

CBOE Holdings, Inc.
Form S-4/A
April 26, 2010

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As filed with the Securities and Exchange Commission on April 26, 2010

Registration No. 333-140574

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Amendment No. 7 to
FORM S-4
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933**

CBOE Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

6200
(Primary Standard Industrial
Classification Code Number)

20-5446972
(I.R.S. Employer Identification No.)

**c/o Chicago Board Options Exchange, Incorporated
400 South LaSalle Street
Chicago, Illinois 60605, (312) 786-5600**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Joanne Moffic-Silver
Executive Vice President and General Counsel
Chicago Board Options Exchange, Incorporated
400 South LaSalle Street
Chicago, Illinois 60605
(312) 786-7462**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

**Copies to:
Michael L. Meyer, Esq.
Richard T. Miller, Esq.
Schiff Hardin LLP
233 S. Wacker Drive
Suite 6600
Chicago, Illinois 60606
(312) 258-5500**

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and all other conditions to the consummation of the proposed restructuring transaction described herein have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
 (Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price	Amount of registration fee(4)
Unrestricted Common Stock, Class A Common Stock, Class A-1 Common Stock and Class A-2 Common Stock, each par value \$0.01 per share(1)(2)(3)	\$183,800,000	\$19,667

- (1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f)(2) under the Securities Act, based on the aggregate book value of Chicago Board Options Exchange, Incorporated, a Delaware non-stock corporation, or the CBOE, as of December 31, 2006 of \$183,800,000. The securities to be registered are to be offered in connection with the restructuring transaction, a transaction in which such securities will be distributed to current members of the CBOE in respect of such current members' existing memberships in the CBOE on the date of the restructuring transaction.
- (2) In accordance with Rule 457(o) under the Securities Act of 1933, the number of shares is not set forth herein. Pursuant to Rule 457(o), the registration fee has been computed on the basis of the maximum aggregate offering price, as established above, of all the common stock to be issued upon completion of the restructuring transaction.
- (3) The Class A-1 Common Stock and Class A-2 Common Stock is being registered in connection with the future conversion of Class A Common Stock into such Class A-1 Common Stock and Class A-2 Common Stock, and the Unrestricted Common Stock is being registered in connection with the future conversion of the Class A Common Stock, Class A-1 Common Stock and Class A-2 Common Stock into such Unrestricted Common Stock.
- (4) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information contained in this document is subject to completion or amendment. A registration statement relating to these securities has been filed with the United States Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document is not an offer to sell these securities and it is not soliciting an offer to buy these securities, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

SUBJECT TO COMPLETION, DATED APRIL 26, 2010

Dear CBOE Voting Members:

In response to the many changes that have taken place in U.S. options exchanges and other securities markets in recent years, the Board of Directors of the Chicago Board Options Exchange, Incorporated (the "CBOE") has concluded that it would be in the best interest of the CBOE and its members for the CBOE to change its organizational structure from a non-stock corporation owned by its members to become a wholly-owned subsidiary of a new holding company, CBOE Holdings, Inc. ("CBOE Holdings"), organized as a stock corporation owned by its stockholders. This type of organizational restructuring is sometimes referred to as a "demutualization" or "restructuring" transaction.

In the proposed restructuring transaction, each CBOE Seat owned by a CBOE member on the date of the restructuring transaction will be converted into 80,000 shares of Class A common stock of CBOE Holdings. CBOE Seat owners will receive a total of 74,400,000 shares of Class A common stock of CBOE Holdings in the restructuring transaction. In addition, certain persons who satisfy the qualification requirements set forth in the Stipulation of Settlement, dated August 20, 2008, among CBOE and the other parties to the Delaware Action concerning the Exercise Right litigation, for participating in the settlement of the Exercise Right litigation, as described herein, will be issued a total of 16,333,380 shares of Class B common stock of CBOE Holdings. Immediately following the issuance of the Class A and Class B common stock, the board of directors of CBOE Holdings intends to declare and pay a special dividend of \$1.25 per outstanding share of Class A and Class B common stock, or \$113,416,725 in the aggregate.

The restructuring transaction is contingent on the concurrent completion by CBOE Holdings of an underwritten initial public offering of its unrestricted common stock. CBOE Holdings currently expects to offer approximately 10,000,000 shares of unrestricted common stock following the requisite approval of the restructuring transaction by CBOE members entitled to vote. The actual number of shares to be offered and sold by CBOE Holdings and the price at which such shares will be offered and sold in the initial public offering may be different than as assumed in this proxy statement and prospectus, and the final decision about offering parameters, including price per share, will be determined by the CBOE Holdings board of directors. **We may proceed with the restructuring transaction and the initial public offering without seeking additional member approval only if CBOE Holdings can complete the initial public offering at a price per share before underwriting discount of at least \$25. As a result, you should make your decision regarding the restructuring transaction assuming the initial public offering price could be as low as \$25 per share.**

The CBOE Holdings common stock issued in the restructuring transaction will not provide its holders with physical or electronic access to the CBOE's trading facilities. Instead, physical and electronic access to the CBOE trading facilities, subject to such limitations and requirements as will be specified in the Rules of the CBOE, will be available to individuals and organizations that have obtained a trading permit from the CBOE.

The common stock of CBOE Holdings issued in the restructuring transaction will represent an equity ownership interest in that company and will have traditional features of common stock. Such common stock will be subject to certain transfer restrictions or "lock-up restrictions" under CBOE Holdings' certificate of incorporation. Concurrently with the restructuring transaction, CBOE Holdings intends to complete an initial public offering of its unrestricted common stock. At the time CBOE Holdings completes the initial public offering, the shares of CBOE Holdings common stock issued in the restructuring transaction and as part of the Settlement Agreement automatically will convert into shares of Class A-1 common stock and Class A-2 common stock and will be subject to additional lock-up restrictions.

We currently intend to list the unrestricted common stock of CBOE Holdings on the NASDAQ Global Select Market.

We will hold a special meeting at which we will ask all of the CBOE Voting Members to approve the restructuring transaction. The proposed restructuring transaction must be approved by an affirmative vote of a majority of all of the memberships outstanding and entitled to vote.

OUR BOARD OF DIRECTORS HAS APPROVED THE RESTRUCTURING TRANSACTION AND RECOMMENDS THAT YOU VOTE "FOR" ITS APPROVAL.

Your vote is very important. Whether or not you plan to attend the special meeting of members, please submit your proxy as soon as possible to make sure your membership is represented at the special meeting. Your failure to vote will have the same effect as voting against the restructuring transaction.

We urge you to read this document carefully, including the "Risk Factors" section that begins on page 18.

Sincerely,

William J. Brodsky
Chairman and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved these securities, or determined if this proxy statement and prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This document is dated April , 2010 and was first mailed, with the form of proxy, to CBOE Voting Members on or about April , 2010.

CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED
Notice of Special Meeting of Voting Members
To Be Held on May 21, 2010

To the Voting Members of the Chicago Board Options Exchange, Incorporated (the "CBOE"):

A special meeting of members of the Chicago Board Options Exchange, Incorporated will be held in the Members Lounge at 400 South LaSalle Street, Chicago, Illinois 60605, on May 21, 2010 at 3:30 p.m., local time, for the following purposes:

(1) to vote on the adoption of the Agreement and Plan of Merger that will provide for the restructuring of the CBOE in which the CBOE will convert from a non-stock corporation owned by its members to a stock corporation that will be a wholly-owned subsidiary of CBOE Holdings;

(2) to consider and vote on any proposal that may be made by the Vice Chairman of the Board of the CBOE to adjourn or postpone the CBOE special meeting for the purpose of soliciting proxies with respect to the proposal to adopt the Agreement and Plan of Merger; and

(3) to transact any other business that may properly come before the CBOE special meeting or any adjournment or postponement of the CBOE special meeting.

Each CBOE Voting Member of record and in good standing as of the close of business on April 26, 2010, the record date for the meeting, will be entitled to vote on the matters presented at the special meeting and at any adjournment thereof. Each CBOE Voting Member will be entitled to one vote for each membership with respect to which it has the right to vote. The presence in person or by proxy of CBOE members entitled to cast a majority of the total number of votes entitled to be cast at the meeting constitutes a quorum at the meeting.

The adoption of the Agreement and Plan of Merger requires the affirmative vote of a majority of the outstanding CBOE memberships entitled to vote. *If you do not vote or if you abstain from voting on this proposal, it will have the same effect as a vote against the proposal.*

If no quorum of the CBOE Voting Members is present in person or by proxy at the special meeting, the special meeting may be adjourned by the members present and entitled to vote at that meeting.

THE CBOE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE APPROVAL AND ADOPTION OF THE AGREEMENT AND PLAN OF MERGER TO ACCOMPLISH THE RESTRUCTURING TRANSACTION AND "FOR" ANY PROPOSAL THAT MAY BE MADE BY THE VICE CHAIRMAN OF THE BOARD OF THE CBOE TO ADJOURN OR POSTPONE THE CBOE SPECIAL MEETING FOR THE PURPOSE OF SOLICITING PROXIES.

You may vote your CBOE membership in person or by proxy. You may submit your proxy by phone, by fax, through the internet, by mail in the postage paid envelope or by delivering your proxy to the Office of the Secretary by hand. Members voting by proxy must submit their proxies by no later than 3:30 p.m., local time, on May 21, 2010.

Please vote promptly whether or not you expect to attend the special meeting.

Returning your completed and signed proxy will not prevent you from revoking your proxy and voting in person at the special meeting of members. Please note, however, that if you submit your proxy through one of the available methods prior to the meeting, you will not need to attend the special meeting of members, or take any further action in connection with the special meeting, because you already will have directed your proxy to cast your vote with respect to the proposals. You may revoke your proxy any time before the special meeting by providing written notice to the Secretary of the CBOE or by submission of a later-dated proxy.

By order of the board of directors,

Joanne Moffic-Silver
Executive Vice President,
General Counsel and Secretary
On behalf of the board

April , 2010

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CERTAIN FREQUENTLY USED TERMS

Unless otherwise specified or if the context so requires:

"Article Fifth(b)" refers to Paragraph (b) of Article Fifth of the CBOE's Certificate of Incorporation.

The "CBOE", "Chicago Board Options Exchange" or the "Exchange" refers to (1) prior to the completion of the restructuring transaction, Chicago Board Options Exchange, Incorporated, a Delaware non-stock corporation, and (2) after the completion of the restructuring transaction, the Chicago Board Options Exchange, Incorporated, a Delaware stock corporation.

"CBOE Holdings" refers to CBOE Holdings, Inc., a Delaware stock corporation, and, following the completion of the restructuring transaction, the parent corporation of the CBOE.

"CBOE Seat" refers to a regular membership that was made available by the CBOE in accordance with its Rules and which was acquired by a CBOE member.

"CBOE Temporary Member" refers to a person who temporarily retained CBOE membership status pursuant to the Interim Access Interpretation (as defined herein) filed with the SEC on July 2, 2007 or the Continued Membership Interpretation (as defined herein) filed with the SEC on September 10, 2007.

"CBOE Voting Member" means (1) an owner of a CBOE Seat who has not delegated the owner's right to vote to a lessee, (2) a lessee of a CBOE Seat to whom voting rights have been delegated via a lease agreement or (3) a CBOE member who obtained membership pursuant to the Exercise Right prior to the acquisition of the CBOT by CME Group and whose status as a CBOE member was temporarily extended by the CBOE pursuant to the Interim Access Interpretation filed with the SEC on July 2, 2007 and the Continued Membership Interpretation filed with the SEC on September 10, 2007 and who continues to maintain his or her temporary membership status.

