

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 - \* 087

Amendment No. (req. for Amendments \*) 1

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

Initial * <input type="checkbox"/>	Amendment * <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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## Rule

Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input checked="" 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 type="checkbox"/> 19b-4(f)(6)

Exhibit 2 Sent As Paper Document  
Exhibit 3 Sent As Paper Document  
**Description**

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

**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 *	Jennifer	Last Name *	Lamie
Title *	Assistant General Counsel		
E-mail *	lamie@cboe.com		
Telephone *	(312) 786-7576	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 11/04/2010

By Jennifer M. Lamie

(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.

Jennifer.lamie, lamie@cboe.com

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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.

**Partial Amendment No. 1 to SR-CBOE-2010-087**

The Chicago Board Options Exchange, Incorporated (the “Exchange”) submits this Partial Amendment No. 1 to proposed rule change SR-CBOE-2010-087, which proposes to amend CBOE Stock Exchange’s (“CBSX”, the CBOE’s stock trading facility) rules to enhance quotation requirements. The purpose of Partial Amendment No. 1 is to modify the proposed rule text and to add additional text to the Purpose section of the filing.

Specifically, in proposed paragraphs .01(a) and (b) of Rule 53.23 and proposed paragraphs .01(a) and (b) of Rule 52.56, the original rule change filing provided that the applicable two-sided, minimum size and pricing obligations would apply, “during CBSX Regular Trading Hours after the primary listing market has disseminated an opening quote in the stock for the given trading day[.]” The Exchange is herein proposing to revise these provisions to provide that the applicable two-sided, minimum size and pricing obligations would apply, “during CBSX Regular Trading Hours; provided, however, that such obligations (i) shall not commence during any trading day until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, and (ii) shall be suspended during a trading halt, suspension, or pause, and shall not re-commence until after the first regular way transaction on the primary listing market in the security following such halt, suspension, or pause, as reported by the responsible single plan processor[.]” No other changes to the rule text are proposed through this Partial Amendment No. 1.

The proposed rule text below reflects the changes noted above and replaces the proposed rule text that was included in the original rule change filing (additions are underlined).

Chicago Board Options Exchange, Incorporated  
Rules

\* \* \* \* \*  
Rule 53.23 Obligations of CBSX Remote Market-Makers  
\* \* \* \* \*

... Interpretations and Policies:

.01 A Remote Market Maker shall engage in a course of dealings for its own account to assist in the maintenance, insofar as reasonably practicable, of fair and orderly markets in accordance with this Interpretation and Policy.

(a) Two-Sided and Minimum Size Obligations. For each security in which the CBSX Remote Market-Maker holds an Appointment, the CBSX Remote Market-Maker shall be willing to buy and sell such security for its own account on a continuous basis by entering and maintaining two-sided quotes when the CBSX Remote Market-Maker is quoting in the security during CBSX Regular Trading Hours; provided, however, that such obligations (i) shall not commence during any trading day until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, and (ii) shall be suspended during a trading halt, suspension, or pause, and shall not re-commence until after the first regular way transaction on the primary listing market in the security following such halt, suspension, or pause, as reported by the responsible single plan processor (the "Two-Sided Obligation"). The interest eligible to be considered as part of a CBSX Remote Market-Maker's Two-Sided Obligation shall have a minimum size of at least one normal unit of trading (or a larger multiple thereof); provided, however, that a CBSX Remote Market-Maker may augment its Two-Sided Obligation size to display limit orders/quotes priced at the same price as the Two-Sided Obligation. Unless otherwise designated, a "normal unit of trading" shall be 100 shares. After an execution against the CBSX Remote Market-Maker's Two-Sided Obligation, a Market Maker must ensure that additional trading interest exists in the Exchange to satisfy the CBSX Remote Market-Maker's Two-Sided Obligation either by immediately entering new interest to comply with this obligation to maintain continuous two-sided quotations or by identifying existing interest on the Exchange book that will satisfy this obligation.

