

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 1 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

(a) The Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) proposes for the CBOE Stock Exchange (“CBSX”) to designate the time period from 8:30 a.m. Central Time (“CT”) until 3:00 p.m. CT as “CBSX Regular Trading Hours” for stock, index portfolio receipt (“IPR”) and index portfolio share (“IPS”) transactions and to make certain corresponding changes. CBSX also proposes to designate the time periods from 8:00 a.m. CT until 8:30 a.m. CT and 3:00 p.m. CT until 3:30 p.m. CT as “CBSX Extended Trading Hours” and to make certain corresponding changes. The Exchange also proposes to make additional changes corresponding to SR-CBOE-2009-083, which changed the time at which CBSX opens for CBSX Extended Trading Hours from 8:15 a.m. CT to 8:00 a.m. CT.¹ The proposed changes would be effective as of February 1, 2010. Set forth below are the proposed changes to the rule text, with additions represented by underscoring and deletions represented by [bracketing].

Chicago Board Options Exchange, Incorporated
Rules

* * * * *

Rule 31.5. Criteria for Eligibility of Securities

The Exchange will evaluate and prepare a confidential preliminary opinion as to the eligibility of an applicant's securities for listing upon submission of the information listed in Rule 31.20. To assist issuers interested in applying for listing, the Exchange has established certain numerical and other criteria (Rules 31.9 through 31.16) which issuers will be required to meet. References in this Rule to "public shareholders" or "public holders" do not include any officer, director, controlling shareholder, or other owners of family or concentrated holdings.

¹ See Securities Exchange Act Release No. 60910 (October 30, 2009), 74 FR 57718 (November 9, 2009) (SR-CBOE-2009-083)

The Exchange may extend unlisted trading privileges to any security for which the Exchange has in effect rules providing for transactions in such class or type of security. Provisions of this Rule that govern trading hours, dissemination of information (e.g., intraday indicative value and index value) and surveillance procedures, and that relate to information circulars and prospectus delivery, shall apply to securities traded on an unlisted trading privileges basis.

A. – O. No change.

P. Unlisted Trading Privileges

(1) Applicability. The Exchange may determine to extend unlisted trading privileges ("UTP") to an NMS Stock that is listed on another national securities exchange. Any such security will be subject to all Exchange trading rules applicable to NMS Stocks, unless otherwise noted.

(a) The term "New Derivative Securities Product" ("NDSP") shall have the same meaning as "new derivative securities product" in Rule 19b-4(e) under the Exchange Act. The Exchange shall file with the Commission a Form 19b-4(e) with respect to any NDSP.

(2) Any NDSP traded on the Exchange pursuant to UTP shall be subject to the additional following rules:

(a) Information Circular. The Exchange shall distribute an information circular prior to the commencement of trading in such NDSP that generally includes the same information as the information circular provided by the listing exchange, including: (1) the special risks of trading the NDSP; (2) the Exchange's rules that will apply to the NSDP, including the suitability rule; (3) information about the dissemination of value of the underlying assets or indexes; and (4) information about [trading and] trading halts and the risks of trading during CBSX Extended Trading Hours [the period from 8:15 a.m. until 8:30 a.m.] due to the lack of calculation or dissemination of the underlying index or portfolio value, the Intraday Indicative Value, the Indicative Optimized Portfolio Value or other comparable estimate of the value of a share of the NSDP.

(b) Prospectus Delivery/Product Description. Members and member organizations are subject to the prospectus delivery requirements under the Securities Act of 1933, unless the NDSP is the subject of an order by the Securities and Exchange Commission exempting the product from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and the product is not otherwise subject to prospectus delivery requirements under the Securities Act of 1933. The Exchange shall inform its members and member organizations regarding the application of the provisions of this subparagraph to such NDSPs by means of an information circular.

The Exchange requires that members provide to all purchasers of such NDSPs a written description of the terms and characteristics of those securities, in a form approved by the Exchange or prepared by the open-ended management company issuing such securities,

not later than the time a confirmation of the first transaction in such series is delivered to such purchaser. In addition, the members and member organizations shall include a written description with any sales material relating to such NDSPs that is provided to customers or the public. Any other written materials provided by a member or member organization to customers or the public making specific reference to such NDSPs as an investment vehicle must include a statement substantially in the following form: "A circular describing the terms and characteristics of [such NDSPs] has been prepared by the [open-ended management investment company name] and is available from your broker. It is recommended that you obtain and review such circular before purchasing [such NDSPs]."

