

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 13

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2011 - * 038

Amendment No. (req. for Amendments *)

Proposed Rule Change 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"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Rule

Pilot <input checked="" type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>
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<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 type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)

Exhibit 2 Sent As Paper Document Exhibit 3 Sent As Paper Document **Description**

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

Proposal to change the close of trading hours for expiring End of Week and End of Month expirations.

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 proposed rule change.

First Name *	Jenny	Last Name *	Klebes
Title *	Senior Attorney		
E-mail *	klebes@cboe.com		
Telephone *	(312) 786-7466	Fax	(312) 786-7919

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date 04/05/2011

By Jenny L. Klebes
(Name *)Senior Attorney / Assistant Secretary
(Title *)

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.

Jenny Klebes, klebes@cboe.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information (required)

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 (required)

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 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) The Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) proposes to amend Rule 24.9 to change the close of trading hours from 3:15 p.m. (Chicago time) to 3:00 p.m. (Chicago time) on the last day of trading in expiring End-of-Week and End-of Month Expirations. Set forth below are the proposed changes to the rule text, with additions represented by underscoring and deletions represented by [bracketing].

(b) Not applicable.

(c) Not applicable.

Chicago Board Options Exchange, Incorporated
Rules

* * * * *

Rule 24.9. Terms of Index Option Contracts

* * * * *

(e) *End of Week/End of Month Expirations Pilot Program ("EOW/EOM Pilot Program")*

(1) – (3) No change.

(4) EOW/EOM Trading Hours on the Last Trading Day. On the last trading day, transactions in expiring EOWs and EOMs may be effected on the Exchange between the hours of 8:30 a.m. (Chicago time) and 3:00 pm (Chicago time). This subsection (4) applies to all outstanding expiring EOW and EOM Expirations listed on or before [insert effective date of rule filing] and all EOWs and EOMs listed thereafter under the EOW/EOM Pilot Program.

...Interpretations and Policies

.01 - .11 No change.

* * * * *

Item 2. Procedures of the Self-Regulatory Organization

(a) CBOE’s Office of the Chairman pursuant to delegated authority approved the proposed rule change on March 25, 2011. No further action is required.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, General Counsel, CBOE, 400 South LaSalle, Chicago, IL 60605, (312) 786-7462 or Jenny Klebes, (312) 786-7466.

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

(a) Purpose

The Exchange proposes to amend Rule 24.9 to change the close of trading hours from 3:15 p.m. (Chicago time) to 3:00 p.m. (Chicago time) on the last day of trading in expiring End-of-Week Expirations and End-of-Month Expirations. On September 14, 2010, the Securities and Exchange Commission ("Commission") approved the implementation of a pilot program that permits P.M.-settled options on broad-based indexes to expire on (a) any Friday of the month, other than the third Friday-of-the-month ("End-of-Week Expirations" or "EOWs") and (b) the last trading day of the month ("End-of-Month Expirations" or "EOMs").¹

EOWs and EOMs are treated the same as traditional options on the same underlying index that expire on the Saturday following the third Friday of the month; provided, however, that EOWs and EOMs are P.M.-settled.² EOWs and EOMs are subject to the same rules that currently govern the trading of traditional index options, including sales practice rules, margin requirements, and floor trading procedures. Contract terms for EOWs and EOMs are similar to regular index options, with one general exception: the exercise settlement value is based on the index value derived from the closing prices of component stocks.³

¹ See Securities Exchange Act Release No. 34-62911 (September 14, 2010), 75 FR 57539 (September 21, 2010) (SR-CBOE-2009-075).

² See CBOE Rule 24.9(e).

³ See supra note 1.

Generally, EOWs and EOMs are priced in the market based on corresponding futures values. On the last day of trading, the closing prices of the component stocks (which are used to derive the exercise settlement value) are known at 3 p.m. (Chicago time) (or soon after) when the equity markets close. Despite the fact that the exercise settlement value is fixed at or soon after 3 p.m. (Chicago time), trading in expiring EOWs and EOMs continues, however, for an additional fifteen minutes until 3:15 p.m. (Chicago time) and are not priced on corresponding futures values, but rather the known cash value. At the same time, the prices of non-expiring EOW and EOM series continue to move and be priced in response to changes in corresponding futures prices.

Because of the potential pricing divergence that could occur between 3:00 and 3:15 pm on the final trading day in expiring EOWs and EOMs (*e.g.*, switch from pricing off of futures to cash), the Exchange believes that, in order to mitigate potential investor confusion, it is appropriate to cease trading in expiring EOWs and EOMs at 3:00 pm on the last day of trading. The proposed change to the close of trading hours will apply to all outstanding expiring EOW and EOM Expirations listed on or before the effective date of this proposal and to all EOWs and EOMs listed thereafter under the EOW/EOM Pilot Program.

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”)⁴ and the rules and regulations thereunder and, in particular, the requirements of Section 6(b) of the Act.⁵ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁶ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent

⁴ 15 U.S.C. 78s(b)(1).

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

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. Preventing continued trading on a product after the exercise settlement value has been fixed eliminates potential confusion and thereby protects investors and the public interest.

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

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

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 proposal.

Item 6. Extension of Time Period for Commission Action

CBOE does not consent to an extension of the time period for Commission action.