(b) Pricing Obligations. For NMS stocks (as defined in Rule 600 under Regulation NMS) a CBSX Remote Market-Maker shall adhere to the pricing obligations established under this Interpretation and Policy during CBSX Regular Trading Hours; provided, however, that such obligations (i) shall not commence during any trading day until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, and (ii) shall be suspended during a trading halt, suspension, or pause, and shall not re-commence until after the first regular way transaction on the primary listing market in the security following such halt, suspension, or pause, as reported by the responsible single plan processor.

(A) Bid Quotations. At the time of entry of bid interest satisfying the Two-Sided Obligation, the price of the bid interest shall be not more than the Designated Percentage away from the then current National Best Bid, or if no National Best Bid, not more than the Designated Percentage away from the last reported sale from the responsible single plan processor. In the event that the National Best Bid (or, if no National Best Bid, the last reported sale, as applicable) increases to a level that would cause the bid interest of the Two-Sided Obligation to be more than the Defined Limit away from the National Best Bid (or, if no National Best Bid, the last reported sale), or if the bid is executed or cancelled, the CBSX Remote Market-Maker shall enter new bid interest at a price not more than the Designated Percentage away from the then current National Best Bid (or, if no National Best Bid, the last reported sale), or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.

(B) Offer Quotations. At the time of entry of offer interest satisfying the Two-Sided Obligation, the price of the offer interest shall be not more than the Designated Percentage away from the then current National Best Offer, or if no National Best Offer, not more than the Designated Percentage away from the last reported sale received from the responsible single plan processor. In the event that the National Best Offer (or, if no National Best Offer, the last reported sale) decreases to a level that would cause the offer interest of the Two-Sided Obligation to be more than the Defined Limit away from the National Best Offer (or if no National Best Offer, the last reported sale), or if the offer is executed or cancelled, the CBSX Remote Market-Maker shall enter new offer interest at a price not more than the Designated Percentage away from the then current National Best Offer (or, if no National Best Offer, the last reported sale), or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.

(C) The National Best Bid and Offer shall be determined by the Exchange in accordance with its procedures for determining protected quotations under Rule 600 under Regulation NMS.

(D) For purposes of this Interpretation and Policy, the term “Designated Percentage” shall mean the individual stock pause trigger percentage applicable to Rule 6.3C less two (2) percentage points. For times during CBSX Regular Trading Hours when stock pause triggers are not in effect under Rule 6.3C, the Designated Percentage calculation will assume a trigger percentage of 22%. For NMS stocks that are not subject to such stock pause triggers the Designated Percentage will assume a trigger percentage of 32%.

(E) For purposes of this Interpretation and Policy, the term “Defined Limit” shall mean the individual stock pause trigger percentage applicable to Rule 6.3C less one-half (1/2) percentage point. For times during CBSX Regular Trading Hours when stock pause triggers are not in effect under Rule 6.3C, the Defined Limit calculation will assume a trigger percentage of 22%. For NMS stocks that are not subject to such stock pause triggers the Defined Limit calculation will assume a trigger percentage of 32%.

(F) Nothing in this Rule shall preclude a Market-Maker from quoting at price levels that are closer to the National Best Bid and Offer than the levels required by this Interpretation and Policy.

\* \* \* \* \*

\* \* \* \* \*

... Interpretations and Policies:

.01 A DPM shall engage in a course of dealings for its own account to assist in the maintenance, insofar as reasonably practicable, of fair and orderly markets in accordance with this Interpretation and Policy.

