

Required fields are shown with yellow backgrounds and asterisks.

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

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
Date Expires * <input type="text"/>			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) <input type="checkbox"/>	Section 3C(b)(2) <input type="checkbox"/>
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"/>
---	---

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

The Exchange proposes to amend Rules 5.5(d) and 24.9(a)(2)(A) to expand the Short Term Option Series Program.

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 action.

First Name * Megan R.	Last Name * Malone
Title * Attorney	
E-mail * malone@cboe.com	
Telephone * (312) 786-7304	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.

(Title *)

Date 12/11/2013	Attorney
By Megan R. Malone	
(Name *)	

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.

Persona Not Validated - 1384894470583,

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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 *

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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies

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, 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)

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

(a) Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) proposes to amend Exchange Rules 5.5(d) and 24.9(a)(2)(A) to expand the Short Term Option Series Program. The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s President (or designee) pursuant to delegated authority approved the proposed rule change on December 3, 2013.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7462, or Megan R. Malone, (312) 786-7304, Chicago Board Options Exchange, Incorporated, 400 South LaSalle, Chicago, Illinois 60605.

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

(a) Purpose

The Exchange is proposing to amend Exchange Rules 5.5(d) and 24.9(a)(2)(A) to allow the Exchange to list 50 classes of options in the Short Term Option Series Program (the “Program” or “Weeklys Program”)¹; to list or add equity Weeklys within fifty

¹ Short Term Option Series (“Weeklys”) 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 at the close of business on Fridays. The Exchange may list Weeklys for the next five Fridays that are business days (and are not Fridays in which monthly options series or Quarterly Options Series expire). The specifics of the Program are discussed in more detail below.

percent (50%) above or below price of the underlying price of the security if the price of the underlying security is greater than \$20, or within one hundred percent (100%) above or below the price of the underlying security if the price of the underlying security is less than or equal to \$20; and to add the ability to list equity Weekly strike price interval of \$2.50 or greater where the strike price is above \$150. The Exchange believes the proposed expansion will benefit the marketplace given the increased market demand for this Program.

The Weeklys Program for equity options is codified in Exchange Rule 5.5(d).² This rule currently states that after an equity 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 series of options on that class that expire at the close of business on each of the next five Fridays that are business days and are not Fridays in which monthly options series or Quarterly Options Series expire.³ Weekly expirations may not expire on the same day on which a monthly option series or Quarterly Option series expires.⁴ The Exchange may select up to 30 currently listed option classes to participate in the Program and the Exchange may also list Weeklys on classes selected by other exchanges under their respective Programs.⁵ The Exchange may open up to 30 series per expiration comprised of up to 20 initial series and 10 additional series for

² With the proposal, the Exchange is only proposing to amend the Weeklys Program for equity options. The amount of classes that may participate in the Program, however, is aggregated between equity options and index options and is not apportioned between equity and index options. Thus, as discussed more below, the Exchange is proposing to make a conforming change to the class limitation located in the Exchange's index Weeklys Program rules (Exchange Rule 24.9(a)(2)(A)) to align the limitation for both equity and index options.

³ See Exchange Rules 5.5(d).

⁴ See Exchange Rule 5.5(d)(2).

⁵ See Exchange Rule 5.5(d)(1).

expiration.⁶ The same number of strike prices must be opened above and below the value of the underlying security at about the time that the Weeklys are initially opened for trading on the Exchange.⁷ Strike prices being must currently be within thirty percent (30%) above or below the closing price of the underlying security from the preceding day.⁸

The Weeklys Program currently allows that the interval between strike prices may be (i) \$0.50 or greater where the strike prices is less than \$75, and \$1 or greater where the strike price is between \$75 and \$150 for all classes that participate in the Weeklys Program.⁹ In addition, during a market move such that no series are at least 10% above or below the current price of the underlying security and all existing series have open interest, the Exchange may also open additional series in excess of the 30 strike limitation that are between 10% and 30% of the price of the underlying security.¹⁰ Finally, in the event that the underlying security has moved such that there are no series that are at least 10% above or below the current prices of the underlying security, the Exchange will delist any series with no open interest so as to list series that are at least 10% but not more than 30% above or below the current price of the underlying security.¹¹ The Exchange is now proposing to expand the Program as the Exchange believes an

⁶ See Exchange Rules 5.5(d)(1), (3) and (4).

