

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

Proposal to Delete Obsolete Rule (CBOE Rule 2.50).

**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="Arthur"/>	Last Name	<input type="text" value="Reinstein"/>
Title	<input type="text" value="Deputy General Counsel"/>		
E-mail	<input type="text" value="reinstei@cboe.com"/>		
Telephone	<input type="text" value="(312) 786-7570"/>	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="06/21/2010"/>
By	<input type="text" value="Kerry Ann P. Adler"/>
	(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.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

**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 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**

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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.

1. Text of Proposed Rule Change

(a) Chicago Board Options Exchange, Incorporated ("Exchange" or "CBOE") is filing this proposed rule change to delete CBOE Rule 2.50 in connection with a change in the parent company of C2 Options Exchange, Incorporated ("C2") from CBOE to CBOE Holdings, Inc. ("CBOE Holdings"). The text of the proposed rule change is provided below:

(Changes are indicated by [bracketing deletions].)

\* \* \* \* \*

**CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED  
RULES**

\* \* \* \* \*

**[Rule 2.50. Policy with Respect to C2 Options Exchange, Incorporated**

C2 Options Exchange, Incorporated ("C2") will be and remain a self-regulatory organization registered under Section 6 of the Exchange Act and as such will have statutory authority and responsibility concerning, among other things, the operation of its market and regulation of its members. As the parent company with 100% controlling interest in C2, the Exchange will be responsible for ensuring that C2 meets its obligations as a self-regulatory organization. It will be the policy of the Exchange that in discharging that responsibility the Exchange will be governed by the following principles:

1. The Exchange will exercise its powers and its managerial influence to ensure that C2 fulfills its self-regulatory obligations by:

Directing C2 to take action necessary to effectuate its purposes and functions as a national securities exchange operating pursuant to the Exchange Act; and ensuring that C2 has and appropriately allocates such financial, technological, technical, and personnel resources as may be necessary or appropriate to meet its obligations under the Exchange Act.

2. The Exchange will refrain from taking any action with respect to C2 that, to the best of its knowledge, would impede, delay, obstruct, or conflict with efforts by C2 to carry out its self-regulatory obligations under the Exchange Act and the rules and regulations thereunder.]

\* \* \* \* \*

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

(a) The CBOE's Office of the Chairman, acting pursuant to delegated authority, approved the proposed rule change on June 18, 2010. No further action is required.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, Executive Vice President, General Counsel and Corporate Secretary, Chicago Board Options Exchange, Incorporated, 400 South LaSalle, Chicago, IL 60605, (312) 786-7462, or to Arthur Reinstein, (312) 786-7570.

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

(a) Purpose

The Securities and Exchange Commission ("Commission") has approved a rule filing by CBOE to accommodate the demutualization and restructuring of CBOE from a Delaware non-stock corporation to a Delaware stock corporation wholly-owned by CBOE Holdings, a holding company organized as a Delaware stock corporation ("Restructuring Transaction").<sup>1</sup> The Restructuring Transaction was consummated on June 18, 2010. The Commission has also approved a rule filing by C2 to accommodate a change in its parent company from CBOE to CBOE Holdings in connection with the Restructuring Transaction.<sup>2</sup> C2 became a wholly-owned subsidiary of CBOE Holdings on June 18, 2010 in connection with the consummation of the Restructuring Transaction.

CBOE is now proposing to delete CBOE Rule 2.50 because it addresses CBOE's responsibility as the prior parent company of C2 for ensuring that C2 meets its obligations as a self-regulatory organization. Since CBOE is no longer the parent company of C2, CBOE Rule 2.50 is no longer applicable. Additionally, equivalent protections to those set forth in CBOE Rule 2.50 are contained in the CBOE Holdings Certificate of Incorporation and CBOE Holdings Bylaws, which apply to CBOE Holdings in its new capacity as the parent company of C2.<sup>3</sup>

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<sup>1</sup> Securities Exchange Act Release 62158 (May 24, 2010), 75 FR 30082 (May 28, 2010) (SR-CBOE-2008-88).

<sup>2</sup> Securities Exchange Act Release 62323 (June 17, 2010) (SR-C2-2010-002).

<sup>3</sup> See Securities Exchange Act Release 62158 (May 24, 2010), 75 FR 30082 (May 28, 2010) (SR-CBOE-2008-88) (which describes the provisions designed to protect the self-regulatory functions of Regulated Securities Exchange Subsidiaries of CBOE Holdings, which currently consist of CBOE and C2, and sets forth the Commission's findings that those provisions are consistent with the Securities Exchange Act of 1934, as amended ("Act"), 15 U.S.C. 78a et seq.).

(b) Statutory Basis

The proposed rule change eliminates an obsolete rule, the subject matter of which is now addressed by other provisions that have been approved by the Commission. Accordingly, the Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the ("Act"),<sup>4</sup> in general, and with Section 6(b)(5) of the Act,<sup>5</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

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

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

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.

6. Extension of Time Period for Commission Action

Not applicable.

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

The Exchange believes that this proposed rule change qualifies for effectiveness upon filing pursuant to Rule 19b-4(f)(6) under the Act<sup>6</sup> (a "non-controversial" rule change) because it (i) does not significantly affect the protection of investors or the public interest, and (ii) does not impose any significant burden on competition. In this regard, as discussed above, the proposed rule change merely eliminates an obsolete rule, the subject matter of which is now addressed by other provisions that have been approved by the Commission. Additionally, the Exchange provided a copy of this rule filing to the Commission at least five days prior to the filing of the proposed rule change.

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<sup>4</sup> 15 U.S.C. 78f.

<sup>5</sup> 15 U.S.C. 78f(b)(5).

