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Required fields are shown with yellow backgrounds and asterisks.

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

File No.* SR - 2012 - * 092
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
[x]	[ ]	[ ]

Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
[ ]	[x]	[ ]

Pilot [ ]

Extension of Time Period for Commission Action * [ ]

Date Expires *

Rule

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

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 amend the Short Term Option Series Program (Weekly Options).

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 * Jenny   Last Name * Klebes-Golding

Title * Senior Attorney

E-mail * golding@cboe.com

Telephone * (312) 786-7466   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 10/10/2012

By Jenny Klebes-Golding
(Name *)

Senior Attorney / 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.

Jenny Klebes, klebes@cboe.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information (required) Add Remove View	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) Add Remove View	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 Add Remove View 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 Add Remove View 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 Add Remove View	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 Add Remove View	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 Add Remove View	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

Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") proposes to modify its Short Term Option Series Program ("Weekly options") to allow CBOE to initiate strike prices in more granular intervals for Weekly options in the same manner as two other option exchanges.[1] CBOE also proposes to permit, during the expiration week of a non-Weekly option, a non-Weekly option on a class that is selected to participate in the Weekly Program to have the same strike price interval setting parameters as Weekly options. The text of the proposed rule change is provided below with additions underlined and deletions [bracketed].

(a) Not applicable.

(b) Not applicable.

Chicago Board Options Exchange, Incorporated
Rules

* * * * *

Rule 5.5. Series of Option Contracts Open for Trading

(a) – (c) No change.

(d) Short Term Option Series Program. After an option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Thursday or Friday that is a business day ("Short Term Option Opening Date") series of options on that class that expire on the Friday of the following business week that is a business day ("Short Term Option Expiration Date"). If the Exchange is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if the Exchange is not open for business on the Friday of the following business week, the Short Term Option Expiration Date will be the first business day immediately prior to that Friday. Regarding Short Term Option Series:

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[1] Weekly options are series in an options class that are approved for listing and trading on the Exchange in which the series are opened for trading on any Thursday or Friday that is a business day and that expire on the Friday of the next business week. If a Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Thursday or Friday, respectively. See CBOE Rules 5.5(d) and 24.9(a)(2)(A).

(1) – (4) No change.

(5) Strike Interval. The interval between strike prices on Short Term Option Series [shall] may be [the same as the strike prices for series in that same option class that expire in accordance with the normal monthly expiration cycle.]: (i) $0.50 or greater where the strike price is less than $75, and $1 or greater where the strike price is between $75 and $150 for all classes that participate in the Short Term Option Series Program; or (ii) $0.50 for classes that trade in one dollar increments in non-Short Term Options and that participate in the Short Term Option Series Program. A non-Short Term Option that is on a class that has been selected to participate in the Short Term Option Series Program is referred to as a "Related non-Short Term Option."

Related non-Short Term Option series shall be opened during the week prior to the week that such Related non-Short Term Option series expire in the same manner as permitted in Rule 5.5(d) and in the same strike price intervals that are permitted in this Rule 5.5(d)(5).

(e) No change.

…Interpretations and Policies:

.01 The interval between strike prices of series of options on individual stocks may be:

(a) – (f) No change.

(g) Notwithstanding any other provision regarding strike prices in this rule, Related non-Short Term Option series shall be opened during the week prior to the week that such Related non-Short Term Option series expire in the same manner as permitted in Rule 5.5(d) and in the same strike price intervals that are permitted in Rule 5.5(d)(5).

.02 - .21 No change.

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Rule 24.9. Terms of Index Option Contracts

(a) General.

(1) *Exercise Prices*. The Exchange shall determine fixed-point intervals of exercise prices for call and put options.

(2) *Expiration Months*. Index option contracts may expire at three-month intervals or in consecutive months. The Exchange may list up to six expiration months at any one time, but will not list index options that expire more than twelve months out. Notwithstanding the preceding restriction, the Exchange may list up to twelve expiration months at any one time for any broad-based security index option contracts, including

reduced-value and jumbo option contracts, (e.g., DJX, NDX, RUT and SPX) upon which the Exchange calculates a volatility index and for CBOE S&P 500 AM/PM Basis options.

