

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 19b-7

Proposed Rule Change

by

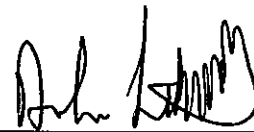
CBOE FUTURES EXCHANGE, LLC

Pursuant to Rule 19b-7 Under the
Securities Exchange Act of 1934

Pursuant to the requirements of the Securities Exchange Act of 1934, the self-regulatory organization has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

CBOE Futures Exchange, LLC

By: _____



Andrew Lowenthal
Managing Director

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____; File No. SR-CFE-2007-01)

Self-Regulatory Organizations; CBOE Futures Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Block Trading

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934¹ ("Act") and Rule 19b-7 under the Act², notice is hereby given that on [insert date], CBOE Futures Exchange, LLC ("CFE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change described in Items I, II and III below, which Items have been prepared by CFE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. CFE also filed the proposed rule change with the Commodity Futures Trading Commission ("CFTC"), together with a written certification under Section 5c(c) of the Commodity Exchange Act ("CEA")³ on July 30, 2007.

I. Self-Regulatory Organization's Description of the Proposed Rule Change

The Exchange proposes to amend CFE Rule 415, which governs Block Trading, to further describe: (a) the specific conditions under which it is permissible to aggregate orders for different accounts in order to satisfy minimum Block Trade size requirements, (b) the factors to be considered in determining whether the price of a Block Trade is "fair and reasonable," and (c) certain aspects relating to CFE's review of Block Trades. Although Rule 415 and these proposed rule amendments are applicable to all of CFE's products, CFE is submitting this proposed rule change to the Commission solely with respect to its applicability to any security futures that may be listed for trading on CFE. The text of the

¹ 15 U.S.C. 78s(b)(7).

² 17 CFR 240.19b-7.

³ 7 U.S.C. 7a-2(c).

rule proposal is available on the Exchange's website (<http://cfe.cboe.com/aboutcfe/>), 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

CFE has prepared statements concerning the purpose of, and basis for, the proposed rule change, burdens on competition, and comments received from its members, participants, and others. The text of these statements may be examined at the places specified in Item IV below. These statements are set forth in Sections A, B, and C below.

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

1. Purpose

First, CFE is proposing to amend Rule 415(a)(i) to further specify the conditions under which it is permissible to aggregate orders for different accounts in order to satisfy minimum Block Trade size requirements. For each futures contract traded on CFE, there is a separate rule chapter that governs the relevant contract and which sets forth, among other things, the minimum Block Trade quantity for that contract. Rule 415(a)(i) currently permits three classes of persons (hereinafter, "permissible persons") to aggregate orders for different accounts in order to meet the designated minimum Block Trade quantity.⁴ CFE proposes amending Rule 415(a)(i) to specify that a permissible person may only aggregate accounts that are under the management or control of that permissible person in order to satisfy the designated Block

⁴ The three permissible persons identified in Rule 415 are (1) a commodity trading advisor registered under the CEA, (2) an investment adviser registered as such with the SEC that is exempt from regulation under the CEA and CFTC Regulations thereunder or (3) any Person authorized to perform functions similar or equivalent to those of a commodity trading advisor in any jurisdiction outside the United States of America, in each case with total assets under management exceeding US\$25 million.

Trade size requirement. CFE also proposes to amend the rule to explicitly state that, other than as described above, orders for different accounts may not be aggregated to satisfy Block Trade size requirements. The aggregation allowance in Rule 415(a)(i) was intended as a narrow exception and was made available so that permissible persons who used the same strategy for different accounts under their same management could receive the same treatment. CFE believes that the addition of the proposed language more clearly sets forth the original intent of the aggregation allowance in Rule 415(a)(i).

CFE additionally proposes to amend Rule 415(a)(i) to provide that if a Block Trade is executed as a spread or combination, each leg of the order must meet the designated minimum size set forth in the rule chapter governing the relevant futures contract. Currently, every rule chapter specifies that one leg must meet the minimum Block Trade quantity for that contract (which is currently 100 contracts for each CFE futures contract) and the other leg(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity. By amending Rule 415(a)(i) to refer to the required size of each leg of the order instead of to the total quantity of the legs (as is currently the case), the Rule will mesh better with the provisions of these rule chapters.

