

## OMB APPROVAL

OMB Number: 3235-0045  
 Estimated average burden  
 hours per response.....38

Required fields are shown with yellow backgrounds and asterisks.

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| Page 1 of * 4  | SECURITIES AND EXCHANGE COMMISSION<br>WASHINGTON, D.C. 20549<br>Form 19b-4  | File No. * SR - 2016 - * 084<br>Amendment No. (req. for Amendments *) 1   |
| Filing by Chicago Board Options Exchange<br>Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934   |   |   |
| Initial * <input type="checkbox"/><br>Amendment * <input checked="" type="checkbox"/><br>Withdrawal <input type="checkbox"/>   | Section 19(b)(2) * <input checked="" type="checkbox"/><br>Section 19(b)(3)(A) * <input type="checkbox"/><br>Section 19(b)(3)(B) * <input type="checkbox"/>                              | Rule<br><input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4)<br><input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5)<br><input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6) |
| Pilot <input type="checkbox"/><br>Extension of Time Period<br>for Commission Action * <input type="checkbox"/><br>Date Expires * <input type="text"/>  | Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010<br>Section 806(e)(1) * <input type="checkbox"/><br>Section 806(e)(2) * <input type="checkbox"/> |   |
| Exhibit 2 Sent As Paper Document <input type="checkbox"/>  |   | Exhibit 3 Sent As Paper Document <input type="checkbox"/>   |
| <b>Description</b><br>Provide a brief description of the action (limit 250 characters, required when Initial is checked *).<br><div style="border: 1px solid black; height: 40px; margin-top: 10px;"></div>  |   |   |
| <b>Contact Information</b><br>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 action.   |   |   |
| First Name * Kyle Last Name * Edwards<br>Title * Counsel<br>E-mail * edwards@cboe.com<br>Telephone * (312) 786-7304 Fax <input type="text"/>   |   |   |
| <b>Signature</b><br>Pursuant to the requirements of the Securities Exchange Act of 1934,<br>has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.<br><div style="text-align: right;">(Title *)</div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>           Date 01/06/2017<br/>           By Kyle Edwards<br/>           (Name *)         </div> <div style="border: 1px solid black; padding: 5px; width: 300px;">           Counsel<br/> <div style="border: 1px solid black; height: 30px; margin-top: 5px;"></div> </div> </div> <div style="text-align: center; margin-top: 10px;"> <div style="border: 1px solid black; padding: 2px 10px; background-color: #ccc;">edwards@cboe.com</div> </div> <p style="font-size: small; margin-top: 10px;">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> |   |   |

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| SECURITIES AND EXCHANGE COMMISSION<br>WASHINGTON, D.C. 20549   |  |
| For complete Form 19b-4 instructions please refer to the EDFS website.   |  |
| <div>Form 19b-4 Information *</div> <div><div>Add</div><div>Remove</div><div>View</div></div>  | 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.   |
| <div>Exhibit 1 - Notice of Proposed Rule Change *</div> <div><div>Add</div><div>Remove</div><div>View</div></div>  | 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)  |
| <div>Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *</div> <div><div>Add</div><div>Remove</div><div>View</div></div>                            | 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, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3) |
| <div>Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications</div> <div><div>Add</div><div>Remove</div><div>View</div></div> <div>Exhibit Sent As Paper Document<br/><input type="checkbox"/></div> | 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.   |
| <div>Exhibit 3 - Form, Report, or Questionnaire</div> <div><div>Add</div><div>Remove</div><div>View</div></div> <div>Exhibit Sent As Paper Document<br/><input type="checkbox"/></div>                               | 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.  |
| <div>Exhibit 4 - Marked Copies</div> <div><div>Add</div><div>Remove</div><div>View</div></div>   | 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.  |
| <div>Exhibit 5 - Proposed Rule Text</div> <div><div>Add</div><div>Remove</div><div>View</div></div>  | 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.  |
| <div>Partial Amendment</div> <div><div>Add</div><div>Remove</div><div>View</div></div>   | 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

Chicago Board Options Exchange, Incorporated (“CBOE” or the “Exchange”) submits this Amendment, constituting Amendment No. 1, to rule filing SR-CBOE-2016-084 in which the Exchange proposes to amend its rules related to the Automated Improvement Mechanism (“AIM”). The purpose of this Amendment No. 1 is to amend Form 19b-4 and Exhibit 1 to state that the Exchange believes that in addition to the simple order market the market for complex orders both within and outside of AIM is robust, and therefore it is appropriate to approve the AIM pilots on a permanent basis.

For complex orders<sup>1</sup> that are otherwise eligible for AIM (i.e., complex orders in a conforming ratio, as defined in Rule 6.53C(a)(1), that meet the complex order type, order origin code, class and marketability parameters as determined by the Exchange pursuant to Rule 6.74A.07), the AIM eligibility requirements of Rule 6.74A(a) apply in the same manner as they apply for simple orders. Thus, a complex order may be executed via AIM at a net debit or net credit price provided, for example, that an Agency Order that is a complex order of 50 contracts or more (as determined by the size of the smallest leg) is stopped at the better of the NBBO or the Agency Order’s limit price (if the order is a limit order).<sup>2</sup> Similarly, a complex order of less than 50 contracts (as determined by the size of the smallest leg) may be executed via AIM at a net debit or net credit price

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<sup>1</sup> A "complex order" is any order involving the execution of two or more different options series in the same underlying security occurring at or near the same time in a ratio that is equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00) (or such lower ratio as may be determined by the Exchange on a class-by-class basis) and for the purpose of executing a particular investment strategy. For the purpose of applying the aforementioned ratios to complex orders comprised of both mini-option contracts and standard option contracts, ten (10) mini-option contracts will represent one (1) standard option contract. Only those complex orders with no more than the applicable number of legs, as determined by the Exchange on a class-by-class basis, are eligible for processing. See Rule 6.53C(a)(1).

provided that the Agency Order is stopped at the better of (A) the NBBO price improved by one minimum price improvement increment, which increment shall be determined by the Exchange but may not be smaller than one cent; or (B) the Agency Order's limit price (if the order is a limit order).<sup>3</sup>

In September 2016, there were 5,982 complex orders processed via AIM with an order size of 50 contracts or more (as determined by the size of the smallest leg), and there were 214,986 complex orders processed via AIM with an order size of less than 50 contracts (as determined by the size of the smallest leg). With regards to having no minimum size requirement for orders to be eligible for the auction, the Exchange believes small complex orders benefit from the price improvement offered by AIM in the same manner that small simple orders benefit from the price improvement offered by AIM; therefore it is appropriate to approve the AIM pilot on a permanent basis. Additionally, from January 2015 through June 2015 there were less than two auctions ended early per month because of a quote lock. Thus, for both simple orders and complex orders, due to the infrequency with which a quote lock terminates an AIM auction, permanent approval of the pilot program to end AIM auctions early when there is a quote lock on the Exchange will have a de minimis impact on the marketplace.

The Exchange believes that in addition to the simple order market the complex order market both within and outside of AIM is robust, and therefore it is appropriate to approve the AIM pilots on a permanent basis.

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<sup>2</sup> See Rule 6.74A(a)(2).

<sup>3</sup> See Rule 6.74A(a)(3).