

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 18		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2010 - * 074 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 * <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 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"/>			
<b>Description</b> Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *). <input type="text" value="CBOE proposes to amend Rule 11.1 to extend the cut-off time to submit contrary exercise advices."/>					
<b>Contact Information</b> 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="Andrew"/>		Last Name * <input type="text" value="Spiwak"/>			
Title * <input type="text" value="Assistant Corporate Secretary"/>					
E-mail * <input type="text" value="spiwak@cboe.com"/>					
Telephone * <input type="text" value="(312) 786-7483"/>		Fax <input type="text" value="(312) 786-7919"/>			
<b>Signature</b> 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="08/10/2010"/>					
By <input type="text" value="Andrew"/>		<input type="text" value="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.					
<input type="button" value="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 (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 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

(a) The Chicago Board Options Exchange, Incorporated (“CBOE” or the “Exchange”) proposes to amend Rule 11.1 to extend the cut-off time to submit contrary exercise advices. Set forth below are the proposed changes to the rule text with additions underlined and deletions [bracketed].

(b) Inapplicable.

(c) Inapplicable.

Chicago Board Options Exchange, Incorporated

Rules

\* \* \* \* \*

**Rule 11.1. Exercise of Option Contracts**

(a) No Change.

(b) No Change.

(c)(1) In the event the Exchange provides advance notice, on or before 4:30 p.m. (CT) on the business day immediately prior to the last business day before the expiration date, indicating that a modified time for close of trading in noncash-settled equity options on the last business day before expiration will occur, the deadline to make a final decision to exercise or not exercise an expiring option shall be 1 hour [28]30 minutes following the time announced for the close of trading on that day.

(2) A Contrary Exercise Advice (“CEA”, also known as “Expiring Exercise Declaration” or “EED”) is a communication either: (A) to not exercise an option that would be automatically exercised under the Clearing Corporation's Ex-by-Ex procedure, or (B) to exercise an option that would not be automatically exercised under the Clearing Corporation’s Ex-by-Ex procedure.

(i) A CEA may be submitted to the Exchange by a Trading Permit Holder by using the Exchange’s Contrary Exercise Advice Form, the Clearing Corporation's ENCORE system, a Contrary Exercise Advice form of any other national securities exchange of which the Trading Permit Holder also has membership or participant privileges and where the option is listed, or such other method as the Exchange may prescribe. A CEA may be canceled by filing an "Advice Cancel" with the Exchange or may be resubmitted at any time up to the submission cut-off times specified below.

[(2)](3) [In accordance with paragraph (c)(1), ]Trading Permit Holders and TPH organizations must deliver a CEA or Advice Cancel to the Exchange within [2]3 hours [28]30 minutes following the time announced for the close of trading in noncash-settled equity options on that same day if such member firm employs an electronic submission procedure with time stamp for the submission of exercise instructions. For non-customer accounts, Trading Permit Holders and TPH organizations that do not employ an electronic procedure with time stamp for the submission of exercise instructions are required to deliver a CEA or Advice Cancel within 1 hour and [28]30 minutes following the time announced for the close of trading on that day.

(d)(1) No Change

(2) No Change.

. . . *Interpretations and Policies:*

.01 .07 No Change

\* \* \* \* \*

Item 2. Procedures of the Self-Regulatory Organization

(a) The proposed rule change was approved by the Exchange's Office of the Chairman pursuant to delegated authority on March 23, 2010. No further action is required.

(b) Questions and comments on the proposed rule change may be referred to Joanne Moffic-Silver, General Counsel, CBOE, 400 South LaSalle Street, Chicago, Illinois 60605; Telephone: (312) 786-7462; Fax: (312) 786-7919 or Andrew Spiwak, Director Legal Division, at (312) 786-7483.

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

(a) Purpose

The purpose of the proposed rule change is to amend Rule 11.1 to extend the cut-off time to submit contrary exercise advices ("Contrary Exercise Advice", or, "CEA")<sup>1</sup> to the Exchange.

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<sup>1</sup> Contrary Exercise Advices are also referred to as Expiring Exercise Declarations ("EED") in the OCC rules.

The Exchange also proposes to make certain non-substantive changes to the text of Rule 11.1 to more clearly present the existing requirements.

The Options Clearing Corporation (“OCC”) has an established procedure, under OCC Rule 805, that provides for the automatic exercise of certain options that are in-the-money by a specified amount known as “Exercise-by-Exception” or “Ex-by-Ex.” Under the Ex-by-Ex process, options holders holding option contracts that are in-the-money by a requisite amount and who wish to have their contracts automatically exercised need take no further action. However, under OCC Rule 805, option holders who do not want their options automatically exercised or who want their options to be exercised under different parameters than that of the Ex-by-Ex procedures must instruct OCC of their “contrary intention.”