(A) Short Term Option Series Program. Notwithstanding the preceding restriction, after an index option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Thursday or Friday that is a business day ("Short Term Option Opening Date") series of options on that class that expire on the Friday of the following business week that is a business day ("Short Term Option Expiration Date"). If the Exchange is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if the Exchange is not open for business on the Friday of the following business week, the Short Term Option Expiration Date will be the first business day immediately prior to that Friday. Regarding Short Term Option Series:

(i) – (iv) No change.

(v) Strike Interval. The interval between strike prices on Short Term Option Series [shall] may be [the same as the strike prices for series in that same index option class that expire in accordance with the normal monthly expiration cycle.]: (1) $0.50 or greater where the strike price is less than $75, and $1 or greater where the strike price is between $75 and $150 for all index classes that participate in the Short Term Option Series Program; or (2) $0.50 for index classes that trade in one dollar increments in non-Short Term Options and that participate in the Short Term Option Series Program. A non-Short Term Option that is on an index class that has been selected to participate in the Short Term Option Series Program is referred to as a "Related non-Short Term Option."

Related non-Short Term Option series shall be opened during the week prior to the week that such Related non-Short Term Option series expire in the same manner as permitted in Rule 24.9(a)(2)(A) and in the same strike price intervals that are permitted in this Rule 24.9(a)(2)(A)(v).

(B) No change.

(3) – (5) No change.

(b) – (e) No change.

…Interpretations and Policies:

.01 The interval between strike prices of series of options on individual stocks may be:

(a) – (l) No change.

(m) Notwithstanding any other provision regarding strike prices in this rule, Related non-Short Term Option series shall be opened during the week prior to the week that such Related non-Short Term Option series expire in the same manner as permitted in Rule 24.9(a)(2)(A) and in the same strike price intervals that are permitted in this Rule 24.9(a)(2)(A)(v).

* * * * *

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange's President approved the proposed rule change pursuant to delegated authority on September 7, 2012.

(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 Jenny Klebes-Golding, (312) 786-7466.

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

(a) Purpose

The purpose of this proposed rule change is amend CBOE's Rules 5.5 and 24.9 to amend the strike price interval setting parameters for Short Term Option Series ("Weekly options") and to permit, during the expiration week of a non-Weekly option, a non-Weekly option on a class that is selected to participate in the Weekly Program to have the same strike price interval setting parameters as Weekly options.

This is a competitive filing that is based on two recently approved filings submitted by the International Securities Exchange, LLC ("ISE") and NASDAQ OMX PHLX, LLC ("Phlx").[2] The ISE and Phlx filings both made changes to the strike price interval setting parameter rules for their respective Weekly Programs. Weekly options

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2 See Securities Exchange Act Release Nos. 67754 (August 29, 2012), 77 FR 54629 (September 5, 20120) (order approving SR-ISE-2012-33) ("ISE filing") and 67753 (August 29, 2012) 77 FR 54635 (September 5, 2012) (order approving SR-Phlx-2012-78) ("Phlx filing").

are not listed to expire during the same week as non-Weekly options. As a result, both ISE and Phlx amended their rules to permit non-Weekly options on classes that participate in the Weeklys Program to have the same strike price interval setting parameters as Weekly options during the week that non-Weekly options expire.

ISE and Phlx also both amended the strike price interval setting parameters for their Weekly Programs, but the revisions to their respective rules differ. Specifically, ISE permits \$0.50 strike price intervals for Weekly options for option classes that trade in one dollar increments and are in the Weekly Program.[3] Phlx permits \$0.50 strike price intervals when the strike price is below \$75, and \$1 strike price intervals when the strike price is between \$75 and \$150. Phlx also provides that related non-Weekly option series may be opened during the week prior to expiration week pursuant to the same strike price interval parameters that exist for Weekly options. Thus a related non-Weekly option may be opened in Weekly option strike price intervals on a Thursday or a Friday that is a business day before the non-Weekly option expiration week.[4] If the Exchange is not open for business on the respective Thursday or Friday, however, the non-Weekly option may be opened in Weekly option intervals on the first business day immediately prior to that respective Thursday or Friday.[5]

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3 The permissible \$0.50 strike price intervals may only be opened on the Weekly option Opening Date that expire on the Weekly option Expiration date and no additional series, including additional series of the related non-Weekly option, may be opened during expiration week in classes that are listed pursuant to the newly amended ISE rules.