A member or member organization carrying an omnibus account for a non-member is required to inform such non-member that execution of an order to purchase such NDSPs for such omnibus account will be deemed to constitute an agreement by the non-member to make such written description available to its customers on the same terms as are directly applicable to the member under this rule.

Upon request of a customer, a member or member organization shall also provide a prospectus for such NDSPs.

- (c) Market Maker Restrictions. The following restrictions shall apply to each member registered as a Market Maker ("Restricted Market Maker") in an NDSP that derives its value from one or more currencies, commodities, or derivatives based on one or more currencies or commodities, or is based on a basket or index comprised of currencies or commodities (collectively, "Reference Assets"):
- (i) A Restricted Market Maker in an NDSP is prohibited from acting or registering as a market maker in any Reference Asset of that NDSP or any derivative instrument based on a Reference Asset of that NDSP (collectively, with Reference Assets, "Related Instruments").
 - (ii) A Restricted Market Maker shall, in a manner prescribed by the Exchange, file with the Exchange and keep current a list identifying any accounts ("Related Instrument Trading Accounts") for which Related Instruments are traded:
 - (a) in which the Restricted Market Maker holds an interest;
 - (b) over which it has investment discretion; or
 - (c) in which it shares in the profits and/or losses.

A Restricted Market Maker may not have an interest in, exercise investment discretion over, or share in the profits and/or losses of a Related Instrument Trading Account which has not been reported to the Exchange as required by this Rule.

(iii) In addition to the existing obligations under CBOE rules regarding the production of books and records, a Restricted Market Maker shall, upon request by the Exchange, make available to the Exchange any books, records, or other information pertaining to any Related Instrument Trading Account or to the account of any registered or non-registered employee affiliated with the Restricted Market Maker for which Related Instruments are traded.

(iv) A Restricted Market Maker shall not use any material nonpublic information in connection with trading a Related Instrument.

(d) Comprehensive Surveillance Sharing Agreements. The Exchange shall enter into a comprehensive surveillance sharing agreement ("CSSA") with markets trading components of the index or portfolio on which the NDSP is based to the same extent as the listing exchange's rules require the listing exchange to enter into a CSSA with such markets.

* * * * *

Rule 51.2 Days and Hours of Business

Except under unusual conditions as may be determined by the CBSX Board, the hours during which transactions in the securities that are subject to the rules in these Chapters 50-55 shall be as set forth below:

(a) Stocks, IPRs and IPSs. The hours during which stock, IPR and IPS transactions may be made on CBSX are 8:00 a.m. (Central Time) until [3:00] 3:30 p.m. (Central Time). The time period from 8:30 a.m. (Central Time) until 3:00 p.m. (Central Time) shall be considered regular trading hours ("CBSX Regular Trading Hours"), and all other times that CBSX is open for trading shall be considered extended trading hours ("CBSX Extended Trading Hours"). [A CBSX DPM or CBSX LMM may issue and receive pre-opening indications and pre-opening responses, pursuant to provisions of the ITS Plan or any successor to the ITS Plan applicable to Pre-Opening Application of the CBSX System, before the official opening of business on CBSX and loans of money or securities may be made after those hours.]

* * * * *

[(d) IPRs and IPSs. The hours during which IPR transactions may be made on CBSX are 8:00 a.m. (Central Time) until 3:15 p.m. (Central Time). The hours during which IPS transactions may be made on CBSX are 8:00 a.m. (Central Time) until 3:15 p.m. (Central Time) for each series of IPSs, as specified by CBSX.]

...Interpretations and Policies:

.01. Required Disclosures for CBSX Extended Trading Hours. With respect to trading during CBSX Extended Trading Hours, the following shall apply:

No CBSX Trader may accept an order from a customer for execution during CBSX Extended Trading Hours without disclosing to such customer that trading during CBSX Extended

Trading Hours involves material trading risks, including the possibility of lower liquidity, high volatility, changing prices, unlinked markets, an exaggerated effect from news announcements, wider spreads and any other relevant risk. The absence of an updated underlying index or portfolio value or intraday indicative value is an additional trading risk during Extended Trading Hours for UTP Derivative Securities. The disclosures required pursuant to this Rule may take the following form or such other form as provides substantially similar information:

(a) Risk of Lower Liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity during CBSX Extended Trading Hours as compared to CBSX Regular Trading Hours. As a result, your order may only be partially executed, or not at all.