Second, CFE is proposing to add new sub-paragraph (b) to Rule 415 to set forth the factors to be considered in determining whether the price of a Block Trade is "fair and reasonable." Specifically, CFE proposes to move the four factors already codified in sub-paragraph (c) and to add two new factors to be considered. The existing four factors are: (1) the size of the Block Trade; (2) the prices and sizes of transactions in the same Contract at the relevant time; (3) the prices and sizes of transactions in other relevant markets, including without limitation the underlying cash and futures markets, at the relevant time; and (4) the

circumstances of the parties to the Block Trade. CFE proposes adding two new factors, which are: (1) prices and sizes of resting book orders on the Exchange or other relevant markets; and (2) whether the Block Trade is executed as a spread or combination.

CFE also proposes amending Rule 415(b) to provide that the foregoing "guidelines apply in determining whether the execution price of a Block Trade that is not executed as a spread or combination is 'fair and reasonable.' These guidelines are general and may not be applicable in each instance. Whether the execution price of a Block Trade is 'fair and reasonable' depends upon the particular facts and circumstances. In the event the quantity present in the order book is greater or equal to the quantity needed to fill an order of the size of the Block Trade, it would generally be expected that the Block Trade price would be better than the price present in the order book. In the event the quantity present in the order book is less than the quantity needed to fill an order of the size of the Block Trade, it would generally be expected that the Block Trade price would be relatively close to the price present in the order book and that the amount of the differential between the two prices would be smaller to the extent that the differential between the quantity present in the order book and the Block Trade quantity is smaller."

CFE believes that these general guidelines will help market participants by providing them with additional guidance regarding when the price of a Block Trade is considered "fair and reasonable."

Third, CFE is proposing to add new sub-paragraphs (i) and (j) to Rule 415 to codify pre-existing practices and aspects of CFE's review of Block Trades. Proposed new sub-paragraph (i) provides that the CFE Help Desk may review a Block Trade for compliance with the requirements of Rule 415 and may determine not to permit the Block Trade to be

consummated if the Help Desk determines that the Block Trade does not conform to the requirements of Rule 415. Additionally, proposed new sub-paragraph (j) provides that (i) the posting of a Block Trade by the CFE Help Desk does not constitute a determination by CFE that the Block Trade was effected in conformity with the requirements of Rule 415, and (ii) a Block Trade that is posted by the CFE Help Desk which does not conform to the requirements of Rule 415 shall be processed and given effect but will be subject to appropriate disciplinary action in accordance with the Rules of CFE. Although this reflects current CFE policy and practice, CFE believes it is beneficial to explicitly reflect it in CFE's rules.

Lastly, the proposed rule change makes some clarifying wording changes to the current language of Rule 415, which are non-substantive.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act⁵ in general and Section 6(b)(5) of the Act⁶ in particular in that it provides additional detail to market participants regarding CFE's Block Trading requirements and thus is designed to prevent fraudulent and manipulative acts and practices, and to promote just and equitable principles of trade, and in general, to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

CFE 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 15 U.S.C. 78f(b).

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

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

Pursuant to Section 19(b)(7) of the Act⁷, the proposed rule change became effective on [insert date]. Within 60 days of the date of effectiveness of the proposed rule change, the Commission, after consultation with the CFTC, may summarily abrogate the proposed rule change and require that the proposed rule change be refiled in accordance with the provisions of Section 19(b)(1) of the Act.⁸

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-CFE-2007-01 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.

⁷ 15 U.S.C. 78s(b)(7).

⁸ 15 U.S.C. 78s(b)(1).

All submissions should refer to File Number SR-CFE-2007-01. 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 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-CFE-2007-01 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

Florence E. Harmon
Deputy Secretary

Dated: _____

⁹ 17 CFR 200.30-3(a)(73).

Exhibit 1

- (a) None
- (b) None
- (c) None
- (d) None
- (e) None

Exhibit 2

None

Exhibit 3

The proposed rule change was approved by the Managing Director of CBOE Futures Exchange, LLC pursuant to delegated authority on July 30, 2007. No further action is required. Please refer questions and comments on the proposed rule change to Arthur Reinstein, CBOE Futures Exchange, LLC, 400 South LaSalle, Chicago, IL 60605, (312) 786-7570 or Jennifer Klebes, (312) 786-7466.