⁷ Id.

⁸ Id.

⁹ See Exchange Rule 5.5(d)(5).

¹⁰ See Exchange Rule 5.5(d)(4).

¹¹ See Exchange Rule 5.5(d)(6).

expansion will benefit the marketplace while aligning the Exchange with currently proposed expansions by another options exchange.¹²

First, the Exchange is proposing to increase the number of classes that participate in the Program. Currently, the Exchange may “select up to thirty currently listed option classes on which Short Term Option Series may be opened on any Short Term Option Opening Date.”¹³ The Exchange is now proposing to increase this number from thirty to fifty. The Exchange believes that this expansion will be well received by market participants because the Program is currently very popular and continues to grow.¹⁴ In particular, the Exchange understands that there are several classes for which there is demand that they be added to the Program.

The Exchange is proposing to set forth this change in Rules 5.5(d)(1) and 24.9(a)(2)(A)(i). CBOE’s rules governing the Program are written so that the number of classes that may participate are not apportioned between equity and index classes. In other words, the class limitation is aggregated between equity and index options. While the Exchange is not proposing to substantively amend the rule for the index options Weeklys Program, the Exchange is proposing to reflect the increase to the total number of classes that may participate in the Program by amending Rule 24.9(a)(2)(A)(i). The Exchange believes that this conforming change to the index options Weeklys Program is

¹² The NASDAQ OMX PHLX LLC (“Phlx”) has recently submitted a proposed rule change to expand its Weeklys Program. See Securities and Exchange Act Release No. 71004 (December 6, 2013 (order approving SR-Phlx-2013-101)(“Phlx Filing”).

¹³ See Exchange Rules 5.5(d)(1). See also note 2 supra.

¹⁴ The Exchange expressed support of the increase in the class number participating in the Weeklys Program in a comment letter to the Phlx Filing. See Letter dated November 12, 2013 from Megan R. Malone, Chicago Board Options Exchange, Incorporated.

appropriate for consistency and is needed in order to eliminate any ambiguity that would result if this change were not made.

Second, the Exchange is proposing to indicate the criteria the Exchange must follow when opening initial and additional series under the Weeklys Program. More specifically, the Exchange is proposing to add language to Rules 5.5(d)(3) and 5.5(d)(4) for equity options to state that series listed (both initial and additional) shall be reasonably close to the price of the underlying equity security (which underlying security price shall be determined in accordance with subparagraph (a)(i) of Rule 5.5A) and within the following parameters: (i) if the price of the underlying security is less than or equal to \$20, strike prices shall be not more than one hundred percent (100%) above or below the price of the underlying security; and (ii) if the price of the underlying security is greater than \$20, strike prices shall be not more than fifty percent (50%) above or below the price of the underlying security. The Exchange is also proposing to add language stating that the Exchange may open additional strike prices of Short Term Option Series that are more than 50% above or below the current value of the underlying security (if the price is greater than \$20); provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers. Market-Makers trading for their own account shall not be considered when determining customer interest under this provision.¹⁵

¹⁵ Rule 5.5A(b)(i) currently states that if the price of the underlying security is greater than \$20, the Exchange shall not list new option series with an exercise price more than 50% above or below the price of the underlying security. Immediately before this language, the Exchange proposes to also add a carve-out that states “Except as provided in Rule 5.5(d)(4) . . .”

This proposal is in line with process for adding new series of options found in subsection 3(g)(i) of the Options Listing Procedures Plan (“OLPP”).¹⁶ The Exchange believes that is this proposal is a reasonable enhancement to the Weeklys Program and will also align the Exchange with other exchanges participating in the Weeklys Program.¹⁷ The proposed added language to Rule 5.5(d)(4) with conform the criteria for additional series added to the proposed criteria for initial series additions.