(b) Risk of Higher Volatility. Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility during CBSX Extended Trading Hours as compared to CBSX Regular Trading Hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price during CBSX Extended Trading Hours as compared to CBSX Regular Trading Hours.

(c) Risk of Changing Prices. The prices of securities traded during CBSX Extended Trading Hours may not reflect the prices either at the end of CBSX Regular Trading Hours, or upon the opening of the next morning. As a result, you may receive an inferior price during CBSX Extended Trading Hours as compared to CBSX Regular Trading Hours.

(d) Risk of Unlinked Markets. Depending on the trading system used during CBSX Extended Trading Hours or the time of day, the prices displayed on a particular system during CBSX Extended Trading Hours may not reflect the prices in other concurrently operating trading systems dealing in the same securities during CBSX Extended Trading Hours. Accordingly, you may receive an inferior price in one system used during CBSX Extended Trading Hours than you would in another system used during CBSX Extended Trading Hours.

(e) Risk of News Announcements. Normally, issuers make news announcements that may affect the price of their securities after CBSX Regular Trading Hours. Similarly, important financial information is frequently announced outside of CBSX Regular Trading Hours. These announcements may occur during CBSX Extended Trading Hours, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

(f) Risk of Wider Spreads. The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility during CBSX Extended Trading Hours may result in wider than normal spreads for a particular security.

(g) Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value ("IIV"). For certain derivative securities products, an updated underlying index or portfolio value or IIV may not be calculated or publicly disseminated

during CBSX Extended Trading Hours. Since the underlying index or portfolio value and IIV are not calculated or widely disseminated during CBSX Extended Trading Hours, an investor who is unable to calculate implied values for certain derivative securities products during CBSX Extended Trading Hours may be at a disadvantage to market professionals.

* * * * *

Rule 51.8 Types of Orders Handled

At the discretion of CBSX, and once the CBSX System is so enabled, any of the following types of orders may be accommodated on the CBSX System:

(a) *Market Order*. A market order is an order to buy or sell a stated number of shares at the best price available on the CBSX System. Market orders shall not be entered during CBSX Extended Trading Hours.

Rule 52.3 Unusual Market Conditions

* * * * *

(c) Trading Halts for Trading of New Derivative Securities Products on CBSX Pursuant to Unlisted Trading Privileges.

(1) CBSX Extended Trading Hours [8:15 a.m.- 8:30 a.m. Central Time]. If a New Derivative Securities Product begins trading on CBSX and subsequently a temporary interruption occurs in the calculation or wide dissemination of a Required Value applicable to that New Derivative Securities Product by a major market data vendor, CBSX may continue to trade the New Derivative Securities Product for the remainder of the CBSX Extended Trading Hours [8:15 a.m. to 8:30 a.m.] session.

* * * * *

Rule 52.4 Clearly Erroneous Policy

* * * * *

(c) *Thresholds*. Determinations of a clearly erroneous execution will be based on all relevant factors on a case by case basis including, but not limited to, the following:

(1) *Numerical Guidelines*. A transaction executed on CBSX may be found to be clearly erroneous only if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the Reference Price by an amount that equals or exceeds the Numerical Guidelines set forth below. The execution time of the transaction under review determines whether the guideline threshold is CBSX Regular Trading

Hours [regular trading hours] or CBSX Extended Trading Hours [between 8:15 am CT to 8:30 am CT (which occurs before regular trading hours)]. The Reference Price will be equal to the consolidated last sale immediately prior to the execution(s) under review except for in Unusual Circumstances as described in (c)(2) below.

Reference Price: Consolidated Last Sale	<u>CBSX Regular Trading Hours</u> Numerical Guidelines (Subject transaction's % difference from the Consolidated Last Sale)	<u>CBSX Extended Trading Hours</u> [8:15 am CT to 8:30 am CT] Numerical Guidelines (Subject transaction's % difference from the Consolidated Last Sale)
Greater than \$0.00 and up to and including \$25.00	10%	20%
Greater than \$25.00 and up to and including \$50.00	5%	10%
Greater than \$50.00	3%	6%
Multi-Stock Event-Filings involving five or more securities by the same CBSX Trader will be aggregated into a single filing	10%	10%
Leveraged ETF/ETN securities	<u>CBSX Regular Trading Hours</u> Numerical Guidelines multiplied by the leverage multiplier (ie 2x)	<u>CBSX Regular Trading Hours</u> Numerical Guidelines multiplied by the leverage multiplier (ie 2x)

* * * * *

Rule 53.56 CBSX DPM Obligations

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

* * * * *

(4) provide continuous quotes during CBSX Regular Trading Hours [from 8:30 a.m. Chicago time until the close of trading] in all of the stocks, IPRs and IPSs [securities] assigned to a CBSX DPM; and

* * * * *

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) CBOE's Office of the Chairman pursuant to delegated authority approved the proposed rule change on December 14, 2009. No further action is required.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, General Counsel, CBOE, 400 South LaSalle, Chicago, IL 60605, (312) 786-7462 or Angelo Evangelou, (312) 786-7464.

