SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-57642; File No. SR-CBOE-2006-105)

April 9, 2008

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 2 Thereto, to List for Trading Binary Options on Broad-Based Indexes

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on December 29, 2006, the Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by the Exchange. CBOE filed Amendment No. 1 to the proposed rule change on September 6, 2007.[3] CBOE filed Amendment No. 2 to the proposed rule change on April 4, 2008.[4] The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, 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 enable the initial and continued listing and trading on the Exchange of binary options on board-based indexes. The text of the proposed rule change is available at the Exchange's principal office, the Commission's Public Reference Room, and www.cboe.org.legal.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 Amendment No. 1 replaces the original filing in its entirety.

4 Amendment No. 2 replaces the original filing and Amendment No. 1 in their entirety.

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

In its filing with the Commission, CBOE 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. CBOE 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 purpose of this proposed rule change is to enable the listing and trading on the Exchange of binary options on broad-based indexes. Binary options have an exercise settlement amount that is equal to the applicable exercise settlement value multiplied by the applicable contract multiplier. The exercise settlement value would be an amount determined by the Exchange on a class-by-class basis and would be greater or equal to $10 and less than or equal to $1,000. The contract multiplier also would be established on a class-by-class basis and at least one. A binary option would be automatically exercised if the settlement value of the underlying index equals, exceeds, or is less than the exercise price, depending on the type of the option (i.e., call or put). Binary options would be based on the same framework as existing standardized options that are traded on the Exchange and other options exchanges; however, the payout of a binary option is contingent upon the occurrence of the option being “in” or “at-the-money” versus the degree to which the option is “in-the-money.” As a result, payout at expiration would be an “all-or-nothing” occurrence.

(1) Characteristics of Binary Options

The proposed binary options would be European-style and would have an exercise settlement amount that is based on the exercise price in relation to the settlement value of the underlying broad-based index at expiration. After a particular binary option class has been approved for listing and trading on the Exchange, the Exchange may open for trading series of options on that class. In order to afford investors maximum flexibility, binary option series may expire from one day up to 36 months from the time that they are listed. Binary options would be quoted based on the existing strike intervals utilized for traditional index options (e.g., $2.50 per contract if the index is below 200 and $5.00 per contract is the index is above 200) with minimum price variations, established by class, to be no less than $0.01.

At expiration, a binary option would pay out an exercise settlement amount equal to the exercise settlement value multiplied by the contract multiplier. Unlike traditional index options, the value of the payout is not affected by the magnitude of the difference between the underlying index and the exercise price. Rather the payout would be a set amount contingent upon whether the settlement value of the underlying index is: (1) equal to or above the exercise price at expiration for a binary call option; or (2) below the exercise price at expiration for a binary put option.

(2) The OTC Market

Binary options have been traded in the over-the-counter ("OTC") market for many years. However, OTC binary options have certain disadvantages. OTC binary options are typically offered by an institution on a non-fungible basis so the customer can purchase or close out the option only from the particular institution that is issuing the option. As a result, OTC binary options lack transparency and a trading market (liquidity). The Exchange's proposal is intended to provide the market for binary options with a standardized product without the credit risk of an individual issuer. By providing a listed and standardized market for a class of binary options, the Exchange seeks to attract investors who desire a binary option but at the same time prefer the certainty and safeguards of a regulated and standardized marketplace.

Binary options are designed to be a simplified version of traditional, exchange-traded options and to provide investors with a simple product with an easy to understand risk profile.

(3) Simplicity

Binary options are easier to understand and utilize than traditional options because of the manner of their payout (i.e., set exercise settlement amount if underlying closes at, below, or above the exercise price) and because they are cash-settled. A significant benefit of a binary option is that the buyer and writer of the option know the expected return at the time of purchase if the underlying index performs as expected. In contrast, the "traditional" option does not typically have a known return at the time of purchase, i.e., the return cannot be accurately determined until the option is nearing expiration due to price movements. In addition, because the return on the binary option is a set amount, a buyer of a binary option does not need to determine the absolute magnitude of the underlying index's price movement relative to the exercise price, as is the case with traditional options.

(4) Risk Transparency

In addition, unlike traditional options where a writer has unlimited risk, the maximum obligation in connection with a binary option is known when the contract is written. And, unlike with an OTC binary option, counter-party credit risk is significantly reduced through the issuance and guarantee of the contracts by The Options Clearing Corporation ("OCC").