Exhibit 4

Set forth below are proposed changes to the rule text, with additions represented by underscoring and deletions represented by [bracketing].

CBOE Futures Exchange, LLC
Rules

* * * * *

Rule 415. Block Trading

(a) Trading Privilege Holders may enter into transactions outside the CBOE System, at prices mutually agreed, with respect to Contracts that have been designated by the Exchange for such purpose, provided all of the following conditions are satisfied (such transactions, "Block Trades"):

(i) Each buy or sell order underlying a Block Trade must (A) state explicitly that it is to be, or may be, executed by means of a Block Trade and (B) be for at least such minimum number of Contracts as will from time to time be specified by the Exchange; *provided* that only (x) a commodity trading advisor registered under the CEA, (y) an investment adviser registered as such with the Securities and Exchange Commission that is exempt from regulation under the CEA and Commission Regulations thereunder and (z) any Person authorized to perform functions similar or equivalent to those of a commodity trading advisor in any jurisdiction outside the United States of America, in each case with total assets under management exceeding US\$25 million, may satisfy this requirement by aggregating orders for different accounts that are under management or control by such commodity trading advisor, investment adviser, or other Person. Other than as provided in the foregoing sentence, orders for different accounts may not be aggregated to satisfy Block Trade size requirements. For purposes of this Rule, the [total] quantity of each leg [the legs] of a spread or a combination executed as a Block Trade must meet the designated minimum size set forth in the rules governing the relevant Contract.

(ii) Each party to a Block Trade must qualify as an "eligible contract participant" (as such term is defined in Section 1a(12) of the CEA); *provided* that, if the Block Trade is entered into on behalf of Customers by (A) a commodity trading advisor registered under the Act, (B) an investment adviser registered as such with the Securities and Exchange Commission that is exempt from regulation under the Act and Commission Regulations thereunder or (C) any Person authorized to perform functions similar or equivalent to those of a commodity trading advisor in any jurisdiction outside the United States of

America, in each case with total assets under management exceeding US\$25 million, then only such commodity trading advisor or investment adviser, as the case may be, but not the individual Customers, need to so qualify.

(b) The price at which a Block Trade is executed must be "fair and reasonable" in light of (i) the size of the Block Trade; (ii) the prices and sizes, at the relevant time, of orders in the order book for the same Contract, the same contract on other markets and similar or related contracts on the Exchange and other markets, including without limitation the underlying cash and futures markets; (iii) the prices and sizes, at the relevant time, of transactions in the same Contract, the same contract on other markets and similar or related contracts on the Exchange and other markets, including without limitation the underlying cash and futures markets; (iv) the circumstances of the parties to the Block Trade; and (v) whether the Block Trade is executed as a spread or combination.

The following guidelines shall apply in determining whether the execution price of a Block Trade that is not executed as a spread or combination is "fair and reasonable." These guidelines are general and may not be applicable in each instance. Whether the execution price of a Block Trade is "fair and reasonable" depends upon the particular facts and circumstances.

In the event the quantity present in the order book is greater or equal to the quantity needed to fill an order of the size of the Block Trade, it would generally be expected that the Block Trade price would be better than the price present in the order book. In the event the quantity present in the order book is less than the quantity needed to fill an order of the size of the Block Trade, it would generally be expected that the Block Trade price would be relatively close to the price present in the order book and that the amount of the differential between the two prices would be smaller to the extent that the differential between the quantity present in the order book and the Block Trade quantity is smaller.

(c) [(b)] Block Trades [transactions] with respect to any Contract may occur during and outside of the Trading Hours set forth in the rules governing such Contract, unless otherwise specified in those rules. Each party to a Block Trade shall comply with all applicable Rules of the Exchange other than those which by their terms only apply to trading through the CBOE System.

(d) [(c)] Each Block Trade shall be designated as such, and cleared through the Clearing Corporation as if it were a transaction executed through the CBOE System. [The price at which a Block Transaction is executed must be "fair and reasonable" in light of (i) the size of such Block Transaction, (ii) the prices and sizes of other transactions in the same Contract at the relevant time, (iii) and the prices and sizes of transactions in other relevant markets, including without limitation the underlying cash and futures markets, at the relevant time, and (iv) the circumstances of the parties to such Block Transaction.] The Exchange will publicize information identifying the trade as a Block Trade and identifying the relevant Contract, contract

month, price or premium, quantity for each Block Trade and, if applicable, the underlying commodity, whether the transaction involved a put or a call and the strike price immediately after such information has been reported to the Exchange.