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

(a) Purpose

CBSX proposes to designate the time period from 8:30 a.m. CT until 3:00 p.m. CT as "CBSX Regular Trading Hours" for stock, IPR and IPS transactions and to make certain corresponding changes. CBSX also proposes to designate the time periods from 8:00 a.m. CT until 8:30 a.m. CT and 3:00 p.m. CT until 3:30 p.m. CT as "CBSX Extended Trading Hours" and to make certain corresponding changes. The proposed change would be effective as of February 1, 2010. CBOE also proposes to make changes corresponding to SR-CBOE-2009-

083, which changed the time at which CBSX opens from 8:15 a.m. CT to 8:00 a.m. CT.² All changes have been requested by CBSX users. Other US-based exchanges permit trading after 3:00 p.m. CT, including the Nasdaq Stock Market.³

These changes do not change the effective “normal trading hours,” on CBSX, which is and will remain from 8:30 a.m. CT to 3:00 p.m. CT. The periods from 8:00 a.m. CT until 8:30 a.m. CT and 3:00 p.m. CT until 3:30 p.m. CT will not qualify as “normal trading hours.” Therefore, trading rules, policies and Designated Primary Market-Maker (“DPM”) obligations during these periods may differ from those during normal trading hours. Some of these differences already exist in CBSX rules.

Specifically, the “Unusual Market Conditions” rule pertaining to trading halts for trading of IPRs and IPSs imposes different procedures during normal trading hours than it does during the 8:00 a.m. CT to 8:30 a.m. CT and 3:15 p.m. to 3:30 p.m. periods.⁴ This difference already existed in CBSX rules; the proposed rule change would adjust the time periods listed in Rule 52.3(c)(1).

CBSX rules also already included differences between normal trading hours and the non-normal trading periods in the numerical guidelines used to determine whether or not a trade qualifies as “clearly erroneous.” The proposed rule change would also adjust the time periods listed in Rule 52.4(c)(1).

Because the periods from 8:00 a.m. CT to 8:30 a.m. CT and 3:00 p.m. CT to 3:30 p.m. CT are not “normal trading hours,” CBSX DPMs will not be required to provide

² See SR-CBOE-2009-083, 74 FR 57718 (November 9, 2009).

³ See Nasdaq Stock Market Rules 4617 and 4120(b)(4), NYSEArca Rule 7.34(a), and BATS Rule 11.1(a).

⁴ See CBOE Rule 52.3(c)(1).

continuous quotes during these periods. The proposed rule change would amend Rule 53.56 to reflect this.

The Exchange represents that the later closing time will have no implications for CBSX systems. The Exchange represents that CBSX traders will have been notified of the time change via circular prior to the rule change taking effect.

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”)⁵ and the rules and regulations thereunder and, in particular, the requirements of Section 6(b) of the Act.⁶ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁷ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest. Permitting trading until later in the day will permit investors greater opportunity to participate in the market, thereby removing an impediment to trading.

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.

⁵ 15 U.S.C. 78s(b)(1).

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

Item 6. Extension of Time Period for Commission Action

CBOE does not consent to an extension of the time period for Commission action.

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

The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A)⁸ of the Securities Exchange Act of 1934 and Rule 19b-4(f)(6)⁹ thereunder because it effects a change that (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

Permitting trading later in the day will permit investors greater ability to participate in the market. The proposed change will allow CBSX Traders to maximize trading opportunities as well. Additionally, the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, prior to the date of the filing of the proposed rule change.

For the foregoing reasons, this rule filing qualifies for immediate effectiveness as a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 of the Act. The Exchange respectfully requests that the Commission waive the provision providing for “non-controversial” rule changes to become operative in 30 days, and permit the proposed rule change to take effect and become operative on February 1, 2010 pursuant to Section 19(b)(3)(A) of the Act and Rule

⁸ 15 U.S.C. 78s(b)(3)(A).

