

Required fields are shown with yellow backgrounds and asterisks.

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| Page 1 of * 21 | SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4 | | File No.* SR - 2015 - * 027 | Amendment No. (req. for Amendments *) |
| Filing by Chicago Board Options Exchange Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934 | | | | |
| Initial * <input checked="" type="checkbox"/> | Amendment * <input type="checkbox"/> | Withdrawal <input type="checkbox"/> | Section 19(b)(2) * <input type="checkbox"/> | Section 19(b)(3)(A) * <input checked="" type="checkbox"/> |
| Pilot <input type="checkbox"/> | | Extension of Time Period for Commission Action * <input type="checkbox"/> | Date Expires * <input type="text"/> | Section 19(b)(3)(B) * <input type="checkbox"/> |
| | | | Rule | |
| | | | <input type="checkbox"/> 19b-4(f)(1) | <input type="checkbox"/> 19b-4(f)(4) |
| | | | <input type="checkbox"/> 19b-4(f)(2) | <input type="checkbox"/> 19b-4(f)(5) |
| | | | <input checked="" type="checkbox"/> 19b-4(f)(3) | <input 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 806(e)(2) * <input type="checkbox"/> | | Section 3C(b)(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 *). | | | | |
| <input type="text" value="Proposal to update regulatory-related references"/> | | | | |
| 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 * <input type="text" value="Corinne"/> | | Last Name * <input type="text" value="Klott"/> | | |
| Title * <input type="text" value="Attorney"/> | | | | |
| E-mail * <input type="text" value="klott@uiuc.edu"/> | | | | |
| Telephone * <input type="text" value="(312) 786-7793"/> | | Fax <input type="text"/> | | |
| 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 | <input type="text" value="06/02/2015"/> | Attorney <input type="text"/> | | |
| By | <input type="text" value="Corinne Klott"/> | <input type="text"/> | | |
| (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. | | | | |
| <input type="button" value="Persona Not Validated - 1430753783318"/> | | | | |

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF 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 its rules to update regulatory related references. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s Chief Regulatory Officer pursuant to delegated authority by the Board of Directors approved the proposed rule change on March 9, 2015.

(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 Corinne Klott, (312) 786-7793, 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 recently entered into a Regulatory Services Agreement (“RSA”) with the Financial Industry Regulatory Authority, Inc. (“FINRA”), pursuant to which FINRA, among other things, will provide certain regulatory services to the Exchange. As such, the Exchange proposes to make conforming changes to its rules to account for the new regulatory structure.

First, the Exchange seeks to rename the “Regulatory Services Division” to “Regulatory Division” and make conforming changes in Exchange Rules. As such, the Exchange seeks to replace all references to “Regulatory Services Division” with “Regulatory Division” in Exchange

Rules 4.4 (Gratuities), 10.12 (Mandatory Closing of Fails), 10.14 (Procedure for Closing Defaulted Contract), and 17.2 (Complaint and Investigation).

Next, the Exchange seeks to eliminate references to “Office of Enforcement” in the Exchange Rules. By way of background, the Office of Enforcement was responsible for resolving disciplinary matters on behalf of the Exchange, which included negotiating settlements in disciplinary cases for the Business Conduct Committee's ("BCC") consideration and in situations where a respondent in a disciplinary matter did not seek settlement, preparing and presenting the case for hearing before the BCC, as well as handling any subsequent appeals. The Exchange notes that while it continues to have responsibility for enforcing compliance with its rules, the Office of Enforcement services mentioned above transitioned to FINRA pursuant to the FINRA RSA. The Exchange therefore seeks to (i) remove the term “Office of Enforcement” from Rule 4.4 (Gratuities) and (ii) replace the term with “Regulatory Division” in Rules 17.9 (Decision) and 17.10 (Review), as “Office of Enforcement” is obsolete in light of the transition of certain regulatory functions to FINRA. Next, the Exchange seeks to replace current references to “Exchange’s Regulatory staff” and “Regulatory staff of the Exchange” to “Regulatory staff” in Exchange Rules 17.2 (Complaint and Investigation), 17.3 (Expedited Proceeding), 17.4 (Charges), and 17.8 (Offers of Settlement), as reference to Regulatory staff may now also refer to employees of FINRA who are performing regulatory services to the Exchange in accordance with the abovementioned RSA, not just employees of the Exchange. Finally, the Exchange proposes to provide in Interpretation .05 of Rule 17.2 that references to “Regulatory staff” in Chapter XVII means the Exchange’s employees in the Regulatory Division and “as applicable, may also mean employees of the Financial Industry Regulatory Authority, Inc. (“FINRA”) who are performing regulatory services to the Exchange in accordance with the