(5) Liquidity

As an exchange-traded option, binary options would have the advantage of liquidity provided by market makers, and therefore, spreads should be tighter than in the OTC market. Further, the Exchange believes that standardization would enable more interested parties to become market participants. In other words, CBOE's proposal offers a more transparent and level playing field than the OTC market.

Discussion of Particular Rules

(1) Definitions (Proposed Rule 22.1)

Proposed Chapter XXII includes new proposed definitions applicable to binary options in Rule 22.1. In particular, the terms "binary option," "exercise price," "exercise settlement amount," "contract multiplier," and "reporting authority" would be defined. In addition, the term "call binary option" would be defined to mean an option that returns an exercise settlement amount if the settlement value of the underlying broad-based index is at or above the exercise price at expiration (i.e., in- or at-the-money). Also, the term "put binary option" is defined to mean an option that returns an exercise settlement amount if the settlement value of the underlying broad-based index is below the exercise price at expiration (i.e., in-the-money).

Further, the term "settlement value" would be defined to mean the value of the underlying broad-based index that is used to determine whether a binary option is in, at, or out of the money. For a binary option on a broad-based index on which traditional options on the same broad-based index are a.m.-settled, the "settlement value" is the reported opening level of such index as derived from the prices of the underlying securities on such day and as reported by the reporting authority for the index. For a binary option on a broad-based index on which traditional options on the same broad-based index are p.m.-settled, the "settlement value" is the reported closing level of such index as derived from the prices of the underlying securities on such day and as reported by the reporting authority for the index.

(2) Days and Hours of Business (Proposed Rule 22.2 and Amendment to Rule 6.1)

Proposed Rule 22.2 and an amendment to Rule 6.1, Days and Hours of Business, would provide that transactions in binary options overlying any broad-based index may be effected during normal Exchange option trading hours on any business day for other options on the same broad-based index.

(3) Designation of Binary Option Contracts and Maintenance Listing Standards (Proposed Rules 22.3 and 22.4)

Proposed Rule 22.3, Designation of Binary Options Contracts, provides that the Exchange may from time to time approve for listing and trading on the Exchange binary options on a broad-based index which has been selected in accordance with Rule 24.2. Binary options would be a class separate from other options overlying the same broad-based index. Proposed Rule 22.3 also would provide that only binary option contracts approved by the Exchange and currently open for trading on the Exchange could be purchased or sold on the Exchange. Binary options dealt in on the Exchange would be designated as to expiration date, exercise price, exercise settlement value, contract multiplier, and underlying index. Binary options on a broad-based index for which traditional options on the same broad-based index are a.m.-settled would also be a.m.-settled, and binary options on a broad-based index for which traditional options on the same broad-based index are p.m.-settled (i.e., S&P 100 Index ("OEX")) would be p.m.-settled.

To the extent possible, the Exchange would recognize and treat binary options like existing standardized options. Standardized systems for listing, trading, transmitting, clearing, and settling options, including systems used by the OCC, would be employed in connection with binary options. In addition, binary options would have a symbology based on the current system, so that symbols are created that represent the expiration date, exercise price, exercise settlement value, and underlying index.

Proposed Rule 22.3 would provide that, after a particular binary option has been approved for listing and trading on the Exchange, the Exchange could open for trading series of options on that class. Binary option series could be designated to expire from one day up to 36 months from the time that they are listed. The Exchange could add new series of options of the same class as provided for in Rule 24.9 and the related Interpretations and Policies. Additional series of the same binary option class could be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market or to meet customer demand. The opening of a new series of binary options on the Exchange would not affect any other series of options of the same class previously opened.

Proposed Rule 22.4, Maintenance Listing Standards, would provide that the maintenance listing standards set forth in Rule 24.2 and the Interpretations and Policies thereunder would be applicable to binary options on broad-based indexes.

(4) Margin Requirements (Amendment to Rule 12.3)

The Exchange is proposing to amend Rule 12.3, Margin Requirements, to include requirements applicable to binary options. Under the proposed requirements, for a Margin Account, no binary option carried for a customer shall be considered of any value for purposes of computing the margin required in the account of such customer. The initial and maintenance margin required on any binary option carried long in a customer's account is 100% of the purchase price of such binary option (i.e., the premium). In connection with a short position in binary options, the customer margin required is the exercise settlement amount. As for spreads, no margin is required on a binary call option (put option) carried short in a customer's account that is offset by a long binary call option (put option) for the same underlying security or instrument that expires at the same time and has an exercise price that is less than (greater than) the exercise price of the short call (put). The long call (put) must be paid for in full. As for a straddle/combination, when a binary call option is carried short in a customer's account and there is also carried a short binary put option that expires at the same time and has an exercise price that is less than or equal to the exercise price of the short call, the initial and maintenance margin required is the exercise settlement amount applicable to one contract.