Next, the Exchange is proposing to permit the Exchange to list strike price intervals at \$2.50 or more for classes in the Weeklys Program where the strike price is above \$150. This proposed change complements the current Weeklys strike price interval setting regime, which provides for \$0.50 or greater strike prices where the strike price is less than \$75 and \$1.00 or greater strike prices where the strike prices is between \$75 and \$150 for all classes that participate in the Weeklys Program.¹⁸ The proposed change would align the Exchange with another options exchange participating in the Weeklys Program¹⁹ while permitting the listing of an additional strike interval for higher priced underlying securities that complements the current intervals.

Finally, the Exchange is proposing to delete language in its Delisting provisions of the Weeklys Program. More specifically, the Exchange is proposing to delete the current provision that states that the Exchange will delist any series with no open interest in both the call and put series as to “list series that are at least 10% but not more than 30 above or below the current value of the underlying index.” The Exchange believes this

¹⁶ Rule 5.5A codifies select provisions of the OLPP.

¹⁷ See note 12 supra.

¹⁸ Strike price intervals may also be \$0.50 for classes that trade in \$1.00 increments in Related non-Short Term Options that participate in the Weeklys Program. See Exchange Rule 5.5(d)(5).

¹⁹ See note 12 supra.

proposed change will conform the delisting provision for the Weeklys Program with the other proposed amendments and align the Exchange with another options exchange participating in the Program.²⁰

The Exchange believes this proposed expansion will meet the current unmet market demand in the Weeklys Program which has proven to be a popular program. In addition, the proposed changes will make the Weeklys Program more effective, harmonize the provisions with the OLPP, and create more clarity in the Exchange's rules. Finally, the Exchange believes other options exchanges will adopt similar provisions as all options exchanges currently have similar rules. This expansion across all options exchanges will continue to promote competition amongst the exchanges.

The Exchange notes that the Weeklys Program has been very well-received by market participants, in particular by retail investors. The Exchange believes that the current proposed revision to the Weeklys Program will permit the Exchange to meet increased customer demand and provide market participants with the ability to hedge in a greater number of option classes and series.

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.²¹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²² requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles

²⁰ See note 12 *supra*.

²¹ 15 U.S.C. 78f(b).

²² 15 U.S.C. 78f(b)(5).

of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²³ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Weeklys Program has been well-received by market participants and has seen increasing trading volume. The Exchange believes that the current proposed revisions to the Weeklys Program will permit the Exchange to meet customer demand for enhanced Weeklys Program use and efficiency, harmonization of the OLPP and Weeklys rules, and a reasonable expansion of strike price intervals in the Program to the benefit of investors, market participants, and the market in general.

With regard to the impact of this proposal on system capacity, the Exchange has 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 Weeklys Program. The Exchange believes that its Trading Permit Holders will not have a capacity issue as a result of this proposal. The Exchange also represents that it does not believe this expansion will cause fragmentation to liquidity.

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 that is not necessary or appropriate in furtherance of the purposes of the Act.

²³ Id.

Instead, CBOE believes that the proposed rule change will relieve any burden on, or otherwise promote, competition. The Exchange believes that the proposed rule change will result in additional investment options and opportunities to achieve the investment objectives of market participants seeking efficient trading and hedging vehicles, to the benefit of investors, market participants, and the marketplace in general.

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 proposed rule change. The Exchange does note that the original Phlx proposal received one comment from the Exchange in support of the expansion of the Weeklys Program to 50 options classes.²⁴ The Phlx proposal did not receive any other comments.

Item 6. Extension of Time Period for Commission Action

Not applicable.

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

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of Act²⁵ and Rule 19b-4(f)(6)²⁶ thereunder.

(b) The Exchange designates that the proposed rule change effects a change that (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public

²⁴ See note 14 *supra*.

