

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="18"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2010"/> - * <input type="text" value="046"/>	Amendment No. (req. for Amendments *) <input type="text"/>
---	--	---	--

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 checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
---	---

Description
Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *).

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 * <input type="text" value="Jenny"/>	Last Name * <input type="text" value="Klebes"/>
Title * <input type="text" value="Senior Attorney"/>	
E-mail * <input type="text" value="klebes@cboe.com"/>	
Telephone * <input type="text" value="(312) 786-7466"/>	Fax <input type="text" value="(312) 786-7919"/>

Signature
Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date

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 (required)

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 (required)

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

(a) Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) proposes to amend certain rules pertaining to Credit Options. The text of the proposed rule change is provided below (additions are underlined; deletions are [bracketed]).

(b) Not applicable.

(c) Not applicable.

Chicago Board Options Exchange, Incorporated

Rules

* * * * *

Rule 29.1—Definitions

RULE 29.1. The following terms as used in this Chapter, shall unless the context otherwise indicates, have the meanings herein specified.

Cash Settlement Amount

(a) The term “cash settlement amount” means the amount of cash that a holder will receive upon exercise of the contract.

(i) For Credit Default Options, the cash settlement amount per contract is [generally equal to an] a fixed amount equal to the exercise settlement value [of \$100] multiplied by a contract multiplier specified by the Exchange (which shall be at least 1 and no more than 1,000). The exercise settlement value will be an amount determined by the Exchange on a class-by-class basis and shall be equal to \$1 or \$100, or a value between those values. [and] The cash settlement amount is payable upon automatic exercise if the Exchange confirms a Credit Event in accordance with Rule 29.9. If a Credit Event is not confirmed, the cash settlement value will be \$0. If applicable, the cash settlement amount will be adjusted in accordance with Rule 29.4.

(ii) No change.

(b) – (j) No change.

* * * * *

Rule 29.2—Designation of Credit Default Option Contracts

RULE 29.2.

(a) The Exchange may from time to time approve for listing and trading on the Exchange Credit Default Options that have been selected in accordance with Rule 5.3.11. Each Credit Default Option class is designated by reference to the Reference Entity, Reference Obligation and applicable Credit Event(s). The Exchange will specify one or more of the following [applicable] Credit Event(s): (1) [will include a] Failure-to-Pay Default; or [and may include any other] (2) Event(s) of Default; or (3) Restructuring [, if any, that is specified by the Exchange].

(b) – (c) No change.

Rule 29.2 supplements Rules 5.1, 5.3, 5.5 and 5.8.

Rule 29.2A—Designation and Terms of Credit Default Basket Option Contracts

RULE 29.2A.

(a) The Exchange may from time to time approve for listing and trading on the Exchange Credit Default Basket Options. Each Credit Default Basket Option class is designated by reference to:

- (1) the Notional Face Value of Basket (*e.g.*, \$100,000),
- (2) the Basket Components,
- (3) the weight of each Basket Component, which represents the fraction of the Notional Face Value of the Basket allocated to each Basket Component,
- (4) the recovery rate of each Basket Component,
- (5) the specified debt security that defines the Reference Obligation of each Basket Component (*e.g.*, Corporation XYZ 8.375% July 2033 bond), and
- (6) the applicable Credit Event(s). The Exchange will specify one or more of the following [applicable] Credit Event(s): [will include a] (A) Failure-to-Pay Default; or [and may include any other] (B) Event(s) of Default; or (C) Restructuring [, if any, that is specified by the Exchange].

(b) – (c) No change.

Rule 29.2A supplements Rules 5.1, 5.3, 5.5 and 5.8.

Rule 29.3—Withdrawal of Approval of Underlying Reference Entity

RULE 29.3.

The requirements for continuance of approval of Credit [Default] Options shall be in accordance with Rule 5.4.15.

* * * * *

Rule 29.14—Premium Bids and Offers; Minimum Increments; Priority and Allocation

RULE 29.14.

(a) Bids and offers shall be expressed in terms of dollars per the contract multiplier unit (*e.g.*, a bid of “7” shall represent a bid of \$7,000 for a Credit Option with a specified contract multiplier of 1,000).

(b) The minimum price variation (“MPV”) for bids and offers on both simple and complex orders for Credit Default Options and Credit Default Basket Options shall be [\$0.05 (\$50 per contract)] established on a class-by-class basis by the Exchange and shall not be less than \$0.01.

(c) – (d) No change.

* * * * *

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 May 14, 2010. 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 to Jenny L. Klebes, (312) 786-7466.

