

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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Form 19b-4 Information

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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

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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

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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

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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

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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

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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

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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 its rules to clarify the applicability of various order types on the Exchange. The text of the proposed rule change is provided below (additions are underlined and deletions are [bracketed]).

* * * * *

Chicago Board Options Exchange, Incorporated
Rules

* * * * *

Rule 6.53 - Certain Types of Orders Defined

RULE 6.53. One or more of the following order types may be made available on a class-by-class basis. Certain order types may not be made available for all Exchange systems. The classes and/or systems for which the order types shall be available will be as provided in the Rules, as the context may indicate, or as otherwise specified via Regulatory Circular.

(a) *Market Order*. A market order is an order to buy or sell a stated number of option contracts and is to be executed at the best price obtainable when the order reaches the post.

(b) *Limit Order*. A limit order is an order to buy or sell a stated number of option contracts at a specified price, or better.

(c) *Contingency Order*. A contingency order is a limit or market order to buy or sell that is contingent upon a condition being satisfied while the order is at the post.

(i) *Market-if-touched order*. A market-if-touched (MIT) order is a contingency order to buy or sell when the market for a particular option contract reaches a specified price. An MIT order to buy becomes a market order when the option contract trades at or below the order price. An MIT order to sell becomes a market order when the option contract trades at or above the order price.

(ii) *Market-on-close order*. A market or limit order may be designated a market-on-close order to be executed as close as possible to the closing bell, or during the closing rotation, and should be near to or at the closing price for the particular series of option contracts.

(iii) *Stop (stop-loss) order*. A stop order is a contingency order to buy or sell when the market for a particular option contract reaches a specified price on the CBOE floor. A stop order to buy becomes a market order when the option contract trades or is bid at or above the stop price on the CBOE floor. A stop order to sell becomes a market order when the option contract trades or is offered at or below the stop-limit price on the CBOE floor.

(iv) *Stop-limit order*. A stop-limit order is a contingency order to buy or sell when the market for a particular option contract reaches a specified price. A stop order to buy becomes a limit order when the option contract trades or is bid at or above the stop-limit price. A stop-limit order to sell becomes a limit order when the option contract trades or is offered at or below the stop-limit price.

(d) *Spread Order*. A spread order is an order to buy a stated number of option contracts and to sell the same number of option contracts, or contracts representing the same number of shares at option, of the same class of options.

- (e) *Combination Order*. A combination order is an order involving a number of call option contracts and the same number of put option contracts in the same underlying security. In the case of adjusted option contracts, a combination order need not consist of the same number of put and call contracts if such contracts both represent the same number of shares at option.
- (f) *Straddle Order*. A straddle order is an order to buy a number of call option contracts and the same number of put option contracts on the same underlying security which contracts have the same exercise price and expiration date; or an order to sell a number of call option contracts and the same number of put option contracts on the same underlying security which contracts have the same exercise price and expiration date. (E.g., an order to buy two XYZ July 50 calls and to buy two July 50 XYZ puts is a straddle order.) In the case of adjusted option contracts, a straddle order need not consist of the same number of put and call contracts if such contracts both represent the same number of shares at option.
- (g) *Not Held Order*. A not held order is an order marked “not held”, “take time” or which bears any qualifying notation giving discretion as to the price or time at which such order is to be executed.
- (h) *One-Cancels-the-Other (OCO) Order*. A one-cancels-the-other order consists of two or more orders treated as a unit. The execution of any one of the orders causes the others to be cancelled.
- (i) *All-or-None Order*. An all-or-none order is a market or limit order which is to be executed in its entirety or not at all.
- (j) *Fill-or-Kill Order*. A fill-or-kill order is an order which is to be executed in its entirety as soon as it is represented in the trading crowd, and such order, if not so executed, is to be treated as cancelled.
- (k) *Immediate-or-Cancel Order*. An immediate-or-cancel order is a market or limit order which is to be executed in whole or in part as soon as such order is represented in the trading crowd. Any portion not so executed is to be treated as cancelled.
- (l) *Opening Rotation Order*. An opening rotation order is a market order which is to be executed in whole or in part during the opening rotation of an option series or not at all. Any portion not so executed is to be treated as cancelled.
- (m) *Facilitation Order*. A facilitation order is an order which is only to be executed in whole or in part in a cross transaction with an order for a public customer of the member organization and which is clearly designated as a facilitation order.
- (n) *Ratio Order*. A Ratio Order is a spread, straddle, or combination order in which the stated number of option contracts to buy (sell) is not equal to the stated number of option contracts to sell (buy), provided that the number of contracts differ by a permissible ratio. For purposes of this section, a permissible ratio is any ratio that is equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00). For example, a one-to-two (.5) ratio, a two-to-three (.667) ratio, or a two-to-one (2.00) ratio is permissible, whereas a one-to-four (.25) ratio or a four-to-one (4.0) ratio is not.
- (o) *Attributable Order*. An attributable order is a market or limit order which displays the user firm ID for purposes of electronic trading on the Exchange. Use of attributable orders is voluntary. [Attributable orders may not be available for all Exchange systems. The Exchange will issue a Regulatory Circular specifying the systems (e.g. Complex Order Auction, Hybrid Agency Liaison, etc.) for which the attributable order-type shall be available.]