regulatory services agreement entered into between the Exchange and FINRA.” The Exchange believes the proposed clarifications maintain clarity in the rules and alleviate confusion. The Exchange notes that these are clarifying, non-substantive changes.

(b) Statutory Basis

The Exchange believes the proposed rule changes are 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.¹ Specifically, the Exchange believes the proposed rule changes are consistent with the Section 6(b)(5)² 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.

In particular, the Exchange believes that removing the obsolete term “Office of Enforcement” from the rules, conforming references relating to Regulatory staff and expressly stating that references to “Regulatory staff” may refer to staff at FINRA who are performing regulatory services to the Exchange in accordance with the RSA, maintains clarity in the rules and eliminates potential confusion. The alleviation of potential confusion will remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest.

Item 4. Self-Regulatory Organization’s Statement on Burden on Competition

¹ 15 U.S.C. 78f(b).

² 15 U.S.C. 78f(b)(5).

The Exchange 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. The proposed changes to conform Exchange rules and alleviate confusion are not intended for competitive reasons and only apply to CBOE. The Exchange also does not believe the proposed rule change effects intramarket or intermarket competition, and notes that no rights or obligations of Trading Permit Holders are affected by the change.

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.

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)

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

(b) The Exchange designates that the proposed rule change is concerned solely with the administration of the self-regulatory organization, which renders the proposed rule change effective upon filing with the Securities and Exchange Commission (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

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(3).

will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

(c) Not applicable.

(d) Not applicable.

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

The proposed rule change is not based on a rule either of another self-regulatory organization or of the Commission.

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.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-CBOE-2015-027]

[Insert date]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Update Regulatory Related References

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 its rules to update regulatory related references. 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.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 recently entered into a Regulatory Services Agreement ("RSA") with the Financial Industry Regulatory Authority, Inc. ("FINRA"), pursuant to which FINRA, among other things, will provide certain regulatory services to the Exchange. As such, the Exchange proposes to make conforming changes to its rules to account for the new regulatory structure.

First, the Exchange seeks to rename the "Regulatory Services Division" to "Regulatory Division" and make conforming changes in Exchange Rules. As such, the Exchange seeks to replace all references to "Regulatory Services Division" with "Regulatory Division" in Exchange Rules 4.4 (Gratuities), 10.12 (Mandatory Closing of Fails), 10.14 (Procedure for Closing Defaulted Contract), and 17.2 (Complaint and Investigation).

Next, the Exchange seeks to eliminate references to "Office of Enforcement" in the Exchange Rules. By way of background, the Office of Enforcement was responsible for resolving disciplinary matters on behalf of the Exchange, which included negotiating settlements in disciplinary cases for the Business Conduct Committee's ("BCC") consideration and in situations where a respondent in a disciplinary matter did not seek settlement, preparing and presenting the case for hearing before the BCC, as well as handling any subsequent appeals. The Exchange notes that while it continues to have

responsibility for enforcing compliance with its rules, the Office of Enforcement services mentioned above transitioned to FINRA pursuant to the FINRA RSA. The Exchange therefore seeks to (i) remove the term “Office of Enforcement” from Rule 4.4 (Gratuities) and (ii) replace the term with “Regulatory Division” in Rules 17.9 (Decision) and 17.10 (Review), as “Office of Enforcement” is obsolete in light of the transition of certain regulatory functions to FINRA. Next, the Exchange seeks to replace current references to “Exchange’s Regulatory staff” and “Regulatory staff of the Exchange” to “Regulatory staff” in Exchange Rules 17.2 (Complaint and Investigation), 17.3 (Expedited Proceeding), 17.4 (Charges), and 17.8 (Offers of Settlement), as reference to Regulatory staff may now also refer to employees of FINRA who are performing regulatory services to the Exchange in accordance with the abovementioned RSA, not just employees of the Exchange. Finally, the Exchange proposes to provide in Interpretation .05 of Rule 17.2 that references to “Regulatory staff” in Chapter XVII means the Exchange’s employees in the Regulatory Division and “as applicable, may also mean employees of the Financial Industry Regulatory Authority, Inc. (“FINRA”) who are performing regulatory services to the Exchange in accordance with the regulatory services agreement entered into between the Exchange and FINRA.” The Exchange believes the proposed clarifications maintain clarity in the rules and alleviate confusion. The Exchange notes that these are clarifying, non-substantive changes.

