

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-58051; File No. SR-CBOE-2008-54)

June 27, 2008

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Order Approving Proposed Rule Change Related to Sponsored Users

On May 12, 2008, Chicago Board Options Exchange, Incorporated (“CBOE”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to amend CBOE Rule 6.20A to permit Sponsored User access to all products traded on CBOE. The proposed rule change was published for comment in the Federal Register on May 27, 2008.³ The Commission received no comments regarding the proposal.

The Commission has carefully reviewed the proposed rule change and finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange⁴ and, in particular, Section 6(b)(5) of the Act,⁵ which requires that an exchange have rules designed to 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.

The proposal will expand the scope of Sponsored User access, which has previously been approved by the Commission,⁶ beyond CBOE’s FLEX Hybrid Trading System (“FLEX”) and the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 57836 (May 19, 2008), 73 FR 30430.

⁴ In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78f(b)(5).

⁶ See Securities Exchange Act Release No. 56792 (November 15, 2007), 72 FR 65776

CBOE Stock Exchange facility (“CBSX”) to all other products that are traded on CBOE. Sponsored Users who access other products trading on CBOE will be subject to the same requirements as Sponsored Users on FLEX and CBSX.⁷ In addition, although the number of Sponsored Users who may access products other than FLEX and CBSX will be limited to fifteen, CBOE will admit applicants in a non-discriminatory manner using a first-in, first-out method. In this regard, CBOE’s actions will be subject to review under Chapter XIX of its rules.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (SR-CBOE-2008-54) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁸

Florence E. Harmon
Acting Secretary

(November 23, 2007) (SR-CBOE-2006-99) (approving proposed rule change to permit sponsored user access to FLEX). See also Securities Exchange Act Release No. 57646 (April 10, 2008), 73 FR 20726 (April 16, 2008) (SR-CBOE-2008-37) (notice of filing and immediate effectiveness of proposed rule change to permit sponsored user access to CBSX).

⁷ See CBOE Rule 6.20A.

⁸ 17 CFR 200.30-3(a)(12).