"CBOT" refers to The Board of Trade of the City of Chicago, Inc.

"CBOT Holdings" refers to CBOT Holdings Inc., the former parent corporation of the CBOT.

"CME/CBOT Transaction" refers to the merger of CBOT Holdings into CME Holdings.

"CME Holdings" refers to Chicago Mercantile Exchange Holdings, Inc. and its successor CME Group Inc.

"Delaware Action" refers to the lawsuit, which was entitled CME Group Inc. et al. v. Chicago Board Options Exchange, Incorporated et al. (Civil Action No. 2369-VCN) and filed in the Delaware Court on August 23, 2006, in which the CBOE and its directors were sued in the Delaware Court by the CBOT, CBOT Holdings and two members of the CBOT who purported to represent the Exercise Member Claimants. The Delaware Action has been settled as described in this Registration Statement.

"Delaware Court" refers to the Court of Chancery of the State of Delaware.

"Exercise Member Claimants" refers to a purported class of individuals who claimed in the Delaware Action that they were, or had the right to become, members of the CBOE pursuant to the Exercise Right.

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"Exercise Right" refers to the grant under Article Fifth(b) to members of CBOT of the right to be members of CBOE without having to acquire a separate CBOE membership.

"member" or "members" refers to (1) prior to the completion of the restructuring transaction, any person or organization (or any designee of any organization) that held a membership in the

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CBOE and (2) after the completion of the restructuring transaction, any individual, corporation, partnership, limited liability company or other entity authorized by the Rules of the CBOE (a) that is a Trading Permit Holder or (b) that is otherwise deemed a member pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The term "member" or "members" shall not, under any circumstances, include the Participating Group A Settlement Class Members or the Participating Group B Settlement Class Members.

"SEC" refers to the U.S. Securities and Exchange Commission.

"Settlement Agreement" means the Stipulation of Settlement, as amended, approved by the Delaware Court in the Delaware Action.

"We," "us" or "our" refers to (1) prior to the completion of the restructuring transaction, the CBOE, and, as the context may require, CBOE Holdings, and (2) after the completion of the restructuring transaction, CBOE Holdings and its wholly-owned subsidiaries.

ABOUT THIS PROXY STATEMENT AND PROSPECTUS

Except as otherwise noted, all information in this proxy statement and prospectus assumes the following about our intended initial public offering:

we sell 10,000,000 shares of CBOE Holdings unrestricted common stock;

no CBOE members elect to exercise statutory dissenters' rights; and

no exercise of the underwriters' option to purchase additional shares.

The terms of the proposed initial public offering set forth in this proxy statement and prospectus are based on assumptions described herein. The actual terms of the proposed initial public offering, including the number of shares of unrestricted common stock of CBOE Holdings to be offered and sold and the initial public offering price per share, which may be different than such assumptions, will be determined by the board of directors of CBOE Holdings. We will not seek additional member approval provided we can complete the initial public offering at a price per share before underwriting discount of at least \$25.

SUMMARY

This summary highlights selected information in this document and may not contain all of the information that is important to you. You should carefully read this entire document, including its annexes and exhibits, for a more complete understanding of the matters to be considered at the special meeting.

Our Business

Founded in 1973, the CBOE was the first organized marketplace for the trading of standardized, listed options on equity securities. Today, CBOE is one of the largest options exchanges in the world and the largest options exchange in the U.S., based on both contract volume and notional value. We are recognized globally for our leadership role in the trading of options on individual equities, market indexes and exchange-traded funds, or ETFs, our suite of innovative products, our liquid markets and our hybrid trading model. This model integrates both traditional open outcry methods and our electronic platform, *CBOEDirect*, into a single market.

The CBOE's volume of option contracts traded in 2009 was approximately 1.13 billion contracts, or 4.5 million contracts per day. This represents a decrease of 5% from the 1.19 billion contracts traded in 2008. The 1.19 billion contracts traded in 2008 represented an increase of 26% over the 944 million contracts traded in 2007. In 2009, 2008 and 2007 trades at the CBOE represented 31.4%, 33.3% and 33.0%, respectively, of the total contracts traded on all U.S. options exchanges. For the twelve months ended December 31, 2009 and 2008, the CBOE generated operating revenue of approximately \$426 million and \$417 million, respectively. The CBOE generates revenue primarily from the following sources:

Transaction fees;

Access fees;

Exchange services and other fees;

Market data fees;

Regulatory fees; and

Other fees.

The CBOE is a self-regulatory organization, or SRO, under the Exchange Act and, as such, is subject to regulation and oversight by the SEC. As an SRO, the CBOE plays a critical role in the U.S. securities markets: it conducts market surveillance and examines members and member organizations for and enforces compliance with federal securities laws and the CBOE's Rules. Since March 26, 2004, the CBOE has also operated the CBOE Futures Exchange, LLC as a designated contract market under the oversight of the Commodity Futures Trading Commission. In March 2007, the CBOE launched the CBOE Stock Exchange, LLC (CBSX), a facility of the CBOE in which the CBOE holds a 49.96% interest. On December 10, 2009, the SEC approved our new and separate options exchange, which we refer to as "C2." CBOE expects C2 to launch in late 2010.

Our principal executive office is located at 400 South LaSalle Street, Chicago, Illinois 60605, and our telephone number is (312) 786-5600. As of December 31, 2009, the CBOE had 597 employees.

The Proposed Restructuring Transaction (See page 43)

General. In the restructuring transaction, the CBOE will change from a Delaware non-stock corporation owned by its members to a Delaware stock corporation that will be a wholly-owned subsidiary of CBOE Holdings, Inc., a newly created holding company organized as a Delaware stock corporation. As part of the restructuring transaction, the owners of CBOE membership interests will become stockholders of CBOE Holdings through the conversion of their memberships into shares of

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common stock, par value \$0.01 per share, of CBOE Holdings. CBOE Holdings will hold all of the outstanding common stock of the CBOE. The CBOE will continue to function as an SRO and to operate its options exchange business. Immediately following the restructuring transaction, the CBOE will transfer all of its interest in its subsidiaries to CBOE Holdings, and as a result, each of the CBOE's subsidiaries will become a wholly-owned direct subsidiary of CBOE Holdings. CBSX will remain a partially-owned facility of the CBOE.

Reasons for the Restructuring Transaction (See page 51)

For the reasons described in this proxy statement and prospectus, the CBOE board of directors recommends that you vote "FOR" the proposal to approve the agreement and plan of merger to accomplish the restructuring transaction.

Implementation of the Restructuring Transaction (See page 43)

The restructuring transaction will be completed through the merger of CBOE Merger Sub, Inc., a wholly-owned subsidiary of CBOE Holdings, with and into the CBOE, with the CBOE surviving the merger as a Delaware stock corporation. We refer to this transaction as the "Merger." Upon the effectiveness of the Merger:

the outstanding stock of CBOE Merger Sub, Inc. will be converted into common stock of the CBOE,

the CBOE Seats existing on the date of the restructuring transaction will be converted into CBOE Holdings Class A common stock and

the CBOE Holdings common stock held by the CBOE will be cancelled for no consideration and shall cease to exist.

As a result, CBOE Holdings will become the sole stockholder of the CBOE. The form of agreement and plan of merger is attached hereto as Annex G to this proxy statement and prospectus. For purposes of this proxy statement and prospectus, we refer to this agreement as the "Agreement and Plan of Merger." Immediately following the Merger, the CBOE will transfer all of its interests in its subsidiaries to CBOE Holdings, thereby making them first-tier, wholly-owned subsidiaries of CBOE Holdings.

Initial Public Offering (See page 53)

The CBOE Holdings board of directors currently intends to proceed with an underwritten initial public offering of CBOE Holdings unrestricted common stock. If the restructuring transaction is approved, the restructuring transaction will occur only if CBOE Holdings concurrently completes its initial public offering of unrestricted common stock. CBOE Holdings currently expects to offer approximately 10,000,000 shares of its unrestricted common stock in the initial public offering following the requisite approval of the restructuring transaction by the CBOE Voting Members. In addition, CBOE Holdings intends to provide all holders of the Class A and Class B common stock with the opportunity to sell in the initial public offering a small portion of the shares of Class A and Class B common stock to be received in the restructuring transaction and pursuant to the Settlement Agreement. The actual number of shares to be offered and sold and the price at which such shares will be offered and sold in the initial public offering may be different than the assumptions provided in this proxy statement and prospectus, and the final decision about offering parameters will be determined by the CBOE Holdings board of directors.

We may proceed with the restructuring transaction and the initial public offering without seeking additional member approval only if CBOE Holdings can complete the initial public offering at a price per share before underwriting discount of at least \$25. As a result, you should make your decision

regarding the restructuring transaction assuming the initial public offering price could be as low as \$25 per share. For more information on the proposed initial public offering, please see "The Restructuring Transaction Initial Public Offering" on page 53.

Conditions to Completion of the Restructuring Transaction (See page 54)

In order for us to complete the restructuring transaction, the following approvals and conditions, among others, must be obtained and/or satisfied:

Approval by Our Members. To complete the restructuring transaction, we must obtain the approval of a majority of all of the CBOE memberships outstanding and entitled to vote. Please see a description of the CBOE special meeting on page 39.

Initial Public Offering. The restructuring transaction is contingent on the concurrent completion by CBOE Holdings of an underwritten initial public offering of its unrestricted common stock as discussed above under "Initial Public Offering." CBOE Holdings will, in the sole discretion of its board of directors, determine the number of shares to be issued in the initial public offering and the price at which such shares will be sold, which terms may be different from those assumed in this proxy statement and prospectus.

What You Will Receive in the Restructuring Transaction (See page 54)

CBOE Seat Owners. In the restructuring transaction, each CBOE Seat existing on the date of the restructuring transaction will immediately be converted into 80,000 shares of Class A common stock of CBOE Holdings.

Group A Participating Settlement Class Members. Each Participating Group A Settlement Class Member (as defined herein) will be issued, immediately following the effectiveness of the Merger effecting the restructuring transaction, and as required by the Settlement Agreement, 18,774 shares of Class B common stock of CBOE Holdings for each Group A Package (as defined herein) approved by the Delaware Court.

Immediate Conversion of Shares of Class A and Class B Common Stock into Shares of Class A-1 and Class A-2 Common Stock as a result of the Initial Public Offering. Upon completion of the initial public offering, each outstanding share of Class A common stock and Class B common stock automatically shall be converted into one-half of one share of Class A-1 common stock and one-half of one share of Class A-2 common stock. Because the initial public offering is anticipated to close concurrently with the completion of the restructuring transaction, both the Class A common stock issued in the restructuring transaction to CBOE seat owners and the Class B common stock issued to Participating Group A Settlement Class Members pursuant to the Settlement Agreement will convert into shares of Class A-1 and Class A-2 common stock shortly following their respective issuances, except to the extent converted into unrestricted common stock for purposes of being sold in the initial public offering. The Class A-1 and A-2 common stock shall have all the same rights and privileges as the Class A common stock; however, the Class A-1 and A-2 common stock will be issued subject to certain transfer restrictions that will apply for different durations following the initial public offering. For a description of these transfer restrictions, please see below.