4 This opening timing is consistent with the principle that CBOE may add new series of options until five business days prior to expiration. See CBOE Rules 5.5.04 and 24.9.01(c).

5 The Weekly option opening process is set forth in CBOE Rules 5.5(d) and 24.9(a)(2)(A): After an option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Thursday or Friday that is a business day ("Short Term Option Opening Date") series of options on that class that expire on the Friday of the following business week that is a business day ("Short Term Option Expiration Date"). If the Exchange is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if the Exchange is not open

CBOE highlighted the differences between the two filings during the notice and comment period and submitted a comment letter on that subject.[6] CBOE is proposing to adopt both of the strike price interval setting parameters that are currently in effect for both ISE and Phlx in order to remain competitive. CBOE notes that while it believes that there is substantial overlap between the two strike price interval setting parameters, the Exchange believes there are gaps that would enable Phlx to initiate a series that ISE would not be able to initiate and vice versa.[7] Since uniformity is not required for the Weekly Programs that have been adopted by the various options exchanges, CBOE proposes to revise its strike price intervals setting parameters so that it has the ability to initiate strike prices in the same manner (i.e., intervals) as both ISE and Phlx. Accordingly, CBOE proposes to adopt both the ISE rule text language and the Phlx rule text language that the SEC recently approved.

In support of this proposal, CBOE states that the principal reason for the proposed expansion is in response to market and customer demand to list actively traded products in more granular strike price intervals and to provide CBOE Trading Permit Holders

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for business on the Friday of the following business week, the Short Term Option Expiration Date will be the first business day immediately prior to that Friday.

6 A copy of CBOE's comment letter may be accessed at: http://sec.gov/comments/sr-phlx-2012-78/phlx201278-1.pdf. For example, in the comment letter CBOE noted its belief that the Phlx strike price interval setting parameters were broader since they applied to all classes that participate in the Weekly Program where the ISE proposal provided increased granularity only to those classes in which $1 strike price intervals are currently permitted.

7 The Exchange is making a distinction between initiating series and cloning series. The Exchange and the majority, if not all, of the other options exchanges that have adopted a Weekly Program have a similar rule that permits the listing of series that are opened by other exchanges. See Rule 5.5(d)(1) and 24.9(A)(2)(A)(i). This filing is concerned with the ability to initiate series.
For example, if a class is selected to participate in the Weekly Program and non-Weekly options on that class do not trade in dollar increments, CBOE believes that Phlx would be permitted to initiate $0.50 strikes on that class and ISE would not. Similarly, the strike price interval for exchange-traded fund ("ETF") options is generally $1 or greater where the strike price is $200 or less. If, an ETF class is selected to participate in the Weekly Program, CBOE believes that ISE would be permitted to initiate $0.50 strike price intervals where the strike price is between $151 and $200, but Phlx would not be.

("TPHs") and their customers increased trading opportunities in the Weekly Program. There are substantial benefits to market participants in the ability to trade eligible option classes at more granular strike price intervals. Furthermore, CBOE supports the objective of responding to customer demand for harmonized listing between Weekly and non-Weekly options and the availability of more granular strike price intervals.

The Exchange notes that the Weekly Program has been well-received by market participants, in particular by retail investors. The Exchange believes that the current proposed revisions to the Weekly Program will permit the Exchange to meet increased customer demand for more granular strike prices and the harmonization between of strike prices between Weekly and non-Weekly options on the same classes.

