

OMB APPROVAL

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

File No. SR - 2010 - 047

Amendment No.

Proposed Rule Change by Chicago Board Options Exchange
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial <input checked="" type="checkbox"/>	Amendment <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input checked="" type="checkbox"/>	Section 19(b)(3)(A) <input type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
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Pilot <input checked="" type="checkbox"/>	Extension of Time Period for Commission Action <input type="checkbox"/>	Date Expires <input type="text"/>
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Rule

<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
<input 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"/>
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Description

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

The Exchange is proposing to amend its trading procedures in order to adopt procedures for individual stock trading pauses for certain stocks traded on CBSX. These procedures would be in effect during a pilot period ending December 10, 2010.

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="Jennifer"/>	Last Name	<input type="text" value="Lamie"/>
Title	<input type="text" value="Assistant General Counsel"/>		
E-mail	<input type="text" value="lamie@cboe.com"/>		
Telephone	<input type="text" value="(312) 786-7576"/>	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	<input type="text" value="05/18/2010"/>
By	<input type="text" value="Jennifer M. Lamie"/>
	(Name)
	<input type="text" value="Assistant Secretary"/>
	(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.

Jennifer lamie, lamie@cboe.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF 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

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 Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

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 Sent As Paper Document

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) The Chicago Board Options Exchange, Incorporated (“CBOE” or the “Exchange”) is proposing to amend trading procedures on a pilot basis for certain stocks traded on the CBOE Stock Exchange (“CBSX”), the CBOE’s stock trading facility. The text of the proposed rule change is provided below (additions are underlined and deletions are [bracketed]).

* * * * *
Chicago Board Options Exchange, Incorporated
Rules
* * * * *

Rule 6.3B - Marketwide Trading Halts Due to Extraordinary Market Volatility
RULE 6.3B. The Exchange shall halt trading in all securities whenever a marketwide trading halt commonly known as a circuit breaker is initiated on the New York Stock Exchange in response to extraordinary market conditions.

... Interpretations and Policies:

.01 Upon reopening, a rotation shall be held in each class of options unless two Floor Officials (or an Order Book Official acting upon authorization from a senior Exchange official) conclude that a different method of reopening is appropriate under the circumstances, including but not limited to, no rotation, an abbreviated rotation or any other variation in the manner of the rotation.

.02 Nothing in this Rule shall be construed to limit the ability of the Exchange to halt or suspend trading in any security or securities traded on the Exchange pursuant to any other Exchange rule or policy.

Rule 6.3C - Individual Stock Trading Pause Due to Extraordinary Market Volatility
RULE 6.3C. If a primary listing market issues an individual stock trading pause in any of the Circuit Breaker Stocks, as defined in Interpretation and Policy .03 of this Rule, the Exchange will halt trading in that stock until trading has resumed on the primary listing market. If, however, trading has not resumed on the primary listing market after ten minutes have passed since the individual stock trading pause message has been received from the responsible single plan processor, the Exchange may resume trading in such stock.

... Interpretations and Policies:

.01 Upon reopening, a rotation shall be held in the individual stock unless the Exchange concludes that a different method of reopening is appropriate under the circumstances, including but not limited to, no rotation, an abbreviated rotation or any other variation in the manner of the rotation.

.02 Nothing in this Rule shall be construed to limit the ability of the Exchange to halt or suspend trading in any security or securities traded on the Exchange pursuant to any other Exchange rule or policy.

.03 The provisions of this Rule shall be in effect during a pilot period ending December 10, 2010. For the pilot period, the term “Circuit Breaker Stocks” shall mean the stocks included in the S&P 500 Index.

* * * * *
 Rule 52.3 – Unusual Market Conditions
 * * * * *

... Interpretations and Policies:

.01 The Exchange will pause trading in an individual stock in accordance with Rule 6.3C.

* * * * *

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The CBOE’s Office of the Chairman pursuant to delegated authority approved the proposed rule change on May 18, 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 Jennifer Lamie, (312) 786-7576.

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

(a) Purpose

The primary listing markets for U.S. stocks are in the process of amending their rules so that they may, from time to time, issue a trading pause for an individual stock if the price of such stock moves 10% or more from a sale in a preceding five-minute period. The Exchange is proposing the rule change described below in consultation with U.S. listing markets and Securities and Exchange Commission (“Commission”) staff to provide for uniform market-wide trading pause standards for individual stocks in the S&P 500 Index that experience rapid price movement, as set forth below. The Exchange is not currently the primary listing market for any stocks, and thus, will not be issuing any trading pauses pursuant to its rules.

The Exchange proposes to add a new Rule 6.3C to allow CBSX to halt trading in an individual stock when the primary listing market for such stock issues a trading pause in any Circuit Breaker Stocks, as defined below and in proposed Rule 6.3C.03. CBSX will resume trading once trading has resumed on the primary listing market. If, however, trading has not resumed on the primary listing market after ten minutes have passed since the individual stock trading pause message has been received from the responsible single plan processor, CBSX may resume trading in such stock.

The proposed rule would apply to trading pauses issued by primary listing markets in “Circuit Breaker Stocks,” as defined in proposed Rule 6.3C.03. Specifically, on a pilot basis, set to end on December 10, 2010, Circuit Breaker Stocks would mean the stocks included in the S&P 500 Index. Thus, proposed Rule 6.3C would be in effect only with respect to stocks in the S&P 500 Index.

Upon reopening, a rotation shall be held in the individual stock on CBSX unless the Exchange concludes that a different method of reopening is appropriate under the circumstances, including but not limited to, no rotation, an abbreviated rotation or any other variation in the manner of the rotation. Lastly, nothing in the proposed Rule shall be construed to limit the ability of the Exchange to halt or suspend trading in any security or securities traded on the Exchange pursuant to any other Exchange rule or policy.