In addition to and separate from the OCC requirement, under Exchange Rule 11.1 option holders must file a CEA with the Exchange notifying it of the contrary intention. Rule 11.1 is designed, in part, to deter individuals from taking improper advantage of late breaking news by requiring evidence of an option holder’s timely decision to exercise or not exercise expiring equity options. Trading Permit Holders satisfy this evidentiary requirement by submitting a CEA form directly to the Exchange, or by electronically submitting the CEA to the Exchange through OCC’s electronic communications system. The submission of the CEA allows the Exchange to satisfy its regulatory obligation to verify that the decision to make a contrary exercise was made timely and in accordance with Rule 11.1.

Currently under Rule 11.1, option holders have until 1 hour 28<sup>2</sup> minutes following the time announced for the close of trading on that day on the day prior to expiration to make a final decision to exercise or not exercise an expiring option that would otherwise either expire or be automatically exercised. A Trading Permit Holder may not accept CEA instructions from its customer or non customer accounts after 1 hour 28 minutes. However, the current rule gives Trading Permit Holders an additional one hour, up to 2 hours 28 minutes, to submit these CEA instructions to the Exchange where such Trading Permit Holder uses an electronic submission process.

The Exchange proposes to extend the current deadline for submitting CEA instructions to the Exchange by one additional hour and 2 minutes, up to 3 hours 30 minutes following the time announced for the close of trading on that day for those Trading Permit Holders who use an electronic submission process.<sup>3</sup> The Exchange believes that this proposed rule change is necessary to address concerns expressed by Trading Permit Holders that, given the decrease in the Ex-by-Ex threshold and the increase in trading, the existing deadline for submitting CEAs to the Exchange is problematic for timely back-office processing. The proposed additional one hour and 2 minutes will address this concern by further enabling firms to more timely manage, process, and submit the instructions to the Exchange.

It is important to note that this proposed submission deadline does not change the substantive requirement that option holders make a final decision by 1 hour and 30 minutes following the time announced for the close of trading on that day. The Exchange will continue

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<sup>2</sup> CBOE is proposing to amend the current rule relating to the deadline to make a final decision to exercise or not exercise an expiring option from 1 hour 28 minutes to 1 hour 30 minutes following the time announced for the close of trading on that day to make it consistent with the current equity option market close of trading (3:00pm CT). See Securities Exchange Act Release No. 34-53246 (February 7, 2007), SR-CBOE-2005-104, 71 FR 8014 (February 15, 2006) (Order approving proposed change to amend Exchange Rules governing the hours of trading in equity options and narrow-based index options).

<sup>3</sup> That time would be 6:30 P.M. Central Time.

to enforce the cut-off time to submit CEAs, while also allowing additional time to process and submit the CEAs. This proposal seeks to increase that additional submission time by one hour, and the Exchange believes that this proposal will be beneficial to the marketplace, particularly as it concerns back-office processing. The initiative to address Trading Permit Holder concerns is industry-wide, and the Exchange anticipates that other options exchanges will also propose a one hour extension for which they will accept a CEA.<sup>4</sup> This proposed additional processing time and Exchange submission deadline will not conflict with OCC submission rules or cause any OCC processing issues.

The Exchange is also making a technical change by deleting a misplaced reference to Exchange Rule 11.1 (c) 3.

If the operative date of this proposed rule change is more than 5 business days prior to the date of the next option expiration Friday ("Expiration Friday")<sup>5</sup>, the Exchange will implement the rule change so as to be effective for that Expiration Friday. If the operative date of this proposed rule change is 5 business days or less prior to the date of the next Expiration Friday, the Exchange will implement the rule change so as to be effective for the following Expiration Friday. CBOE will notify Trading Permit Holders and TPH organizations of the implementation date of the rule change via a Regulatory Circular.

(b) Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b)<sup>6</sup> of the Act, in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>7</sup>, in

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<sup>4</sup> See Securities Exchange Act Release No. 34-61710 (March 15, 2010), SR-ISE-2010-02, 75 FR 13636 (March 22, 2010) (order approving proposed change to amend ISE rules related to cut-off time for contrary exercise advice submission).

<sup>5</sup> For example, Expiration Friday for August 2010 options will be August 20, 2010, for Expiration Friday for September 2010 options will be September 17, 2010.

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest in that it is designed to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. This proposed rule change will foster coordination with back office personnel engaged in processing information and is consistent with the facilitating of transactions in securities as set forth in Section 6(b)(5) in that it, by providing Trading Permit Holders an additional hour within which to complete the necessary processing of CEAs, will thereby decrease Trading Permit Holders' burden of processing an increasing number of contrary exercise advices and enable them to more easily manage and process these instructions.