Transfer Restrictions on CBOE Holdings Class A and Class B Common Stock. The board of directors of CBOE Holdings has determined to proceed with an initial public offering of its unrestricted common stock concurrently with the completion of the restructuring transaction. As a result, the shares of Class A and Class B common stock issued in the restructuring transaction and pursuant to the Settlement Agreement, respectively, and not converted into unrestricted common stock for purposes of being sold in the initial public offering, will convert into shares of Class A-1 and Class A-2 common stock shortly following their issuance. The CBOE Holdings board of directors has

determined not to appoint any agent or to allow market trading of the Class A or Class B shares. As a result, such shares of Class A and Class B common stock will not be transferable in any manner and will convert automatically into shares of Class A-1 and Class A-2 common stock upon the closing of the initial public offering and become subject to the transfer restrictions discussed below.

Transfer Restrictions on the CBOE Holdings Class A-1 and Class A-2 Common Stock. The Class A-1 and Class A-2 common stock of CBOE Holdings will be subject to the transfer restrictions or "lock-up restrictions" under CBOE Holdings' certificate of incorporation. The lock-up restrictions will expire on the Class A-1 and Class A-2 common stock as of the 180th and 360th day, respectively, following the closing date of the initial public offering. During each applicable lock-up period, shares of Class A-1 and Class A-2 common stock may not be directly or indirectly assigned, offered for sale, sold, transferred or otherwise disposed of, except pursuant to limited exceptions set forth in the CBOE Holdings certificate of incorporation, which provides for certain permitted transfers to affiliates, family members, qualified trusts and estates, as well as certain pledges and the potential transfer upon a *bona fide* foreclosure resulting therefrom under the circumstances set forth in CBOE Holdings' certificate of incorporation. Subject to possible extension in the event of an organized sale, as more fully set forth in this proxy statement and prospectus, upon the expiration of the applicable lock-up period with respect to the Class A-1 and Class A-2 common stock, such shares then scheduled to expire would automatically convert to unrestricted common stock, which would be freely transferable.

In addition to the restrictions described above, all shares of Class A-1 and Class A-2 common stock must be registered in the name of the owner and may not be registered in the name of any nominee or broker. The shares of Class A-1 and Class A-2 common stock will not have any value for margin or net capital purposes until such shares convert to unrestricted common stock and are freely tradeable.

Who Will Receive the Restructuring Consideration (See page 56)

The owner of each CBOE Seat will be issued CBOE Holdings Class A common stock in the restructuring transaction as described in this proxy statement and prospectus. All shares of Class A common stock not converted into unrestricted common stock for purposes of being sold in the initial public offering will convert into shares of Class A-1 and Class A-2 common stock automatically upon the closing of the initial public offering.

A lessee of a membership in respect of a CBOE Seat will not receive any CBOE Holdings common stock in the restructuring transaction. Members who are lessees of their memberships, however, will have the opportunity to apply for a trading permit, which will provide access to the trading facilities of the CBOE following the restructuring transaction. For information regarding the terms and conditions of the CBOE trading permits and the process for obtaining such a permit, please see "The Restructuring Transaction Trading Permits" on page 58.

Participating Group A Settlement Class Members and Participating Group B Settlement Class Members (as defined herein) will not receive any consideration in the restructuring transaction or in the Merger effecting the restructuring transaction. Immediately following the effectiveness of the Merger, Participating Group A Settlement Class Members will receive Class B common stock of CBOE Holdings, and both the Participating Group A and Group B Settlement Class Members will have the right to receive the cash consideration to be paid pursuant to the Settlement Agreement. All shares of Class B common stock issued to the Participating Group A Settlement Class Members and not converted into unrestricted common stock for purposes of being sold in the initial public offering will convert into shares of Class A-1 and Class A-2 common stock automatically upon the closing of the initial public offering. For more information on the Settlement Agreement, please see "The Restructuring Transaction Exercise Right Settlement Agreement" on page 65.

Payment of Special Dividend (See page 57)

The CBOE Holdings board of directors has appointed a special committee for purposes of declaring a special dividend and has authorized the special committee to declare a dividend of \$1.25 per share of Class A and Class B common stock. The special dividend will be paid on the Class A and Class B common stock outstanding immediately following the completion of the restructuring transaction and the issuance of Class B common stock pursuant to the Settlement Agreement, respectively, and will be paid immediately prior to the completion of the initial public offering. The committee may not declare or pay the special dividend unless the restructuring transaction is approved by a majority of the CBOE memberships entitled to vote and the Merger has been completed. As a result of the special dividend, each CBOE Seat owner will receive \$100,000 in respect of each CBOE Seat such member owns, and each Participating Group A Settlement Class Member will receive \$23,467.50 for each Group A Package (as defined herein) approved by the Delaware Court.

Tender Offers (See page 57)

CBOE Holdings currently intends to make two tender offers, one for its shares of Class A-1 common stock and one for its shares of Class A-2 common stock. It is currently expected that each offer will be commenced between the 60th and 120th day after the closing of the initial public offering, and each will be conducted concurrently. It is expected that each offer will be made for the same aggregate dollar amount. CBOE Holdings anticipates that the aggregate dollar amount of the two tender offers, if fully subscribed, would roughly approximate the net proceeds of the initial public offering. We currently expect the price per share offered in the tender offers will approximate the prevailing market price for the unrestricted common stock at the time the offers are commenced. The timing and terms of each tender offer, including the price per share offered, however, are subject to the discretion of the CBOE Holdings board of directors, and such terms may differ from those assumed in this proxy statement and prospectus. The purpose of the tender offers is both to provide liquidity to former owners of CBOE Seats during the term of the transfer restrictions associated with the shares of Class A-1 and A-2 common stock and to reduce the number of shares of our common stock outstanding following the restructuring transaction and the initial public offering. Although it is CBOE Holdings' intention to complete the tender offers as described above, the CBOE Holdings board of directors may determine not to launch, or to reduce the size of, the tender offers as a result of market conditions, our operating results or outlook or other developments following the initial public offering. As such, there can be no assurance that the tender offers will occur at all or as described in this proxy statement and prospectus.

CBOE Holdings Capital Stock (See page 178)

General. The unrestricted common stock and the Class A, Class A-1 and Class A-2 common stock of CBOE Holdings will represent an equity ownership interest in that company and will have traditional features of common stock, including dividend, voting and liquidation rights. The unrestricted common stock and the Class A, Class A-1 and Class A-2 common stock will provide the holder with the right to receive dividends as determined by the CBOE Holdings board of directors and the right to share in the proceeds of liquidation, in each case, ratably on the basis of the number of shares held and subject to the rights of holders of CBOE Holdings preferred stock, if any. The Class B common stock of CBOE Holdings will have the same rights and privileges as the unrestricted common stock and the Class A, Class A-1 and Class A-2 common stock except with respect to voting privileges. All shares of Class A and Class B common stock, to the extent not converted into unrestricted common stock and sold in the initial public offering, will automatically convert to shares of Class A-1 and Class A-2 common stock upon the closing of the initial public offering, which is expected to occur concurrently with the consummation of the restructuring transaction. Please see "Description of CBOE Holdings Capital Stock Common Stock" on page 178.

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Authorized. As of the effective time of the restructuring transaction, CBOE Holdings will be authorized to issue up to (i) 325,000,000 shares of unrestricted common stock, \$0.01 par value per share, (ii) 74,400,000 shares of Class A common stock, \$0.01 par value per share, (iii) 45,366,690 shares of Class A-1 common stock, \$0.01 par value per share, (iv) 45,366,690 shares of Class A-2 common stock, \$0.01 par value per share, (v) 16,333,380 shares of Class B non-voting common stock, \$0.01 par value per share, and (vi) up to 20,000,000 shares of preferred stock, \$0.01 par value per share. The unrestricted common stock and the Class A-1 and Class A-2 common stock will have the same rights and privileges, except the Class A-1 and Class A-2 common stock will be subject to the transfer restrictions, which will be identical for each class, except with respect to the duration of such transfer restrictions, as described in "What You Will Receive in the Restructuring Transaction" on page 54. The unrestricted common stock will be freely transferable. CBOE Holdings will have the ability to issue preferred stock and unrestricted common stock, including in connection with the public offering of shares of stock to investors who were not members of the CBOE prior to the restructuring transaction and to investors who are not holders of trading permits in the CBOE following the restructuring transaction. CBOE Holdings has no current intention to issue any shares of its preferred stock.

Lock-Ups & Restrictions. The CBOE Holdings certificate of incorporation imposes certain transfer restrictions, or "lock-ups," on the Class A-1 and Class A-2 common stock of CBOE Holdings. For a discussion of these restrictions, please see "The Restructuring Transaction What You Will Receive in the Restructuring Transaction Transfer Restrictions on CBOE Holdings Class A-1 and Class A-2 Common Stock" on page 55.

Ownership and Voting Limitations. The CBOE Holdings certificate of incorporation imposes certain ownership and voting limitations on the common stock of CBOE Holdings. For a description of these restrictions, please see "Description of CBOE Holdings Capital Stock Ownership and Voting Limits on CBOE Holdings Common Stock" on page 183.

Organized Sales (See page 185)

CBOE Holdings will have the right to conduct organized sales of the Class A-1 and A-2 common stock of CBOE Holdings, in which existing holders of such stock may participate, in connection with the schedule of expiration of the transfer restriction period applicable to the Class A-1 and A-2 common stock of CBOE Holdings issued in the restructuring transaction. The purpose of this right is to enable CBOE Holdings to facilitate a more orderly distribution of its common stock into the public market.

If CBOE Holdings completes an organized sale, no shares of the Class A-1 or A-2 common stock of CBOE Holdings for which transfer restrictions are scheduled to lapse may be sold until the 91st day after the later of the expiration of the related transfer restriction period and the completion of the organized sale, except as part of the organized sale or in a permitted transfer.

For a discussion of organized sales and the procedures to be followed in the event CBOE Holdings determines to conduct an organized sale, please see "Description of CBOE Holdings Capital Stock Organized Sales" on page 185.

Effect of the Restructuring Transaction on Trading Access (See page 58)

In the restructuring transaction, all memberships in the CBOE and the trading rights they represent will be cancelled when the CBOE Seats are converted into shares of Class A common stock of CBOE Holdings. The CBOE Holdings common stock issued in the restructuring transaction will not provide the holder with any right to physical or electronic access to the CBOE's trading facilities. Following the restructuring transaction, all physical and electronic access to the trading facilities of the CBOE, subject to such limitations and requirements as will be specified in the Rules of the CBOE, will

be made available to individuals and organizations that have obtained a trading permit from the CBOE.

In addition, effective upon completion of the restructuring transaction, each lease of a CBOE Seat will be voided, and the lessee members will cease to have any rights to trading access under the lease after termination. Current lessees will have the opportunity to apply for a trading permit following the restructuring transaction, which will provide them with physical and/or electronic access to the trading facilities of the CBOE, subject to the limitations and requirements as will be specified in the Rules of the CBOE. For more information regarding trading access following the restructuring transaction, please see "The Restructuring Transaction Trading Permits" on page 58.