<sup>6</sup> C.F.R. 240.19b-4(f)(6).

Rule 19b-4(f)(6)<sup>7</sup> also requires a non-controversial rule change to not become operative for 30 days after the date of the filing of the rule change, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive this 30 day period so that the Exchange is in a position to implement this proposal now that CBOE Holdings has replaced CBOE as the parent company of C2. Waiver of the operative delay will allow the Exchange to promptly update its rulebook and to avoid potential confusion by deleting an obsolete rule. The Exchange also believes that this waiver is appropriate because the proposal does not affect the protection of investors or the public interest.

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

Not applicable.

9. Exhibits

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

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<sup>7</sup> C.F.R. 240.19b-4(f)(6).

**Exhibit 1**

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-\_\_\_\_\_ ; File No. SR-CBOE-2010-061)

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by Chicago Board Options Exchange, Incorporated Relating to Deletion of Obsolete Rule.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on \_\_\_\_\_, the Chicago Board Options Exchange, Incorporated ("CBOE" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the CBOE. CBOE has filed the proposal pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder,<sup>4</sup> which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

CBOE is filing this proposed rule change to delete CBOE Rule 2.50 in connection with a change in the parent company of C2 Options Exchange, Incorporated ("C2") from CBOE to CBOE Holdings, Inc. ("CBOE Holdings"). The text of the proposed rule

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

change 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, 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 these statements may be examined at the places specified in Item IV below. The CBOE has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

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

(a) Purpose

The Securities and Exchange Commission ("Commission") has approved a rule filing by CBOE to accommodate the demutualization and restructuring of CBOE from a Delaware non-stock corporation to a Delaware stock corporation wholly-owned by CBOE Holdings, a holding company organized as a Delaware stock corporation ("Restructuring Transaction").<sup>5</sup> The Restructuring Transaction was consummated on June 18, 2010. The Commission has also approved a rule filing by C2 to accommodate a change in its parent company from CBOE to CBOE Holdings in connection with the Restructuring Transaction.<sup>6</sup> C2 became a wholly-owned subsidiary of CBOE Holdings on June 18, 2010 in connection with the consummation of the Restructuring Transaction.

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<sup>5</sup> Securities Exchange Act Release 62158 (May 24, 2010), 75 FR 30082 (May 28, 2010) (SR-CBOE-2008-88).

<sup>6</sup> Securities Exchange Act Release 62323 (June 17, 2010) (SR-C2-2010-002).

CBOE is now proposing to delete CBOE Rule 2.50 because it addresses CBOE's responsibility as the prior parent company of C2 for ensuring that C2 meets its obligations as a self-regulatory organization. Since CBOE is no longer the parent company of C2, CBOE Rule 2.50 is no longer applicable. Additionally, equivalent protections to those set forth in CBOE Rule 2.50 are contained in the CBOE Holdings Certificate of Incorporation and CBOE Holdings Bylaws, which apply to CBOE Holdings in its new capacity as the parent company of C2.<sup>7</sup>

(b) Statutory Basis

The proposed rule change eliminates an obsolete rule, the subject matter of which is now addressed by other provisions that have been approved by the Commission. Accordingly, the Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the ("Act"),<sup>8</sup> in general, and with Section 6(b)(5) of the Act,<sup>9</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

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<sup>7</sup> See Securities Exchange Act Release 62158 (May 24, 2010), 75 FR 30082 (May 28, 2010) (SR-CBOE-2008-88) (which describes the provisions designed to protect the self-regulatory functions of Regulated Securities Exchange Subsidiaries of CBOE Holdings, which currently consist of CBOE and C2, and sets forth the Commission's findings that those provisions are consistent with the Securities Exchange Act of 1934, as amended ("Act"), 15 U.S.C. 78a et seq.).

<sup>8</sup> 15 U.S.C. 78f.

<sup>9</sup> 15 U.S.C. 78f(b)(5).

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 that is not necessary or appropriate in furtherance of 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

The Exchange believes that this proposed rule change qualifies for effectiveness upon filing pursuant to Rule 19b-4(f)(6) under the Act<sup>10</sup> (a "non-controversial" rule change) because it (i) does not significantly affect the protection of investors or the public interest, and (ii) does not impose any significant burden on competition. In this regard, as discussed above, the proposed rule change merely eliminates an obsolete rule, the subject matter of which is now addressed by other provisions that have been approved by the Commission. Additionally, the Exchange provided a copy of this rule filing to the Commission at least five days prior to the filing of the proposed rule change.

Rule 19b-4(f)(6)<sup>11</sup> also requires a non-controversial rule change to not become operative for 30 days after the date of the filing of the rule change, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive this 30 day period so that the Exchange is in a position to implement this proposal now that CBOE

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<sup>10</sup> C.F.R. 240.19b-4(f)(6).

<sup>11</sup> C.F.R. 240.19b-4(f)(6).

Holdings has replaced CBOE as the parent company of C2. Waiver of the operative delay will allow the Exchange to promptly update its rulebook and to avoid potential confusion by deleting an obsolete rule. The Exchange also believes that this waiver is appropriate because the proposal does not affect the protection of investors or the public interest. Accordingly, the Commission designates the proposed rule change operative upon filing with the Commission.<sup>12</sup>

At any time within sixty days of the filing of the proposed rule change, the Commission may summarily abrogate the 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](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2010-061 on the subject line.

##### Paper comments:

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<sup>12</sup> For the purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, D.C. 20549-1090.

All submissions should refer to File Number SR-CBOE-2010-061. 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 Section, 100 F Street, NE, Washington, DC 20549. 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-2010-061 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.<sup>13</sup>

Secretary

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<sup>13</sup> 17 C.F.R. 200.30-3(a)(12).