

Required fields are shown with yellow backgrounds and asterisks.

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

File No.* SR - 2010 - * 082

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

19b-4(f)(1) 19b-4(f)(4)
 19b-4(f)(2) 19b-4(f)(5)
 19b-4(f)(3) 19b-4(f)(6)

Pilot Extension of Time Period
 for Commission Action * Date Expires *

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, required when Initial is checked *).

Proposal to Withdraw Regulatory Circular RG01-61 (Transactions Between Related Entities)

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 * Kerry Ann Last Name * Adler
 Title * Attorney/Assistant Secretary
 E-mail * adler@cboe.com
 Telephone * (312) 786-8093 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 09/09/2010

By Kerry Ann P. Adler
 (Name *)

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.

Kerry Ann Adler adler@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 Proposed Rule Change

(a) Chicago Board Options Exchange, Incorporated (“CBOE” or “Exchange”) is proposing to withdraw Regulatory Circular RG01-61 regarding transactions between related entities. The text of the proposed rule change is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

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 August 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 Kerry Adler, Attorney, at (312) 786-8093.

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

(a) Purpose

In 2001, the Securities and Exchange Commission (the “Commission”) approved SR-CBOE-2000-13 regarding transactions between related entities.¹ In connection with the approval of that filing, the Exchange promulgated CBOE Regulatory Circular RG01-61 (“RG01-61”) to act as guidance for such trading. At the time the Exchange adopted SR-CBOE-2000-13 and RG01-61, CBOE’s restrictions on transactions between related entities were more restrictive than

¹ Securities Exchange Act Release No. 34-44152 (April 5, 2001), 66 FR 19262 (April 13, 2001) (SR-CBOE-2000-13).

the rules in place at other national securities exchanges and under the Securities Exchange Act of 1934, as amended (the "Act").²

CBOE is proposing to eliminate RG01-61 and defer to the requirements set forth in Section 9(a)(1) of the Act,³ which provides, in relevant part:

It shall be unlawful for any person, directly or indirectly...for the purpose of creating a false or misleading appearance of active trading in any security registered on a national securities exchange, or a false or misleading appearance with respect to the market for any such security, (A) to effect any transaction in such security which involves no change in the beneficial ownership thereof, or (B) to enter an order or orders for the purchase of such security with the knowledge that an order or orders of substantially the same size, at substantially the same time, and at substantially the same price, for the sale of any such security, has been or will be entered by or for the same or different parties, or (C) to enter any order or orders for the sale of any such security with the knowledge that an order or orders of substantially the same size, at substantially the same time, and at substantially the same price, for the purchase of such security, has been or will be entered by or for the same or different parties.

This is consistent with the requirements in place at other national securities exchanges and this proposal eliminates distinctions between the Exchange's rules regarding transactions between related entities and similar requirements in place at other national securities exchanges, as well as the Commission. Notwithstanding the withdrawal of Regulatory Circular RG01-61, CBOE will continue to conduct surveillance for pre-arranged trading between related entities that violates Section 9(a) of the Exchange Act.

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act,⁴ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁵ which requires, among other things, that the Exchange's rules be designed to remove impediments to and perfect the

² Securities Exchange Act Release No. 34-43984 (February 20, 2001), 66 FR 12574 (February 27, 2001) (SR-CBOE-2000-13).

³ 15 U.S.C. § 78i.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

mechanism of a free and open market and a national market system, and protect investors and the public interest. The Exchange believes that the proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest by eliminating differences between the Exchange's rules regarding transactions between related entities and similar requirements in place at other national securities exchanges as well as the Commission.

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

Not applicable.

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 has taken effect upon filing pursuant to Section 19(b)(3)(A) of the Act.⁶ This proposed rule change does not significantly affect the protection of investors or the public interest, nor does it impose any significant burden on competition. Additionally, as required by Rule 19b-4(f)(6),⁷ the Exchange provided the Commission with written notice of its intent to file this proposed rule change prior to the date of the filing of the proposed rule change. As such, this proposed rule change may take effect upon filing with the Commission pursuant to Rule 19b-4(f)(6) and may become operative 30 days after such filing.