2. Statutory Basis

The Exchange believes the proposed rule changes are 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.³ Specifically, the Exchange believes the proposed rule changes are consistent with the Section 6(b)(5)⁴ 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.

In particular, the Exchange believes that removing the obsolete term “Office of Enforcement” from the rules, conforming references relating to Regulatory staff and expressly stating that references to “Regulatory staff” may refer to staff at FINRA who are performing regulatory services to the Exchange in accordance with the RSA, maintains clarity in the rules and eliminates potential confusion. The alleviation of potential confusion will remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest.

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

The Exchange 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. The proposed changes to conform Exchange rules and alleviate confusion are not intended for competitive reasons and only apply to CBOE. The Exchange also does

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(5).

not believe the proposed rule change effects intramarket or intermarket competition, and notes that no rights or obligations of Trading Permit Holders are affected by the change.

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.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁵ and paragraph (f) of Rule 19b-4⁶ 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

⁵ 15 U.S.C. 78s(b)(3)(A).

⁶ 17 CFR 240.19b-4(f).

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CBOE-2015-027 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-2015-027. 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-2015-027 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.⁷

Secretary

⁷ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

* * * * *

**Chicago Board Options Exchange, Incorporated
Rules**

* * * * *

Rule 4.4. Gratuities

(a) No change.

(b) No Trading Permit Holder or associated person of a Trading Permit Holder shall give any compensation or gratuity of any monetary value to any Regulatory [Services] Division [or Office of Enforcement] employee of the Exchange[(i.e., Regulatory staff)].

* * * * *

Rule 10.12. Mandatory Closing of Fails

(a) A contract in securities (other than a contract the close-out of which is governed by the rules of a Clearing Corporation) which has not been fulfilled in accordance with its terms for a period of twenty calendar days after the original due date for delivery shall be closed pursuant to the following procedures:

- (1) A notice of intention shall be delivered (in quadruplicate) to the TPH organization in default at or before 12:00 noon (Central Time) on the twenty-first business day after the original due date of the contract (the "effective date of notice"). A copy of a receive order issued by a Clearing Corporation or a stamped comparison must accompany the notice when delivered, except that if neither of these documents is available, other available evidence of the item should accompany the notice. A fifth copy of the notice of intention shall be delivered to the Regulatory [Services] Division of the Exchange before 12:00 noon (Central Time) on the same day.
- (2) The TPH organization receiving the notice of intention must indicate on the copies of the notice its position with respect to the resolution of the item and then return to the initiating TPH organization a copy thereof signed by a member, an officer, general partner, or authorized representative of the TPH organization no later than 12:00 noon (Central Time) on the third business day after the effective date of notice. A copy of the response must be filed by the defaulting TPH organization with the Regulatory [Services] Division by no later than 12:00 noon on the same day. Where necessary, the TPH organization receiving the notice of intention shall re-transmit the same, as provided in Rule 10.15.

(3) No change

(4) If the notice is returned duly signed, with an indication that the contract is known but that delivery cannot be made, the initiating party shall close such contract pursuant to the procedures outlined in paragraphs (b), (c), (d) and (e) of Rule 10.14.