²⁵ 15 U.S.C. 78s(b)(3)(A).

²⁶ 17 CFR 240.19b-4(f)(6).

interest. Additionally, the Exchange has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of 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.

As stated above, the Exchange is proposing to align its rules to another proposed rule by another options exchange.²⁷ The Exchange also notes that the Weeklys Program has been well received by market participants. Thus, the Exchange believes the proposed amendments are appropriate and reasonable due to the increased customer demand and will not be controversial in the marketplace.

For the foregoing reasons, this rule filing qualifies as a “non-controversial” rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission. At any time within 60 days of the filing of this proposed rule change, the Commission summarily may temporarily suspend 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. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved. The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. The Exchange believes the waiver of the operative delay is consistent with the protection of investors and the public interest because it will ensure fair competition among exchanges by allowing the Exchange to offer a more efficient Weeklys Program that is

²⁷ See note 12 supra.

harmonized internally and externally with the OLPP, and to meet customer demand for a greater number of Weeklys classes and strike price intervals, in the same manner as other exchanges.

(c) Not applicable.

(d) Not applicable.

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

As noted above, the proposed changes are similar to those that have been proposed by the Phlx.²⁸ More specifically, the Exchange is proposing the same provisions the Phlx has proposed with respect to the increase in the number of classes participating in the Weeklys Program, the circumstances in which initial and additional strike prices may be added, the reasonable addition of strike prices for higher priced securities, and the conforming changes being proposed to make the Weeklys Program rules consistent. Unlike Phlx, however, the Exchange is also proposing to make a reference to the proposed class expansion to the index options Weekly Program rules as the Exchange believes this will cause less confusion as the class selections are currently aggregated between equity and index options which the Exchange does not believe should be changed.

In addition, the Exchange's rule currently allows for the addition of more than 30 strike prices in a participating class in the event of a market movement. The Exchange notes that the Phlx proposal is deleting a parallel provision from its rules. The Exchange believes that this provision is necessary and beneficial since it provides the Exchange with the ability to react to market movements. Thus, the Exchange is not proposing to delete this provision.

²⁸ See note 12 supra.

Item 9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

Item 10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

Item 11. Exhibits

Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 5. Proposed rule text if not included under Item 1(a).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-CBOE-2013-121]

[Insert date]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Short Term Option Series 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 [insert date], 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, II, and III below, which Items have been prepared by the Exchange. 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 Exchange Rules 5.5(d) and 24.9(a)(2)(A) to expand the Short Term Option Series Program. The text of the proposed rule change is available on the Exchange’s website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange’s Office of the Secretary, and at the Commission’s Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange is proposing to amend Exchange Rules 5.5(d) and 24.9(a)(2)(A) to allow the Exchange to list 50 classes of options in the Short Term Option Series Program (the "Program" or "Weeklys Program")³; to list or add equity Weeklys within fifty percent (50%) above or below price of the underlying price of the security if the price of the underlying security is greater than \$20, or within one hundred percent (100%) above or below the price of the underlying security if the price of the underlying security is less than or equal to \$20; and to add the ability to list equity Weekly strike price interval of \$2.50 or greater where the strike price is above \$150. The Exchange believes the proposed expansion will benefit the marketplace given the increased market demand for this Program.

³ Short Term Option Series ("Weeklys") 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 at the close of business on Fridays. The Exchange may list Weeklys for the next five Fridays that are business days (and are not Fridays in which monthly options series or Quarterly Options Series expire). The specifics of the Program are discussed in more detail below.