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(6).

The Exchange requests that the Commission waive the 30-day operative delay of this filing. The Exchange believes that the proposed rule change does not present any novel or unique issues because the elimination of RG01-61 merely brings the Exchange's rules regarding transactions between related entities in line with the requirements in place at other national securities exchanges and the Commission. The Exchange also believes that acceleration of the operative date will allow market participants to realize the benefits of the rule change sooner. The benefits include providing a policy that is consistent with other exchanges' and Commission requirements, which will reduce unnecessary complexity and confusion.

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

CBOE believes that this proposed rule change will make its rules and policies regarding transactions between associated accounts with common beneficial ownership consistent with the requirements in place at the other national securities exchanges, as well as the Commission.

Item 9. Exhibits

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

Exhibit 5. Text of the Proposed Rule Change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-CBOE-2010-082)

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated: Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Withdraw Regulatory Circular RG01-61.

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

Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") is proposing to withdraw Regulatory Circular RG01-61 regarding transactions between related entities. 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

In 2001, the Securities and Exchange Commission (the "Commission") approved SR-CBOE-2000-13 regarding transactions between related entities.¹ In connection with the approval of that filing, the Exchange promulgated CBOE Regulatory Circular RG01-61 ("RG01-61") to act as guidance for such trading. At the time the Exchange adopted SR-CBOE-2000-13 and RG01-61, CBOE's restrictions on transactions between related entities were more restrictive than the rules in place at other national securities exchanges and under the Securities Exchange Act of 1934, as amended (the "Act").²

CBOE is proposing to eliminate RG01-61 and defer to the requirements set forth in Section 9(a)(1) of the Act,³ which provides, in relevant part:

It shall be unlawful for any person, directly or indirectly...for the purpose of creating a false or misleading appearance of active trading in any security registered on a national securities exchange, or a false or misleading appearance with respect to the market for any such security, (A) to effect any transaction in such security which involves no change in the beneficial ownership thereof, or (B) to enter an order or orders for the purchase of such security with the knowledge that an order or orders of substantially the same size, at substantially the same time, and at substantially the same price, for the sale of any such security, has been or will be entered by or for the same or different parties, or (C) to enter any order or orders for the sale of any such security with the knowledge that an order or orders of substantially the same size, at substantially the same time, and at substantially the same price, for the purchase of such security, has been or will be entered by or for the same or different parties.

This is consistent with the requirements in place at other national securities exchanges and this proposal eliminates distinctions between the Exchange's rules regarding transactions

¹ Securities Exchange Act Release No. 34-44152 (April 5, 2001), 66 FR 19262 (April 13, 2001) (SR-CBOE-2000-13).

² Securities Exchange Act Release No. 34-43984 (February 20, 2001), 66 FR 12574 (February 27, 2001) (SR-CBOE-2000-13).

³ 15 U.S.C. § 78i.

between related entities and similar requirements in place at other national securities exchanges, as well as the Commission. Notwithstanding the withdrawal of Regulatory Circular RG01-61, CBOE will continue to conduct surveillance for pre-arranged trading between related entities that violates Section 9(a) of the Exchange Act.

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act,⁴ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁵ which requires, among other things, that the Exchange's rules be designed to remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest. The Exchange believes that the proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest by eliminating differences between the Exchange's rules regarding transactions between related entities and similar requirements in place at other national securities exchanges, as well as the Commission.

