Electronic Quoting Fee

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: Patrick Last Name: Sexton
Title: Associate General Counsel
E-mail: sexton@cboe.com
Telephone: (312) 786-7467 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: 11/30/2007

By: Patrick Sexton (Name)

Associate General Counsel (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.

Patrick Sexton, sexton@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

The Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") proposes to amend its Hybrid Electronic Quoting Fee. The text of the proposed rule change is provided below:

* * * * *

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

CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED
FEES SCHEDULE
[NOVEMBER 20]DECEMBER 1, 2007

1. – 16. No change.

17. HYBRID FEES:

- Actant Computing User Fee $100
- TickerXpress (TX) User Fee (effective April 1, 2007)
  - TX Software Fee 100
  - Enhanced TX User Fee 300
- CBOE*direct* Connectivity Fees 0
- Hybrid Electronic Quoting Fee 450*

* In addition to the $450 fee, all Market-Makers, RMMs, DPMs, and e-DPMs (collectively "liquidity providers") will be assessed (or credited) the Hybrid Electronic Quoting Fee by acronym as set forth in the tables below. The fee applies in Hybrid and Hybrid 2.0 option classes. The fee is assessed (or credited) per 1,000 quotes. A quotation is a bid and an offer. In the event a liquidity provider is utilizing more than one membership and submits electronic quotations for all of the memberships under the same acronym, the Hybrid Electronic Quoting Fee will be assessed (or credited) per membership utilized by the liquidity provider. If a liquidity provider is assessed (or credited) the Hybrid Electronic Quoting Fee, the liquidity provider does not pay a member dues fee (see Section 10). A liquidity provider's total credits cannot exceed its total debits.

Market-Makers and RMMs					
	Market Turner – At Least One Side[1]	NBBO Match – Both Sides[2]	NBBO Match – One Side Only[3]	CBOE BBO Match - At Least One Side[4]	Duplicate Quotes & Off Market Quotes[5]
Underlying[6] <= $100, & Bid[7] <= $10	$.[02]10 Credit	$.[01]03 Credit	$[.02]0.00	$.02	$.[05]04
Underlying <= $100, & Bid > $10	$.[02]10 Credit	$.[01]03 Credit	$[.02]0.00	$.[05]04	$.[05]04

Market-Makers and RMMs					
	Market Turner – At Least One Side[1]	NBBO Match – Both Sides[2]	NBBO Match – One Side Only[3]	CBOE BBO Match - At Least One Side[4]	Duplicate Quotes & Off Market Quotes[5]
Underlying > $100, & Bid <= 15% of Underlying	$.[02]10 Credit	$.[01]03 Credit	$[.02]0.00	$.02	$.[05]04
Underlying > $100, & Bid > 15% of Underlying	$.[02]10 Credit	$.[01]03 Credit	$[.02]0.00	$.[05]04	$.[05]04

DPMs and e-DPMs					
	Market Turner – At Least One Side[1]	NBBO Match – Both Sides[2]	NBBO Match – One Side Only[3]	CBOE BBO Match - At Least One Side[4]	Duplicate Quotes & Off Market Quotes[5]
Underlying <= $100, & Bid <= $10	$.[02]10 Credit	$.[01]03 Credit	$[.02]0.00	$.02	$.[05]04
Underlying <= $100, & Bid > $10	$.[02]10 Credit	$.[01]03 Credit	$[.02]0.00	$.02	$.[05]04
Underlying > $100, & Bid <= 15% of Underlying	$.[02]10 Credit	$.[01]03 Credit	$[.02]0.00	$.02	$.[05]04
Underlying > $100, & Bid > 15% of Underlying	$.[02]10 Credit	$.[01]03 Credit	$[.02]0.00	$.02	$.[05]04

Footnotes:

(1) Quotation improves the NBBO on at least one side of the market.
(2) Quotation matches the NBBO on both sides of the market.
(3) Quotation matches the NBBO on only one side of the market.
(4) Quotation matches the CBOE BBO (which is not the NBBO) on at least one side of the market.
(5) Quotation is duplicate quote (no change in bid and offer price and size), or does not meet the conditions of Footnotes (1) – (4).
(6) The value of the underlying security is the closing price of the underlying security on the preceding trading day.
(7) The bid is the closing "bid" in the option series at CBOE on the preceding trading day.

Remainder of Fees Schedule – No change.

* * * * *

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 November 16, 2007.

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

The purpose of this proposed rule change is to amend CBOE's Hybrid Electronic Quoting Fee, which is applicable to all Market-Makers, RMMs, DPMs, and e-DPMs (collectively "liquidity providers") in order to promote and encourage more efficient quoting.

