

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 - 148

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		
			<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 checked="" type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Pilot
☐

Extension of Time Period
for Commission Action
☐

(Date of expiration)

I am filing this Form 19b-4 pursuant to:

☐

Section 19(b)(3)(A) of the Securities Exchange Act of 1934

☐**Description**

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

CBOE is amending its equity Obvious Error Panel composition in order to replace a specific reference to its TFL staff with a general reference to designated Exchange staff.

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 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 the Proposed Rule Change

The Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") proposes to amend Rule 6.25, which is the Exchange's rule applicable to the nullification and adjustment of equity options transactions. Set forth below are proposed changes to the rule text, with additions represented by underscoring and deletions represented by [bracketing].

Chicago Board Options Exchange, Incorporated
Rules

* * * * *

Rule 6.25 - Nullification and Adjustment of Equity Options Transactions

* * * * *

(a) -- (b) No change.

(c) Obvious Error Panel

(i) Composition. An Obvious Error Panel will be comprised of at least one (1) [Trading Floor Liaison (TFL)]one member of the Exchange's staff designated to perform Obvious Error Panel functions and four (4) Exchange members. Fifty percent of the number of Exchange members on the Obvious Error Panel must be directly engaged in market making activity and fifty percent of the number of Exchange members on the Obvious Error Panel must act in the capacity of a non-DPM floor broker. The Exchange members shall be representatives from any of the following Committees: Equity Options Procedure Committee, Equity Market Performance Committee, and Floor Officials Committee.

(ii) -- (iv) No change.

(d) -- (e) No change.

... Interpretations and Policies:

.01 -.03 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 December 11, 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 Jennifer Lamie, (312) 786-7576.

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

(a) Purpose

Under CBOE's equity obvious error rule, an Obvious Error Panel may be formed to review decisions made by Trading Officials under the rule. The Obvious Error Panel is currently comprised of at least one Trading Floor Liaison ("TFL") staff member and four Exchange members. The purpose of the proposed rule change is to replace the reference to the "TFL" staff with a reference to the "Exchange's staff designated to perform Obvious Error Panel functions." The Exchange is proposing to make this change because it recently determined to reassign the Obvious Error Panel function from the CBOE TFL group to a group of designated Exchange personnel within CBOE's market control center. In trying to accommodate the reassignment of these particular TFL functions, the Exchange believes a better approach than specifically referencing a particular Exchange staff group is to reference the "Exchange's staff designated to perform" the particular function. In this way, the Exchange will have the flexibility to delegate the authorities under the obvious error rules to the appropriate Exchange staff and will not have to make a rule change merely, for instance, to accommodate a future change in the title of a staff group or to accommodate the reassignment of the authority to another staff group. Because the authority exercised by Exchange staff is delegated pursuant to Exchange rules, the title of the particular group exercising their authority should not be relevant.¹

¹ The Exchange recently made a similar change when it deleted specific references to TFLs in its obvious error rules in order to accommodate the reassignment of Trading Official functions under the rules from the TFL group to a group of designated Exchange personnel within CBOE's market control center. See Securities Exchange Act Release No. 56494 (September 21, 2007), 72 FR 55264 (September 28, 2007). Under the revised rules, "Trading Officials" now means two Exchange members

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Securities Exchange Act of 1934 (the "Act")² which requires, among other things, that the rules of the Exchange be designed to promote just and equitable principles of trade, foster cooperation among persons engaged in facilitating securities transactions, and protect investors and the public interest. The CBOE believes that this proposal complies with the Act because the CBOE is amending its rules to update and/or generalize references to certain Exchange staff in order to facilitate compliance.

Item 4. 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.

Item 5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposal.

Item 6. Extension of Time Period for Commission Action

The Exchange does not consent to an extension of the time-period for Commission action.

designated as Floor Officials and one member of the Exchange's staff designated to perform Trading Official functions. See Rules 6.25.03 and 24.16.02.

² 15 U.S.C. 78f(b)(5).

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

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

(b) The Exchange asserts that this proposal is concerned solely with the administration of the Exchange under Section 19(b)(3)(A)(iii) of the Act⁴ and Rule 19b-4(f)(3) thereunder,⁵ which renders the proposal effective upon filing with the Commission.

(c) Not applicable.

(d) 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.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 15 U.S.C. 78s(b)(3)(A)(iii).

⁵ 17 CFR 240.19b-4(f)(3).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-CBOE-2007-148)

Dated: _____

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend its Equity Obvious Error Rule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

(the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on _____, 2007, the Chicago Board Options Exchange, Incorporated ("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 Exchange has designated the proposed rule change as concerned solely with the administration of the Exchange under Section 19(b)(3)(A)(iii) of the Act,³ and Rule 19b-4(f)(3) thereunder,⁴ which renders the proposal effective upon filing of this proposal with the Commission. 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 amend Rule 6.25, which is the Exchange's rule applicable to the nullification and adjustment of equity options transactions. The text of the proposed

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(3).

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, 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 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

Under CBOE's equity obvious error rule, an Obvious Error Panel may be formed to review decisions made by Trading Officials under the rule. The Obvious Error Panel is currently comprised of at least one Trading Floor Liaison ("TFL") staff member and four Exchange members. The purpose of the proposed rule change is to replace the reference to the "TFL" staff with a reference to the "Exchange's staff designated to perform Obvious Error Panel functions." The Exchange is proposing to make this change because it recently determined to reassign the Obvious Error Panel function from the CBOE TFL group to a group of designated Exchange personnel within CBOE's market control center. In trying to accommodate the reassignment of these particular TFL functions, the Exchange believes a better approach than specifically referencing a particular Exchange staff group is to reference the "Exchange's staff designated to perform" the particular function. In this way, the

Exchange will have the flexibility to delegate the authorities under the obvious error rules to the appropriate Exchange staff and will not have to make a rule change merely, for instance, to accommodate a future change in the title of a staff group or to accommodate the reassignment of the authority to another staff group. Because the authority exercised by Exchange staff is delegated pursuant to Exchange rules, the title of the particular group exercising their authority should not be relevant.⁵

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act⁶ which requires, among other things, that the rules of the Exchange be designed to promote just and equitable principles of trade, foster cooperation among persons engaged in facilitating securities transactions, and protect investors and the public interest. The CBOE believes that this proposal complies with the Act because the CBOE is amending its rules to update and/or generalize references to certain Exchange staff in order to facilitate compliance.

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.

⁵ The Exchange recently made a similar change when it deleted specific references to TFLs in its obvious error rules in order to accommodate the reassignment of Trading Official functions under the rules from the TFL group to a group of designated Exchange personnel within CBOE's market control center. See Securities Exchange Act Release No. 56494 (September 21, 2007), 72 FR 55264 (September 28, 2007). Under the revised rules, "Trading Officials" now means two Exchange members designated as Floor Officials and one member of the Exchange's staff designated to perform Trading Official functions. See Rules 6.25.03 and 24.16.02.

⁶ 15 U.S.C. 78f(b)(5).

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposal.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has designated this proposal as concerned solely with the administration of the Exchange under Section 19(b)(3)(A)(iii) of the Act,⁷ and Rule 19b-4(f)(3) thereunder,⁸ which renders the proposal effective upon filing with the Commission.

At any time within sixty days of the filing of this 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-2007-148 on the subject line.

⁷ 15 U.S.C. 78s(b)(3)(A)(iii).

⁸ 17 CFR 240.19b-4(f)(3).

Paper comments:

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2007-148. 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 Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. 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-2007-148 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.⁹

Nancy M. Morris
Secretary

Dated: _____

⁹ 17 CFR 200.30-3(a)(12).