With regard to the impact of this proposal on system capacity, the Exchange has analyzed its capacity and represents that it and the Options Price Reporting Authority ("OPRA") have the necessary systems capacity to handle any potential additional traffic associated with this current amendment to the Weekly Program. The Exchange believes that its TPHs will not a capacity issue as a result of this proposal. CBOE represents that it will monitor the trading volume associated with the additional options series listed as a result of this proposal and the effect (if any) of these additional series on market fragmentation and on the capacity of the Exchange's automated systems.

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder, including the requirements of Section 6(b) of the Act.[8] In particular, the Exchange believes the proposed rule change is consistent with the

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8 15 U.S.C. 78f(b).

Section 6(b)(5)[9] requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest. The Exchange believes that giving the Exchange the ability to initiate strike prices in \$0.50 and \$1 intervals (as provided for in the proposed rule text) for Weekly options is reasonable because it will benefit investors by providing them with the flexibility to more closely tailor their investment and hedging decisions. The Exchange also believes that it is reasonable to harmonize strike prices between Weekly options and non-Weekly options during expiration week for non-Weekly options because doing so will ensure conformity between Weekly and non-Weekly options that are on the same class. While the proposed rule change may generate additional quote traffic, the Exchange does not believe that any increased traffic will become unmanageable since the proposal remains limited to a fixed number of classes. The Exchange also believes that the proposed rule change will ensure competition because CBOE will be put in a position to initiate series in the same strike intervals as ISE and Phlx are currently able to do.

Item 4. <u>Self-Regulatory Organization's Statement on Burden on Competition</u>

This proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. In this regard and as indicated above, the Exchange notes that the rule change is being proposed as a competitive response to recently approved ISE and Phlx filings. CBOE believes this

9 15 U.S.C. 78f(b)(5).

proposed rule change is necessary to permit fair competition among the options exchanges.

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

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

Item 6. <u>Extension of Time Period for Commission Action</u>

The Exchange does not consent to an extension of the time period specified in Section 19(b)(2) of the Exchange Act.

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

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A)[10] of the Act and Rule 19b-4(f)(6) thereunder.[11]

(b) The Exchange asserts that the proposed 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 its filing date, 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 in all material respects to existing rules of ISE and Phlx.[12] The Exchange also provided the Commission with written notice of its intent to file the proposal, along with a brief description and text of the proposal, prior to the date of the filing of the proposed rule change as required by Rule 19b-4(f)(6).

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[10] 15 U.S.C. 78s(b)(3)(A).

[11] 17 CFR 240.19b-4(f)(6).

[12] <u>See</u> supra note 2.

The Exchange requests that the Commission waive the pre-filing period and the 30-day operative delay period. Waiver of the pre-filing period and operative delay is consistent with the protection of investors and the public interest because it: (a) will ensure fair competition among exchanges by allowing CBOE to initiate strikes prices in more granular intervals for Weekly options in the same manner as ISE and Phlx, and (b) will ensure fair competition among exchanges by allowing CBOE to similarly permit, during the expiration week of a non-Weekly option, a non-Weekly option on a class that is selected to participate in the Weekly Program to have the strike price interval setting parameters as Weekly options.

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

(c) Not applicable.

(d) Not applicable.

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

As discussed above, this proposed rule change is based on recently approved filings by ISE and Phlx and is substantially similar in all material respects to those filings.

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-2012-092

Dated: __________________

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Weeklys Program

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on __________, 2012, the Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II 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[3] 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

CBOE proposes to modify its Short Term Option Series Program ("Weekly options") to allow CBOE to initiate strike prices in more granular intervals for Weekly options in the same manner as two other option exchanges.[5] CBOE also proposes to

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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).
5 Weekly options are series in an options class that are approved for listing and trading on the Exchange in which the series are opened for trading on any Thursday or Friday that is a business day and that expire on the Friday of the next business week. If a Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Thursday or Friday, respectively. See CBOE Rules 5.5(d) and 24.9(a)(2)(A).

permit, during the expiration week of a non-Weekly option, a non-Weekly option on a class that is selected to participate in the Weekly Program to have the same strike price interval setting parameters as Weekly options. The text of the proposed rule change is available on the Exchange's Web site (http://www.cboe.org/legal), at the Exchange's Office of the Secretary, and at the Commission.