(a) Two-Sided and Minimum Size Obligations. For each security allocated to the CBSX DPM, the CBSX DPM shall be willing to buy and sell such security for its own account on a continuous by entering and maintaining two-sided quotes in accordance with Rule 53.56(a)(4) during CBSX Regular Trading Hours; provided, however, that such obligations (i) shall not commence during any trading day until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, and (ii) shall be suspended during a trading halt, suspension, or pause, and shall not re-commence until after the first regular way transaction on the primary listing market in the security following such halt, suspension, or pause, as reported by the responsible single plan processor (the "Two-Sided Obligation"). The interest eligible to be considered as part of a CBSX DPM's Two-Sided Obligation shall have a minimum size of at least one normal unit of trading (or a larger multiple thereof); provided, however, that a CBSX DPM may augment its Two-Sided Obligation size to display limit orders/quotes priced at the same price as the Two-Sided Obligation. Unless otherwise designated, a "normal unit of trading" shall be 100 shares. After an execution against the CBSX DPM's Two-Sided Obligation, a Market Maker must ensure that additional trading interest exists in the Exchange to satisfy the CBSX DPM's Two-Sided Obligation either by immediately entering new interest to comply with this obligation to maintain continuous two-sided quotations or by identifying existing interest on the Exchange book that will satisfy this obligation.

(b) Pricing Obligations. For NMS stocks (as defined in Rule 600 under Regulation NMS) a CBSX DPM shall adhere to the pricing obligations established under this Interpretation and Policy during CBSX Regular Trading Hours; provided, however, that such obligations (i) shall not commence during any trading day until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, and (ii) shall be suspended during a trading halt, suspension, or pause, and shall not re-commence until after the first regular way transaction on the primary listing market in the security following such halt, suspension, or pause, as reported by the responsible single plan processor.

(A) Bid Quotations. At the time of entry of bid interest satisfying the Two-Sided Obligation, the price of the bid interest shall be not more than the Designated Percentage away from the then current National Best Bid, or if no National Best Bid, not more than the Designated Percentage away from the last reported sale from the responsible single plan processor. In the event that the National Best Bid (or, if no National Best Bid, the last reported sale, as applicable) increases to a level that would cause the bid interest of the Two-Sided Obligation to be more than the Defined Limit away from the National Best Bid (or, if no National Best Bid, the last reported sale), or if the bid is executed or cancelled, the CBSX DPM shall enter new bid interest at a price not more than the Designated Percentage away from the then current National Best Bid (or, if no National Best Bid, the last reported sale), or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.

(B) Offer Quotations. At the time of entry of offer interest satisfying the Two-Sided Obligation, the price of the offer interest shall be not more than the Designated Percentage away from the then current National Best Offer, or if no National Best Offer, not more than the Designated Percentage away from the last reported sale received from the responsible single plan processor. In the event that the National Best Offer (or, if no National Best Offer, the last reported sale) decreases to a level that would cause the offer interest of the Two-Sided Obligation to be more than the Defined Limit away from the National Best Offer (or, if no National Best Offer, the last reported sale), or if the offer is executed or cancelled, the CBSX DPM shall enter new offer interest at a price not more than the Designated Percentage away from the then current National Best Offer (or, if no National Best Offer, the last reported sale), or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.

(C) The National Best Bid and Offer shall be determined by the Exchange in accordance with its procedures for determining protected quotations under Rule 600 under Regulation NMS.

(D) For purposes of this Interpretation and Policy, the term “Designated Percentage” shall mean the individual stock pause trigger percentage applicable to Rule 6.3C less two (2) percentage points. For times during CBSX Regular Trading Hours when stock pause triggers are not in effect under Rule 6.3C, the Designated Percentage calculation will assume a trigger percentage of 22%. For NMS stocks that are not subject to such stock pause triggers the Designated Percentage will assume a trigger percentage of 32%.

(E) For purposes of this Interpretation and Policy, the term “Defined Limit” shall mean the individual stock pause trigger percentage applicable to Rule 6.3C less one-half (1/2) percentage point. For times during CBSX Regular Trading Hours when stock pause triggers are not in effect under Rule 6.3C, the Defined Limit calculation will assume a trigger percentage of 22%. For NMS stocks that are not subject to such stock pause triggers the Defined Limit calculation will assume a trigger percentage of 32%.