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

Because the forgoing rule change does not: (1) significantly affect the protection of investors or the public interest; (2) impose any significant burden on competition; and (3)

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act⁶ and Rule 19b-4(f)(6) thereunder.⁷

A proposed rule change filed under 19b-4(f)(6) normally may not become operative prior to 30 days after the date of filing.⁸ However, Rule 19b-4(f)(6)(iii)⁹ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay of this filing. The Exchange believes that the proposed rule change does not present any novel or unique issues because the elimination of RG01-61 merely brings the Exchange's rules regarding transactions between related entities in line with the requirements in place at other national securities exchanges and the Commission. The Exchange also believes that acceleration of the operative date will allow market participants to realize the benefits of the rule change sooner. The benefits include providing a policy that is consistent with other exchanges' and Commission requirements, which will reduce unnecessary complexity and confusion.

At any time within 60 days of the filing of such proposed rule change the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(6).

⁸ 17 CFR 240.19b-4(f)(6)(iii).

⁹ Id.

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-2010-082 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-2010-082. 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-2010-082 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.¹⁰

Florence E. Harmon

Deputy Secretary

¹⁰ 17 C.F.R. 200.30-3(a)(12).

EXHIBIT 5 to SR-CBOE-2010-082

Text of the Regulatory Circular to be Eliminated

[Brackets] indicate deletions.

[Regulatory Circular RG01-61

Date: May 3, 2001
To: The Membership
From: Department of Market Regulation
RE: Transactions Between Related Entities

This Circular addresses the Exchange's change in regulatory policy with respect to transactions between related accounts with common financial backing. Under the revised policy, trading between related entities as detailed below will be allowed, provided that such transactions are effected within existing exchange rules (i.e. in open out-cry and not of a manipulative nature), and where such entities have established a separation of business activities such that common control over daily trading activity does not exist. However, this change in policy does not effect the requirements of Exchange Rule 8.91 Limitations on Dealings of Designated Primary Market-Makers with respect to associated accounts of Designated Primary Market-Makers.

Permitted Activity:

- Trading will be allowed between different market maker or other broker/dealer accounts that are financed by the same member when there is no common control over the trading activity in those accounts.

Example: Market-Makers ABC and XYZ are each financed independently by the same individual, AYZ. The financing is provided to each of them either through a joint account, partnership, or Limited Liability Corporation. AYZ has no control over the trading activity in the accounts. Under this scenario, ABC and XYZ would be able to effect transactions as contra-parties.

- Trading will be allowed between subsidiaries (i.e., separate broker/dealers) independently operated under the same parent or holding company.

Example: ABC Trading Co. and DEF Trading Co., which are separate broker/dealers, are both wholly owned by XYZ Holding Co. ABC and DEF operate independently from each other and each has no control over the trading activity in the other firm's account. XYZ Holding also has no control over the trading activity in either ABC or DEF's accounts. Under this scenario, ABC Trading and DEF Trading would be able to effect transactions as contra-parties.

Prohibited Activity:

The following activity will continue to be prohibited under the new policy:

- A Market maker may not trade with his joint account, even though his percentage of ownership is less than 100% (i.e., market maker ABC finances market maker XYZ via a joint account and ABC is a participant in the joint account. XYZ makes his own trading decisions. ABC is still prohibited from trading directly with the joint account of which he is a member as all joint accounts are jointly and severally liable);
- Nominees of the same entity may not trade as contra-parties on behalf of the firm¹;
- Firm traders employed by the same broker/dealer on different trading desks regardless of whether they are separate profit centers may not trade as contra-parties on behalf of the firm;
- Spouses may not trade as contra-parties.

Additional Considerations:

Members should be aware that under the new policy, related entities will continue to be aggregated for position limit purposes unless they have been granted non-aggregation pursuant to Exchange Rule 4.11.03.²

Questions regarding this circular may be addressed to Pat Cerny at (312) 786-7722 or Steve Slawinski at (312) 786-7744.

¹ This prohibition also applies to members who are registered for.

² Members requesting non-aggregation must demonstrate that they do not control the trading decisions of the market-maker or member firm entity being financed. The rule requires the submission of an affidavit and/or other supporting documentation to rebut the presumption of control. Trading activity is reviewed on a periodic basis to ascertain if similar patterns of trading decisions are apparent.]