Exercise Right Settlement Agreement (See page 65)

On August 23, 2006, the CBOE and its directors were sued in the Court of Chancery of the State of Delaware, by the CBOT, CBOT Holdings Inc. and two members of the CBOT who purported to represent a class of individuals who claimed that they were, or had the right to become, members of the CBOE by virtue of the Exercise Right granted to CBOT members pursuant to paragraph (b) of Article Fifth of the CBOE's Certificate of Incorporation. The plaintiffs sought a judicial declaration that an Exercise Member Claimant was entitled to receive the same consideration in any proposed restructuring transaction involving the CBOE as a CBOE Seat owner, and the plaintiffs also sought an injunction to bar the CBOE and the CBOE's directors from issuing any stock to CBOE Seat owners as part of a proposed restructuring transaction, unless each Exercise Member Claimant received the same stock and other consideration as a CBOE Seat owner. For more information regarding the Delaware Action, please see "Business Legal Proceedings Litigation with Respect to the Restructuring Transaction" on page 124.

On August 20, 2008, the CBOE entered into the Settlement Agreement with the plaintiffs pursuant to which the plaintiffs agreed to dismiss the Delaware Action, with prejudice, in exchange for the agreed upon settlement consideration. On July 29, 2009, the Delaware Court approved the Settlement Agreement, ruling that it was "fair, reasonable, adequate and in the best interest of the settlement class." Pursuant to the terms of the Settlement Agreement, the Delaware Action was dismissed with prejudice.

Pursuant to the Settlement Agreement, the Participating Group A Settlement Class Members, as defined on page 66, will receive a total of 16,333,380 shares of Class B common stock of CBOE Holdings only after the Merger effecting the restructuring transaction is completed. Each Participating Group A Settlement Class Member will receive 18,774 shares of Class B common stock for each Group A Package, as defined on page 66, approved by the Delaware Court. The issuance of the shares of Class B common stock is not being registered pursuant to the registration statement of which this proxy statement and prospectus is a part. The issuance of the Class B common stock pursuant to the Settlement Agreement will be exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 3(a)(10) thereunder.

In addition, Participating Group A Settlement Class Members and Participating Group B Settlement Class Members, as defined on page 66, will share in a cash pool equal to \$300,000,000. Each Participating Group A Settlement Class Member will receive \$235,327 for each Group A Package approved by the Delaware Court. Each Participating Group B Settlement Class Member will receive \$250,000 for each Exercise Right Privilege, as defined on page 66, approved by the Delaware Court. Certain Participating Group A Settlement Class Members will receive a payment, separate from the cash pool, equal to the amount each of those class members paid in access fees as CBOE Temporary Members from July 11, 2007 to May 31, 2008. The total amount of CBOE's liability for these payments is \$828,029. Subject to SEC approval, certain Participating Group A Settlement Class Members may also receive a payment from CBOE, separate from the cash pool, equal to the access fees which that

Participating Group A Settlement Class Member paid to the CBOE as a CBOE Temporary Member from June 1, 2008 until the date the CBOE completes a restructuring transaction.

The Participating Group A Settlement Class Members and Participating Group B Settlement Class Members will not receive any consideration in the restructuring transaction or in the Merger effecting the restructuring transaction. As such, the disclosures contained in this proxy statement and prospectus, including those related to the restructuring transaction and the federal income tax consequences of the restructuring transaction, are not intended for, and should not be relied upon by, the Participating Group A Settlement Class Members and the Participating Group B Settlement Class Members. For more information on the Settlement Agreement, please see "The Restructuring Transaction Exercise Right Settlement Agreement" on page 65.

Our Corporate Structure Before and After the Restructuring

In order to help you understand the restructuring transaction and how it will affect our corporate organizational structure, the following charts show, in simplified form, the structure of the CBOE before and immediately after the completion of the restructuring transaction:

Before the Restructuring Transaction

Amendments to the CBOE Certificate of Incorporation, Constitution, Bylaws and Rules

Currently, the CBOE has a certificate of incorporation, Constitution and Rules. The Constitution and Rules of the CBOE are collectively referred to as the bylaws. Following the restructuring transaction, the CBOE's Rules will no longer be part of the bylaws and what has been historically referred to as the Constitution will now be referred to as the bylaws. As a result, following the restructuring transaction, the certificate of incorporation, bylaws and Rules of the CBOE will be similar to the CBOE's current certificate of incorporation, Constitution and Rules, except each of these documents will be revised to reflect that the CBOE will become wholly owned by CBOE Holdings and will be revised in other ways to, among other things, streamline the CBOE governance and incorporate provisions required by the SEC in the case of for-profit exchanges.

In addition, as part of the restructuring transaction, the certificate of incorporation of the CBOE will be revised to remove Article Fifth(b) as it would no longer be applicable to a demutualized CBOE. In any event, as a result of the approval by the SEC of the Eligibility Rule Filing, as defined herein, and the Delaware Court's approval of the Settlement Agreement becoming final, there no longer are members of the CBOT who qualify to become members of the CBOE under Article Fifth(b). Other revisions to our current certificate of incorporation, Constitution, bylaws and Rules will reflect the way in which access to our trading facilities will be provided following the restructuring. These amendments are described below under the headings "The Restructuring Transaction Amendments to the CBOE Certificate of Incorporation, Constitution and Bylaws" on page 62 and "The Restructuring Transaction Amendments to the CBOE Rules" on page 64. For more information regarding the differences between the rights before and after the restructuring transaction, please see "Comparison of Rights Prior to and After the Restructuring Transaction" on page 194.

The CBOE Special Meeting (See page 39)

The special meeting of the CBOE Voting Members will be held in the Members Lounge at 400 South LaSalle Street, Chicago, Illinois 60605, on May 21, 2010 at 3:30 p.m., local time. You may vote at the CBOE special meeting or any adjournments thereof if you are a CBOE Voting Member of record and in good standing as of the close of business on April 26, 2010, the record date for the special meeting.

Proposal to Approve the Restructuring Transaction. To approve the restructuring transaction, CBOE members holding a majority of the outstanding memberships entitled to vote must approve the Agreement and Plan of Merger.

Proposal to Adjourn or Postpone the Meeting. To approve any proposal to adjourn or postpone the meeting, should such a proposal be made at the meeting, CBOE members holding a majority of the memberships entitled to vote that are present or represented by proxy at the meeting must approve such proposal.

Other Proposals. The approval of any other proposal presented at the special meeting requires the affirmative vote of a majority of the votes cast by the CBOE members entitled to vote at the special meeting.

The CBOE board of directors recommends that the CBOE Voting Members vote "FOR" the adoption of the Agreement and Plan of Merger that will effect the restructuring transaction. In addition, the CBOE board of directors recommends that the CBOE Voting Members vote "FOR" any proposal that may be made by the Vice Chairman of the Board of Directors of the CBOE to adjourn or postpone the CBOE special meeting for the purpose of soliciting additional proxies with respect to the proposal to adopt the Agreement and Plan of Merger.

Material U.S. Federal Income Tax Consequences of the Restructuring Transaction (See page 189)

It is a condition to the obligation of CBOE to consummate the Merger that it receive an opinion from its counsel, dated as of the closing date of the Merger, to the effect that the Merger (when taking into account the shares of CBOE Holdings unrestricted common stock issued in the initial public offering) will qualify as a transaction described in Section 351 of the Internal Revenue Code. Subject to the limitations and qualifications described under "Material U.S. Federal Income Tax Consequences of the Restructuring Transaction and the Post-Restructuring Special Dividend" it is the opinion of Schiff Hardin LLP, counsel to the CBOE, that as to the CBOE itself the Merger will qualify as a reorganization within the meaning of Section 368(a)(1)(F) of the Internal Revenue Code. As a result:

No gain or loss will be recognized by the CBOE upon the Merger.

A holder of a CBOE membership will not recognize gain or loss upon receipt of CBOE Holdings common stock solely in exchange for the holder's CBOE membership.

There can be no assurance that the Internal Revenue Service will agree with the conclusions of Schiff Hardin LLP that the Merger constitutes a reorganization for U.S. federal income tax purposes. Because the Participating Group A and Group B Settlement Class Members will not receive any consideration in the Merger, the tax discussion in this proxy statement and prospectus does not include an analysis of, and no opinion is being provided with respect to, the U.S. federal income tax consequences of the Settlement Agreement or the consideration to be paid to Participating Group A or Group B Settlement Class Members under the Settlement Agreement. The discussion provided in this proxy statement and prospectus, and the opinion of Schiff Hardin LLP provided herein, is limited to the material U.S. tax consequences of the Merger to U.S. Holders of CBOE Seats. You should read "Material U.S. Federal Income Tax Consequences of the Restructuring Transaction and the Post-Restructuring Special Dividend" for a more complete discussion of the U.S. federal income tax consequences of the Merger. We urge you to consult with your tax advisor for a full understanding of the tax consequences of the Merger to you.

Accounting Treatment

The restructuring transaction will be treated as a merger of entities under common control. Accordingly, the financial position and results of operations of the CBOE will be included in the consolidated financial statements of CBOE Holdings on the same basis as currently presented.

Regulatory Approvals (See page 70)

The restructuring transaction is subject to the approval of the SEC to the extent that changes to our certificate of incorporation, Constitution and Rules are necessary to effectuate the restructuring transaction. These changes must be filed with, and in most cases approved by, the SEC before they may become effective. Accordingly, we have made appropriate filings with the SEC seeking approval of the proposed restructuring transaction and associated amendments as described in this document. While we believe that we will receive the requisite regulatory approvals from the SEC, there can be no assurances regarding the timing of the approvals or our ability to obtain the approvals on satisfactory terms. Subject to the satisfaction of these conditions, we expect to complete the restructuring transaction in the second or third quarter of 2010.

Appraisal Rights (See page 72)

Under Delaware law, the CBOE members have the right to an appraisal of the fair value of their CBOE Seats in connection with the restructuring transaction. To exercise appraisal rights, a CBOE Voting Member must not vote for adoption of the Agreement and Plan of Merger and must strictly

comply with all of the procedures required by Delaware law. These procedures are described more fully in "The Restructuring Transaction Appraisal Rights of Dissenting Members" on page 72.

A copy of Delaware General Corporation Law Section 262 Appraisal Rights is included as Annex H to this document.

Directors and Management of the CBOE and CBOE Holdings After the Restructuring Transaction (See page 143)

The CBOE Holdings board of directors consists of 22 directors, one of whom is CBOE Holdings' chief executive officer. At all times, no less than two-thirds of the directors of CBOE Holdings will be independent as defined by CBOE Holdings' board of directors, which definition will satisfy the NYSE and NASDAQ Stock Market listing standards for independence. Each director will serve for a one-year term or until his or her successor is elected and qualified. There is no limit on the number of terms a director may serve on the board.

The CBOE's board of directors consists of 22 directors, one of whom is CBOE's chief executive officer. At all times, at least 30% of the board shall consist of industry directors, and at all times, at least a majority of the board will consist of non-industry directors. For a description of "non-industry director" and "industry director" and for more information on the specific requirements for the CBOE Holdings and the CBOE boards of directors, please see "Directors and Management of the CBOE and CBOE Holdings After the Restructuring Transaction" on page 143. Each director will serve for a one-year term or until his or her successor is elected and qualified. There is no limit on the number of terms a director may serve on the board.

The directors serving on the board of directors of the CBOE immediately prior to the restructuring transaction will be the directors of the CBOE immediately following the effectiveness of the restructuring transaction. The directors serving on the board of directors of CBOE Holdings immediately prior to the restructuring transaction will be the directors of CBOE Holdings immediately following the effectiveness of the restructuring transaction.

For a list of the directors and executive officers of CBOE and CBOE Holdings, please see "Directors and Management of the CBOE and CBOE Holdings after the Restructuring Transaction Executive Officers and Directors" on page 150.