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

The Exchange received approval to list and trade Credit Default Options and Credit Default Basket Options (collectively “Credit Options”) in 2007, and is planning to re-launch these products.¹ In connection with the Exchange's planned re-launching of Credit Options, the Exchange will be introducing contracts that have a payout that is less than \$100,000.² In

¹ See Securities Exchange Act Release Nos. 55871 (June 6, 2007), 72 FR 32372 (June 12, 2007) (SR-CBOE-2006-84); 56275 (August 17, 2007), 72 FR 47097 (August 22, 2007).

² See Securities Exchange Act Release No. 56380 (September 10, 2007), 72 FR 52948 (September 17, 2007) (SR-CBOE-2007-105) (immediately effective filing pertaining to contract multiplier for Credit

addition, the Exchange would like to: (1) change the quoting convention for Credit Default Options, (2) change the minimum price variation for Credit Option, and (3) designate a single applicable Credit Event for Credit Options.

Quoting Convention and Minimum Price Variation Changes

When CBOE launched Credit Default Options, the Exchange designated the cash settlement amount to be \$100,000, which was equal to an exercise settlement value of \$100 multiplied by a contract multiplier of 1,000 (which was specified by the Exchange at listing).³ Because the exercise settlement value is currently fixed by rule at \$100,⁴ bids and offers for contracts are expressed in amounts ranging from \$0 (no bid) to \$100. The range of bids and offers is not hard coded into CBOE's rules and is a function of pricing options that have a fixed payout.⁵ To arrive at the total amount a bid or offer represents per contract, the bid or offer is multiplied by the contract multiplier. For example, if a Credit Default Option has a cash settlement amount of \$100,000 ($\$100 \times 1,000$), bids of \$0.05, \$45.15 and \$67.50 equate to premium amounts of \$50, \$45,150 and \$67,500, respectively.

CBOE proposes to change the quoting conventions for Credit Default Options by permitting the exercise settlement value to be an amount determined by the Exchange on a class-by-class basis and that would be equal to \$1 or \$100, or a value between those values. By permitting the Exchange to vary the exercise settlement value, the range of bids and offers would vary in tandem. For example, if the Exchange sets the exercise settlement value at \$10, bids and offers for that contract would range from \$0 (no bid) to \$10, and the total premium amount would be determined by multiplying the bid or offer by the contract

Default Options).

³ The Exchange may vary the particular contract multiplier on a class-by-class basis within a range of 1 to 1,000. See 29.1(a).

⁴ See Rule 29.1(a)(i).

⁵ The Exchange notes that with a fixed exercise settlement value of \$100, any quote above \$100 (*e.g.*, \$150) would not make economic sense since it would represent a premium cost ($\$150 \times 1,000 = \$150,000$) that exceeds than the exercise settlement amount of the contract ($\$100 \times 1,000 = \$100,000$).

multiplier.

In addition, by permitting the Exchange to set the exercise settlement value on a class-by-class basis, the Exchange would be able to list a contract having a cash settlement amount that could be arrived at in different ways. For example, for a Credit Default Option with a cash settlement amount of \$1,000, the Exchange could: (1) set the exercise settlement value at \$1 with a contract multiplier of \$1,000, (2) set the exercise settlement value at \$10 with a contract multiplier of 100, (3) set the exercise settlement value at \$100 with a contract multiplier of 10, or (4) set the exercise settlement value at \$1,000 with a contract multiplier of 1. The Exchange notes that it does not intend to list more than one Credit Default Option contract with a cash settlement amount arrived at in different ways. The Exchange notes that it has the discretion to set the exercise settlement value for binary options on a class-by-class and is seeking to introduce that same flexibility to Credit Default Options.⁶

The Exchange is also proposing to change the minimum price variation (“MPV”) for Credit Default Options. Currently, the MPV for bids and offers on both simple and complex orders for Credit Options is fixed at \$0.05.⁷ Similar to binary options, the Exchange would like to build in the flexibility to establish the MPV on a class-by-class basis at an increment not less than \$0.01.⁸ The ability to designate \$0.01 as the MPV would permit more pricing points than is currently allowed and would allow for more granular pricing points when lower exercise settlement values are designated. The Exchange believes that the introduction of more pricing points creates tighter spreads between quotes, which in turn benefits investors. For example, if the Exchange designates the exercise settlement value as \$1 bids and offers for that contract would range from \$0 (no bid) to \$1 and only 20 price points

⁶ See Rule 22.1(e).

⁷ See Rule 29.14(b).

⁸ See Rule 22.13(b).

would be available since the MPV is \$0.05 (\$0.05, \$0.10, etc.). If the MPV is \$0.01 and the designated exercise settlement value is \$1, there would be 100 price points available for quoting. The Exchange notes that it has the discretion to establish the MPV on a class-by-class basis for binary options and believes that permitting more price points for options having a lower exercise settlement value will benefit market participants.