(F) Nothing in this Rule shall preclude a Market-Maker from quoting at price levels that are closer to the National Best Bid and Offer than the levels required by this Interpretation and Policy.

\* \* \* \* \*

Also, the second sentence of the first paragraph under the “Purpose” section of the rule change filing beginning on page 6 of 17 of the Form 19b-4 (and in the corresponding sentence located on page 12 of 17 of the Exhibit 1), is proposed to be replaced with the following:

“Under the proposal, the Exchange will amend Rules 53.23, Obligations of CBSX Remote Market-Makers, and Rule 53.56, CBSX DPM

Obligations,<sup>1</sup> to require CBSX Market-Makers for each stock in which they are registered to continuously maintain a two-sided quotation within a designated percentage of the National Best Bid and National Best Offer as appropriate during CBSX Regular Trading Hours. However, scenarios may occur in which pricing at the commencement of a trading day, or at the re-opening of trading in a security that has been halted, suspended, or paused pursuant to Rule 6.3C, is significantly different than pricing for the security at the close of the previous trading day or immediately prior to the halt, suspension, or pause, respectively. These pricing differentials could be the result of corporate actions that occur after the close of the previous trading day or the market's absorption of material information during the halt, suspension or pause. Based on this concern, the Exchange believes that CBSX Market-Makers should not be subject to the pricing obligations proposed herein when the last sale of the previous trading day, or immediately prior to a halt, is the only bid or offer available as a reference price. The Exchange therefore proposes that, for NMS stocks (as defined in Rule 600 under Regulation NMS)<sup>2</sup> a CBSX Market-Maker shall adhere to the pricing obligations established by this rule during CBSX Regular Trading Hours; provided, however, that such obligations (i) shall not commence during any trading day until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, and (ii) shall be suspended during a trading halt, suspension, or pause, and shall not re-commence until after the first regular way transaction on the primary listing market in the security following such halt, suspension, or pause, as reported by the responsible single plan processor.<sup>3</sup>

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“<sup>1</sup> The Exchange notes that no change is necessary to the text related to CBSX LMM obligations as existing Rule 53.51, CBSX LMM Defined, already provides that CBSX LMMs will have the same obligations of CBSX Remote Market-Makers plus those additional obligations of CBSX DPMs.”

“<sup>2</sup> 17 CFR 240.600.”

“<sup>3</sup> A CBSX Remote Market-Maker would be obligated to provide continuous quotes only when the CBSX Remote Market-Maker is quoting in a particular security during CBSX Regular Trading Hours and subject to (i) and (ii) above. See proposed Rule 53.23.01(a), which is similar to CBOE's existing rule for options Market-Makers, Rule 8.7(d)(iii). A CBSX DPM or CBSX LMM would be obligated to provide continuous quotes during the CBSX Regular Trading Hours and subject to (i) and (ii) above. See proposed Rule 53.56.01(a), which is similar to CBOE's existing rules for options DPMs and LMMs, Rules 8.85(a)(i) and 8.15A(b)(i).”

In addition, the last sentence of the first complete paragraph located on page 8 of 17 of the Form 19b-4 (and the corresponding sentence located on page 14 of 17 of the Exhibit 1), is proposed to be replaced with the following sentence: “These requirements shall apply to Regulation NMS stocks during CBSX Regular Trading Hours; provided, however, that such obligations (i) shall not commence during any trading day until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, and (ii) shall be suspended during a trading halt, suspension, or pause, and shall not re-commence until after the first regular way transaction on the primary listing market in the security following such halt, suspension, or pause, as reported by the responsible single plan processor.”

Finally, the Exchange proposes to add the following sentence at the end of the Purpose section on page 9 of 17 of the Form 19b-4 (and in the corresponding position located on page 14 of 17 of the Exhibit 1): “If approved, the Exchange proposes to implement this proposal on December 6, 2010.”

No other changes are proposed through this Partial Amendment No. 1.