

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 12

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

File No.* SR - 2010 - * 070

Amendment No. (req. for Amendments):

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

Initial * Amendment * Withdrawal Section 19(b)(2) * Section 19(b)(3)(A) * Section 19(b)(3)(B) *

Rule

Pilot Extension of Time Period for Commission Action * Date Expires *
 19b-4(f)(1) 19b-4(f)(4)
 19b-4(f)(2) 19b-4(f)(5)
 19b-4(f)(3) 19b-4(f)(6)

Exhibit A Sent As Paper Document Exhibit B Sent As Paper Document

Description

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

Penny Pilot Expansion

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 * Patrick Last Name * Sexton
 Title * Associate General Counsel
 E-mail * sexton@cboe.com
 Telephone * (312) 786-7467 Fax (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 07/26/2010

By Patrick Sexton
 (Name *)

Associate General Counsel

(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.

Patrick Sexton; sexton@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 (required)

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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 (required)

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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 Proposed Rule Change

(a) The Chicago Board Options Exchange, Incorporated (“CBOE” or “Exchange”) proposes to amend its rules relating to the Penny Pilot Program. No changes to the text of CBOE’s rules are proposed.

(b) Inapplicable

(c) Inapplicable

Item 2. Procedures of the Self-Regulatory Organization

(a) CBOE's Office of the Chairman, pursuant to delegated authority, approved the proposed rule change on July 26, 2010. No further action is required.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, General Counsel, CBOE, 400 South LaSalle, Chicago, IL 60605, (312) 786-7462 or to Patrick Sexton, (312) 786-7467.

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

CBOE proposes to identify the 75 option classes that will be added to the Penny Pilot Program on August 2, 2010, consistent with CBOE’s rule filing to extend and expand the Program that was granted immediate effectiveness on October 22, 2010.¹ As described in SR-CBOE-2009-76, the Pilot Program will be expanded by adding 300 option classes, in groups of 75 classes each quarter on the following dates: November 2, 2009, February 1, 2010, May 3, 2010, and August 2, 2010.² The option classes will be identified based on national average daily volume in the six calendar months preceding their addition to the Pilot Program using data compiled by The Options Clearing Corporation, except that the month immediately preceding their addition to the Pilot Program will not be utilized for purposes of the six month analysis.

The following 75 option classes will be added to the Pilot Program beginning on August 2, 2010:

Symbol	Security Name	Symbol	Security Name
MBI	MBIA Inc	CB	Chubb Corp
ATPG	ATP Oil & Gas Corp/United States	ADM	Archer-Daniels-Midland Co
YUM	Yum! Brands Inc	HSY	Hershey Co/The
RCL	Royal Caribbean Cruises Ltd	TXT	Textron Inc
BPOP	Popular Inc	GGP	General Growth Properties Inc

¹ See Securities Exchange Act Release No. 60864 (October 22, 2009), granting immediate effectiveness to SR-CBOE-2009-76.

² The classes to be added are among the most actively-traded, multiply-listed option classes that are not currently in the Pilot Program, excluding option classes with high premiums. An option class would be designated as “high premium” if, at the time of selection, the underlying security was priced at \$200 per share or above, or the underlying index level was at 200 or above.