The Weeklys Program for equity options is codified in Exchange Rule 5.5(d).⁴ This rule currently states that after an equity 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 series of options on that class that expire at the close of business on each of the next five Fridays that are business days and are not Fridays in which monthly options series or Quarterly Options Series expire.⁵ Weekly expirations may not expire on the same day on which a monthly option series or Quarterly Option series expires.⁶ The Exchange may select up to 30 currently listed option classes to participate in the Program and the Exchange may also list Weeklys on classes selected by other exchanges under their respective Programs.⁷ The Exchange may open up to 30 series per expiration comprised of up to 20 initial series and 10 additional series for expiration.⁸ The same number of strike prices must be opened above and below the value of the underlying security at about the time that the Weeklys are initially opened for trading on the Exchange.⁹ Strike prices being must currently be within thirty percent (30%) above or below the closing price of the underlying security from the preceding day.¹⁰

The Weeklys Program currently allows that the interval between strike prices may be (i) \$0.50 or greater where the strike prices is less than \$75, and \$1 or greater where the

⁴ With the proposal, the Exchange is only proposing to amend the Weeklys Program for equity options. The amount of classes that may participate in the Program, however, is aggregated between equity options and index options and is not apportioned between equity and index options. Thus, as discussed more below, the Exchange is proposing to make a conforming change to the class limitation located in the Exchange's index Weeklys Program rules (Exchange Rule 24.9(a)(2)(A)) to align the limitation for both equity and index options.

⁵ See Exchange Rules 5.5(d).

⁶ See Exchange Rule 5.5(d)(2).

⁷ See Exchange Rule 5.5(d)(1).

⁸ See Exchange Rules 5.5(d)(1), (3) and (4).

⁹ Id.

¹⁰ Id.

strike price is between \$75 and \$150 for all classes that participate in the Weeklys Program.¹¹ In addition, during a market move such that no series are at least 10% above or below the current price of the underlying security and all existing series have open interest, the Exchange may also open additional series in excess of the 30 strike limitation that are between 10% and 30% of the price of the underlying security.¹² Finally, in the event that the underlying security has moved such that there are no series that are at least 10% above or below the current prices of the underlying security, the Exchange will delist any series with no open interest so as to list series that are at least 10% but not more than 30% above or below the current price of the underlying security.¹³ The Exchange is now proposing to expand the Program as the Exchange believes an expansion will benefit the marketplace while aligning the Exchange with currently proposed expansions by another options exchange.¹⁴

First, the Exchange is proposing to increase the number of classes that participate in the Program. Currently, the Exchange may “select up to thirty currently listed option classes on which Short Term Option Series may be opened on any Short Term Option Opening Date.”¹⁵ The Exchange is now proposing to increase this number from thirty to fifty. The Exchange believes that this expansion will be well received by market participants because the Program is currently very popular and continues to grow.¹⁶ In

¹¹ See Exchange Rule 5.5(d)(5).

¹² See Exchange Rule 5.5(d)(4).

¹³ See Exchange Rule 5.5(d)(6).

¹⁴ The NASDAQ OMX PHLX LLC (“Phlx”) has recently submitted a proposed rule change to expand its Weeklys Program. See Securities and Exchange Act Release No. 71004 (December 6, 2013 (order approving SR-Phlx-2013-101)) (“Phlx Filing”).

¹⁵ See Exchange Rules 5.5(d)(1). See also note 4 *supra*.

¹⁶ The Exchange expressed support of the increase in the class number participating in the Weeklys Program in a comment letter to the Phlx Filing. See Letter dated November 12, 2013 from Megan R. Malone, Chicago Board Options Exchange, Incorporated.

particular, the Exchange understands that there are several classes for which there is demand that they be added to the Program.

The Exchange is proposing to set forth this change in Rules 5.5(d)(1) and 24.9(a)(2)(A)(i). CBOE's rules governing the Program are written so that the number of classes that may participate are not apportioned between equity and index classes. In other words, the class limitation is aggregated between equity and index options. While the Exchange is not proposing to substantively amend the rule for the index options Weeklys Program, the Exchange is proposing to reflect the increase to the total number of classes that may participate in the Program by amending Rule 24.9(a)(2)(A)(i). The Exchange believes that this conforming change to the index options Weeklys Program is appropriate for consistency and is needed in order to eliminate any ambiguity that would result if this change were not made.