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the 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 this proposed rule change is amend CBOE's Rules 5.5 and 24.9 to amend the strike price interval setting parameters for Short Term Option Series ("Weekly options") and to permit, during the expiration week of a non-Weekly option, a non-Weekly option on a class that is selected to participate in the Weekly Program to have the same strike price interval setting parameters as Weekly options.

This is a competitive filing that is based on two recently approved filings submitted by the International Securities Exchange, LLC ("ISE") and NASDAQ OMX

PHLX, LLC ("Phlx").[6] The ISE and Phlx filings both made changes to the strike price interval setting parameter rules for their respective Weekly Programs. Weekly options are not listed to expire during the same week as non-Weekly options. As a result, both ISE and Phlx amended their rules to permit non-Weekly options on classes that participate in the Weeklys Program to have the same strike price interval setting parameters as Weekly options during the week that non-Weekly options expire.

ISE and Phlx also both amended the strike price interval setting parameters for their Weekly Programs, but the revisions to their respective rules differ. Specifically, ISE permits \$0.50 strike price intervals for Weekly options for option classes that trade in one dollar increments and are in the Weekly Program.[7] Phlx permits \$0.50 strike price intervals when the strike price is below \$75, and \$1 strike price intervals when the strike price is between \$75 and \$150. Phlx also provides that related non-Weekly option series may be opened during the week prior to expiration week pursuant to the same strike price interval parameters that exist for Weekly options. Thus a related non-Weekly option may be opened in Weekly option strike price intervals on a Thursday or a Friday that is a business day before the non-Weekly option expiration week.[8] If the Exchange is not open for business on the respective Thursday or Friday, however, the non-Weekly option may be opened in Weekly option intervals on the first business day immediately prior to

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6 See Securities Exchange Act Release Nos. 67754 (August 29, 2012), 77 FR 54629 (September 5, 20120) (order approving SR-ISE-2012-33) ("ISE filing") and 67753 (August 29, 2012) 77 FR 54635 (September 5, 2012) (order approving SR-Phlx-2012-78) ("Phlx filing").

7 The permissible \$0.50 strike price intervals may only be opened on the Weekly option Opening Date that expire on the Weekly option Expiration date and no additional series, including additional series of the related non-Weekly option, may be opened during expiration week in classes that are listed pursuant to the newly amended ISE rules.

8 This opening timing is consistent with the principle that CBOE may add new series of options until five business days prior to expiration. See CBOE Rules 5.5.04 and 24.9.01(c).

that respective Thursday or Friday.[9]

CBOE highlighted the differences between the two filings during the notice and comment period and submitted a comment letter on that subject.[10] CBOE is proposing to adopt both of the strike price interval setting parameters that are currently in effect for both ISE and Phlx in order to remain competitive. CBOE notes that while it believes that there is substantial overlap between the two strike price interval setting parameters, the Exchange believes there are gaps that would enable Phlx to initiate a series that ISE would not be able to initiate and vice versa.[11] Since uniformity is not required for the Weekly Programs that have been adopted by the various options exchanges, CBOE proposes to revise its strike price intervals setting parameters so that it has the ability to initiate strike prices in the same manner (i.e., intervals) as both ISE and Phlx. Accordingly, CBOE proposes to adopt both the ISE rule text language and the Phlx rule text language that the SEC recently approved.

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9 The Weekly option opening process is set forth in CBOE Rules 5.5(d) and 24.9(a)(2)(A): After an option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Thursday or Friday that is a business day ("Short Term Option Opening Date") series of options on that class that expire on the Friday of the following business week that is a business day ("Short Term Option Expiration Date"). If the Exchange is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if the Exchange is not open for business on the Friday of the following business week, the Short Term Option Expiration Date will be the first business day immediately prior to that Friday.