EK	Eastman Kodak Co	NOV	National Oilwell Varco Inc
CNX	Consol Energy Inc	TWX	Time Warner Inc
MA	Mastercard Inc	XOP	SPDR S&P Oil & Gas Exploration & Production ETF
DCTH	Delcath Systems Inc	MYL	Mylan Inc/PA
MTG	MGIC Investment Corp	TSO	Tesoro Corp
PXP	Plains Exploration & Production Co	CI	CIGNA Corp
GPS	Gap Inc/The	ESI	ITT Educational Services Inc
TSL	Trina Solar Ltd	NKE	NIKE Inc
EWV	iShares MSCI Mexico Investable Market Index Fund	FIS	Fidelity National Information Services Inc
CRM	Salesforce.com Inc	SUN	Sunoco Inc
SWN	Southwestern Energy Co	BBBY	Bed Bath & Beyond Inc
HBAN	Huntington Bancshares Inc/OH	APWR	A-Power Energy Generation Systems Ltd
EOG	EOG Resources Inc	FWLT	Foster Wheeler AG
APA	Apache Corp	LNC	Lincoln National Corp
VVUS	Vivus Inc	RSH	RadioShack Corp
JDSU	JDS Uniphase Corp	TYC	Tyco International Ltd
ACI	Arch Coal Inc	CL	Colgate-Palmolive Co
NE	Noble Corp	FXP	ProShares UltraShort FTSE/Xinhua China 25
BAX	Baxter International Inc	NTAP	NetApp Inc
ADSK	Autodesk Inc	SO	Southern Co
KRE	SPDR KBW Regional Banking ETF	PHM	Pulte Group Inc
XL	XL Group Plc	HOT	Starwood Hotels & Resorts Worldwide Inc
WLT	Walter Energy Inc	QLD	ProShares Ultra QQQ
IBN	ICICI Bank Ltd	VRSN	VeriSign Inc
EWY	iShares MSCI South Korea Index Fund	PCL	Plum Creek Timber Co Inc
WHR	Whirlpool Corp	NBR	Nabors Industries Ltd
BHI	Baker Hughes Inc	ESRX	Express Scripts Inc
KMP	Kinder Morgan Energy Partners LP	ACAS	American Capital Ltd
MRO	Marathon Oil Corp	XLNX	Xilinx Inc
AGO	Assured Guaranty Ltd	DO	Diamond Offshore Drilling Inc
GIS	General Mills Inc	CMA	Comerica Inc
ANR	Alpha Natural Resources Inc	KEY	KeyCorp
GENZ	Genzyme Corp		

The minimum increments for all classes in the Penny Pilot (except for the QQQs, IWM and SPY) are: \$0.01 for all option series below \$3 (including LEAPS), and \$0.05 for all option series \$3 and above (including LEAPS). The minimum increment for all option series in QQQ, IWM and SPY is \$.01.

(b) Statutory Basis

The Exchange believes the rule proposal is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations under the Act applicable to a national securities exchange and, in particular, the requirements of Section 6(b) of the Act.³ Specifically, the Exchange believes that the proposed rule change is consistent with the Section 6(b)(5) Act⁴ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and, in general, to protect investors and the public interest. In particular, the proposed rule change allows for an expansion of the Penny Pilot Program for the benefit of market participants and identifies the option classes to be added to the Pilot Program in a manner consistent with CBOE's rule filing SR-CBOE-2009-76 to extend and expand the Pilot Program.

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

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

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

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

Item 6. Extension of Time Period for Commission Action

The Exchange does not consent to an extension of the time period specified in Section 19(b)(2)⁵ of the Act for Commission consideration of the rule proposal.

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

The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A)⁶ of the Securities Exchange Act of 1934 and Rule 19b-4(f)(1)⁷ thereunder as it constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule. 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.

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

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

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(5).

⁵ 15 U.S.C. 78s(b)(2).

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(1).

Item 9. Exhibits

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

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-CBOE-2010-070)

Dated: _____

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Penny Pilot Program

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

(the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on _____, 2010, the Chicago Board Options Exchange, Incorporated ("Exchange" or "CBOE") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

CBOE proposes to amend proposes to amend its rules relating to the Penny Pilot Program. The text of the rule proposal is available on the Exchange's website (<http://www.cboe.org/legal>), at the Exchange's Office of the Secretary and at the Commission.

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

CBOE proposes to identify the 75 option classes that will be added to the Penny Pilot Program on August 2, 2010, consistent with CBOE's rule filing to extend and expand the Program that was granted immediate effectiveness on October 22, 2010.³ As described in SR-CBOE-2009-76, the Pilot Program will be expanded by adding 300 option classes, in groups of 75 classes each quarter on the following dates: November 2, 2009, February 1, 2010, May 3, 2010, and August 2, 2010.⁴ The option classes will be identified based on national average daily volume in the six calendar months preceding their addition to the Pilot Program using data compiled by The Options Clearing Corporation, except that the month immediately preceding their addition to the Pilot Program will not be utilized for purposes of the six month analysis.

The following 75 option classes will be added to the Pilot Program beginning on August 2, 2010:

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YUM	Yum! Brands Inc	HSY	Hershey Co/The
RCL	Royal Caribbean Cruises Ltd	TXT	Textron Inc
BPOP	Popular Inc	GGP	General Growth Properties Inc

³ See Securities Exchange Act Release No. 60864 (October 22, 2009), granting immediate effectiveness to SR-CBOE-2009-76.