Second, the Exchange is proposing to indicate the criteria the Exchange must follow when opening initial and additional series under the Weeklys Program. More specifically, the Exchange is proposing to add language to Rules 5.5(d)(3) and 5.5(d)(4) for equity options to state that series listed (both initial and additional) shall be reasonably close to the price of the underlying equity security (which underlying security price shall be determined in accordance with subparagraph (a)(i) of Rule 5.5A) and within the following parameters: (i) if the price of the underlying security is less than or equal to \$20, strike prices shall be not more than one hundred percent (100%) above or below the price of the underlying security; and (ii) if the price of the underlying security is greater than \$20, strike prices shall be not more than fifty percent (50%) above or below the price of the underlying security. The Exchange is also proposing to add

language stating that the Exchange may open additional strike prices of Short Term Option Series that are more than 50% above or below the current value of the underlying security (if the price is greater than \$20); provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers. Market-Makers trading for their own account shall not be considered when determining customer interest under this provision.¹⁷

This proposal is in line with process for adding new series of options found in subsection 3(g)(i) of the Options Listing Procedures Plan (“OLPP”).¹⁸ The Exchange believes that this proposal is a reasonable enhancement to the Weeklys Program and will also align the Exchange with other exchanges participating in the Weeklys Program.¹⁹ The proposed added language to Rule 5.5(d)(4) will conform the criteria for additional series added to the proposed criteria for initial series additions.

Next, the Exchange is proposing to permit the Exchange to list strike price intervals at \$2.50 or more for classes in the Weeklys Program where the strike price is above \$150. This proposed change complements the current Weeklys strike price interval setting regime, which provides for \$0.50 or greater strike prices where the strike price is less than \$75 and \$1.00 or greater strike prices where the strike price is between \$75 and \$150 for all classes that participate in the Weeklys Program.²⁰ The proposed change would align the Exchange with another options exchange participating in the

¹⁷ Rule 5.5A(b)(i) currently states that if the price of the underlying security is greater than \$20, the Exchange shall not list new option series with an exercise price more than 50% above or below the price of the underlying security. Immediately before this language, the Exchange proposes to also add a carve-out that states “Except as provided in Rule 5.5(d)(4) . . .”

¹⁸ Rule 5.5A codifies select provisions of the OLPP.

¹⁹ See note 14 *supra*.

²⁰ Strike price intervals may also be \$0.50 for classes that trade in \$1.00 increments in Related non-Short Term Options that participate in the Weeklys Program. See Exchange Rule 5.5(d)(5).

Weeklys Program²¹ while permitting the listing of an additional strike interval for higher priced underlying securities that complements the current intervals.

Finally, the Exchange is proposing to delete language in its Delisting provisions of the Weeklys Program. More specifically, the Exchange is proposing to delete the current provision that states that the Exchange will delist any series with no open interest in both the call and put series as to ‘list series that are at least 10% but not more than 30 above or below the current value of the underlying index.’ The Exchange believes this proposed change will conform the delisting provision for the Weeklys Program with the other proposed amendments and align the Exchange with another options exchange participating in the Program.²²

The Exchange believes this proposed expansion will meet the current unmet market demand in the Weeklys Program which has proven to be a popular program. In addition, the proposed changes will make the Weeklys Program more effective, harmonize the provisions with the OLPP, and create more clarity in the Exchange’s rules. Finally, the Exchange believes other options exchanges will adopt similar provisions as all options exchanges currently have similar rules. This expansion across all options exchanges will continue to promote competition amongst the exchanges.

The Exchange notes that the Weeklys Program has been very well-received by market participants, in particular by retail investors. The Exchange believes that the current proposed revision to the Weeklys Program will permit the Exchange to meet increased customer demand and provide market participants with the ability to hedge in a greater number of option classes and series.

²¹ See note 14 supra.

