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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-68242; File No. SR-CBOE-2012-110)

November 15, 2012

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Weekly Options Program

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 November 9, 2012, the Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II 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

CBOE proposes to amend CBOE Rules 5.5(d) and 24.9(a)(2)(A) to expand the number of expirations available under the Short Term Option Series Program (“Weeklys Program” or “Weekly option”), to allow for the Exchange to delist any Weekly option series that do not have open interest and to expand the number of series per class permitted in Weekly options under limited circumstances. The text of the proposed rule change is available on the Exchange’s Web site (<http://www.cboe.org/legal>), 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

In its filing with the Commission, the self-regulatory organization 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 those 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 parts of such statements.

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

1. Purpose

This is a competitive filing that is based on a recently approved filings submitted by NYSE Arca, Inc. ("NYSE Arca") and NYSE MKT, LLC ("NYSE MKT").³

The purpose of this proposal is to amend CBOE Rules 5.5(d) and 24.9(a)(2)(A) to provide for the ability to open up to five consecutive expirations under the Short Term Option Series Program ("Weeklys Program" or "Weekly options") for trading on the Exchange, to allow for the Exchange to delist any Weekly option series that does not have open interest and to expand the number of series per class permitted in Weekly options under limited circumstances when there are no series at least 10% but not more than 30% away from the current price/value of the underlying security/index.⁴

Currently, the Exchange may select up to thirty (30) currently listed option classes on which options may be opened in the Weeklys Program and the Exchange may also match any

³ See Securities Exchange Act Release Nos. 68190 (November 8, 2012) (order approving SR-NYSEArca-2012-95) ("NYSE Arca filing") and 68191 (November 8, 2012) (order approving SR-NYSEMKT-2012-42) ("NYSE MKT filing").

⁴ On July 12, 2005, the Commission approved the Weeklys Program on a pilot basis. See Securities Exchange Act Release No. 52011 (July 12, 2005), 70 FR 41451 (July 19, 2005) (SR-CBOE-2004-63). The Weeklys Program was made permanent on April 27, 2009. See Securities Exchange Act Release No. 59824 (April 27, 2009), 74 FR 20518 (May 4, 2009) (SR-CBOE-2009-018).

option classes that are selected by other securities exchanges that employ a similar program under their respective rules.⁵ For each option class eligible for participation in the Weeklys Program, the Exchange may open up to thirty (30) Weekly option series for each expiration date in that class.

This proposal seeks to allow the Exchange to open Weekly option series for up to five (5) consecutive week expirations. The Exchange intends to add a maximum of five (5) consecutive week expirations under the Weeklys Program; however, it will not add a Weekly option expiration in the same week that a monthly option series expires or, in the case of Quarterly Option Series (“QOS”) or Quarterly Index Expirations (“QIXs”), on an expiration that coincides with an expiration of QOS or QIXs on the same class. In other words, the total number of consecutive expirations will be five (5), including any existing monthly or quarterly expirations.⁶ This change is being proposed notwithstanding the current cap of 30 series per class under the Weeklys Program.

The Exchange notes that the Weeklys Program has been 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.

⁵ See CBOE Rules 5.5(d)(1) and 24.9(a)(2)(A)(i).

⁶ For example, if quarterly options expire week 1 and monthly options expire week 3 from now, the proposal would allow the following expirations: week 1 quarterly option, week 2 Weekly option, week 3 monthly option, week 4 Weekly option, and week 5 Weekly option. If quarterly options expire week 3 and monthly options expire week 5, the following expirations would be allowed: week 1 Weekly option, week 2 Weekly option, week 3 quarterly option, week 4 Weekly option, and week 5 monthly option.

With regard to the impact of this proposal on system capacity, the Exchange has analyzed its capacity and represents that it and the Options Price Reporting Authority have the necessary systems capacity to handle the potential additional traffic associated with trading of an expanded number of expirations that participate in the Weeklys Program.

In addition, to provide for circumstances where the underlying security or index has moved such that there are no series that are at least 10% above or below the current price or value of the underlying security or index, the Exchange is proposing to add new subparagraphs (6) and (vi) to CBOE Rules 5.5(d) and 24.9(a)(2)(A), respectively, to provide that the Exchange would delist 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 or value of the underlying security or index. Further, in the event that all existing series have open interest and there are no series at least 10% above or below the current price or value of the underlying security or index, the Exchange may list additional series, in excess of the 30 series per class allowed currently under CBOE Rules 5.5(d)(1) and 24.9(a)(2)(A)(i), that are at least 10% and not more than 30% above or below the current price or value of the underlying security or index.

The Exchange believes that it is important to allow investors to roll existing option positions and to ensure that there are always series at least 10% but not more than 30% above or below the current price or value of the underlying security or index will allow investors the flexibility they need to roll existing positions.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁷ 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.

The Exchange believes that expanding the Weeklys Program will result in a continuing benefit to investors by giving them more flexibility to closely tailor their investment decisions and hedging decisions in a greater number of securities. The Exchange also believes that expanding the Weeklys Program will provide the investing public and other market participants with additional opportunities to hedge their investment thus allowing these investors to better manage their risk exposure. While the expansion of the Weeklys Program will generate additional quote traffic, the Exchange does not believe that this increased traffic will become unmanageable since the proposal remains limited to a fixed number of expirations. The Exchange believes that the ability to delist series with no open interest in both the call and the put series will benefit investors by devoting the current cap in the number of series to those series that are more closely tailored to the investment decisions and hedging decisions of investors.

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

This proposed rule change does not impose any burden on competition that is not

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

necessary or appropriate in furtherance of the purposes of the Act. In this regard and as indicated above, the Exchange notes that proposal is a competitive filing. CBOE believes this proposed rule change is necessary to permit fair competition among the options exchanges.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

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

Because the foregoing proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not 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 Act⁹ and Rule 19b-4(f)(6) thereunder.¹⁰

The Exchange has requested that the Commission waive the 30-day operative delay. The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest because the proposal is substantially similar to those of other exchanges that have been approved by the Commission and permit such exchanges to open up to five consecutive expirations under their respective Short Term Option Series Programs as well as allow for the exchanges to delist any Weekly option series that do not have open interest and

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's 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. The Commission has waived this requirement in this case.

expand the number of series per class permitted in Weekly options under limited circumstances.¹¹ Therefore, the Commission designates the proposal operative upon filing.¹²

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.

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-2012-110 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2012-110. 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

¹¹ See supra note 3.

¹² For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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, 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-2012-110 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.¹³

Kevin M. O'Neill
Deputy Secretary

[FR Doc. 2012-28262 Filed 11/20/2012 at 8:45
am; Publication Date: 11/21/2012]

¹³ 17 CFR 200.30-3(a)(12).