In addition to adding a new Rule 6.3C, the Exchange has also proposed minor changes to Rules 6.2B and 52.3. To make clear that the existing trading halt described in Rule 6.2B applies to all stocks traded on the Exchange, the Exchange has added the word “marketwide” to the title of Rule 6.2B. Finally, the Exchange has proposed to include a cross-reference to proposed Rule 6.2C in Rule 52.3.

(b) Statutory Basis

Approval of the rule change proposed in this submission is consistent with the requirements of the Securities Exchange Act of 1934, as amended (the “Act”) and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.¹ In particular, the proposed change is consistent with Section 6(b)(5) of the Act,² because it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest. The proposed rule change is also designed to support the principles of Section 11A(a)(1)³ of the Act in that it seeks to assure fair competition among brokers and dealers and among exchange markets. The Exchange believes that the proposed rule meets these requirements in that it promotes transparency and uniformity across markets concerning decisions to pause trading in a stock when there are significant price movements.

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.

¹ 15 U.S.C. 78f(b).

² 15 U.S.C. 78f(b)(5).

³ 15 U.S.C. 78k-1(a)(1).

Item 6. Extension of Time Period for Commission Action

The Exchange 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 Exchange requests that the Commission approve the proposed rule change on an accelerated basis pursuant to Section 19(b)(2) of the Act so that the amended Rule is operative when the primary listing markets have the authority to issue individual trading pauses pursuant to new, coordinated rules. The Exchange believes that this amendment will increase transparency and uniformity regarding decisions to pause trading and reduce the negative impacts of sudden, unanticipated price movements in individual S&P 500 stocks. In particular, the Exchange is proposing to adopt this rule filing to address the type of sudden price declines that the market experienced on the afternoon of May 6, 2010. As such, the Exchange does not believe that the proposal should be delayed, pending a brief implementation period for the markets, so that it may become operative on June 7, 2010, and fully rolled out across all eligible stocks by June 14, 2010.

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

The proposed rule change is based on the proposed rules of the primary listing markets.

Item 9. Exhibits

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

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-CBOE-2010-047)

Dated: _____

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing of a Proposed Rule Change Related to Individual Stock Trading Pauses Due to Extraordinary Market Volatility

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 (the “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

The Exchange is proposing to amend trading procedures on a pilot basis for certain stocks traded on the CBOE Stock Exchange (“CBSX”), the CBOE’s stock trading facility. The text of the proposed rule change is available on the Exchange’s website (<http://www.cboe.org/Legal>), at the Office of the Secretary, CBOE 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

The primary listing markets for U.S. stocks are in the process of amending their rules so that they may, from time to time, issue a trading pause for an individual stock if the price of such stock moves 10% or more from a sale in a preceding five-minute period. The Exchange is proposing the rule change described below in consultation with U.S. listing markets and Commission staff to provide for uniform market-wide trading pause standards for individual stocks in the S&P 500 Index that experience rapid price movement, as set forth below. The Exchange is not currently the primary listing market for any stocks, and thus, will not be issuing any trading pauses pursuant to its rules.

The Exchange proposes to add a new Rule 6.3C to allow CBSX to halt trading in an individual stock when the primary listing market for such stock issues a trading pause in any Circuit Breaker Stocks, as defined below and in proposed Rule 6.3C.03. CBSX will resume trading once trading has resumed on the primary listing market. If, however, trading has not resumed on the primary listing market after ten minutes have passed since the individual stock trading pause message has been received from the responsible single plan processor, CBSX may resume trading in such stock.

The proposed rule would apply to trading pauses issued by primary listing markets in "Circuit Breaker Stocks," as defined in proposed Rule 6.3C.03. Specifically, on a pilot basis, set to end on December 10, 2010, Circuit Breaker Stocks would mean the stocks included in

the S&P 500 Index. Thus, proposed Rule 6.3C would be in effect only with respect to stocks in the S&P 500 Index.

Upon reopening, a rotation shall be held in the individual stock on CBSX unless the Exchange concludes that a different method of reopening is appropriate under the circumstances, including but not limited to, no rotation, an abbreviated rotation or any other variation in the manner of the rotation. Lastly, nothing in the proposed Rule shall be construed to limit the ability of the Exchange to halt or suspend trading in any security or securities traded on the Exchange pursuant to any other Exchange rule or policy.

In addition to adding a new Rule 6.3C, the Exchange has also proposed minor changes to Rules 6.2B and 52.3. To make clear that the existing trading halt described in Rule 6.2B applies to all stocks traded on the Exchange, the Exchange has added the word “marketwide” to the title of Rule 6.2B. Finally, the Exchange has proposed to include a cross-reference to proposed Rule 6.2C in Rule 52.3.

2. Statutory Basis

Approval of the rule change proposed in this submission is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.³ In particular, the proposed change is consistent with Section 6(b)(5) of the Act,⁴ because it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest. The proposed rule change is also designed

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(5).

to support the principles of Section 11A(a)(1)⁵ of the Act in that it seeks to assure fair competition among brokers and dealers and among exchange markets. The Exchange believes that the proposed rule meets these requirements in that it promotes transparency and uniformity across markets concerning decisions to pause trading in a stock when there are significant price movements.

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 35 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.

⁵ 15 U.S.C. 78k-1(a)(1).

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-2010-047 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-2010-047. 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-2010-047 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.⁶

Dated: _____

Florence E. Harmon
Deputy Secretary

⁶ 17 CFR 200.30-3(a)(12).