For a cash account, a binary option carried short in a in a customer's account would be deemed a covered position, and eligible for the cash account, if either one of the following is held in the account at the time the option is written or is received into the account promptly thereafter: (1) cash or cash equivalents equal to 100% of the exercise settlement amount; or (2) a long binary option of the same type (put or call) for the same underlying security or instrument that is paid for in full and expires at the same time, and has an exercise price that is less than the exercise price of the short in the case of a call or greater than the exercise price of the short in the case of a put; or (3) an escrow agreement. The escrow agreement must certify that the bank holds for the account of the customer as security for the agreement cash, cash equivalents, one or more qualified equity securities, or a combination thereof having an aggregate market value of not less than 100% of the exercise settlement amount, and that the bank would promptly pay the member organization the cash settlement amount in the event the account is assigned an exercise notice. The Exchange believes that these proposed levels are appropriate because risk exposure is limited with binary options and the proposed customer initial and maintenance margin would be equal to the maximum risk exposure.[5]

(5) Limitations of Liability of Exchange and of Reporting Authority (Proposed Rule 22.5)

The Exchange proposes in Rule 22.5 to state expressly that Rule 6.7, Exchange Liability, shall apply to binary options. Proposed Rule 22.5 also would provide that the rule in CBOE's Index Options rules that disclaims liability on behalf of each reporting authority that is the source of values of any index underlying any class of index options – Rule 24.14 – would be applicable with respect to reporting authorities for indexes that underlie binary options.

(6) Position Limits, Position Reporting Requirements, No Exercise Limits, and Other Restrictions (Proposed Rules 22.6 to 22.10)

The Exchange is proposing a two-pronged approach to determine position limits for binary options. In determining compliance with Rule 4.11, the Exchange proposes a fixed position limit of 15,000 contracts for binary options on a broad-based index for which traditional options on the same broad-based index have no position limit, provided that the exercise settlement amount is $10,000. For binary options that have an exercise settlement amount that is not equal to $10,000, the position limit would be 15,000 times the ratio of 10,000 to the exercise settlement amount (e.g., if the binary option exercise settlement amount is $1,000, then the position limit is 150,000 contracts. If the binary option exercise settlement amount is $12,000, then the position limit is 12,500 contracts).

The Exchange proposed a formulaic position limit for binary options on a broad-based index for which traditional options on the same broad-based index have a position limit. The

5 In accordance with Rule 12.10, Margin Required is Minimum, the Exchange has the ability to determine at any time to impose higher margin requirements than those described above in respect of any binary option position when it deems such higher margin requirements are appropriate.

formulaic position limit would be calculated in accordance with the following methodology: (1) determine the Market Capitalization of the S&P 500 Index; (2) determine the Market Capitalization of the broad-based index underlying the binary option; and (3) calculate the Market Capitalization Ratio of the broad-based index underlying the binary option to the Market Capitalization of the S&P 500 Index. The position limit for binary options subject to a formulaic limit with an exercise settlement amount of $10,000 would be: (1) 10,000 contracts if the Market Capitalization Ratio is greater than or equal to 0.50; (2) 5,000 contracts if the Market Capitalization Ratio is less than 0.50 but greater than or equal to 0.25; and (3) 2,500 contracts if the Market Capitalization Ratio is less than 0.25 but greater than or equal to 0.10. The Exchange would seek Commission approval prior to establishing position limits for binary options on broad-based indexes that have a Market Capitalization Ratio that is less then 0.10. For binary options that have an exercise settlement amount that is not equal to $10,000, the position limit would be the ratio of 10,000 to the exercise settlement amount multiplied by the applicable formulaic limit.

Proposed Rule 22.6 also would provide that positions in binary options on the same broad-based index that have different exercise settlement amounts would be aggregated. In determining compliance with the position limits set forth in proposed Rule 22.6, binary option contracts would not be aggregated with non-binary option contracts on the same or similar underlying security or broad-based index. In addition, binary option contracts on broad-based indexes would not be aggregated with non-binary option contracts on an underlying stock or stocks included within such broad-based index, and binary options on one broad-based index shall not be aggregated with binary options on any other broad-based index.