(p) *Intermarket Sweep Order*. An intermarket sweep order (ISO) shall have the meaning set forth in Rule 6.80. ISOs shall not be processed pursuant to Rules 6.14 and 6.14A. ISOs that are not designated as immediate or cancel shall book if not executed upon receipt.

(q) *AIM Sweep Order*. An AIM sweep order (AIM ISO) is the transmission of two orders for crossing pursuant to Rule 6.74A without regard for better priced Protected Bids/Offers (as defined in Rule 6.80) because the member transmitting the AIM ISO to the Exchange has, simultaneously with the routing of the AIM ISO, routed one or more ISOs, as necessary, to execute against the full displayed size of any Protected Bid/Offer that is superior to the starting AIM auction price and has swept all interest in the Exchange's book priced better than the proposed auction starting price. Any execution(s) resulting from such sweeps shall accrue to the AIM Agency Order.

(r) *Sweep and AIM Order*. A sweep and AIM order is the transmission of two orders for crossing pursuant to Rule 6.74A with an auction starting price that does not need to be within the Exchange's best bid and offer and where the Exchange will "sweep" all Protected Bids/Offers (as defined in Rule 6.80) by routing one or more ISOs, as necessary, to execute against the full displayed size of any Protected Bid/Offer that is superior to the starting AIM auction price, as well as sweep all interest in the Exchange's book priced better than the proposed auction starting price concurrent with the commencement of the AIM auction with any execution(s) resulting from such sweeps accruing to the AIM Agency Order.

(s) *CBOE-Only Order*. A CBOE-only order is an order to buy or sell that is to be executed in whole or in part on the Exchange without routing the order to another market center and that is to be cancelled if routing would be required under the Exchange's Rules.

(t) *Reserve Order*. A reserve order is a limit order that has both a displayed size as well as an additional non-displayed amount. Both the displayed and non-displayed portions of the reserve order are available for potential execution against incoming orders. If the displayed portion of a reserve order is fully executed, the System will replenish the displayed portion from reserve up to the size of the original display amount. A new timestamp is created for the replenished portion of the order each time it is replenished from reserve, while the reserve portion retains the time-stamp of its original entry.

* * * * *

(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 April 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 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 Exchange proposes to modify Rule 6.53, Certain Types of Orders Defined, to clarify that one or more of the various order types may be made available on a class-by-class basis.¹ The proposed text would also clarify that certain order types may not be made available for all Exchange systems. The classes and/or systems for which the order types shall be available will be as provided in the Rules, as the context may indicate, or as otherwise specified via Regulatory Circular generally at least one day in advance.

The proposed rule change provides additional clarity and consistency in our rules, which already provide in various places that the Exchange may designate the eligible order types on a class-by-class basis for various systems/processes. For example, the proposed change is consistent with Rules 6.13A, Simple Auction Liaison (SAL), 6.14A, Hybrid Agency Liaison 2 (HAL2), and 6.53C(d), Process for Complex Order RFR Auction ("COA"), which provide that the Exchange, among other things, shall designate the eligible order types and classes in which SAL, HAL2 or COA will be activated. As another example, Rule 6.53(o), Attributable Order, provides that attributable orders may not be available for all Exchange systems and the Exchange will issue a Regulatory Circular specifying the systems for which the attributable order type shall be available.

