

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"/>
			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 checked="" 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
Exhibit 3 Sent As Paper Document **Description**

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

CBOE proposes to reduce the payments that CBOE makes to CBOE Trading Permit Holders that participate in a program under which CBOE subsidizes the costs of providing and/or using certain order routing functionalities. This rule change does not provide for any modifications to the text of CBOE's rules.

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 Last Name
 Title
 E-mail
 Telephone Fax

Signature

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

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

Date
 By Assistant Corporate Secretary
 (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.

Andrew Spiwak, spiwak@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

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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.

Item 1. Text of the Proposed Rule Change

Chicago Board Options Exchange, Incorporated ("Exchange" or "CBOE") proposes to reduce the payments that CBOE makes to CBOE Trading Permit Holders that participate in a program under which CBOE subsidizes the costs of providing and/or using certain order routing functionalities. This rule change does not provide for any modifications to the text of CBOE's rules.

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 June 30, 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 Andrew Spiwak (312) 786-7483.

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

(a) Purpose

CBOE proposes to reduce the payments that CBOE makes to CBOE Trading Permit Holders that participate in a program under which CBOE subsidizes the costs of providing and/or using certain order routing functionalities.¹ If a Trading Permit Holder has elected not to have CBOE perform certain marketing services on its behalf, the payment would be reduced, with respect to orders routed to CBOE through a participating Trading Permit Holder's system, from

¹ The order router subsidy program is described in SR-CBOE-2007-34 (see Securities Exchange Act Release No. 55629 (April 13, 2007), 72 FR 19992 (April 20, 2007) (SR-CBOE-2007-34)) as supplemented by SR-CBOE-2008-27 (see Securities Exchange Act Release No. 57498 (March 14, 2008), 73 FR 55 (March 20, 2008) (SR-CBOE-2008-27)).

\$0.05 per contract to \$0.04 per contract.² If a member has elected to have CBOE perform marketing services on its behalf, the payment with respect to such orders would be reduced from \$0.04 per contract to \$0.03 per contract. The Exchange intends to make the change effective commencing August 1, 2010.

CBOE is not proposing any other changes in the program. CBOE stated in SR-CBOE-2007-34, and affirmed in SR-CBOE-2008-27, that nothing about the subsidy program would relieve any CBOE Trading Permit Holder that is using an order routing functionality whose provider is participating in the program from complying with its best execution obligations.³ Those statements remain true with respect to the program as CBOE is proposing to revise it.

(b) Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 ("Act")⁴, in general, and furthers the objectives of Section 6(b)(4)⁵ of the Act in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among CBOE Trading Permit Holders and other persons using its facilities.

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

² The marketing services that CBOE provides to Trading Permit Holders electing to have CBOE provide such services are described on page 5 of SR-CBOE-2007-34.

³ SR-CBOE-2007-34, pp. 5-6; SR-CBOE-2008-27, p 4.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(4).

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) or Section 19(b)(7)(D)

(a) The Exchange is filing the proposed rule change for effectiveness upon filing under Section 19(b)(3)(A)⁶ of the Act and subparagraph (f)(2) of Rule 19b-4 thereunder.⁷

(b) The Exchange is filing the proposed rule change for effect immediately upon filing under Section 19(b)(3)(A) of the Act⁸ as the establishment of a due, fee, or other charge. The subsidy program relates to fees charged by vendors to Trading Permit Holders for use of their routing systems.

(c) Not applicable.

(d) Not applicable.

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

Not applicable.

Item 9. Exhibits

Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 C.F.R. 240.19b-4(f)(2).

⁸ 15 U.S.C. 78s(b)(3)(A).

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-CBOE-2010-066)

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated: Notice of Filing and Immediate Effectiveness of Proposed Rule Change to reduce the payments that CBOE makes to CBOE Trading Permit Holders that participate in a program under which CBOE subsidizes the costs of providing and/or using certain order routing functionalities.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1), notice is hereby given that on _____, 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 CBOE. 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 reduce the payments that CBOE makes to CBOE Trading Permit Holders that participate in a program under which CBOE subsidizes the costs of providing and/or using certain order routing functionalities. This rule change does not provide for any modifications to the text of CBOE's rules. The text of the proposed rule 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. 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

CBOE proposes to reduce the payments that CBOE makes to CBOE Trading Permit Holders that participate in a program under which CBOE subsidizes the costs of providing and/or using certain order routing functionalities.¹ If a Trading Permit Holder has elected not to have CBOE perform certain marketing services on its behalf, the payment would be reduced, with respect to orders routed to CBOE through a participating Trading Permit Holder's system, from \$0.05 per contract to \$0.04 per contract.² If a member has elected to have CBOE perform marketing services on its behalf, the payment with respect to such orders would be reduced from \$0.04 per contract to \$0.03 per contract. The Exchange intends to make the change effective commencing August 1, 2010.

CBOE is not proposing any other changes in the program. CBOE stated in SR-CBOE-2007-34, and affirmed in SR-CBOE-2008-27, that nothing about the subsidy program would relieve any CBOE Trading Permit Holder that is using an order routing functionality whose provider is participating in the program from complying with its best execution obligations.³ Those statements remain true with respect to the program as CBOE is proposing to revise it.

¹ The order router subsidy program is described in SR-CBOE-2007-34 (see Securities Exchange Act Release No. 55629 (April 13, 2007), 72 FR 19992 (April 20, 2007) (SR-CBOE-2007-34)) as supplemented by SR-CBOE-2008-27 (see Securities Exchange Act Release No. 57498 (March 14, 2008), 73 FR 55 (March 20, 2008) (SR-CBOE-2008-27)).

² The marketing services that CBOE provides to Trading Permit Holders electing to have CBOE provide such services are described on page 5 of SR-CBOE-2007-34.

(b) Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 ("Act")⁴, in general, and furthers the objectives of Section 6(b)(4)⁵ of the Act in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among CBOE Trading Permit Holders and other persons using its facilities.

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 foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁶ and subparagraph (f)(2) of Rule 19b-4⁷ thereunder. At any time within 60 days of the filing of the 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.

³ SR-CBOE-2007-34, pp. 5-6; SR-CBOE-2008-27, p 4.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(4).

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 C.F.R. 240.19b-4(f)(2).

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-2010-066 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.

All submissions should refer to File Number SR-CBOE-2010-066. 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 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of 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-2010-066 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.⁸

Florence E. Harmon

Deputy Secretary

⁸ 17 C.F.R. 200.30-3(a)(12).