Under the current fee, CBOE assesses all liquidity providers who are submitting electronic quotations to the Exchange in Hybrid and Hybrid 2.0 option classes a monthly fee of $450 per membership utilized.[1] CBOE also assesses or credits fees on liquidity providers that vary depending on: (i) the quality of the liquidity providers' quotation (a quotation is a bid and an offer); and (ii) the value of the underlying security and CBOE's bid in the option series.[2] The fee varies slightly in "high premium series"[3] with respect to Market-Makers and RMMs on the one hand, and DPMs and e-DPMs on the other hand due to the difference in their quoting obligations.

The quote mitigation strategies that CBOE has implemented, including the Hybrid Electronic Quoting Fee, have been effective in mitigating quotations. Some liquidity providers have modified their quoting processes in response to the Hybrid Electronic Quoting Fee. Accordingly, CBOE believes that it would be appropriate to reduce slightly certain of the fees and, thus, reduce the total amount of revenue that CBOE collects from the Hybrid Electronic Quoting Fee. At the same time, CBOE believes that it would be beneficial to increase the amounts that are credited for competitive quotations that improve or match the NBBO, as an incentive to liquidity providers to submit competitive quotations. Specifically, CBOE proposes to amend certain of the fees that are imposed as part of the Hybrid Electronic Quoting Fee as follows:

- Increase the amount that a liquidity provider will be credited if its quotation improves the NBBO on at least one side of the market from $.02 to $.10 per 1000 quotes.
- Increase the amount that a liquidity provider will be credited if its quotation matches the NBBO on both sides of the market from $.01 to $.03 per 1000 quotes.
- Decrease the amount that a liquidity provider will be assessed if its quotation matches the NBBO on only one side of the market from $.02 to $0.00.

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[1] See SEC Rel. No. 34-56602 (10/3/07), 72 FR 57620 (10/10/07), granting immediate effectiveness to SR-CBOE-2007-116.

[2] The value of the underlying security is the closing price of the underlying security on the preceding trading day. The bid is the closing bid in the option series at CBOE on the preceding trading day.

[3] For purposes of this fee, "high premium series" are those series in which the underlying security is less than or equal to $100 and CBOE's bid is greater than $10, or those series in which the underlying security is greater than $100 and CBOE's bid is greater than 15% of the underlying security.

- In high premium series, decrease the amount that a Market-Maker or RMM will be assessed if its quotation matches the CBOE BBO (which is not the NBBO) on at least one side of the market from $.05 to $.04 per 1000 quotes.
- Decrease the amount that a liquidity provider will be assessed if its quotation is a duplicate quote, or if it does not satisfy any of the above conditions, from $.05 to $.04 per 1000 quotes.

The Hybrid Electronic Quoting Fee, as amended, is fair and reasonable and will continue to promote and encourage more competitive and efficient quoting and help to reduce quote traffic. The fee encourages and rewards liquidity providers that quote competitively, and imposes costs on liquidity providers that do not. CBOE intends to monitor the fee and may amend the fee in the future.

As before, the Hybrid Electronic Quoting Fee will be assessed by liquidity provider acronym. In the event a liquidity provider is utilizing more than one membership and submits electronic quotations for all of the memberships under the same acronym, the Hybrid Electronic Quoting Fee will be assessed per membership utilized by the liquidity provider. Because a liquidity provider's total credits cannot exceeded the total debits assessed according to the schedule of credits and debits set forth in the two tables in Item 17 of the Fees Schedule, if the total credits were to exceed the total debits, the Hybrid Electronic Quoting Fee assessed to that liquidity provider would be $450.

Also, if a liquidity provider is assessed the Hybrid Electronic Quoting Fee, the liquidity provider does not pay a member dues fee. The Exchange intends to implement this revised Hybrid Electronic Quoting Fee effective Monday, December 3, 2007.

Statutory Basis.

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 ("Act")[4], in general, and furthers the objectives of Section 6(b)(4)[5] 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.

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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[4] 15 U.S.C. 78f(b).
[5] 15 U.S.C. 78f(b)(4).

Item 7. <u>Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)</u>

(a) The proposed rule change has taken effect upon filing pursuant to Section 19(b)(3)(A) of the Act.[6]

(b) 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)[7] of the Act and subparagraph (f)(2) of Rule 19b-4[8] thereunder.

(c) Not applicable.

(d) Not applicable.

Item 8. <u>Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or the Commission</u>

Not Applicable.

Item 9. <u>Exhibits</u>

Exhibit 1. Form of Notice of Proposed Rule Change for publication in the <u>Federal Register</u>.

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[6] 15 U.S.C. 78s(b)(3)(A).
[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-2007-145)

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by Chicago Board Options Exchange, Incorporated Relating to its Hybrid Electronic Quoting Fee.