For purposes of the position limits established under proposed Rule 22.6, a long position in a binary put option and a short position in a binary call option would be considered to be on the same side of the market; and a short position in a binary put option and a long position in a binary call option would be considered to be on the same side of the market. Binary options would not be subject to the hedge exemption to the standard position limits found in Rule 4.11. Under proposed Rule 22.6, the following qualified hedge exemption strategies and positions would be exempt from the established binary option position limits: (1) a binary option position "hedged" or "covered" by an appropriate amount of cash to meet the settlement obligation (e.g., $1,000 for a binary option with an exercise settlement amount of $1,000); (2) a binary option position "hedged" or "covered" by a sufficient amount of a related or similar security to meet the settlement obligation; or (3) a binary option position "hedged" or "covered" by a traditional option covering the same underlying broad-based index sufficient to meet the settlement obligation.

Binary options would not be subject to exercise limits due to the fact that they are European-style options and would be automatically exercised at expiration if the settlement value of the underlying index is equal to or greater than the exercise price of a binary call option or less than the exercise price in the case of a binary put option. Proposed Rule 22.7 confirms this.

Proposed Rule 22.8, Reports Related to Position Limits and Liquidation of Positions, would state that references in Rules 4.13, Reports Related to Position Limits, and 4.14, Liquidation of Positions, to Rule 4.11 in connection with position limits would be deemed, in the case of binary options, to be to Rule 22.6. As such, in accordance with Rule 4.13(a), a position in binary options would have to be reported to the Exchange via the Large Option Positions Report when an account establishes an aggregate same side of the market position of 200 or more binary options. In computing reportable binary options under existing Rule 4.13: (1) positions in binary options that have different exercise settlement amounts would be aggregated; (2) a position in a binary option would not be aggregated with a non-binary position in a option on the same or similar underlying security or broad-based index; (3) a position in a binary option on a broad-based index would not be aggregated with a position in a non-binary option on an underlying stock or stocks included within such broad-based index; and (4) a position in a binary option on one broad-based index would not be aggregated with a position in a binary option on any other broad-based index. The Exchange believes that the reporting requirements and the surveillance procedures for hedged positions would enable the Exchange to closely monitor sizable positions and corresponding hedges.

Proposed Rule 22.9 would provide that binary options are not subject to Rule 4.16(b) and Interpretation and Policy .01 under Rule 4.16; this is because Rule 4.16(b) is relevant only for American-style options and Interpretation and Policy .01 under Rule 4.16 is relevant only for options that are settled by delivery of an underlying security. Paragraph (a) of Rule 4.16, which provides the Exchange's Board with the power to impose restrictions on transactions in one or more series of options of any class dealt in on the Exchange, as the Board in its judgment determines advisable in the interests of maintaining a fair and orderly market or otherwise deems advisable in the public interest, is applicable to binary options.

(7) Determination of Exercise Price (Proposed Rule 22.10)

The Exchange proposes in Rule 22.10 to provide that the determination of whether binary options are in, at, or out of the money at expiration would be a function of the settlement value of the underlying broad-based index in relation to the type of binary option (i.e., put or call) and the exercise price.

(8) Trading Mechanics for Binary Options (Proposed Rules 22.11 to 22.16)

The Exchange intends to trade binary options similar to the manner in which it trades other index options. Under the proposed rules, trading in binary options would be conducted in the following manner:

- Trading Rotations (Proposed Rule 22.11): Trading rotations generally would be conducted through use of the Hybrid Opening System ("HOSS"), which is described in existing Rule 6.2B. In addition, Rules 6.2, Trading Rotations, 6.2A, Rapid Opening System, and 24.13, Trading Rotations, would apply to binary options.
- Trading Halts and Suspension of Trading (Proposed Rule 22.12): The trading halt procedures contained in existing Rules 6.3 and 6.3B and 24.7 would apply to binary options.
- Premium Bids and Offers; Minimum Increments; Priority and Allocation (Proposed Rule 22.13): All bids and offers would be deemed to be for one contract unless a specific number of option contracts is expressed in the bid or offer. A bid or offer for more than one option contract which is not made all-or-none would be deemed to be for that amount or any lesser number of options contracts. An all-or-none bid or offer would be deemed to be made only for the amount stated. All bids and offers made for binary option contracts related to an underlying index would be governed by Rules 6.41, Meaning of Premium Bids and Offers; 6.42, Minimum Increments for Bids and Offers; 6.44, Bids and Offers in Relation to Units of Trading; 6.45, Priority of Bids and Offers – Allocation of Trades; 6.45B, Priority and Allocation of Trades in Index Options and Options on ETFs on the CBOE Hybrid System; and 24.8, Meaning of Premium Bids and Offers, as applicable. The minimum price variation ("MPV")