Designation of Single Credit Event Change

Currently, CBOE Rules 29.2, Designation of Credit Default Options, and 29.2A, Designation of Credit Default Basket Option Contracts, provide that a failure-to-pay default will always be a designated Credit Event for Credit Options. In addition, the Exchange may designate other event(s) of default and/or restructuring as Credit Events. The Exchange believes that there may be a market for Credit Options that specify a single Credit Event (*e.g.*, bankruptcy as defined in accordance with the terms of the Relevant Obligation(s)) and is therefore proposing to provide the Exchange with the ability to designate a single Credit Event. To make this change, the Exchange is proposing revisions to Rules 29.2(a) and 29.2A(a)(6) respectively.

Technical Change

The Exchange is also proposing to make a technical, non-substantive change to Rule 29.3.

Capacity

CBOE has analyzed its capacity and represents that it believes the Exchange and the Options Price Reporting Authority have the necessary systems capacity to handle the additional traffic associated with the ability to designate \$0.01 as the MPV for Credit Options. The Exchange does not believe that this change will lead to a proliferation of quotes and notes that the change will affect one series a product and not multiple series (*i.e.*,

various strikes) since Credit Options do not have strikes.

(b) Statutory Basis

The Exchange believes this rule proposal is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations under the Act applicable to a national securities exchange and, in particular, the requirements of Section 6(b) of the Act.⁹ Specifically, the Exchange believes that the proposed rule change is consistent with the Section 6(b)(5) Act¹⁰ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and, in general, to protect investors and the public interest, and thereby will provide investors with additional tools to hedge risk and tailor their investment needs.

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

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

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

No written comments were solicited or received with respect to the proposed rule change.

Item 6. Extension of Time Period for Commission Action

The Exchange does not consent to an extension of the time period specified in Section 19(b)(2) of the Act¹¹ for Commission consideration of the proposed rule change.

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

Not applicable.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ 15 U.S.C. 78s(b)(2).

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

This proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

Item 9. Exhibits

Exhibit 1. Form of Notice of Proposed Rule Change for Publication in the Federal Register

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-CBOE-2010-046)

Dated: _____

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Proposed Rule Change to Amend Certain Rules Pertaining to Credit Options

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 _____, 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 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

CBOE proposes to amend certain rules pertaining to Credit Options. The text of the rule proposal 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

The Exchange received approval to list and trade Credit Default Options and Credit Default Basket Options (collectively “Credit Options”) in 2007, and is planning to re-launch these products.³ In connection with the Exchange's planned re-launching of Credit Options, the Exchange will be introducing contracts that have a payout that is less than \$100,000.⁴ In addition, the Exchange would like to: (1) change the quoting convention for Credit Default Options, (2) change the minimum price variation for Credit Option, and (3) designate a single applicable Credit Event for Credit Options.

Quoting Convention and Minimum Price Variation Changes

When CBOE launched Credit Default Options, the Exchange designated the cash settlement amount to be \$100,000, which was equal to an exercise settlement value of \$100 multiplied by a contract multiplier of 1,000 (which was specified by the Exchange at listing).⁵ Because the exercise settlement value is currently fixed by rule at \$100,⁶ bids and offers for contracts are expressed in amounts ranging from \$0 (no bid) to \$100. The range of bids and offers is not hard coded into CBOE's rules and is a function of pricing options that

³ See Securities Exchange Act Release Nos. 55871 (June 6, 2007), 72 FR 32372 (June 12, 2007) (SR-CBOE-2006-84); 56275 (August 17, 2007), 72 FR 47097 (August 22, 2007).

⁴ See Securities Exchange Act Release No. 56380 (September 10, 2007), 72 FR 52948 (September 17, 2007) (SR-CBOE-2007-105) (immediately effective filing pertaining to contract multiplier for Credit Default Options).

⁵ The Exchange may vary the particular contract multiplier on a class-by-class basis within a range of 1 to 1,000. See 29.1(a).

⁶ See Rule 29.1(a)(i).

have a fixed payout.⁷ To arrive at the total amount a bid or offer represents per contract, the bid or offer is multiplied by the contract multiplier. For example, if a Credit Default Option has a cash settlement amount of \$100,000 ($\$100 \times 1,000$), bids of \$0.05, \$45.15 and \$67.50 equate to premium amounts of \$50, \$45,150 and \$67,500, respectively.