(b) No change

(c) Every reasonable means to borrow securities in order to make delivery on open contracts shall be employed by TPH organizations. If, however, unusual circumstances exist whereby securities cannot be borrowed, application for suspension of paragraph (a) of this Rule with respect to a specific contract may be made to the Regulatory [Services] Division of the Exchange by the seventeenth business day after the original due date for delivery. Such application shall set forth the unusual circumstances as well as the unsuccessful efforts made by the TPH organization to borrow securities in order to effect delivery. If, in the opinion of the Exchange, unusual circumstances exist, the Exchange may direct that the operation of this Rule be temporarily suspended for such period of time as it may determine, either with respect to the market generally, with respect to a specific security or securities, or with respect to a specific contract or contracts, but no such suspension shall relieve the party in default of any resulting damages.

. . . Interpretations and Policies:

.01 No change

.02 Paragraph (a) of this Rule requires that the notice of intention be filed in quadruplicate with the defaulting TPH organization. The fourth copy should be stamped by the TPH organization to whom it is addressed to acknowledge receipt and then returned to and retained by the initiating party for its own records. When the TPH organization receiving the notice has completed the first, second and third copies of the notice, the first and second copies should be returned to the initiating TPH organization, together with any securities, and the third copy should be submitted, at the same time, to the Regulatory [Services] Division of the Exchange; the second copy should be stamped by the initiating TPH organization to acknowledge receipt and then returned to and retained by the defaulting party to whom it was addressed for its own records.

.03 - .04 No change

.05 Application for suspension of paragraph (a) of this Rule with respect to a specific contract shall be delivered to the Regulatory [Services] Division of the Exchange by 11:00 a.m. (Central Time) on the seventeenth business day after the original due date for delivery.

* * * * *

Rule 10.14. Procedure for Closing Defaulted Contract

A contract in securities (other than a contract the close-out of which is governed by the rules of a Clearing Corporation) which has not been fulfilled according to the terms thereof may be closed pursuant to the following procedures:

(a) The order to close such contract shall be delivered in duplicate to the Regulatory [Services] Division of the Exchange, and the Trading Permit Holder or TPH organization giving such order shall deliver at the office of the Trading Permit Holder or TPH organization in default notice of intention to make such closing. Every such order and every such notice shall be in writing, and shall state the name of the Trading Permit Holder or TPH organization giving the order, the date of the original contract to be closed, the maturity date and price of such contract, and for whose account. The Exchange shall determine the times for the delivery of notices of intention to close and orders to close, and the time for the closing of contracts; and if the time within which securities may be delivered shall be extended or shortened, the time limits established by the Exchange may be similarly extended or shortened. When a contract made for "cash" within an hour and one-half before the close of trading on a business day is to be closed on the same day, the time of the original transaction shall be stated on the order and notice, which shall be delivered within thirty minutes after the time of the transaction, and the contract shall not be closed until thirty-five minutes after the time of the transaction.

(b) – (e) No change

. . . Interpretations and Policies:

.01 No change

.02 A notice of cancellation or change in the quantity of an order to close by the TPH organization initiating such order pursuant to this Rule must be delivered to the Regulatory [Services] Division of the Exchange at least an hour and one-half before the close of trading. After that time, such notice must be delivered to the Trading Permit Holder to whom the order has been given for execution.

If an order to close is effectively cancelled in whole or in part by receipt of a notice of cancellation by the Trading Permit Holder to whom the order has been given for execution, the order should be returned, together with the notice of cancellation or change in quantity, to the Buy-in Desk.

If the defaulting party gives notice to the TPH organization which initiated the order to close that it has physical possession of some or all of the securities and will promptly deliver the same in accordance with Rule 10.19, it shall be the responsibility of such defaulting party to give notice thereof to the Trading Permit Holder to whom the order has been given for execution.

.03 No change

* * * * *

Rule 17.2. Complaint and Investigation

(a) *Initiation of Investigation.* The [Exchange's] Regulatory staff, and any successor thereto, shall investigate or examine possible violations within the disciplinary jurisdiction of the Exchange whenever the Regulatory staff determines in its sole discretion there is a reasonable basis for it to do so. The Regulatory staff shall also determine in its discretion whether to investigate or examine any complaint it receives alleging possible violations within the disciplinary jurisdiction of the Exchange, provided such complaint specifies in reasonable detail the facts constituting the violation. Complaints, written or oral, may be submitted by any person or entity, including the Board, Exchange employees, and Trading Permit Holders (the "Complainant").

