

OMB APPROVAL

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Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 13	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2010 - * 083 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"/>															
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>															
Exhibit 2 Sent As Paper Document <input type="checkbox"/>		Exhibit 3 Sent As Paper Document <input type="checkbox"/>															
<p>Description</p> <p>Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *).</p> <div style="border: 1px solid black; padding: 5px; min-height: 40px;"> CBOE is proposing to amend Rule 6.53C to permit the matching algorithm in effect for the electronic complex order book (COB) to be different from the matching algorithm in effect for the option class. </div>																	
<p>Contact Information</p> <p>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.</p> <p>First Name * Jennifer Last Name * Lamie</p> <p>Title * Assistant General Counsel</p> <p>E-mail * lamie@cboe.com</p> <p>Telephone * (312) 786-7576 Fax (312) 786-7919</p>																	
<p>Signature</p> <p>Pursuant to the requirements of the Securities Exchange Act of 1934,</p> <p>has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.</p> <p>Date 09/08/2010</p> <p>By Jennifer M. Lamie Assistant Secretary</p> <p style="text-align:center;">(Name *) (Title *)</p> <p>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.</p> <div style="text-align:right; border: 1px solid black; padding: 2px; width: fit-content; margin-left: auto;"> Jennifer.lamie; lamie@cboe.com </div>																	

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)

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)

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

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

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

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

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

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 CBOE Rule 6.53C, Complex Orders on the Hybrid System, to incorporate a provision related to option classes in which the electronic complex order book (“COB”) is activated. The text of the proposed rule change is provided below with additions underlined.

Chicago Board Options Exchange, Incorporated
Rules

* * * * *

Rule 6.53C – Complex Orders on the Hybrid System

* * * * *

...Interpretations and Policies:

* * * * *

.09 The Exchange may determine on a class-by-class basis which electronic matching algorithm from Rule 6.45A or 6.45B, as applicable, shall apply to COB executions in lieu of the algorithm specified in subparagraphs (c)(ii)(2) and (3) above.

* * * * *

(b) Inapplicable.

(c) Inapplicable.

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 August 31, 2010.

(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 Jennifer Lamie, (312) 786-7576.

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

(a) Purpose

CBOE Rule 6.53C governs the operation of the Exchange's electronic COB system. The purpose of this proposed rule change is to incorporate a provision to provide the Exchange with additional flexibility to determine the applicable matching algorithm¹ for option classes in which COB is activated. Currently, Rule 6.53C(c)(ii)(2) specifies that the allocation of complex orders within COB shall be pursuant to the rules of trading priority otherwise applicable to incoming electronic orders in the individual component legs, and Rule 6.53C(iii)(3) specifies that the allocation of complex orders among market participants that submit orders or quotes to trade against the COB shall be pursuant to paragraph (c) of Rule 6.45A or Rule 6.45B, as applicable.

This filing proposes to provide the Exchange with additional flexibility regarding the allocation to permit the matching algorithm in effect for COB to be different from the matching algorithm in effect for the option class. Specifically, we are proposing that the Exchange may determine on a class-by-class basis which electronic matching algorithm shall apply to COB executions. Pursuant to Rule 6.53C.01, all pronouncements regarding COB matching algorithm determinations by the Exchange will be announced to CBOE Trading Permit Holders via Regulatory Circular.

¹ The matching algorithms include price-time, pro-rata, and the ultimate matching algorithm ("UMA") base priorities and a combination of various optional priority overlays pertaining to public customer priority, Market-Maker participation entitlements, small order preference, and market turner. See Rules 6.45A, Priority and Allocation of Equity Option Trades on the CBOE Hybrid System, and 6.45B, Priority and Allocation of Trades in Index Options and Options on ETFs on the CBOE Hybrid System.

The matching algorithm applied to COB for each option class will continue to be pursuant to Rule 6.45A or 6.45B, as applicable. Thus, the Exchange is not creating any new algorithms for COB, but is amending Rule 6.53C to provide the flexibility to choose an algorithm from among the existing algorithms to be applied to COB rather than simply defaulting to the algorithm in effect for an option class. All other aspects of COB pursuant to Rule 6.53C shall apply unchanged.

(b) Statutory Basis

The basis under the Securities Exchange Act of 1934 (the “Act”) for this proposed rule change is the requirement under Section 6(b)(5)² that an exchange have rules that are designed to promote just and equitable principles of trade, and 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. In particular, the Exchange believes the proposed change would provide more flexibility for the Exchange to designate the matching algorithm for COB in a manner that is consistent with existing CBOE rules.