CBOE proposes to change the quoting conventions for Credit Default Options by permitting the exercise settlement value to be an amount determined by the Exchange on a class-by-class basis and that would be equal to \$1 or \$100, or a value between those values. By permitting the Exchange to vary the exercise settlement value, the range of bids and offers would vary in tandem. For example, if the Exchange sets the exercise settlement value at \$10, bids and offers for that contract would range from \$0 (no bid) to \$10, and the total premium amount would be determined by multiplying the bid or offer by the contract multiplier.

In addition, by permitting the Exchange to set the exercise settlement value on a class-by-class basis, the Exchange would be able to list a contract having a cash settlement amount that could be arrived at in different ways. For example, for a Credit Default Option with a cash settlement amount of \$1,000, the Exchange could: (1) set the exercise settlement value at \$1 with a contract multiplier of \$1,000, (2) set the exercise settlement value at \$10 with a contract multiplier of 100, (3) set the exercise settlement value at \$100 with a contract multiplier of 10, or (4) set the exercise settlement value at \$1,000 with a contract multiplier of 1. The Exchange notes that it does not intend to list more than one Credit Default Option contract with a cash settlement amount arrived at in different ways. The Exchange notes that

⁷ The Exchange notes that with a fixed exercise settlement value of \$100, any quote above \$100 (*e.g.*, \$150) would not make economic sense since it would represent a premium cost ($\$150 \times 1,000 = \$150,000$) that exceeds than the exercise settlement amount of the contract ($\$100 \times 1,000 = \$100,000$).

it has the discretion to set the exercise settlement value for binary options on a class-by-class and is seeking to introduce that same flexibility to Credit Default Options.⁸

The Exchange is also proposing to change the minimum price variation (“MPV”) for Credit Default Options. Currently, the MPV for bids and offers on both simple and complex orders for Credit Options is fixed at \$0.05.⁹ Similar to binary options, the Exchange would like to build in the flexibility to establish the MPV on a class-by-class basis at an increment not less than \$0.01.¹⁰ The ability to designate \$0.01 as the MPV would permit more pricing points than is currently allowed and would allow for more granular pricing points when lower exercise settlement values are designated. The Exchange believes that the introduction of more pricing points creates tighter spreads between quotes, which in turn benefits investors. For example, if the Exchange designates the exercise settlement value as \$1 bids and offers for that contract would range from \$0 (no bid) to \$1 and only 20 price points would be available since the MPV is \$0.05 (\$0.05, \$0.10, etc.). If the MPV is \$0.01 and the designated exercise settlement value is \$1, there would be 100 price points available for quoting. The Exchange notes that it has the discretion to establish the MPV on a class-by-class basis for binary options and believes that permitting more price points for options having a lower exercise settlement value will benefit market participants.

Designation of Single Credit Event Change

Currently, CBOE Rules 29.2, Designation of Credit Default Options, and 29.2A, Designation of Credit Default Basket Option Contracts, provide that a failure-to-pay default will always be a designated Credit Event for Credit Options. In addition, the Exchange may designate other event(s) of default and/or restructuring as Credit Events. The Exchange

⁸ See Rule 22.1(e).

⁹ See Rule 29.14(b).

¹⁰ See Rule 22.13(b).

believes that there may be a market for Credit Options that specify a single Credit Event (e.g., bankruptcy as defined in accordance with the terms of the Relevant Obligation(s)) and is therefore proposing to provide the Exchange with the ability to designate a single Credit Event. To make this change, the Exchange is proposing revisions to Rules 29.2(a) and 29.2A(a)(6) respectively.

Technical Change

The Exchange is also proposing to make a technical, non-substantive change to Rule 29.3.

Capacity

CBOE has analyzed its capacity and represents that it believes the Exchange and the Options Price Reporting Authority have the necessary systems capacity to handle the additional traffic associated with the ability to designate \$0.01 as the MPV for Credit Options. The Exchange does not believe that this change will lead to a proliferation of quotes and notes that the change will affect one series a product and not multiple series (i.e., various strikes) since Credit Options do not have strikes.

2. Statutory Basis

The Exchange believes this rule proposal is consistent with the Act and the rules and regulations under the Act applicable to a national securities exchange and, in particular, the requirements of Section 6(b) of the Act.¹¹ Specifically, the Exchange believes that the proposed rule change is consistent with the Section 6(b)(5) Act¹² requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and, in general, to protect investors and the public interest,

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

and thereby will provide investors with additional tools to hedge risk and tailor their investment needs.

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

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve such proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

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-2010-046 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-2010-046. 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-2010-046 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated

authority.¹³

Dated: _____

Florence E. Harmon
Deputy Secretary

¹³

17 CFR 200.30-3(a)(12).