(e) [(d)] Each Trading Privilege Holder that is party to a Block Trade shall record the following details on its order ticket: the Contract (including the delivery or expiry month) to which such Block Trade relates; the number of Contracts traded; the price of execution or premium; the time of execution; the identity of the counterparty; and, if applicable, details regarding the Customer for which the Block Trade was executed, the underlying commodity, whether the transaction involved a put or a call and the strike price. Upon request by the Exchange, such Trading Privilege Holder shall produce satisfactory evidence, including the order ticket referred to in the preceding sentence, that the Block Trade meets the requirements set forth in this Rule 415.

(f) [(e)] Each Trading Privilege Holder executing a side of a Block Trade must have at least one designated person pre-authorized to report Block Trades. Only designated persons of Trading Privilege Holders with a clearing relationship at the Clearing Corporation will be allowed to report a Block Trade.

(g) [(f)] The seller is obligated to call the Help Desk without delay, and in no event later than ten minutes after a Block Trade is negotiated to notify the Exchange of the terms of the trade if the transaction occurs during the Trading Hours for the relevant Contract, unless otherwise specified in the rules governing the relevant Contract. If the transaction occurs outside of the Trading Hours for the relevant Contract, notification to the Help Desk must occur no later than ten minutes from the time that regular trading next commences on the Exchange. The notification to the Help Desk with respect to a Block Trade shall include the relevant Contract, contract month, price or premium, quantity, time of execution, counterparty Clearing Member and, if applicable, the underlying commodity, whether the transaction involved a put or a call and the strike price, as well as any other information that is required to be set forth in the prescribed Block Trade Reporting Form. If the transaction is a spread or combination, such as when one party is rolling a position into the next contract month, the seller of the month closest to expiration is responsible for reporting the entire transaction to the Help Desk. The Help Desk will provide the caller a Trade Identification ("Trade ID") for the Block Trade and report both sides of the trade to the CBOE System. After reporting the Block Trade to the Help Desk, the buyer and seller must each complete and transmit the prescribed Block Trade Reporting Form via facsimile or e-mail to the Help Desk. Both sides must include the Trade ID given by the Help Desk to the seller for the Block Trade. It is the responsibility of the buying and selling Trading Privilege Holders to effect any subsequent allocations or necessary updates to non-critical matching fields utilizing a post-trade processing system designated by the Exchange.

(h) [(g)] A Trading Privilege Holder may execute an Order placed for a non-discretionary Customer account by means of a Block Trade only if the Customer has previously consented thereto.

(i) The Help Desk may review a Block Trade for compliance with the requirements of this Rule and may determine not to permit the Block Trade to be consummated if the Help Desk determines that the Block Trade does not conform with those requirements.

(j) The posting of a Block Trade by the Help Desk does not constitute a determination by the Exchange that the Block Trade was effected in conformity with the requirements of this Rule. A Block Trade that is posted by the Help Desk which does not conform to the requirements of this Rule shall be processed and given effect but will be subject to appropriate disciplinary action in accordance with the Rules of the Exchange.

(k) [(h)] Any Block Trade in violation of the[se] requirements of this Rule shall constitute conduct which is inconsistent with just and equitable principles of trade.

* * * * *

Exhibit 5

A copy of the rule certification submitted to the CFTC pursuant to CEA Section 5c(c)¹⁰ that contains the CFE rule changes being submitted herewith is attached.

¹⁰ 7 U.S.C. 7a-2(c).



July 30, 2007

Via Electronic Mail

Ms. Eileen A. Donovan
Acting Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: CBOE Futures Exchange, LLC Rule Certification
Submission Number CFE-2007-07

Dear Ms. Donovan:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), and §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission ("Commission") under the Act, CBOE Futures Exchange, LLC ("CFE" or "Exchange") hereby submits a CFE rule amendment related to Block Trades ("Amendment"). The Amendment amends CFE Rule 415 to further describe (i) the specific conditions under which it is permissible to aggregate orders for different accounts in order to satisfy minimum Block Trade size requirements, (ii) the factors to be considered in determining whether the price of a Block Trade is "fair and reasonable," and (iii) certain aspects relating to CFE's review of Block Trades. The Amendment also makes some clarifying wording changes to the current language of Rule 415.