Stock Exchange Listing and Stock Prices (See page 71)

CBOE Holdings common stock currently is not traded or quoted on a stock exchange or quotation system. The board of directors of CBOE Holdings intends to complete an initial public offering of its unrestricted common stock concurrently with the completion of the restructuring transaction. CBOE Holdings intends to list its unrestricted common stock on the NASDAQ Global Select Market.

CBOE Seats are not traded or quoted on a stock exchange or quotation system. All transfers of CBOE Seats, including transfers through private sales, currently must be processed through the CBOE. The CBOE records the sale prices of CBOE Seats.

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Because all transfers of CBOE Seats, including private sales, must be processed through the CBOE membership department, the CBOE is aware of the price of all transfers, including nominal transfers. The following table sets forth, for the periods indicated, the high and low sale prices of CBOE Seats as recorded in the CBOE's records.

Calendar Quarter	High	Low
2008:		
First Quarter	\$ 3,125,000	\$ 2,225,000
Second Quarter	\$ 3,300,000	\$ 2,650,000
Third Quarter	\$ 2,950,000	\$ 2,400,000
Fourth Quarter	\$ 2,475,000	\$ 1,750,000
2009:		
First Quarter	\$ 1,750,000	\$ 1,200,000
Second Quarter	\$ 1,900,000	\$ 1,500,000
Third Quarter	\$ 2,400,000	\$ 1,800,000
Fourth Quarter	\$ 2,800,000	\$ 2,500,000
2010:		
First Quarter	\$ 2,950,000	\$ 2,575,000
Second Quarter (through April 26, 2010)	\$ 2,800,000	\$ 2,625,000

On January 24, 2007, the day prior to the date of public announcement of the restructuring transaction, the most recent sale price of a CBOE Seat was \$1,900,000, and the most recent sale of a CBOE Seat prior to the date of this proxy statement and prospectus was on April 22, 2010, at a price of \$2,625,000, in each case as recorded by the CBOE's membership department.

Certain Differences in the Rights of a CBOE Member Before the Restructuring Transaction and a CBOE Holdings Stockholder after the Restructuring Transaction (See page 194)

Upon completion of the restructuring transaction, CBOE Holdings' certificate of incorporation and bylaws will govern the rights of the CBOE Holdings stockholders. Please read carefully the form of CBOE Holdings certificate of incorporation and bylaws that will be in effect upon completion of the restructuring transaction, copies of which are attached as Annex C and D, respectively, to this proxy statement and prospectus, as well as a summary of the material differences between the rights of the CBOE Holdings stockholders and the CBOE members under "Comparison of Rights Prior to and After the Restructuring Transaction" on page 194.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Selected Financial Data," "Unaudited Pro Forma Financial Statements" and our consolidated financial statements and the accompanying notes included elsewhere in this proxy statement and prospectus. We have derived the balance sheet data as of December 31, 2009 and 2008 and operating data for the years ended December 31, 2009, 2008 and 2007 from the audited consolidated financial statements and related notes included in this proxy statement and prospectus. We have derived the balance sheet data as of December 31, 2007, 2006 and 2005 and the operating data for the years ended December 31, 2006 and 2005 from our audited consolidated financial statements which are not included in this proxy statement and prospectus. We have prepared our unaudited information on the same basis as our audited consolidated financial statements and have included, in our opinion, all adjustments, consisting only of normal recurring adjustments, that we consider necessary for a fair presentation of the financial information set forth in that information.

	Year Ended Dec 31, 2009	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007	Year Ended Dec 31, 2006 (1)	Year Ended Dec 31, 2005
(in thousands, except contract data, average lease rate and per share data)					
Operating Data					
Operating Revenues:					
Transaction fees	\$ 314,506	\$ 343,779	\$ 272,716	\$ 190,224	\$ 144,917
Access fees (2)	45,084	5,695	3,527	6,767	6,894
Exchange services and other fees	22,647	24,479	22,941	15,503	16,453
Market data fees	20,506	21,082	20,379	20,293	16,903
Regulatory fees	15,155	11,000	14,346	13,817	11,835
Other revenue	8,184	10,748	10,361	6,639	4,037
Total operating revenues	426,082	416,783	344,270	253,243	201,039
Operating expenses	248,497	229,473	207,804	185,081	180,082
Operating income	177,585	187,310	136,466	68,162	20,957
Other income/(expense)	(355)	6,097	3,485	3,865	(1,064)
Income before income taxes	177,230	193,407	139,951	72,027	19,893
Income tax provision	70,779	78,119	56,783	29,919	8,998
Net income	\$ 106,451	\$ 115,288	\$ 83,168	\$ 42,108	\$ 10,895
Pro forma net income per common share (Unaudited) (3):					
Basic	\$ 1.17	\$ 1.27	\$ 0.92	\$ 0.46	\$ 0.12
Diluted	1.14	1.24	0.89	0.45	0.12
Weighted average shares used in computing pro forma net income per share (4):					
Basic	90,733	90,733	90,733	90,733	90,733
Diluted	92,974	92,974	92,974	92,974	92,974
Balance Sheet Data					
Total assets	\$ 571,948	\$ 496,139	\$ 341,695	\$ 255,826	\$ 202,185
Total liabilities	383,814	114,479	75,328	72,437	61,277
Total Members' equity	188,134	381,660	266,367	183,389	140,908
Pro Forma Balance Sheet Data (Unaudited) (5)					
Total assets	458,531				
Total equity	74,717				

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	Year Ended Dec 31, 2009	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007	Year Ended Dec 31, 2006 (1)	Year Ended Dec 31, 2005
(in thousands, except contract data, average lease rate and per share data)					
Other Data (Unaudited)					
Working capital (6)	74,328	270,297	173,963	94,081	59,912
Capital expenditures (7)	37,997	43,816	32,095	28,700	21,011
Number of full time employees at the end of the period	597	576	586	626	673
Sales price per CBOE Seat:					
High	\$ 2,800	\$ 3,300	\$ 3,150	\$ 1,775	\$ 875
Low	1,200	1,750	1,800	850	299
Average daily volume by product (8)					
Equities	2,519	2,387	1,996	1,556	1,094
Indexes	884	1,026	918	628	459
Exchange-traded funds	1,100	1,304	849	504	305
<hr/>					
Total options average daily volume	4,503	4,717	3,763	2,688	1,858
Futures	5	5	4	2	1
<hr/>					
Total average daily volume	4,508	4,722	3,767	2,690	1,859
<hr/>					
Average transaction fee per contract (9)					
Equities	\$ 0.181	\$ 0.177	\$ 0.180	\$ 0.182	\$ 0.205
Indexes	0.567	0.576	0.544	0.500	0.553
Exchange-traded funds	0.255	0.259	0.257	0.312	0.317
Total options average transaction fee per contract	0.275	0.286	0.286	0.280	0.309
Futures	1.990	1.860	2.130	1.974	1.977
Total average transaction fee per contract	\$ 0.277	\$ 0.288	\$ 0.288	\$ 0.282	\$ 0.309
<hr/>					
Average monthly lease rate (10)	\$ 10,444	\$ 9,695	\$ 5,875	\$ 4,984	\$ 5,594

Certain 2008, 2007, 2006 and 2005 amounts have been reclassified to conform to current year presentation. See Note 1 of Notes to Consolidated Financial Statements.

- (1) On January 1, 2006, CBOE began operating its business on a for-profit basis.
- (2) In December 2009, CBOE recognized as revenue \$24.1 million of access fees assessed and collected in 2008 and 2007, which were included in deferred revenue pending the final, non-appealable resolution of the Delaware Action.
- (3) Pro forma net income per common share is calculated by dividing historical net income for each of the periods presented by the weighted average pro forma number of common shares (basic and dilutive) during that period.
- (4) Basic weighted average shares used in computing pro forma net income per common share reflects the issuance of 74,400,000 shares of Class A common stock and 16,333,380 shares of Class B common stock as part of our restructuring transaction and pursuant to the Settlement Agreement, respectively. Diluted weighted average shares used in computing pro forma net income per share equals the basic weighted average shares outstanding in each period plus potentially dilutive common shares to be issued in the form of restricted stock to directors, officers and employees on the date of the restructuring transaction. See "The Restructuring Transaction" and Notes 2 and 16 of Notes to Consolidated Financial Statements.
- (5) Adjusted to reflect the impact, as of December 31, 2009, of a special dividend pursuant to board authorization of a special committee.
- (6) Working capital equals current assets minus current liabilities. See Note 2 of Notes to Consolidated Financial Statements for the impact of the Settlement Agreement on working capital in 2009.

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- (7) Does not include new investments in affiliates or the disposition of interests in affiliates.
- (8) Average daily volume equals the total contracts traded divided by the number of trading days in the period.
- (9) Average transaction fee per contract equals transaction fees recognized during the period divided by the total contracts traded during the period.
- (10) Average monthly lease rates prior to February 2008 are based on membership leases reported to CBOE, which may not be representative of all membership leases. Beginning February 2008, the average lease rate is calculated based on the monthly access fee assessed to temporary members. The average monthly lease rate for January through March 2010 was \$6,079.

RISK FACTORS

In this section, we describe the material risks known to us pertaining to the proposed restructuring of the CBOE and to our business in general. You should carefully consider each of the following risks, together with all other information set forth in this document, before deciding whether to vote for or against the proposal to approve the restructuring transaction.

Risks Relating to the Restructuring Transaction

We are subject to the following risks in connection with the restructuring transaction, including the changes in our form of corporate organization and in our governance structure:

The costs of restructuring and of maintaining a holding company structure may outweigh the benefits intended to be realized by making these changes.

Although we expect that the proposed restructuring into a holding company form of organization will provide us increased flexibility to raise capital, make acquisitions, form strategic alliances and otherwise operate in a manner that will allow us to pursue our strategic goals, it is possible that we will not be able to achieve some or all of these benefits as a result of unfavorable market conditions, the regulatory environment or other circumstances. As a result, we could incur the added costs of restructuring and of maintaining a holding company structure without realizing the intended benefits.

We have limited experience in operating as a for-profit exchange.

From the formation of CBOE in 1973 until its change to a for-profit business model at the beginning of 2006, CBOE operated as a member-owned organization essentially on a break-even basis and for the benefit of its members. In that capacity, CBOE's business decisions were focused not on maximizing its own profitability but on delivering member benefits and enhancing member opportunities at reasonable cost in conformity with its obligations under the Exchange Act. Beginning in 2006, CBOE began operating its business on a for-profit basis for the long-term benefit of our owners rather than primarily for the purpose of delivering member benefits and enhancing member opportunities. CBOE's management, therefore, has limited experience operating a for-profit business. Consequently, CBOE's continued transition to for-profit operations will be subject to risks, expenses and difficulties that we cannot predict.

Any decision to pay dividends on CBOE Holdings common stock will be at the discretion of the CBOE Holdings board of directors. The ability of CBOE Holdings to pay dividends will depend upon the earnings of its operating subsidiaries. Accordingly, there can be no guarantee that CBOE Holdings will, or will be able to, pay dividends to its stockholders.