would be established on a class-by-class basis by the Exchange and would not be less than $0.01. The rules of priority and order allocation procedures set forth in Rule 6.45A, Priority and Allocation of Equity Option Trades on the CBOE Hybrid System, would apply to binary options.[6]

- Maximum Bid-Ask Differentials; Market-Maker Appointments & Obligations (Proposed Rule 22.14): Proposed Rule 22.14 would provide that a market maker is expected to bid and offer so as to create differences of no more than 25% of the designated exercise settlement value between the bid and offer for each binary option contract or $5.00, whichever amount is wider, except during the last trading day prior to the expiration where the maximum permissible price differential for binary options may be 50% or $5.00, whichever amount is wider. Proposed Rule 22.14 also would provide that the market maker appointment process for binary option classes would be the same as the appointments for other options, as set out in existing Rules 8.3, Appointment of Market-Makers; 8.4, Remote Market-Makers; 8.14, Index Hybrid Trading System Classes: Market-Maker Participants; 8.15, Lead Market-Makers and Supplemental Market-Makers in Non-Hybrid and Hybrid 3.0 Classes; 8.15A, Lead Market-Makers in Hybrid Classes; and 8.95, Allocation of Securities and Location of Trading Crowds and DPMs.
- Automatic Exercise of Binary Option Contracts (Proposed Rule 22.15): Proposed Rule 22.15 would provide that a binary option would be automatically exercised at expiration if the settlement value of the underlying broad-based index is equal to or

[6] Proposed Rule 22.13 would conform to Article XIV, Section 3A of OCC's By-Laws with respect to adjustments of binary options. See Securities Exchange Act Release No. 56875 (November 30, 2007), 72 FR 69274 (December 7, 2007) (SR-OCC-2007-08).

greater than the exercise price of a binary call option or less than the exercise price in the case of a binary put option. Rules 11.2 and 11.3 would not apply to binary options.

- FLEX Trading Rules (Proposed Rule 22.16): Proposed Rule 22.16 would provide that, in addition to Hybrid, binary options would be eligible for trading as Flexible Exchange Options as provided for in Chapter XXIVA and XXIVB. For purposes of Rules 24A.4 and 24B.4, the applicable exercise settlement amount would be designated by the parties to the contract, the parties to the contract cannot designate an Exercise Style other than European-style, and the term "index multiplier" as used in those rules would refer to the "contract multiplier" as defined in Chapter XXII. Rules 24A.7 and 24B.7 would not apply to binary options and the position limit methodology set forth in Rule 22.6 would apply. Rules 24A.9 and 24B.9, regarding minimum quote width, would not apply to binary options and the minimum quote width set forth in Rule 22.14 would apply.

OCC Rule Filing; Options Disclosure Document

The OCC has amended its By-Laws and Rules to accommodate the listing and trading of binary options.[7] In addition, CBOE understands that the OCC has submitted to the Commission a proposed Supplement to the Options Disclosure Document ("ODD") to accommodate binary options on board based indexes.

Systems Capacity

CBOE represents that it believes the Exchange and the Options Price Reporting Authority have the necessary systems capacity to handle the additional traffic associated with the listing

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[7] See Securities Exchange Act Release No. 56875 (November 30, 2007), 72 FR 69274 (December 7, 2007) (SR-OCC-2007-08).

and trading of binary options as proposed herein. CBOE does not anticipate that there would be any additional quote mitigation strategy necessary to accommodate the trading of binary options.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations under the Act applicable to a national securities exchange and, in particular, the requirements of Section 6(b) of the Act. Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[8] requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest.

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

CBOE does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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 proposal.

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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be

[8] 15 U.S.C. 78f(b)(5).

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-2006-105 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-CBOE-2006-105. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of 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-2006-105 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.[9]

Florence E. Harmon
Deputy Secretary

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[9] 17 CFR 200.30-3(a)(12).