The Amendment will become effective on July 31, 2007.

CFE is not aware of any substantive opposing views to the Amendment. CFE hereby certifies that the Amendment complies with the Act and the regulations thereunder. This rule change has also been filed with the Securities and Exchange Commission.

The Amendment, marked to show additions in underlined text and deletions in [bracketed] text, consists of the following:

* * * * *

Rule 415. Block Trading

(a) Trading Privilege Holders may enter into transactions outside the CBOE System, at prices mutually agreed, with respect to Contracts that have been designated by the Exchange for such purpose, provided all of the following conditions are satisfied (such transactions, "Block Trades"):

(i) Each buy or sell order underlying a Block Trade must (A) state explicitly that it is to be, or may be, executed by means of a Block Trade and (B) be for at least such minimum number of Contracts as will from time to time be specified by the Exchange; *provided* that only (x) a commodity trading advisor registered under the CEA, (y) an investment adviser registered as such with the

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Securities and Exchange Commission that is exempt from regulation under the CEA and Commission Regulations thereunder and (z) any Person authorized to perform functions similar or equivalent to those of a commodity trading advisor in any jurisdiction outside the United States of America, in each case with total assets under management exceeding US\$25 million, may satisfy this requirement by aggregating orders for different accounts that are under management or control by such commodity trading advisor, investment adviser, or other Person. Other than as provided in the foregoing sentence, orders for different accounts may not be aggregated to satisfy Block Trade size requirements. For purposes of this Rule, the [total] quantity of each leg [the legs] of a spread or a combination executed as a Block Trade must meet the designated minimum size set forth in the rules governing the relevant Contract.

(ii) Each party to a Block Trade must qualify as an "eligible contract participant" (as such term is defined in Section 1a(12) of the CEA); *provided* that, if the Block Trade is entered into on behalf of Customers by (A) a commodity trading advisor registered under the Act, (B) an investment adviser registered as such with the Securities and Exchange Commission that is exempt from regulation under the Act and Commission Regulations thereunder or (C) any Person authorized to perform functions similar or equivalent to those of a commodity trading advisor in any jurisdiction outside the United States of America, in each case with total assets under management exceeding US\$25 million, then only such commodity trading advisor or investment adviser, as the case may be, but not the individual Customers, need to so qualify.

(b) The price at which a Block Trade is executed must be "fair and reasonable" in light of (i) the size of the Block Trade; (ii) the prices and sizes, at the relevant time, of orders in the order book for the same Contract, the same contract on other markets and similar or related contracts on the Exchange and other markets, including without limitation the underlying cash and futures markets; (iii) the prices and sizes, at the relevant time, of transactions in the same Contract, the same contract on other markets and similar or related contracts on the Exchange and other markets, including without limitation the underlying cash and futures markets; (iv) the circumstances of the parties to the Block Trade; and (v) whether the Block Trade is executed as a spread or combination.

The following guidelines shall apply in determining whether the execution price of a Block Trade that is not executed as a spread or combination is "fair and reasonable." These guidelines are general and may not be applicable in each instance. Whether the execution price of a Block Trade is "fair and reasonable" depends upon the particular facts and circumstances.

In the event the quantity present in the order book is greater or equal to the quantity needed to fill an order of the size of the Block Trade, it would generally be expected that the Block Trade price would be better than the price present in the order book. In the event the quantity present in the order book is less than the quantity needed to fill an order of the size of the Block Trade, it would generally be expected that the Block Trade price would be relatively close to the price present in the order book and that the amount of the differential between the two prices would be smaller to the extent that the differential between the quantity present in the order book and the Block Trade quantity is smaller.