²² See note 14 supra.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.²³ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²⁴ requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²⁵ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Weeklys Program has been well-received by market participants and has seen increasing trading volume. The Exchange believes that the current proposed revisions to the Weeklys Program will permit the Exchange to meet customer demand for enhanced Weeklys Program use and efficiency, harmonization of the OLPP and Weeklys rules, and a reasonable expansion of strike price intervals in the Program to the benefit of investors, market participants, and the market in general.

With regard to the impact of this proposal on system capacity, the Exchange has represents that it and the Options Price Reporting Authority (“OPRA”) have the

²³ 15 U.S.C. 78f(b).

²⁴ 15 U.S.C. 78f(b)(5).

²⁵ Id.

necessary systems capacity to handle any potential additional traffic associated with this current amendment to the Weeklys Program. The Exchange believes that its Trading Permit Holders will not have a capacity issue as a result of this proposal. The Exchange also represents that it does not believe this expansion will cause fragmentation to liquidity.

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

CBOE does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Instead, CBOE believes that the proposed rule change will relieve any burden on, or otherwise promote, competition. The Exchange believes that the proposed rule change will result in additional investment options and opportunities to achieve the investment objectives of market participants seeking efficient trading and hedging vehicles, to the benefit of investors, market participants, and the marketplace in general.

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 proposed rule change. The Exchange does note that the original Phlx proposal received one comment from the Exchange in support of the expansion of the Weeklys Program to 50 options classes.²⁶ The Phlx proposal did not receive any other comments.

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

Because the foregoing proposed rule change does not:

- A. significantly affect the protection of investors or the public interest;
- B. impose any significant burden on competition; and

²⁶ See note 16 supra.

C. become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act²⁷ and Rule 19b-4(f)(6)²⁸ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend 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. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

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-2013-121 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.

²⁷ 15 U.S.C. 78s(b)(3)(A).

²⁸ 17 CFR 240.19b-4(f)(6).

All submissions should refer to File Number SR-CBOE-2013-121. 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 website (<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, D.C. 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. 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-2013-121 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.²⁹

Secretary

²⁹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

* * * * *

**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 at the close of business on each of the next five Fridays that are business days and are not Fridays in which monthly options series or Quarterly Options Series expire (“Short Term Option Expiration Dates”). The Exchange may have no more than a total of five Short Term Option Expiration Dates. 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:

(1) Classes. The Exchange may select up to [thirty] fifty currently listed option classes on which Short Term Option Series may be opened on any Short Term Option Opening Date. In addition to the [thirty] fifty-option class restriction, the Exchange also may list Short Term Option Series on any option classes that are selected by other securities exchanges that employ a similar program under their respective rules. For each option class eligible for participation in the Short Term Option Series Program, the Exchange may open up to 30 Short Term Option Series for each expiration date in that class. The Exchange may also open Short Term Option Series that are opened by other securities exchanges in option classes selected by such exchanges under their respective short term option rules.

(2) No changes.

(3) Initial Series. The Exchange may open up to 20 initial series for each option class that participates in the Short Term Option Series Program. The strike price of each Short Term Option Series will be fixed at a price per share, with approximately the same number of strike prices being opened above and below the value of the underlying security at about the time that the Short Term Option Series are initially opened for trading on the Exchange (*e.g.*, if seven series are initially opened, there will be at least three strike prices above and three strike prices below the value of the underlying security). Any strike prices listed by the Exchange shall be [within thirty percent (30%) above or below the closing price of the underlying security] reasonably close to the price of the underlying equity security (which underlying security price

shall be determined in accordance with subparagraph (a)(i) of Rule 5.5A) and within the following parameters: (i) if the price of the underlying is less than or equal to \$20, strike prices shall be not more than one hundred percent (100%) above or below the price of the underlying security; and (ii) if the price of the underlying security is greater than \$20, strike prices shall be not more than fifty percent (50%) above or below the price of the underlying security.