(b) No Change

(c) *Report.* Regulatory staff shall have the sole discretion to determine whether to request that the Business Conduct Committee authorize the issuance of a statement of charges pursuant to Rule 17.4. In every instance where an investigation results in the Regulatory staff finding that there are reasonable grounds to believe that a violation has been committed and a formal regulatory action (i.e., a Statement of Charges) is warranted, the [Exchange's] Regulatory staff shall submit a written report of its investigation to the Business Conduct Committee. In those instances where an investigation results in the Regulatory staff finding that there are reasonable grounds to believe that a violation has been committed but non-formal regulatory action (i.e., a Letter of Information, a Letter of Caution or a Staff Interview) is warranted in lieu of the issuance of a statement of charges, the Regulatory staff may in its sole discretion determine to impose such non-formal regulatory action without the submission of a written report of its investigation to the Business Conduct Committee. In the event the Regulatory staff finds that there are not reasonable grounds to believe that a violation has been committed, the Regulatory staff may in its sole discretion determine to close the investigation (i.e., File Without Action) without the submission of a written report of its investigation to the Business Conduct Committee.

(d) No Change

. . . Interpretations and Policies:

.01 - .04 No change

.05 References to "Regulatory staff" in Chapter XVII mean the Exchange's employees in the Regulatory [Services] Division, and, as applicable, may also mean employees of the Financial Industry Regulatory Authority, Inc. ("FINRA") who are performing regulatory services to the Exchange in accordance with the regulatory services agreement entered into between the Exchange and FINRA.

* * * * *

Rule 17.3. Expedited Proceeding

Upon receipt of the notification required by Rule 17.2(d), a Subject may seek to dispose of the matter through a letter of consent signed by the Subject. If a Subject desires to attempt to dispose of the matter through a letter of consent, the Subject must submit to the [Exchange's] Regulatory staff within 15 days from the date of the notification required by Rule 17.2(d) a written notice electing to proceed in an expedited manner pursuant to this Rule 17.3. The Subject must then endeavor to reach agreement with the Regulatory staff upon a letter of consent which is acceptable to the Regulatory staff and which sets forth a stipulation of facts and findings concerning the Subject's conduct, the violation(s) committed by the Subject and the sanction(s) therefor. The matter can only be disposed of through a letter of consent if the Regulatory staff and the Subject are able to agree upon terms of a letter of consent which are acceptable to the staff and the letter is signed by the Subject. At any point in the negotiations regarding a letter of consent, either the Regulatory staff may deliver to the Subject or the Subject may deliver to the staff a written declaration of an end to the negotiations. On delivery of such a declaration the Subject will then have 15 days to submit a written statement pursuant to Rule 17.2(d) and thereafter the Regulatory staff may bring the matter to the Business Conduct Committee for appropriate action. In the event that the Subject and the Regulatory staff are able to agree upon a letter of consent which is acceptable to the Regulatory staff, the Regulatory staff shall submit the letter to the Business Conduct Committee. If the letter of consent is accepted by the Business Conduct Committee, it may adopt the letter as its decision and shall take no further action against the Subject respecting the matters that are the subject of the letter. If the letter of consent is rejected by the Business Conduct Committee, the matter shall proceed as though the letter had not been submitted. The Business Conduct Committee's decision to accept or reject a letter of consent shall be final, and a Subject may not seek review thereof.

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Rule 17.4. Charges

(a) *Determination Not to Initiate Charges.* Whenever it shall appear to the Business Conduct Committee from the report of the Regulatory staff [of the Exchange] that no probable cause exists for finding a violation within the disciplinary jurisdiction of the Exchange, or whenever the Committee otherwise determines that no further action is warranted, it shall issue a written statement to that effect setting forth its reasons for such finding, which shall be sent to the Subject and the Complainant, if any.