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

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A)⁷ of the Securities Exchange Act of 1934 and Rule 19b-4(f)(6) thereunder.⁸

(b) The Exchange asserts that the proposed rule change (i) will not significantly affect the protection of investors or the public interest, (ii) will not impose any significant burden on competition, and (iii) will not become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The proposed change is identical in nature to a change

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f)(6).

previously filed by the Exchange and which is currently operative.⁹ In that filing, the Exchange proposed changing the close of trading hours from 3:15 p.m. (Chicago time) to 3:00 p.m. (Chicago time) on the last day of trading in expiring Quarterly Index Expirations (“QIXs”).¹⁰

The Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, prior to the date of the filing of the proposed rule change.

For the foregoing reasons, this rule filing qualifies as a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Act. The Exchange requests that the Commission waive the 30-day operative delay period. Waiver of the operative date is consistent with the protection of investors and the public interest in that it will allow the Exchange to eliminate any confusion and investor risk by immediately permitting the Exchange to close trading in expiring EOW and EOM contracts at 3 pm (Chicago time).

(c) Not applicable.

(d) Not applicable.

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

Not applicable.

Item 9. Exhibits

Exhibit 1. Form of notice of proposed rule change for publication in the Federal Register.

⁹ See Securities Exchange Act Release No. 34-59676 (April 1, 2009), 74 FR 16018 (April 8, 2009) (SR-CBOE-2009-020).

¹⁰ Id.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-CBOE-2011-038

Dated: _____

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Close of Trading Hours for Expiring End of Week and End of Month Expirations

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 _____, 2011, the Chicago Board Options Exchange, Incorporated (“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 Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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 Rule 24.9 to change the close of trading hours from 3:15 p.m. (Chicago time) to 3:00 p.m. (Chicago time) on the last day of trading in expiring End-of-Week and End-of Month Expirations. The text of the rule proposal is available on the Exchange’s website (<http://www.cboe.org/legal>), at the Exchange’s Office of the Secretary and at the Commission.

¹ 15 U.S.C. 78s(b)(1).
² 17 CFR 240.19b-4.
³ 15 U.S.C. 78s(b)(3)(A)(iii).
⁴ 17 CFR 240.19b-4(f)(6).

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 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 24.9 to change the close of trading hours from 3:15 p.m. (Chicago time) to 3:00 p.m. (Chicago time) on the last day of trading in expiring End-of-Week Expirations and End-of-Month Expirations. On September 14, 2010, the Securities and Exchange Commission (“Commission”) approved the implementation of a pilot program that permits P.M.-settled options on broad-based indexes to expire on (a) any Friday of the month, other than the third Friday-of-the-month (“End-of-Week Expirations” or “EOWs”) and (b) the last trading day of the month (“End-of-Month Expirations” or “EOMs”).⁵

EOWs and EOMs are treated the same as traditional options on the same underlying index that expire on the Saturday following the third Friday of the month; provided, however, that EOWs and EOMs are P.M.-settled.⁶ EOWs and EOMs are subject to the same rules that currently govern the trading of traditional index options, including sales practice rules, margin requirements, and floor trading procedures. Contract terms for EOWs and EOMs are

⁵ See Securities Exchange Act Release No. 34-62911 (September 14, 2010), 75 FR 57539 (September 21, 2010) (SR-CBOE-2009-075).

⁶ See CBOE Rule 24.9(e).

similar to regular index options, with one general exception: the exercise settlement value is based on the index value derived from the closing prices of component stocks.⁷

Generally, EOWs and EOMs are priced in the market based on corresponding futures values. On the last day of trading, the closing prices of the component stocks (which are used to derive the exercise settlement value) are known at 3 p.m. (Chicago time) (or soon after) when the equity markets close. Despite the fact that the exercise settlement value is fixed at or soon after 3 p.m. (Chicago time), trading in expiring EOWs and EOMs continues, however, for an additional fifteen minutes until 3:15 p.m. (Chicago time) and are not priced on corresponding futures values, but rather the known cash value. At the same time, the prices of non-expiring EOW and EOM series continue to move and be priced in response to changes in corresponding futures prices.

Because of the potential pricing divergence that could occur between 3:00 and 3:15 pm on the final trading day in expiring EOWs and EOMs (*e.g.*, switch from pricing off of futures to cash), the Exchange believes that, in order to mitigate potential investor confusion, it is appropriate to cease trading in expiring EOWs and EOMs at 3:00 pm on the last day of trading. The proposed change to the close of trading hours will apply to all outstanding expiring EOW and EOM Expirations listed on or before the effective date of this proposal and to all EOWs and EOMs listed thereafter under the EOW/EOM Pilot Program.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act⁸ and the rules and regulations thereunder and, in particular, the requirements of Section 6(b) of the

⁷ See *supra* note 5.

⁸ 15 U.S.C. 78s(b)(1).

Act.⁹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁰ 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. Preventing continued trading on a product after the exercise settlement value has been fixed eliminates potential confusion and thereby protects investors and the public interest.

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

CBOE does not believe that the proposed rule change will impose any burden on competition 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

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 does not (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, provided that the self-regulatory organization has given the Commission written notice of its intent to file 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 proposed

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6) thereunder.¹² At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate 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-2011-038 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-2011-038. 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,

¹¹ 15 U.S.C. 78s(b)(3)(A).
¹² 17 CFR 240.19b-4(f)(6).

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 am and 3:00 pm. Copies of such filing also will be available for inspection and copying at the principal office of the CBOE. 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-2011-038 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

Dated: _____

Secretary

¹³ 17 CFR 200.30-3(a)(12).