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 specified in Section 19(b)(2) of the Act<sup>8</sup> for Commission consideration of the proposed rule change.

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<sup>8</sup> 15 U.S.C. 78s(b)(2).

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

(a) This proposed rule change is filed pursuant to paragraph (A) of section 19(b)(3) of the Exchange Act.

(b) The Exchange asserts that the proposed rule change (i) will not significantly affect the protection of investors or the public interest, (ii) will not impose any significant burden on competition, and (iii) will not become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The proposed rule change is substantially similar to one previously submitted by the International Securities Exchange, LLC ("ISE") that is currently effective.<sup>9</sup>

For the foregoing reasons, this rule filing qualifies as a "non-controversial" rule change under paragraph (f)(6) of Rule 19b-4 under the Act. The Exchange requests that the Commission waive the 30-day operative delay period. Waiver of the operative date is consistent with the protection of investors and the public interest in that it will allow the Exchange to maintain consistent cut-off times to the contrary exercise advice rules that are currently available to another options exchange.

For the foregoing reasons, this rule filing qualifies for expedited effectiveness as a "non-controversial" rule change under paragraph (f)(6) of Rule 19b-4 of the Act.

(c) Not applicable.

(d) Not applicable.

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

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<sup>9</sup> See Securities Exchange Act Release No. 34-61710 (March 15, 2010), SR-ISE-2010-02, 75 FR 13636 (March 22, 2010) (order approving proposed change to amend ISE rules related to cut-off time for contrary exercise advice submission).

The proposed rule change is based on the International Securities Exchange, LLC Rule 1100. (See: Securities Exchange Act Release No. 34-61710 (March 15, 2010), 75 FR 13636 (March 22, 1010).

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-2010-074)

Dated: \_\_\_\_\_

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposal to extend the cut-off time to submit contrary exercise advices

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> 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 Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> 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 Rule 11.1 to extend the cut-off time to submit contrary exercise advices. 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

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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)(iii).

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

### 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 purpose of the proposed rule change is to amend Rule 11.1 to extend the cut-off time to submit contrary exercise advices (“Contrary Exercise Advice”, or, “CEA”)<sup>5</sup> to the Exchange. The Exchange also proposes to make certain non-substantive changes to the text of Rule 11.1 to more clearly present the existing requirements.

The Options Clearing Corporation (“OCC”) has an established procedure, under OCC Rule 805, that provides for the automatic exercise of certain options that are in-the-money by a specified amount known as “Exercise-by-Exception” or “Ex-by-Ex.” Under the Ex-by-Ex process, options holders holding option contracts that are in-the-money by a requisite amount and who wish to have their contracts automatically exercised need take no further action. However, under OCC Rule 805, option holders who do not want their options automatically exercised or who want their options to be exercised under different parameters than that of the Ex-by-Ex procedures must instruct OCC of their “contrary intention.”

In addition to and separate from the OCC requirement, under Exchange Rule 11.1 option holders must file a CEA with the Exchange notifying it of the contrary intention. Rule 11.1 is

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<sup>5</sup> Contrary Exercise Advices are also referred to as Expiring Exercise Declarations (“EED”) in the OCC rules.

designed, in part, to deter individuals from taking improper advantage of late breaking news by requiring evidence of an option holder's timely decision to exercise or not exercise expiring equity options. Trading Permit Holders satisfy this evidentiary requirement by submitting a CEA form directly to the Exchange, or by electronically submitting the CEA to the Exchange through OCC's electronic communications system. The submission of the CEA allows the Exchange to satisfy its regulatory obligation to verify that the decision to make a contrary exercise was made timely and in accordance with Rule 11.1.

Currently under Rule 11.1, option holders have until 1 hour 28<sup>6</sup> minutes following the time announced for the close of trading on that day on the day prior to expiration to make a final decision to exercise or not exercise an expiring option that would otherwise either expire or be automatically exercised. A Trading Permit Holder may not accept CEA instructions from its customer or non customer accounts after 1 hour 28 minutes. However, the current rule gives Trading Permit Holders an additional one hour, up to 2 hours 28 minutes, to submit these CEA instructions to the Exchange where such Trading Permit Holder uses an electronic submission process.