(b) *Initiation of Charges.* Whenever it shall appear to the Business Conduct Committee from the report of the Regulatory staff [of the Exchange] that there is probable cause for finding a violation within the disciplinary jurisdiction of the Exchange and that further proceedings are warranted, the Business Conduct Committee shall direct the Regulatory staff [of the Exchange] to prepare a statement of charges against the person or organization alleged to have committed a violation (the "Respondent") specifying the acts in which the Respondent is charged to have engaged and setting forth the specific provisions of the Securities Exchange Act of 1934, as amended, rules and regulations promulgated thereunder, Bylaws, rules, interpretations or resolutions of which such acts are in violation. A copy of the charges shall be served upon the

Respondent in accordance with Rule 17.12. The Complainant, if any, shall be notified if further proceedings are warranted.

(c) - (d) No changes

. . . Interpretations and Policies:

.01 – .03 No change

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Rule 17.8. Offers of Settlement

(a) – (b) No change

. . . Interpretations and Policies:

.01 (a) –(c) No change

(d) The one hundred and twenty day period specified in Rule 17.8(a) (or, when applicable, such shorter period mandated by Interpretation and Policy .01(b) above) shall be tolled during the number of days in excess of thirty calendar days that it takes Regulatory staff [of the Exchange] to provide access in response to a Respondent's request for access to documents provided that the request for access is made pursuant to the provisions and within the time frame provided in Rule 17.4(c); provided that in the event the settlement period is shortened pursuant to paragraph (b) of this Interpretation and Policy, the settlement period shall be tolled following a request for documents to the extent necessary in order to allow the Respondent to have at least seven days after being provided with access to documents within which to submit an offer of settlement.

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Rule 17.9. Decision

Following a hearing conducted pursuant to Rule 17.6 of this Chapter, the Panel shall issue a decision in writing, based solely on the record, determining whether the Respondent has committed a violation and imposing the sanction, if any, therefor. Where the Panel is not composed of at least a majority of the members of the Business Conduct Committee, its determination shall be automatically reviewed by a majority of the Committee, which may affirm, reverse or modify in whole or in part or may remand the matter for additional findings or supplemental proceedings. Such modification may include an increase or decrease of the sanction. The decision shall include a statement of findings and conclusions, with the reasons therefor, upon all material issues presented on the record. Where a sanction is imposed, the decision shall include a statement specifying the acts or practices in which the Respondent has been found to have engaged and setting forth the specific provisions of the Securities Exchange Act of 1934, as amended, rules and regulations promulgated thereunder, Bylaws, rules, interpretations or resolutions of the Exchange of which the acts are deemed to be in violation.

The Respondent and the [Office of Enforcement] Regulatory Division shall be promptly sent a copy of the decision. After Board review pursuant to Rule 17.10, or the time for such review has expired, the decision will be considered final, and the Exchange shall post the complete decision on the CBOE website.

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Rule 17.10. Review

(a)(1) *Petition.* Both the Respondent and the [Office of Enforcement] Regulatory Division shall have 15 days after service of notice of any decision made pursuant to Rule 17.9 of this Chapter to petition for review of the decision by filing a copy of the petition with the Secretary of the Exchange ("Secretary") and with all other parties to the hearing. Such petition shall be in writing and shall specify the findings and conclusions to which exceptions are taken together with reasons for such exceptions. Any objections to a decision not specified by written exception shall be considered to have been abandoned.

(2) No change

(b) *Conduct of Review.* The review shall be conducted by the Board or a committee of the Board composed of at least three Directors whose decision must be ratified by the Board. Any Director who participated in a matter before the Business Conduct or other Committee may not participate in any review of that matter by the Board. Unless the Board shall decide to open the record for the introduction of evidence or to hear argument, such review shall be based solely upon the record and the written exceptions filed by the parties. New issues may be raised by the Board; the parties to the hearing shall be given notice of and an opportunity to address any such new issues. The Board may affirm, reverse or modify, in whole or in part, the decision of the Business Conduct Committee. Such modification may include an increase or decrease of the sanction. The decision of the Board shall be in writing, shall be promptly served on the Respondent and the [Office of Enforcement] Regulatory Division, and shall be final.

(c) *Review on Motion of Board.* The Board may on its own initiative order review of a decision made pursuant to Rule 17.7 or 17.9 of this Chapter within 30 days after notice of the decision has been served on the Respondent and the [Office of Enforcement] Regulatory Division. Such review shall be conducted in accordance with the procedure set forth in paragraph (b) of this Rule.

(d) No change