

Number SR-CBOE-2011-034 and should be submitted on or before May 3, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

Cathy H. Ahn,

Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-64199; File No. SR-CBOE-2011-035]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend CBSX Maker and Taker Transaction Fees and Rebates for Transactions in Securities Priced \$1 or Greater

April 6, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 31, 2011, the Chicago Board Options Exchange, Incorporated (“Exchange” or “CBOE”) 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 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 CBOE Stock Exchange (“CBSX”) transaction fees. 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.

#### 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

This filing proposes to make changes to the CBSX Fees Schedule. On March 1, 2011, CBOE modified the CBSX Maker and Taker transaction fees and rebates for transactions in securities priced \$1 or greater.<sup>3</sup> Following that change, transactions in securities priced \$1 or greater in a select group of stocks (BAC, BIL, BGZ, C, CIM, DXD, FAZ, IAU, LVL, NBG, PVI, QID, SDS, SIRI, SKF, SNV, UDN, UNG, UUP, XLF) became subject to Maker fees of \$0.0018 per share and Taker rebates of \$0.0014 per share. Transactions in securities priced \$1 or greater in another select group of stocks (AA, AMAT, AMD, ATML, BRCD, BSX, CMCSA, COCO, CSCO, CX, DELL, DIA, DOW, DRYS, DUK, EBAY, EMC, EWJ, EWT, FAS, FAX, F, FITB, FLEX, GBG, GDX, GE, GLD, GLW, HBAN, HPQ, IDIX, INTC, IWM, IYR, JPM, KEY, LVS, MDT, MFE, MGM, MO, MRVL, MSFT, MU, NLY, NOK, NVDA, NWSA, ONNN, ORCL, PBR, PFE, PSQ, QCOM, Q, QLD, QQQQ, RF, RFMD, SBUX, S, SH, SLV, SMH, SNDK, SPLS, SPXU, SPY, SSO, SYMC, TBT, T, TLT, TNA, TSM, TWM, TXN, TZA, UCO, USO, UWM, UYG, VALE, VVO, VXX, VZ, WFC, XHB, XLB, XLE, XLI, XLK, XLP, XLU, XLV, XLY, XRT, XRX, YHOO) became subject to Maker fees of \$0.0009 per share and Taker rebates of \$0.0006 per share.

Transactions in securities priced \$1 or greater for all other securities became subject to a \$0.0001 fee.

The Exchange now proposes to change the specific securities in the groups. Under the proposed rule change, transactions in the following securities priced \$1 or greater would be subject to Maker fees of \$0.0018 per share and Taker rebates of \$0.0014 per share: ALU, BAC, BIL, C, CIM, IAU, LVL, PVI, SIRI, SNV, UDN, UNG, UUP. Transactions in the following securities priced \$1 or greater would be subject to Maker fees of \$0.0009 per share and Taker rebates of \$0.0006 per share: AA, AMD, BGZ, BRCD, BSX, CSCO, CX, DGZ, DIA, DRYS, DUK, DXD, DZZ, EWJ, FAX, F, GBG, GLD, INTC, IWM, KEY,

MSFT, NBG, NOK, PFE, Q, QQQ, RF, RFMD, SDS, S, SH, SLV, SPF, SPXU, SPY, SSO, TBT, TLT, TWM, TZA, UCO, USO, UWM, VXX, XLI, XLP.

Transactions in securities priced \$1 or greater for all other securities will remain subject to a \$0.0001 fee. The Exchange is modifying the securities in the groups and customizing transaction fees by security due to the different liquidity attributes of the different securities and CBSX’s experience in trades involving those securities.

The Exchange also proposes to re-add a reference to footnote 4, which defines a “Qualified Contingent Trade”. This reference was inadvertently removed in re-organizing the CBSX Fees Schedule in the previous filing.<sup>4</sup>

##### 2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (“Act”),<sup>5</sup> in general, and furthers the objectives of Section 6(b)(4)<sup>6</sup> of the Act in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among CBOE Trading Permit Holders and other persons using Exchange facilities. The Exchange is modifying the securities in the groups and customizing transaction fees by security due to the different liquidity attributes of the different securities and CBSX’s experience in trades involving those securities.

#### 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

The proposed rule change is designated by the Exchange as establishing or changing a due, fee, or other charge, thereby qualifying for effectiveness on filing pursuant to Section 19(b)(3)(A) of the Act<sup>7</sup> and

<sup>4</sup> See footnote 1.

<sup>5</sup> 15 U.S.C. 78f(b).

<sup>6</sup> 15 U.S.C. 78f(b)(4).

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 64027 (March 3, 2011), 76 FR 13011 (March 9, 2011) (SR-CBOE-2011-020).

subparagraph (f)(2) of Rule 19b-4<sup>8</sup> 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.

#### 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](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2011-035 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-2011-035. 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 Web site 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 a.m. and 3 p.m. Copies of such 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-2011-035 and should be submitted on or before May 3, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

**Cathy H. Ahn,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-64203; File No. SR-CHX-2011-05]

### Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Extend the Pilot Program Relating to Individual Securities Circuit Breakers

April 6, 2011.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the "Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that on April 5, 2010, the Chicago Stock Exchange, Inc. ("CHX" or the "Exchange") 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

CHX proposes to amend its rules to extend the pilot program relating to individual securities circuit breakers. The text of this proposed rule change is available on the Exchange's Web site at (<http://www.chx.com>) and in 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 CHX included statements concerning the purpose of and basis for the proposed rule changes and discussed any comments it received regarding the

proposal. The text of these statements may be examined at the places specified in Item IV below. The CHX 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 Changes

##### 1. Purpose

In June, 2010, CHX obtained Commission approval to amend Article 20, Rule 2 to create circuit breakers in individual securities on a pilot basis to end on December 10, 2010.<sup>4</sup> Shortly thereafter, in September, the Commission approved another amendment to Article 20, Rule 2 to add securities included in the Russell 1000<sup>®</sup> Index ("Russell 1000") and certain specified Exchange Traded Products ("ETP") to the pilot rule.<sup>5</sup> This program was subsequently extended until April 11, 2011.<sup>6</sup> The proposed rule change merely extends the duration of the pilot program to the earlier of August 11, 2011 or the date on which a limit up/limit down mechanism to address extraordinary market volatility, if adopted, applies. Extending the pilot in this manner will allow it to continue until the limit up/limit down mechanism to address extraordinary market volatility, if adopted, applies.

##### 2. Statutory Basis

The proposed rule change is consistent with Section 6(b)(5) of the Securities Exchange Act of 1934 (the "Act"), which requires the rules of an exchange to promote just and equitable principles of trade, 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. The proposed rule change also is designed to support the principles of Section 11A(a)(1) of the Act in that it seeks to assure fair competition among brokers and dealers and among exchange markets. The Exchange believes that the proposed rule meets these requirements in that it promotes uniformity across markets concerning decisions to pause trading in a security when there are significant price movements.

<sup>4</sup> See Securities Exchange Act Release No. 62252 (June 10, 2010), 75 FR 34186 (June 16, 2010) approving SR-CHX-2010-10.

<sup>5</sup> See Securities Exchange Act Release No. 62884 (September 10, 2010), 75 FR 56618 (September 16, 2010) approving SR-CHX-2010-14.

<sup>6</sup> See Securities Exchange Act Release No. 34-63498 (December 9, 2010), 75 FR 78310 (December 15, 2010) approving SR-CHX-2010-24.

<sup>8</sup> 17 CFR 240.19b-4(f)(2).

<sup>9</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.