(4) Additional Series. The Exchange may open up to 10 additional series for each option class that participates in the Short Term Option Series Program when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying security moves substantially from the exercise price or prices of the series already opened. Any additional strike prices listed by the Exchange shall be [within thirty percent (30%) above or below the current price of the underlying security] reasonably close to the price of the underlying equity security (which underlying security price shall be determined in accordance with subparagraph (a)(i) of Rule 5.5A) and within the following parameters: (i) if the price of the underlying is less than or equal to \$20, additional strike prices shall be not more than one hundred percent (100%) above or below the price of the underlying security; and (ii) if the price of the underlying security is greater than \$20, additional strike prices shall be not more than fifty percent (50%) above or below the price of the underlying security. The Exchange may also open additional strike prices of Short Term Option Series that are more than [30]50% above or below the current value of the underlying security (if the price is greater than \$20); provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers. Market-Makers trading for their own account shall not be considered when determining customer interest under this provision. In the event that the underlying security has moved such that there are no series that are at least 10% above or below the current price of the underlying security and all existing series have open interest, the Exchange may list additional series, in excess of the thirty series per class limit set forth in Rule 5.5(d)(1), that are between 10% and 30% above or below the price of the underlying security. The opening of the new Short Term Option Series shall not affect the series of options of the same class previously opened. Notwithstanding any other provisions in this Rule 5.5, Short Term Option Series may be added up to and including on the Short Term Option Expiration Date for that options series.

(5) Strike Interval. The interval between strike prices on Short Term Option Series may be: (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; or (iii) \$2.50 or greater where the strike price is above \$150. 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."

(6) Delisting. In the event that the underlying security has moved such that there are no series that are at least 10% above or below the current price of the underlying security, the Exchange will delist any series with no open interest in both the call and the put series having a: (i) strike higher than the highest price with open interest in the put and/or call series for a given expiration

week; and (ii) strike lower than the lowest strike price with open interest in the put and/or the call series for a given expiration week[, so as to list series that are at least 10% but not more than 30% above or below the current price of the underlying security].

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).

* * * * *

Rule 5.5A Select Provisions of Options Listing Procedures Plan

(a) - (b) No change.

(i) Exercise Price Range Limitations - Except as provided in subparagraphs (ii) through (iv) below, if the price of the underlying security is less than or equal to \$20, the Exchange shall not list new option series with an exercise price more than 100% above or below the price of the underlying security. However, the foregoing restriction shall not prohibit the listing of at least three exercise prices per expiration month in an option class. Except as provided in Rule 5.5(d)(4), [I]f the price of the underlying security is greater than \$20, the Exchange shall not list new option series with an exercise price more than 50% above or below the price of the underlying security.

The price of the underlying security is measured by: (1) for intra-day add-on series and next-day series additions, the daily high and low of all prices reported by all national securities exchanges; (2) for new expiration months, the daily high and low of all prices reported by all national securities exchanges on the day the Exchange determines its preliminary notification of new series; and (3) for option series to be added as a result of pre-market trading, the most recent share price reported by all national securities exchanges between 7:45 a.m. and 8:30 a.m. (Chicago time).

* * * * *

Rule 24.9. Terms of Index Option Contracts

(a) General.

(1) – (2) No change.

(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 at the close of business on each of the next five Fridays that are business days and are not Fridays in which monthly options series or Quarterly Options Series expire (“Short Term Option Expiration Dates”). The Exchange may have no more than a total of five Short Term Option Expiration Dates. 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) Classes. The Exchange may select up to [thirty] fifty currently listed option classes on which Short Term Option Series may be opened on any Short Term Option Opening Date. In addition to the [thirty] fifty-option class restriction, the Exchange also may list Short Term Option Series on any option classes that are selected by other securities exchanges that employ a similar program under their respective rules. For each index option class eligible for participation in the Short Term Option Series Program, the Exchange may open up to 30 Short Term Option Series on index options for each expiration date in that class. The Exchange may also open Short Term Option Series that are opened by other securities exchanges in option classes selected by such exchanges under their respective short term option rules.

(ii) –(iv) No change.

* * * * *