The Exchange proposes to extend the current deadline for submitting CEA instructions to the Exchange by one additional hour and 2 minutes, up to 3 hours 30 minutes following the time announced for the close of trading on that day for those Trading Permit Holders who use an electronic submission process.<sup>7</sup> The Exchange believes that this proposed rule change is necessary to address concerns expressed by Trading Permit Holders that, given the decrease in

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<sup>6</sup> CBOE is proposing to amend the current rule relating to the deadline to make a final decision to exercise or not exercise an expiring option from 1 hour 28 minutes to 1 hour 30 minutes following the time announced for the close of trading on that day to make it consistent with the current equity option market close of trading (3:00pm CT). See Securities Exchange Act Release No. 34-53246 (February 7, 2007), SR-CBOE-2005-104, 71 FR 8014 (February 15, 2006) (Order approving proposed change to amend Exchange Rules governing the hours of trading in equity options and narrow-based index options).

<sup>7</sup> That time would be 6:30 P.M. Central Time.

the Ex-by-Ex threshold and the increase in trading, the existing deadline for submitting CEAs to the Exchange is problematic for timely back-office processing. The proposed additional one hour and 2 minutes will address this concern by further enabling firms to more timely manage, process, and submit the instructions to the Exchange.

It is important to note that this proposed submission deadline does not change the substantive requirement that option holders make a final decision by 1 hour and 30 minutes following the time announced for the close of trading on that day. The Exchange will continue to enforce the cut-off time to submit CEAs, while also allowing additional time to process and submit the CEAs. This proposal seeks to increase that additional submission time by one hour, and the Exchange believes that this proposal will be beneficial to the marketplace, particularly as it concerns back-office processing. The initiative to address Trading Permit Holder concerns is industry-wide, and the Exchange anticipates that other options exchanges will also propose a one hour extension for which they will accept a CEA.<sup>8</sup> This proposed additional processing time and Exchange submission deadline will not conflict with OCC submission rules or cause any OCC processing issues.

The Exchange is also making a technical change by deleting a misplaced reference to Exchange Rule 11.1 (c) 3.

If the operative date of this proposed rule change is more than 5 business days prior to the date of the next option expiration Friday ("Expiration Friday")<sup>9</sup>, the Exchange will implement the rule change so as to be effective for that Expiration Friday. If the operative date of this proposed rule change is 5 business days or less prior to the date of the next Expiration Friday, the

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<sup>8</sup> See Securities Exchange Act Release No. 34-61710 (March 15, 2010), SR-ISE-2010-02, 75 FR 13636 (March 22, 2010) (order approving proposed change to amend ISE rules related to cut-off time for contrary exercise advice submission).

<sup>9</sup> For example, Expiration Friday for August 2010 options will be August 20, 2010, for Expiration Friday for September 2010 options will be September 17, 2010.

Exchange will implement the rule change so as to be effective for the following Expiration Friday. CBOE will notify Trading Permit Holders and TPH organizations of the implementation date of the rule change via a Regulatory Circular.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b)<sup>10</sup> of the Act, in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>11</sup>, in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest in that it is designed to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. This proposed rule change will foster coordination with back office personnel engaged in processing information and is consistent with the facilitating of transactions in securities as set forth in Section 6(b)(5) in that it, by providing Trading Permit Holders an additional hour within which to complete the necessary processing of CEAs, will thereby decrease Trading Permit Holders' burden of processing an increasing number of contrary exercise advices and enable them to more easily manage and process these instructions.

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.

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<sup>10</sup> 15 U.S.C. 78f(b).

<sup>11</sup> 15 U.S.C. 78f(b)(5).

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

Because the forgoing 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 of this filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The proposed rule change is substantially similar to one previously submitted by the International Securities Exchange, LLC ("ISE") that is currently effective.<sup>12</sup>

For the foregoing reasons, this rule filing qualifies as a "non-controversial" rule change under paragraph (f)(6) of Rule 19b-4 under the Act. The Exchange requests that the Commission waive the 30-day operative delay period. Waiver of the operative date is consistent with the protection of investors and the public interest in that it will allow the Exchange to maintain consistent cut-off times to the contrary exercise advice rules that are currently available to another options exchange.

For the foregoing reasons, this rule filing qualifies for expedited effectiveness as a "non-controversial" rule change under paragraph (f)(6) of Rule 19b-4 of the Act.

(c) Not applicable.

(d) Not applicable.

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<sup>12</sup> See Securities Exchange Act Release No. 34-61710 (March 15, 2010), SR-ISE-2010-02, 75 FR 13636 (March 22, 2010) (order approving proposed change to amend ISE rules related to cut-off time for contrary exercise advice submission).

#### 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-2010-074 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-2010-074. 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-2010-074 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>

Dated: \_\_\_\_\_

Florence E. Harmon  
Deputy Secretary

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<sup>13</sup> 17 CFR 200.30-3(a)(12).