¹ Rule 6.53 sets out definitions for the following order types: market order; limit order; contingency order (market-if-touched order, market-on-close order, stop (stop-loss) order, stop-limit order); spread order; combination order; straddle order; not held order; one-cancels-the-other order; all-or-none order; fill-or-kill order; immediate-or-cancel order; opening rotation order; facilitation order; ratio order; attributable order; intermarket sweep order; AIM sweep order; sweep and AIM order; CBOE-only order; and reserve order.

(b) Statutory Basis

The basis under the Securities Exchange Act of 1934 (the “Act”) for this proposed rule change is the requirement under Section 6(b)(5)² that an exchange have rules that are designed to promote just and equitable principles of trade, and to remove impediments to and perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest. In particular, the Exchange believes the proposed change would provide more clarity on the applicability of eligible order types in a manner that is consistent with other provisions in the existing CBOE rules.

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

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

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

The Exchange neither solicited nor received comments on the proposal.

Item 6. Extension of Time Period for Commission Action

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

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

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

² 15 U.S.C. 78f(b)(5).

³ 15 U.S.C. 78s(b)(3)(A).

(b) The Exchange asserts that the proposed rule change 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 after 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. Additionally, the Exchange has given the Commission written notice of its intent to file the proposed rule change prior to the date of the filing of the proposed rule change. For the foregoing reasons, the proposed rule change qualifies as a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Act.⁴

The Exchange requests that the Commission waive the 30-day period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. The Exchange believes that the proposed rule change would provide more clarity on the applicability of eligible order types in a manner that is consistent with other provisions in the existing CBOE rules. As a result, the Exchange also believes that the proposed rule change does not present any new, unique or substantive issues that make the 30-day operative delay specified in Rule 19b-4(f)(6) necessary.

(c) Not applicable.

(d) Not applicable.

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

Not applicable.

Item 9. Exhibits

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

⁴ 17 CFR 240.19b-4(f)(6).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-CBOE-2010-049)

Dated: _____

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to Eligible Order Types

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 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 is proposing to amend its rules to clarify the applicability of various order types on the Exchange. 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.

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).

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

The Exchange proposes to modify Rule 6.53, Certain Types of Orders Defined, to clarify that one or more of the various order types may be made available on a class-by-class basis.⁵ The proposed text would also clarify that certain order types may not be made available for all Exchange systems. The classes and/or systems for which the order types shall be available will be as provided in the Rules, as the context may indicate, or as otherwise specified via Regulatory Circular generally at least one day in advance.

The proposed rule change provides additional clarity and consistency in our rules, which already provide in various places that the Exchange may designate the eligible order types on a class-by-class basis for various systems/processes. For example, the proposed change is consistent with Rules 6.13A, Simple Auction Liaison (SAL), 6.14A, Hybrid

⁵ Rule 6.53 sets out definitions for the following order types: market order; limit order; contingency order (market-if-touched order, market-on-close order, stop (stop-loss) order, stop-limit order); spread order; combination order; straddle order; not held order; one-cancels-the-other order; all-or-none order; fill-or-kill order; immediate-or-cancel order; opening rotation order; facilitation order; ratio order; attributable order; intermarket sweep order; AIM sweep order; sweep and AIM order; CBOE-only order; and reserve order.

Agency Liaison 2 (HAL2), and 6.53C(d), Process for Complex Order RFR Auction

(“COA”), which provide that the Exchange, among other things, shall designate the eligible order types and classes in which SAL, HAL2 or COA will be activated. As another example, Rule 6.53(o), Attributable Order, provides that attributable orders may not be available for all Exchange systems and the Exchange will issue a Regulatory Circular specifying the systems for which the attributable order type shall be available.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)⁶ that an exchange have rules that are designed to promote just and equitable principles of trade, and to remove impediments to and perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest. In particular, the Exchange believes the proposed change would provide more clarity on the applicability of eligible order types in a manner that is consistent with other provisions in the existing CBOE rules.

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

⁶ 15 U.S.C. 78f(b)(5).

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 rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁷ and Rule 19b-4(f)(6) thereunder.⁸ 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-2010-049 on the subject line.

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f)(6).

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-2010-049. 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-2010-049 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.⁹

Florence E. Harmon
Deputy Secretary

Dated: _____

⁹ 17 CFR 200.30-3(a)(12).