⁴ The classes to be added are among the most actively-traded, multiply-listed option classes that are not currently in the Pilot Program, excluding option classes with high premiums. An option class would be designated as "high premium" if, at the time of selection, the underlying security was priced at \$200 per share or above, or the underlying index level was at 200 or above.

EK	Eastman Kodak Co	NOV	National Oilwell Varco Inc
CNX	Consol Energy Inc	TWX	Time Warner Inc
MA	Mastercard Inc	XOP	SPDR S&P Oil & Gas Exploration & Production ETF
DCTH	Delcath Systems Inc	MYL	Mylan Inc/PA
MTG	MGIC Investment Corp	TSO	Tesoro Corp
PXP	Plains Exploration & Production Co	CI	CIGNA Corp
GPS	Gap Inc/The	ESI	ITT Educational Services Inc
TSL	Trina Solar Ltd	NKE	NIKE Inc
EWV	iShares MSCI Mexico Investable Market Index Fund	FIS	Fidelity National Information Services Inc
CRM	Salesforce.com Inc	SUN	Sunoco Inc
SWN	Southwestern Energy Co	BBBY	Bed Bath & Beyond Inc
HBAN	Huntington Bancshares Inc/OH	APWR	A-Power Energy Generation Systems Ltd
EOG	EOG Resources Inc	FWLT	Foster Wheeler AG
APA	Apache Corp	LNC	Lincoln National Corp
VVUS	Vivus Inc	RSH	RadioShack Corp
JDSU	JDS Uniphase Corp	TYC	Tyco International Ltd
ACI	Arch Coal Inc	CL	Colgate-Palmolive Co
NE	Noble Corp	FXP	ProShares UltraShort FTSE/Xinhua China 25
BAX	Baxter International Inc	NTAP	NetApp Inc
ADSK	Autodesk Inc	SO	Southern Co
KRE	SPDR KBW Regional Banking ETF	PHM	Pulte Group Inc
XL	XL Group Plc	HOT	Starwood Hotels & Resorts Worldwide Inc
WLT	Walter Energy Inc	QLD	ProShares Ultra QQQ
IBN	ICICI Bank Ltd	VRSN	VeriSign Inc
EWY	iShares MSCI South Korea Index Fund	PCL	Plum Creek Timber Co Inc
WHR	Whirlpool Corp	NBR	Nabors Industries Ltd
BHI	Baker Hughes Inc	ESRX	Express Scripts Inc
KMP	Kinder Morgan Energy Partners LP	ACAS	American Capital Ltd
MRO	Marathon Oil Corp	XLNX	Xilinx Inc
AGO	Assured Guaranty Ltd	DO	Diamond Offshore Drilling Inc
GIS	General Mills Inc	CMA	Comerica Inc
ANR	Alpha Natural Resources Inc	KEY	KeyCorp
GENZ	Genzyme Corp		

The minimum increments for all classes in the Penny Pilot (except for the QQQQs, IWM and SPY) are: \$0.01 for all option series below \$3 (including LEAPS), and \$0.05 for all option series \$3 and above (including LEAPS). The minimum increment for all option series in QQQQ, IWM and SPY is \$.01.

2. Statutory Basis

The Exchange believes the rule proposal is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations under the Act applicable to a national securities exchange and, in particular, the requirements of Section 6(b) of the Act.⁵ Specifically, the Exchange believes that the proposed rule change is consistent with the Section 6(b)(5) Act⁶ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and, in general, to protect investors and the public interest. In particular, the proposed rule change allows for an expansion of the Penny Pilot Program for the benefit of market participants and identifies the option classes to be added to the Pilot Program in a manner consistent with CBOE's rule filing SR-CBOE-2009-76 to extend and expand the Pilot Program.

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

The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A)⁷ of the Securities Exchange Act of 1934 and Rule 19b-4(f)(1)⁸ thereunder as it constitutes a stated policy, practice, or interpretation with respect to the meaning,

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f)(1).

administration, or enforcement of an existing rule. 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.

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-2010-070 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-2010-070. 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-2010-070 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

Dated: _____

Elizabeth Murphy
Secretary

⁹ 17 CFR 200.30-3(a)(12).