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.

² 15 U.S.C. 78f(b)(5).

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

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴

(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) by its terms, 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. In addition, at least five business days prior to the instant filing, the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change. For the foregoing reasons, this rule filing qualifies for immediate effectiveness as a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4.⁵

The Exchange respectfully requests that the Commission waive the 30-day delayed operative date so that the proposed rule change may become effective and operative upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act⁶ and Rule 19b-4(f)(6)⁷ thereunder. Immediate operability will provide the Exchange with additional flexibility to permit the matching algorithm as applied in COB to be different from the matching algorithm

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ 17 CFR 240.19b-4(f)(6).

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(6).

that is currently in effect for an option class. Because the matching algorithm would continue to be pursuant to Rule 6.45A or 6.45B, as applicable, the Exchange believes this change is not substantial, and does not present any new, unique or substantive issues that make the 30-day operative delay specified in Rule 19b-4(f)(6) necessary.

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

Not applicable.

Item 9. Exhibits

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

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-CBOE-2010-083)

Dated: _____

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to the Complex Order Book

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 Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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

The Exchange proposes to amend CBOE Rule 6.53C, Complex Orders on the Hybrid System, to incorporate a provision related to option classes in which the electronic complex order book (“COB”) is activated. The text of the proposed rule change is available on the Exchange’s website (www.cboe.org/Legal), at the Exchange’s Office of the Secretary and at the Commission.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

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 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 Rule 6.53C governs the operation of the Exchange's electronic COB system. The purpose of this proposed rule change is to incorporate a provision to provide the Exchange with additional flexibility to determine the applicable matching algorithm⁵ for option classes in which COB is activated. Currently, Rule 6.53C(c)(ii)(2) specifies that the allocation of complex orders within COB shall be pursuant to the rules of trading priority otherwise applicable to incoming electronic orders in the individual component legs, and Rule 6.53C(iii)(3) specifies that the allocation of complex orders among market participants that submit orders or quotes to trade against the COB shall be pursuant to paragraph (c) of Rule 6.45A or Rule 6.45B, as applicable.

⁵ The matching algorithms include price-time, pro-rata, and the ultimate matching algorithm ("UMA") base priorities and a combination of various optional priority overlays pertaining to public customer priority, Market-Maker participation entitlements, small order preference, and market turner. See Rules 6.45A, Priority and Allocation of Equity Option Trades on the CBOE Hybrid System, and 6.45B, Priority and Allocation of Trades in Index Options and Options on ETFs on the CBOE Hybrid System.

This filing proposes to provide the Exchange with additional flexibility regarding the allocation to permit the matching algorithm in effect for COB to be different from the matching algorithm in effect for the option class. Specifically, we are proposing that the Exchange may determine on a class-by-class basis which electronic matching algorithm shall apply to COB executions. Pursuant to Rule 6.53C.01, all pronouncements regarding COB matching algorithm determinations by the Exchange will be announced to CBOE Trading Permit Holders via Regulatory Circular.

The matching algorithm applied to COB for each option class will continue to be pursuant to Rule 6.45A or 6.45B, as applicable. Thus, the Exchange is not creating any new algorithms for COB, but is amending Rule 6.53C to provide the flexibility to choose an algorithm from among the existing algorithms to be applied to COB rather than simply defaulting to the algorithm in effect for an option class. All other aspects of COB pursuant to Rule 6.53C shall apply unchanged.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)⁶ that an exchange have rules that are designed to promote just and equitable principles of trade, and 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. In particular, the Exchange believes the proposed change would provide more flexibility for the Exchange to designate the matching algorithm for COB in a manner that is consistent with existing CBOE rules.

⁶ 15 U.S.C. 78f(b)(5).

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

CBOE does not believe that the proposed rule change will impose any burden on competition 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

The Exchange neither solicited nor received comments on the proposal.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing rule 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 from the date on which it was filed, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change or such shorter time as designated by the Commission, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁷ and Rule 19b-4(f)(6) thereunder.⁸ 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

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f)(6).

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-2010-083 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-2010-083. 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-2010-083 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

Florence E. Harmon
Deputy Secretary

Dated: _____

⁹ 17 CFR 200.30-3(a)(12).