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 the 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 Hybrid Electronic Quoting Fee. 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. The 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

The purpose of this proposed rule change is to amend CBOE's Hybrid Electronic Quoting Fee, which is applicable to all Market-Makers, RMMs, DPMs, and e-DPMs (collectively "liquidity providers") in order to promote and encourage more efficient quoting.

Under the current fee, CBOE assesses all liquidity providers who are submitting electronic quotations to the Exchange in Hybrid and Hybrid 2.0 option classes a monthly fee of \$450 per membership utilized.[1] CBOE also assesses or credits fees on liquidity providers that vary depending on: (i) the quality of the liquidity providers' quotation (a quotation is a bid and an offer); and (ii) the value of the underlying security and CBOE's bid in the option series.[2] The fee varies slightly in "high premium series"[3] with respect to Market-Makers and RMMs on the one hand, and DPMs and e-DPMs on the other hand due to the difference in their quoting obligations.

The quote mitigation strategies that CBOE has implemented, including the Hybrid Electronic Quoting Fee, have been effective in mitigating quotations. Some liquidity providers have modified their quoting processes in response to the Hybrid Electronic Quoting Fee. Accordingly, CBOE believes that it would be appropriate to reduce slightly certain of the fees and, thus, reduce the total amount of revenue that CBOE collects from the Hybrid Electronic Quoting Fee. At the same time, CBOE believes that it would be beneficial to increase the amounts that are credited for competitive quotations that improve or match the NBBO, as an

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1 See SEC Rel. No. 34-56602 (10/3/07), 72 FR 57620 (10/10/07), granting immediate effectiveness to SR-CBOE-2007-116.

2 The value of the underlying security is the closing price of the underlying security on the preceding trading day. The bid is the closing bid in the option series at CBOE on the preceding trading day.

3 For purposes of this fee, "high premium series" are those series in which the underlying security is less than or equal to \$100 and CBOE's bid is greater than \$10, or those series in which the underlying security is greater than \$100 and CBOE's bid is greater than 15% of the underlying security.

incentive to liquidity providers to submit competitive quotations. Specifically, CBOE proposes to amend certain of the fees that are imposed as part of the Hybrid Electronic Quoting Fee as follows:

- Increase the amount that a liquidity provider will be credited if its quotation improves the NBBO on at least one side of the market from $.02 to $.10 per 1000 quotes.
- Increase the amount that a liquidity provider will be credited if its quotation matches the NBBO on both sides of the market from $.01 to $.03 per 1000 quotes.
- Decrease the amount that a liquidity provider will be assessed if its quotation matches the NBBO on only one side of the market from $.02 to $0.00.
- In high premium series, decrease the amount that a Market-Maker or RMM will be assessed if its quotation matches the CBOE BBO (which is not the NBBO) on at least one side of the market from $.05 to $.04 per 1000 quotes.
- Decrease the amount that a liquidity provider will be assessed if its quotation is a duplicate quote, or if it does not satisfy any of the above conditions, from $.05 to $.04 per 1000 quotes.

The Hybrid Electronic Quoting Fee, as amended, is fair and reasonable and will continue to promote and encourage more competitive and efficient quoting and help to reduce quote traffic. The fee encourages and rewards liquidity providers that quote competitively, and imposes costs on liquidity providers that do not. CBOE intends to monitor the fee and may amend the fee in the future.

As before, the Hybrid Electronic Quoting Fee will be assessed by liquidity provider acronym. In the event a liquidity provider is utilizing more than one membership and submits electronic quotations for all of the memberships under the same acronym, the Hybrid Electronic Quoting Fee will be assessed per membership utilized by the liquidity provider. Because a liquidity provider's total credits cannot exceeded the total debits assessed according to the schedule of credits and debits set forth in the two tables in Item 17 of the Fees Schedule, if the total credits were to exceed the total debits, the Hybrid Electronic Quoting Fee assessed to that liquidity provider would be $450.

Also, if a liquidity provider is assessed the Hybrid Electronic Quoting Fee, the liquidity provider does not pay a member dues fee. The Exchange intends to implement this revised Hybrid Electronic Quoting Fee effective Monday, December 3, 2007.

Statutory Basis.

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 ("Act")[4], in general, and furthers the objectives of Section 6(b)(4)[5] 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

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[4] 15 U.S.C. 78f(b).
[5] 15 U.S.C. 78f(b)(4).

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) of the Act[6] and subparagraph (f)(2) of Rule 19b-4[7] 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-2007-145 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.

All submissions should refer to File Number SR-CBOE-2007-145. 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

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6 15 U.S.C. 78s(b)(3)(A).

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 Room, 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 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-2007-145 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.[8]

Nancy M. Morris
Secretary

Dated: ______________________

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[7] 17 C.F.R. 240.19b-4(f)(2).

[8] 17 CFR 200.30-3(a)(12).