We intend to pay regular quarterly dividends to our stockholders, with an annual dividend target of approximately 20% to 30% of the prior year's net income adjusted for unusual items. However, any decision to pay dividends on CBOE Holdings common stock will be at the discretion of the CBOE Holdings board of directors, which may determine not to declare dividends at all or at a reduced percentage of the prior year's adjusted net income, as conditions warrant. The board's determination to declare dividends will depend upon the profitability and financial condition of CBOE Holdings and its subsidiaries, contractual restrictions, restrictions imposed by applicable law and the SEC and other factors that the CBOE Holdings board of directors deems relevant. As a holding company with no significant business operations of its own, CBOE Holdings will depend entirely on distributions, if any, it may receive from its subsidiaries to meet its obligations and pay dividends to its stockholders. If these subsidiaries are not profitable, or even if they are and they determine to retain their profits for use in their businesses, CBOE Holdings will be unable to pay dividends to its stockholders.

We must obtain the approval of the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) before we can complete the proposed restructuring transaction, which may result in additional conditions being imposed and may be a source of delay.

The SEC must approve the proposed amendments to the CBOE's certificate of incorporation, Constitution and Rules as well as certain terms of the certificate of incorporation and bylaws of CBOE Holdings, in each case, that result from or are a part of the restructuring transaction. SEC approval might not be forthcoming in a timely manner or may be conditioned on changes to these documents that could limit or otherwise adversely affect your rights as holders of CBOE Holdings common stock after the restructuring. Certain changes may require us to obtain the approval of the CBOE Voting Members even if we have already received membership approval to complete the restructuring as originally proposed. This could require us to re-solicit proxies, which could cause us to incur significant additional expenses and delay. In addition, we will need to obtain the approval of CFTC for the transfer of our subsidiary CBOE Futures Exchange, LLC from the CBOE to CBOE Holdings. This approval could delay our ability to consummate the restructuring transaction.

Following the restructuring transaction and the initial public offering, shares of CBOE Holdings Class A-1 and Class A-2 common stock will be subject to transfer restrictions and will not be a liquid investment until these restrictions lapse.

Because the Class A-1 and Class A-2 common stock of CBOE Holdings will be subject to transfer restrictions, these shares will not be a liquid investment until such transfer restrictions have expired and the shares convert into unrestricted common stock. Even once the shares have converted, the market price of the stock may fluctuate due to actual or anticipated variations in the operating results of CBOE Holdings and its subsidiaries and as a result of conditions or trends in the businesses in which CBOE Holdings and its subsidiaries are engaged, including regulatory, competitive or other developments affecting only CBOE Holdings or its subsidiaries or affecting financial markets in general. The price you would be able to receive for the shares you receive in the restructuring transaction may be less than the current value of your CBOE seat. Moreover, although CBOE Holdings intends to list the unrestricted common stock on the NASDAQ Global Select Market upon the completion of the initial public offering, which will be concurrent with the consummation of the restructuring transaction, an adequate trading market for the unrestricted common stock may not develop and, if it does, it may not provide stockholders with a meaningful opportunity to liquidate their investments at a fair price following the expiration of the transfer restrictions applicable to their shares of common stock.

Your ownership of CBOE Holdings may be diluted if additional capital stock is issued to raise capital, to finance acquisitions or in connection with strategic transactions.

CBOE Holdings may seek to raise additional funds, finance acquisitions or develop strategic relationships by issuing equity or convertible debt securities in addition to the shares issued in the initial public offering, which would reduce the percentage ownership of existing CBOE Holdings stockholders. Following the restructuring transaction, the CBOE Holdings board of directors will have the authority, without action or vote of the stockholders, to issue all or any part of our authorized but unissued shares of common or preferred stock. Our certificate of incorporation authorizes 506,466,760 shares of common stock and 20,000,000 shares of preferred stock. Following the restructuring transaction and the issuance of the Class B common stock under the Settlement Agreement to the Participating Group A Settlement Class Members, assuming the issuance of 10,000,000 shares of unrestricted common stock in the initial public offering by the Company and the issuance of 2,240,552 shares under the CBOE Holdings Long-Term Incentive Plan (the "Long-Term Incentive Plan"), 312,759,448 shares of unrestricted common stock and 20,000,000 shares of preferred stock will be authorized and unissued. However, to the extent that shares of Class A and Class B common stock are converted into shares of unrestricted common stock for the purpose of being sold in

the initial public offering or that the shares of Class A-1 and Class A-2 common stock that are outstanding following the initial public offering convert to unrestricted common stock upon the expiration of the applicable transfer restrictions, the number of authorized and unissued shares of unrestricted common stock will be reduced. Issuance of common or preferred stock would reduce your influence over matters on which stockholders vote and would be dilutive to earnings per share. In addition, any newly issued preferred stock could have rights, preferences and privileges senior to those of the CBOE Holdings common stock. Those rights, preferences and privileges could include, among other things, the establishment of dividends that must be paid prior to declaring or paying dividends or other distributions to holders of our common stock, greater or preferential liquidation rights, which could negatively affect the rights of holders of our common stock and the right to convert such preferred stock into shares of our unrestricted common stock at a rate or price which would have a dilutive effect on the outstanding shares of our unrestricted common stock.

We may not be able to generate a significant amount of incremental operating revenues by making trading access available in exchange for a fee paid directly to the CBOE.

Prior to CBOE's restructuring transaction, the ability to trade on the CBOE was an inherent right of every CBOE membership. As a result of the restructuring transaction, trading access will be separated from ownership. Upon the effectiveness of the restructuring transaction, the right to trade on the CBOE will be made available through trading permits issued by the CBOE that will be subject to fees paid directly to the CBOE. These fees are expected to account for a significant portion of our future operating revenues. If the demand for access to the CBOE is less than historic levels or if we are unable to maintain anticipated permit rates, our ability to generate incremental operating revenues through the granting of permits for trading access would be negatively impacted, which could adversely affect our profitability. For a discussion of trading access after the restructuring transaction, please see "The Restructuring Transaction Effect of the Restructuring Transaction on Trading Access" on page 58.

We cannot assure you that we will complete an initial public offering of our unrestricted common stock.

The board of directors of CBOE believes that it is in the best interest of CBOE and its members to pursue an initial public offering of CBOE Holdings unrestricted common stock concurrently with the consummation of the restructuring transaction. Whether or not CBOE Holdings proceeds with an initial public offering, however, depends on many factors, including market conditions, the trading performance of, and investor demand for, the equity of comparable companies and CBOE's operating performance relative to comparable companies. CBOE Holdings may not be able to complete an initial public offering in the near future, if at all.

The tax treatment of the post-restructuring special dividend is uncertain.

Given the novel tax issues that relate to the timing of the Merger, payment of cash and CBOE Holdings common stock to the Participating Group A Settlement Class Members and Participating Group B Settlement Class Members pursuant to the Settlement Agreement and the initial public offering, there is meaningful uncertainty regarding whether the special dividend to be paid immediately after the Merger should constitute a distribution within the meaning of Section 301 of the Internal Revenue Code. If the special dividend does not constitute a distribution within the meaning of Section 301 of the Internal Revenue Code, the tax treatment of such payment could vary depending on the entity classification of the recipient and the recipient's individual tax circumstances.

Risks Relating to Our Business

Regulatory changes affecting the listed options market, or changes to the tax treatment for options trading, could have a significant affect on the behavior of market participants, which could have a material adverse affect on our business.

The listed options market depends on a national market structure that facilitates the efficient buying and selling of underlying stocks, futures and other products. Government action, such as changes in regulation by the SEC or changes in federal taxation, could materially affect the behavior of market participants. For example, the SEC recently approved new rules related to short selling that could impact the use of options by both members and customers. In particular, new restrictions on short selling do not contain an options market maker exception and could adversely affect the ability of options market makers to conduct their business on the CBOE and elsewhere. In addition, the SEC has proposed a rule that would ban the use of "flash orders." We believe that prohibiting flash orders would eliminate price improvement opportunities and create additional execution costs for our customers. We cannot predict what future actions the SEC might take with respect to its rulemakings on short selling, flash orders or other matters, or the impact that any such actions may have on our business. If our market participants reduce or otherwise modify their trading activity on the CBOE due to either proposed or actual regulatory changes, our business, operating results and financial condition may be materially impacted. See also "Regulatory changes, particularly in response to adverse financial conditions, could have a material adverse effect on our business."

In 2009, the current administration proposed a change to the existing tax treatment for futures traders and certain options market participants, including options market makers. The proposal calls for repeal of the "60/40 Rule," which allows market makers to pay a blend of capital gains and ordinary tax rates on their income. In addition, legislation has been introduced that would impose a new tax on securities, futures and swap transactions, including exchange-traded options. If either the proposed repeal of the "60/40 Rule" or a transaction tax were to become law, the resulting additional taxes could have a negative impact on the options industry and CBOE, by making options transactions more costly to market participants.

The SEC recently published for comment proposed rule amendments that, if adopted as proposed, would place a \$0.30 per contract limit on the total access fees that an exchange may charge for the execution of an order against a quotation that is the best bid or best offer of such exchange in a listed option. The SEC estimated in its release, based on December 2009 options trade data available to the SEC, that if the \$0.30 fee cap were applied as proposed in the release, the potential reduction in annual revenue to CBOE could be approximately \$23.9 million. We do not have complete information on how the SEC arrived at this figure. We undertook our own review of December 2009 trade data in which we only applied the proposed fee cap to the execution of orders that traded against CBOE's displayed best bid or offer. Although the proposed rule is drafted broadly, our review was based on CBOE's interpretation of the SEC's discussion in the release which largely focuses on access to displayed bids and offers and makes statements such as: "the proposed access fee...would apply only to quotations that market participants are required to access to comply with the Trade-Through Rules." Based on this interpretation and our analysis (using our December 2009 contract volume), we currently estimate that the potential reduction in annual revenue to CBOE could be approximately \$14.2 million. We note that we did not exclude transactions in singly-listed options for this analysis in order to allow a more consistent comparison with how we understand the SEC to have calculated its estimate.

We cannot predict whether the SEC will adopt the fee cap as proposed, a modified version, or at all. The potential impact to our revenues, however, could be higher or lower depending on changes in our contract volume and product mix in future periods as well as other factors, including those that are currently being considered as part of the rulemaking process. For example, in its release, the SEC asks whether the proposed fee cap should only apply to multiply-listed options. If the proposed rules are adopted as proposed, or are adopted in a form substantially similar to that proposed, and CBOE is

unable to make changes to its fee structure in response to the rules as adopted, they would have a material adverse effect on our business, result of operations and financial condition.

Loss of our exclusive licenses to list certain index options could have a material adverse effect on our financial performance.

We hold exclusive licenses to list securities index options on the S&P 500 Index, the S&P 100 Index and the DJIA, granted to us by the owners of such indexes. In 2009, approximately 32% of CBOE's transaction fees were generated by our exclusively-licensed index products. Revenue attributable to our S&P 500 Index option product, known as SPX, our largest product by revenue, represented 92% of the transaction fees generated by our exclusively-licensed index products. As a result, our operating revenues are dependent in part on the exclusive licenses we hold for these products.