⁹ 17 CFR 240.19b-4(f)(6).

19b-4(f)(6) thereunder. Waiver of these time periods will allow CBSX to more quickly provide its members with extended trading opportunities already available on other exchanges.¹⁰

Item 8. Proposed Rule Change Based on Rules or By-Laws of Another Self-Regulatory Organization or of the Commission

Permitting trading until 3:30 p.m. CT is not unprecedentedly early. For example, NASDAQ is open for trading until 8:00 p.m. Eastern Time (7:00 p.m. Central Time).¹¹

Item 9. Exhibits

Exhibit 1. Form of notice of proposed rule change for publication in the Federal Register.

¹⁰ See supra note 3.

¹¹ See Nasdaq Stock Market Rule 4617.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-CBOE-2010-004)

Dated: _____

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Modify Trading Hours for CBSX

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 January 12, 2010, 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 filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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 modify trading hours for the CBOE Stock Exchange (“CBSX”). The text of the proposed rule change is available on the Exchange’s website (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

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)(6).

In its filing with the Commission, the 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 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

CBSX proposes to designate the time period from 8:30 a.m. CT until 3:00 p.m. CT as “CBSX Regular Trading Hours” for stock, IPR and IPS transactions and to make certain corresponding changes. CBSX also proposes to designate the time periods from 8:00 a.m. CT until 8:30 a.m. CT and 3:00 p.m. CT until 3:30 p.m. CT as “CBSX Extended Trading Hours” and to make certain corresponding changes. The proposed change would be effective as of February 1, 2010. CBOE also proposes to make changes corresponding to SR-CBOE-2009-083, which changed the time at which CBSX opens from 8:15 a.m. CT to 8:00 a.m. CT.⁵ All changes have been requested by CBSX users. Other US-based exchanges permit trading after 3:00 p.m. CT, including the Nasdaq Stock Market.⁶

These changes do not change the effective “normal trading hours,” on CBSX, which is and will remain from 8:30 a.m. CT to 3:00 p.m. CT. The periods from 8:00 a.m. CT until 8:30 a.m. CT and 3:00 p.m. CT until 3:30 p.m. CT will not qualify as “normal trading hours.” Therefore, trading rules, policies and Designated Primary Market-Maker (“DPM”)

⁵ See SR-CBOE-2009-083, 74 FR 57718 (November 9, 2009).

⁶ See Nasdaq Stock Market Rules 4617 and 4120(b)(4), NYSEArca Rule 7.34(a), and BATS Rule 11.1(a).

obligations during these periods may differ from those during normal trading hours, Some of these differences already exist in CBSX rules.

Specifically, the “Unusual Market Conditions” rule pertaining to trading halts for trading of IPRs and IPSs imposes different procedures during normal trading hours than it does during the 8:00 a.m. CT to 8:30 a.m. CT and 3:15 p.m. to 3:30 p.m. periods.⁷ This difference already existed in CBSX rules; the proposed rule change would adjust the time periods listed in Rule 52.3(c)(1).

CBSX rules also already included differences between normal trading hours and the non-normal trading periods in the numerical guidelines used to determine whether or not a trade qualifies as “clearly erroneous.” The proposed rule change would also adjust the time periods listed in Rule 52.4(c)(1).

Because the periods from 8:00 a.m. CT to 8:30 a.m. CT and 3:00 p.m. CT to 3:30 p.m. CT are not “normal trading hours,” CBSX DPMs will not be required to provide continuous quotes during these periods. The proposed rule change would amend Rule 53.56 to reflect this.

The Exchange represents that the later closing time will have no implications for CBSX systems. The Exchange represents that CBSX traders will have been notified of the time change via circular prior to the rule change taking effect.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”)⁸ and the rules and regulations thereunder and, in

⁷ See CBOE Rule 52.3(c)(1).

⁸ 15 U.S.C. 78s(b)(1).

particular, the requirements of Section 6(b) of the Act.⁹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁰ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest. Permitting trading until later in the day will permit investors greater opportunity to participate in the market, thereby removing an impediment to trading.

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

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

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

The Exchange neither solicited nor received comments on the proposal.

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

Because the foregoing rule does not (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change or such shorter time as designated by the Commission, the proposed

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6) thereunder.¹² At any time within 60 days of the filing of such 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-2010-004 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2010-004. 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

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

(<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-2010-004 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.¹³

Elizabeth M. Murphy
Secretary

Dated: _____

¹³ 17 CFR 200.30-3(a)(12).