10 A copy of CBOE's comment letter may be accessed at: http://sec.gov/comments/sr-phlx-2012-78/phlx201278-1.pdf. For example, in the comment letter CBOE noted its belief that the Phlx strike price interval setting parameters were broader since they applied to all classes that participate in the Weekly Program where the ISE proposal provided increased granularity only to those classes in which $1 strike price intervals are currently permitted.

11 The Exchange is making a distinction between initiating series and cloning series. The Exchange and the majority, if not all, of the other options exchanges that have adopted a Weekly Program have a similar rule that permits the listing of series that are opened by other exchanges. See Rule 5.5(d)(1) and 24.9(A)(2)(A)(i). This filing is concerned with the ability to initiate series.
For example, if a class is selected to participate in the Weekly Program and non-Weekly options on that class do not trade in dollar increments, CBOE believes that Phlx would be permitted to initiate $0.50 strikes on that class and ISE would not. Similarly, the strike price interval for exchange-traded fund ("ETF") options is generally $1 or greater where the strike price is $200 or less. If, an ETF class is selected to participate in the Weekly Program, CBOE believes that ISE would be permitted to initiate $0.50 strike price intervals where the strike price is between $151 and $200, but Phlx would not be.

In support of this proposal, CBOE states that the principal reason for the proposed expansion is in response to market and customer demand to list actively traded products in more granular strike price intervals and to provide CBOE Trading Permit Holders ("TPHs") and their customers increased trading opportunities in the Weekly Program. There are substantial benefits to market participants in the ability to trade eligible option classes at more granular strike price intervals. Furthermore, CBOE supports the objective of responding to customer demand for harmonized listing between Weekly and non-Weekly options and the availability of more granular strike price intervals.

The Exchange notes that the Weekly Program has been well-received by market participants, in particular by retail investors. The Exchange believes that the current proposed revisions to the Weekly Program will permit the Exchange to meet increased customer demand for more granular strike prices and the harmonization between of strike prices between Weekly and non-Weekly options on the same classes.

With regard to the impact of this proposal on system capacity, the Exchange has analyzed its capacity and represents that it and the Options Price Reporting Authority ("OPRA") have the necessary systems capacity to handle any potential additional traffic associated with this current amendment to the Weekly Program. The Exchange believes that its TPHs will not a capacity issue as a result of this proposal. CBOE represents that it will monitor the trading volume associated with the additional options series listed as a result of this proposal and the effect (if any) of these additional series on market fragmentation and on the capacity of the Exchange's automated systems.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder, including the requirements of Section 6(b) of the Act.[12] In particular, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[13] requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest. The Exchange believes that giving the Exchange the ability to initiate strike prices in $0.50 and $1 intervals (as provided for in the proposed rule text) for Weekly options is reasonable because it will benefit investors by providing them with the flexibility to more closely tailor their investment and hedging decisions. The Exchange also believes that it is reasonable to harmonize strike prices between Weekly options and non-Weekly options during expiration week for non-Weekly options because doing so will ensure conformity between Weekly and non-Weekly options that are on the same class. While the proposed rule change may generate additional quote traffic, the Exchange does not believe that any increased traffic will become unmanageable since the proposal remains limited to a fixed number of classes. The Exchange also believes that the proposed rule change will ensure competition because CBOE will be put in a position to initiate series in the same strike intervals as ISE and Phlx are currently able to do.

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

This proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. In this regard and as

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12 15 U.S.C. 78f(b).

13 15 U.S.C. 78f(b)(5).

indicated above, the Exchange notes that the rule change is being proposed as a competitive response to recently approved ISE and Phlx filings. CBOE believes this proposed rule change is necessary to permit fair competition among the options exchanges.

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 foregoing proposed 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 Act[14] and Rule 19b-4(f)(6) thereunder.[15] 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.

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[14] 15 U.S.C. 78s(b)(3)(A).

[15] 17 CFR 240.19b-4(f)(6).

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CBOE-2012-092 on the subject line.

Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2012-092. 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 website viewing and printing 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 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-2012-092 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.[16]

Dated: ____________________ Secretary

[16] 17 CFR 200.30-3(a)(12).