The value of our exclusive licenses to list securities index options depends on the continued ability of index owners to grant us licenses or require licenses for the trading of options based on their indexes. Although recent court decisions have allowed the trading of options on ETFs based on indexes without licenses from the owners of the underlying indexes, none of these decisions has overturned existing legal precedent that requires an exchange to be licensed by the owner of an underlying index before it may list options based on the index. However, in two pending cases between International Securities Exchange, Inc., or ISE, and the owners of the S&P 500 Index and the DJIA and, in one of the cases, the CBOE, ISE seeks a judicial determination that it (and, by extension, other options exchanges) has the right to list options on those indexes without licenses and, therefore, without regard to the CBOE's exclusive licenses to list securities options on those indexes. These cases are currently pending. See "Business Legal Proceedings." Because of these cases, there is a risk that ISE may be successful in obtaining a judicial determination eliminating the right of index owners to require licenses to use their indexes for options trading, including on an exclusive basis. In addition, competing exchanges may convince the SEC, or seek a judicial action, to limit the right of index owners to grant exclusive licenses for index options trading or to prevent exchanges from entering into such exclusive licenses. If unlicensed trading of index options were permitted or if exclusive licenses for index options trading were prohibited or limited, the value of the CBOE's exclusive licenses would be eliminated, and the CBOE likely would lose market share in these index options. An adverse ruling in the ISE litigation could also result in legal challenges to our exclusive use of our proprietary indexes for options.

There is also a risk, with respect to each of our current exclusive licenses, that the owner of the index may determine not to renew the license on an exclusive basis, or not to renew it at all, upon the expiration of the current term. In the first event, we would be subject to multiple listing in the trading of what is now an exclusive index product, resulting in a loss of market share and negatively impacting the profitability to the CBOE of trading in the licensed products. In the second event, we could lose the right to list the index product entirely. The loss or limited use of any of our exclusive index licenses for any reason could have a material adverse effect on our business and profitability.

Furthermore, our competitors may succeed in circumventing our exclusive licenses by providing a market for the trading of index-based products that are economically similar to those for which we have exclusive licenses but for which the index owner cannot require a license. It is also possible that a third party may offer trading in index-based products that are the same as those that are the subject of one of our exclusive licenses, but in a jurisdiction in which the index owner cannot require a license or in a manner otherwise not covered by our exclusive license.

A significant portion of our operating revenues are generated by our transaction-based business. If the amount of trading volume on the CBOE decreases, our revenues from transaction fees will decrease.

In 2009, 2008 and 2007, approximately 74%, 83% and 79%, respectively, of our operating revenues were generated by our transaction-based business. This business is dependent on our ability to attract and maintain order flow, both in absolute terms and relative to other market centers. CBOE's total trading volumes could decline if our market participants decide to reduce their level of trading activity for any reason, such as: (i) a reduction in the number of traders that use us, (ii) a reduction in trading demand by customers, (iii) heightened capital maintenance requirements or other regulatory or legislative requirements, (iv) reduced access to capital required to fund trading activities or (v) significant market disruptions. If the amount of trading volume on the CBOE decreases, our revenues from transaction fees will decrease. There may also be a reduction in revenue from market data fees or other sources of revenue. If the CBOE's share of total trading volumes decreases relative to our competitors, our markets may be less attractive to market participants and we may lose trading volume and associated transaction fees and market data fees as a result.

Intense competition could materially adversely affect our market share and financial performance.

Competition among options exchanges has intensified since the CBOE was created in 1973, and we expect this trend to continue. We compete with a number of entities on several different fronts, including the cost, quality and speed of our trade execution, the functionality and ease of use of our trading platform, the range of our products and services, our technological innovation and adaptation and our reputation. Our principal competitors are the seven other U.S. options exchanges. We also compete against investment banks and others writing options over-the-counter.

We currently face greater competition than ever before in our history. Virtually all of the equity options and options on ETFs listed and traded on the CBOE are also listed and traded on other U.S. options exchanges. Some order-providing firms have taken ownership positions in options exchanges that compete with us, thereby giving those firms an added incentive to direct orders to the exchanges they own. As a result of these competitive developments, our market share of options traded in the U.S. fell from approximately 45% in 2000 to approximately 31% in 2009.

In response to these developments, we developed our own electronic trading facility that we operate as part of a "hybrid" model, combining electronic trading and remote off-floor market-makers with traditional floor-based, open outcry trading. We also administer a program through which we collect a marketing fee on market maker transactions. The funds collected are made available to the specialist and preferred market makers for use in payment for order flow. These changes may not be successful in maintaining or expanding our market share in the future. Likewise, our future responses to these or other competitive developments may not be successful in maintaining or expanding our market share.

In addition, many of our competitors and potential competitors may have greater financial, marketing, technological, personnel and other resources than we do. These factors may enable them to develop similar or more innovative products, to offer lower transaction fees or better execution to their customers or to execute their business strategies more quickly or efficiently than we can.

Furthermore, our competitors may:

respond more quickly to competitive pressures;

develop products that compete with our products or are preferred by our customers;

price their products and services more competitively;

develop and expand their technology and service offerings more efficiently;

provide better, more user-friendly and more reliable technology;

take greater advantage of acquisitions, alliances and other opportunities;

market, promote and sell their products and services more effectively;

leverage existing relationships with customers and alliance partners more effectively or exploit more recognized brand names to market and sell their services; and

exploit regulatory disparities between traditional, regulated exchanges and alternative markets, including over-the-counter markets, that benefit from a reduced regulatory burden and lower-cost business model.

In recent years, the derivatives industry has witnessed increased consolidation among market participants, including option exchanges and marketplaces. Consolidation and alliances among our competitors may create greater liquidity than we offer. As a result, the larger liquidity pools may attract orders away from us, leading to reductions in trading volume and liquidity on the CBOE, and therefore to decreased revenues. In addition, consolidation or alliances among our competitors may achieve cost reductions or other increases in efficiency, which may allow them to offer better prices or customer service than we do.

If our products, markets, services and technology are not competitive, our business, financial condition and operating results will be materially harmed. A decline in our transaction fees or any loss of customers would lower our revenues, which would adversely affect our profitability. For a discussion of the competitive environment in which we operate, see "Business Competition."

Our business may be adversely affected by price competition.

The business of operating an options exchange is characterized by intense price competition. The pricing model for trade execution for options has changed in response to competitive market conditions and CBOE and its competitors have adjusted their transaction fees and fee structures accordingly. Some competitors have introduced a market model in which orders that take liquidity from the market are charged a transaction fee and orders that provide liquidity receive a rebate. These changes have resulted in significant pricing and cost pressures on the CBOE. It is likely that this pressure will continue and even intensify as our competitors continue to seek to increase their share of trading by further reducing their transaction fees or by offering other financial incentives to order providers and liquidity providers to induce them to direct orders to their markets. In addition, one or more competitors may engage in aggressive pricing strategies and significantly decrease or completely eliminate their profit margin for a period of time in order to capture a greater share of trading. If any of these or other events occur, our operating results and profitability could be adversely affected. For example, the CBOE could lose a substantial percentage of its share of trading if it is unable to price its transactions in a competitive manner. Also, the CBOE's profit margins could decline if competitive pressures force it to reduce its fees.

Market fluctuations and other factors beyond our control could significantly reduce demand for our products and services and harm our business.

The volume of options transactions and the demand for our products and services are directly affected by economic, political and market conditions in the United States and elsewhere in the world that are beyond our control, including:

broad trends in business and finance;

concerns about terrorism and war;

concerns over inflation and wavering institutional or retail confidence levels;

changes in government monetary policy and foreign currency exchange rates;

the availability of short-term and long-term funding and capital;

the availability of alternative investment opportunities;

changes in the level of trading activity in underlying instruments;

changes and volatility in the prices of securities;

changes in tax policy;

the level and volatility of interest rates;

legislative and regulatory changes; and

unforeseen market closures or other disruptions in trading.

General economic conditions affect options trading in a variety of ways, from influencing the availability of capital to affecting investor confidence. The economic climate in recent years has been characterized by challenging business, economic and political conditions throughout the world. Adverse changes in the economy can have a negative impact on our revenues by causing a decline in trading volume or in the demand for options market data. Because our management structure and overhead costs will be based on assumptions of certain levels of market activity, significant declines in trading volumes or demand for market data may have a material adverse effect on our business, financial condition and operating results.

Damage to the reputation of the CBOE could have a material adverse effect on our businesses.

One of our competitive strengths is our strong reputation and brand name. This reputation could be harmed in many different ways, including by regulatory failures, governance failures or technology failures. Damage to the reputation of the CBOE could adversely affect our ability to attract customers, liquidity providers and order flow, which in turn could impair the competitiveness of our markets and have a material adverse effect on our business, financial condition and operating results.

We may not be able to protect our intellectual property rights.

We rely on patent, trade secret, copyright and trademark laws, the law of the doctrine of misappropriation and contractual protections to protect our proprietary technology, proprietary index products and index methodologies and other proprietary rights. In addition, we rely on the intellectual property rights of our licensors in connection with our listing of exclusively-licensed index products. We and our licensors may not be able to prevent third parties from copying, or otherwise obtaining and using, our proprietary technology without authorization or from listing our proprietary or exclusively-licensed index products without licenses or otherwise infringing on our rights. We and our licensors may have to rely on litigation to enforce our intellectual property rights, determine the validity and scope of the proprietary rights of others or defend against claims of infringement or invalidity. We and our licensors may not be successful in this regard. Such litigation, whether successful or unsuccessful, could result in substantial costs to us, diversion of our resources or a reduction in our revenues, any of which could materially adversely affect our business. For a description of current litigation involving these matters, please see "Business Legal Proceedings."

Computer and communications systems failures and capacity constraints could harm our reputation and our business.

We must operate, monitor and maintain our computer systems and network services, including those systems and services related to our electronic trading system, in a secure and reliable manner. A failure to do so could have a material adverse effect on the functionality and reliability of our market and on our reputation, business, financial condition and operating results. System failure or degradation could lead our customers to file formal complaints with industry regulators, file lawsuits against us or cease doing business with us or could lead regulators to initiate inquiries or proceedings for failure to

comply with applicable laws and regulations, any of which could harm our reputation, business, financial condition and operating results.

The computer systems and communication networks upon which we rely in the operation of our Exchange may be vulnerable to security risks and other disruptions.

The secure and reliable operation of our computer systems and of our own communications networks and those of our service providers, our members and our customers is a critical element of our operations. These systems and communications networks may be vulnerable to unauthorized access, computer viruses and other security problems, as well as to acts of terrorism, natural disasters and other *force majeure* events. If our security measures are compromised or if there are interruptions or malfunctions in our systems or communications networks, our business, financial condition and operating results could be materially impacted. We may be required to expend significant resources to protect against the threat of security breaches or to alleviate problems, including harm to reputation and litigation, caused by any breaches in security or system failures. Although we intend to continue to implement industry-standard security measures and otherwise to provide for the integrity and reliability of our systems, these measures may prove to be inadequate in preventing system failures or delays in our systems or communications networks, which could lower trading volume and have an adverse effect on our business, financial condition and operating results.

We may be unable to keep up with rapid technological changes.

Our industry has experienced, and will continue to experience, rapid technological change, changes in use and customer requirements and preferences, frequent product and service introductions embodying new technologies and the emergence of new industry standards and practices. To remain competitive, we must continue to enhance and improve the responsiveness, functionality, accessibility and features of our automated trading and communications systems. This will require us to continue to attract and retain a highly-skilled technology staff and invest the financial resources necessary to keep our systems up to date. If we fail to do so, our systems could become less competitive, which could result in the loss of customers and trading volume and have a material adverse effect on our business, financial condition and operating results.

Our decision to operate a second marketplace may have a material adverse effect on our operating results.

Our current business strategy involves the operation of C2, which we expect to launch in late 2010. This second exchange will operate separately from CBOE with its own governance structure and systems. C2 will operate as an electronic marketplace, and we expect C2 to be capable of trading all of CBOE's products, including SPX. In addition, C2 will serve as a backup trading facility for CBOE.