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- (c) [(b)] Block Trades [transactions] with respect to any Contract may occur during and outside of the Trading Hours set forth in the rules governing such Contract, unless otherwise specified in those rules. Each party to a Block Trade shall comply with all applicable Rules of the Exchange other than those which by their terms only apply to trading through the CBOE System.
- (d) [(c)] Each Block Trade shall be designated as such, and cleared through the Clearing Corporation as if it were a transaction executed through the CBOE System. [The price at which a Block Transaction is executed must be "fair and reasonable" in light of (i) the size of such Block Transaction, (ii) the prices and sizes of other transactions in the same Contract at the relevant time, (iii) and the prices and sizes of transactions in other relevant markets, including without limitation the underlying cash and futures markets, at the relevant time, and (iv) the circumstances of the parties to such Block Transaction.] The Exchange will publicize information identifying the trade as a Block Trade and identifying the relevant Contract, contract month, price or premium, quantity for each Block Trade and, if applicable, the underlying commodity, whether the transaction involved a put or a call and the strike price immediately after such information has been reported to the Exchange.
- (e) [(d)] Each Trading Privilege Holder that is party to a Block Trade shall record the following details on its order ticket: the Contract (including the delivery or expiry month) to which such Block Trade relates; the number of Contracts traded; the price of execution or premium; the time of execution; the identity of the counterparty; and, if applicable, details regarding the Customer for which the Block Trade was executed, the underlying commodity, whether the transaction involved a put or a call and the strike price. Upon request by the Exchange, such Trading Privilege Holder shall produce satisfactory evidence, including the order ticket referred to in the preceding sentence, that the Block Trade meets the requirements set forth in this Rule 415.
- (f) [(e)] Each Trading Privilege Holder executing a side of a Block Trade must have at least one designated person pre-authorized to report Block Trades. Only designated persons of Trading Privilege Holders with a clearing relationship at the Clearing Corporation will be allowed to report a Block Trade.
- (g) [(f)] The seller is obligated to call the Help Desk without delay, and in no event later than ten minutes after a Block Trade is negotiated to notify the Exchange of the terms of the trade if the transaction occurs during the Trading Hours for the relevant Contract, unless otherwise specified in the rules governing the relevant Contract. If the transaction occurs outside of the Trading Hours for the relevant Contract, notification to the Help Desk must occur no later than ten minutes from the time that regular trading next commences on the Exchange. The notification to the Help Desk with respect to a Block Trade shall include the relevant Contract, contract month, price or premium, quantity, time of execution, counterparty Clearing Member and, if applicable, the underlying commodity, whether the transaction involved a put or a call and the strike price, as well as any other information that is required to be set forth in the prescribed Block Trade Reporting Form. If the transaction is a spread or combination, such as when one party is rolling a position into the next contract month, the seller of the month closest to expiration is responsible for reporting the entire transaction to the Help Desk. The Help Desk will provide the caller a Trade Identification ("Trade ID") for the Block Trade and report both sides of the trade to the CBOE System. After reporting the Block Trade to the Help Desk, the buyer and seller must each complete and transmit the prescribed

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Block Trade Reporting Form via facsimile or e-mail to the Help Desk. Both sides must include the Trade ID given by the Help Desk to the seller for the Block Trade. It is the responsibility of the buying and selling Trading Privilege Holders to effect any subsequent allocations or necessary updates to non-critical matching fields utilizing a post-trade processing system designated by the Exchange.

(h) [(g)] A Trading Privilege Holder may execute an Order placed for a non-discretionary Customer account by means of a Block Trade only if the Customer has previously consented thereto.

(i) The Help Desk may review a Block Trade for compliance with the requirements of this Rule and may determine not to permit the Block Trade to be consummated if the Help Desk determines that the Block Trade does not conform with those requirements.

(j) The posting of a Block Trade by the Help Desk does not constitute a determination by the Exchange that the Block Trade was effected in conformity with the requirements of this Rule. A Block Trade that is posted by the Help Desk which does not conform to the requirements of this Rule shall be processed and given effect but will be subject to appropriate disciplinary action in accordance with the Rules of the Exchange.

(k) [(h)] Any Block Trade in violation of the[se] requirements of this Rule shall constitute conduct which is inconsistent with just and equitable principles of trade.

* * * * *

Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Jennifer Klebes at (312) 786-7466. Please reference our submission number CFE-2007-08 in any related correspondence.

CBOE Futures Exchange, LLC

By: 

Andrew Lowenthal
Managing Director

cc: Riva Adriance (CFTC)
Gabrielle Sudik (CFTC)
Edward Dasso (NFA)
The Options Clearing Corporation