The CBOE is spending substantial funds on the development of C2 and, as of December 31, 2009, has incurred \$22.8 million in expenditures. C2 may be unable to generate sufficient transaction volume and cash flow to provide a satisfactory return on CBOE's investment. It also is possible that member firms may choose not to connect to C2, for instance, because they may conclude that doing so will not attract sufficient order flow to justify the connection cost. A failure of C2 as an exchange could result in a write off of all or some portion of our investment in C2's development. Alternatively, if C2 is successful, it could cause a shift of trading volume from CBOE to the C2 platform.

A significant portion of our cost structure is fixed. If our operating revenues decline and we are unable to reduce our costs, our profitability will be adversely affected.

A significant portion of our cost structure is fixed, meaning that such portion of our cost structure is generally independent of trading volume. Salaries and benefits, which represented 30% of our total operating expenses in 2009, are our largest expense category and tend to be driven by both our staffing requirements and the general dynamics of the employment market, rather than trading volumes. If

demand for our products and services declines, our operating revenues will decline. We may not be able to adjust our cost structure, at all or on a timely basis, to counteract a decrease in revenue, which would result in an adverse impact on our profitability. Moreover, if demand for future products that we acquire or license is not at the level necessary to offset the cost of the acquisition or license, our net income would decline.

Our market data revenues may be reduced or eliminated due to a decline in our market share, regulatory action or a reduction in the number of market data users.

We obtain approximately 5% of our operating revenues from our share of the revenues collected by the Options Price Reporting Authority, or OPRA, for the dissemination of options market data. If our share of options trading were to decline, our share of OPRA market data revenue would also decline. Market data revenue could also decline as a result of a reduction in the numbers of market data users, for example because of consolidation among market data subscribers or due to a decline in professional subscriptions as a result of staff reductions in the financial services industry, or otherwise. Finally, the SEC could take regulatory action to revise the formula for allocating options market data revenues among the options exchanges similar to the action it took in 2005 when it adopted Regulation NMS in respect of market data revenue in the stock market, or it could take other regulatory action that could have the effect either of reducing total options market data revenue or our share of that revenue. Any significant decline in the revenue we realize from the dissemination of market data could have an adverse effect on our profitability.

If we fail to attract or retain highly skilled management and other employees, our business may be harmed.

Our future success depends in large part on our management team, which possesses extensive knowledge and managerial skill with respect to the critical aspects of our business. The failure to retain certain members of our management team could adversely affect our ability to manage our business effectively and execute our business strategy.

Our business is also dependent on highly skilled employees who provide specialized services to our clients and oversee our compliance and technology functions. Many of these employees have extensive knowledge and experience in highly technical and complex areas of the options trading industry. Because of the complexity and risks associated with our business and the specialized knowledge required to conduct this business effectively, and because the growth in our industry has increased demand for qualified personnel, many of our employees could find employment at other firms if they chose to do so, particularly if we fail to continue to provide competitive levels of compensation. If we fail to retain our current employees, it would be difficult and costly to identify, recruit and train replacements needed to continue to conduct and expand our business. In particular, failure to retain and attract qualified systems and compliance personnel could result in systems errors or regulatory infractions. Consequently, our reputation may be harmed, we may incur additional costs and our profitability could decline.

We may not effectively manage our growth, which could materially harm our business.

We expect that our business will continue to grow, which may place a significant strain on our management, personnel, systems and resources. We must continue to improve our operational and financial systems and managerial controls and procedures, and we will need to continue to expand, train and manage our technology workforce. We must also maintain close coordination among our technology, compliance, accounting, finance, marketing and sales organizations. We cannot assure you that we will manage our growth effectively. If we fail to do so, our business could be materially harmed.

Our continued growth will require increased investment by us in technology, facilities, personnel, and financial and management systems and controls. It also will require expansion of our procedures

for monitoring and assuring our compliance with applicable regulations, and we will need to integrate, train and manage a growing employee base. The expansion of our existing businesses, any expansion into new businesses and the resulting growth of our employee base will increase our need for internal audit and monitoring processes that are more extensive and broader in scope than those we have historically required. We may not be successful in identifying or implementing all of the processes that are necessary. Further, unless our growth results in an increase in our revenues that is proportionate to the increase in our costs associated with this growth, our operating margins and profitability will be adversely affected.

We depend on third party service providers for certain services that are important to our business. An interruption or cessation of such service by any third party could have a material adverse effect on our business.

We depend on a number of service providers, including banking and clearing organizations such as the OCC and its member clearing firms; processors of market information such as the Consolidated Tape Association and OPRA; and various vendors of communications and networking products and services. We cannot assure you that any of these providers will be able to continue to provide these services in an efficient manner or that they will be able to adequately expand their services to meet our needs. An interruption or malfunction in or the cessation of an important service by any third party and our inability to make alternative arrangements in a timely manner, or at all, could have a material adverse impact on our business, financial condition and operating results.

If our risk management methods are not effective, our business, reputation and financial results may be adversely affected.

We have methods to identify, monitor and manage our risks; however, these methods may not be fully effective. Some of our risk management methods may depend upon evaluation of information regarding markets, customers or other matters that are publicly available or otherwise accessible by us. That information may not in all cases be accurate, complete, up-to-date or properly evaluated. If our methods are not fully effective or we are not always successful in monitoring or evaluating the risks to which we are or may be exposed, our business, reputation, financial condition and operating results could be materially adversely affected. In addition, our insurance policies may not provide adequate coverage.

Current trends in the global financial markets could cause significant fluctuations in our stock price.

Stock markets in general, and stock prices of participants in the financial services industry in particular, have experienced significant price and volume fluctuations. The market price of our unrestricted common stock, which will be issued to holders of our Class A-1 and Class A-2 Common Stock after the termination of their transfer restrictions, may be subject to market fluctuations which may be unrelated to our operating performance or prospects, and increased volatility could result in a decline in the market price of our unrestricted common stock. Factors that could significantly impact the volatility of our stock price include:

developments in our business or in the financial sector generally, including the effect of direct governmental action in financial markets generally and with respect to options exchanges in particular;

regulatory changes affecting our industry generally or our business and operations;

the operating and securities price performance of companies that investors consider to be comparable to us;

changes in global financial markets and global economies and general market conditions;

operating results that may be worse than the expectations of management, securities analysts and investors;

market developments that affect our customers causing a decrease in the use of our products; and

investors' perceptions of our prospects and, more generally, the prospects of the options industry.

Current economic conditions could make it difficult for us to finance our future operations.

Companies in many different industries have recently found it difficult to borrow money from banks and other lending sources, and have also experienced difficulty raising funds in the capital markets. Continued instability in the financial markets, as a result of recession or otherwise, may affect our cost of capital and our ability to raise capital. Although we have no current need for additional financing, if we need to raise funds in the future, our ability to do so could be impaired if rating agencies, lenders or investors develop a negative perception of our long-term or short-term financial prospects, or of the prospects for our industry. Although we do not currently anticipate substantial difficulties in accessing the bank lending or debt capital markets when needed, if difficult market conditions continue or if a negative perception of our financial prospects were to develop, we cannot be sure that we will be able to obtain financing on acceptable terms or at all.

We may selectively explore acquisition opportunities or strategic alliances relating to other businesses, products or technologies. We may not be successful in identifying opportunities or integrating other businesses, products or technologies successfully with our business. Any such transaction also may not produce the results we anticipate.

We may selectively explore and pursue acquisition and other opportunities to strengthen our business and grow our company. We may enter into business combination transactions, make acquisitions or enter into strategic partnerships, joint ventures or alliances, any of which may be material. We may enter into these transactions to acquire other businesses, products or technologies to expand our products and services, advance our technology or take advantage of new developments and potential changes in the industry.

The market for acquisition targets and strategic alliances is highly competitive, particularly in light of ongoing consolidation in the exchange sector. As a result, we may be unable to identify strategic opportunities or we may be unable to negotiate or finance future acquisitions successfully. Further, our competitors could merge, making it more difficult for us to find appropriate entities to acquire or merge with and making it more difficult to compete in our industry due to the increased resources of our merged competitors. If we are required to raise capital by incurring additional debt or issuing additional equity for any reason in connection with a strategic acquisition or investment, financing may not be available or the terms of such financing may not be favorable to us.

The process of integration may produce unforeseen regulatory and operating difficulties and expenditures and may divert the attention of management from the ongoing operation of our business. Further, as a result of any future acquisition or strategic transaction, we may issue additional shares of our common stock that dilute stockholders' ownership interest in us, expend cash, incur debt, assume contingent liabilities or create additional expenses related to amortizing intangible assets with estimable useful lives, any of which could harm our business, financial condition or results of operations and negatively impact our stock price.

We may fail to realize the anticipated cost savings, growth opportunities and synergies and other benefits anticipated from mergers and acquisitions or strategic transactions, which could adversely affect the market price of our unrestricted common stock.

Integration of companies is complex and time consuming, and requires substantial resources and effort. If we engage in a merger or acquisition, we must successfully combine the businesses in a manner that permits the expected cost savings and synergies to be realized. In addition, we must achieve the anticipated savings and synergies without adversely affecting current revenues and our investments in future growth. The integration process and other disruptions resulting from the mergers or acquisitions may also disrupt each company's ongoing businesses or cause inconsistencies in standards, controls, procedures and policies that could adversely affect our relationships with market participants, employees, regulators and others with whom we have business or other dealings or our ability to achieve the anticipated benefits of the merger or acquisition. In addition, difficulties in integrating the businesses or any negative impact on the regulatory functions of any of our companies could harm the reputation of the companies. We may not successfully achieve the integration objectives, and we may not realize the anticipated cost savings, revenue growth and synergies in full or at all, or it may take longer to realize them than expected, which could negatively impact our results of operations, financial condition or the market price of our unrestricted common stock.

Risks Relating to Litigation and Regulation

Any infringement by us on patent rights of others could result in litigation and could have a material adverse effect on our operations.

Our competitors as well as other companies and individuals have obtained, and may be expected to obtain in the future, patents that concern products or services related to the types of products and services we offer or plan to offer. We may not be aware of all patents containing claims that may pose a risk of infringement by our products, services or technologies. In addition, some patent applications in the United States are confidential until a patent is issued, and therefore we cannot evaluate the extent to which our products and services may be covered or asserted to be covered in pending patent applications. Thus, we cannot be sure that our products and services do not infringe on the rights of others or that others will not make claims of infringement against us. Claims of infringement are not uncommon in our industry. For instance, in a lawsuit filed on November 22, 2006, ISE claims that the CBOE's hybrid trading system infringes ISE's patent directed towards an automated exchange for trading derivative securities. If our hybrid trading system or one or more of our other products, services or technologies were determined to infringe a patent held by another party, we may be required to stop developing or marketing those products, services or technologies, to obtain a license to develop and market those services from the holders of the patents or to redesign those products, services or technologies in such a way as to avoid infringing the patent. If we were required to stop developing or marketing certain products, our business, results of operations and financial condition would be materially harmed. Moreover, if we were unable to obtain required licenses, we may not be able to redesign our products, services or technologies to avoid infringement, which could materially adversely affect our business, results of operations or financial condition. For a discussion of patent litigation involving the CBOE, please see "Business Legal Proceedings."

We are subject to significant risks of litigation.

Many aspects of our business involve substantial risks of litigation. We could incur significant legal expenses defending claims, even those we believe are without merit. An adverse resolution of any lawsuits or claims against us could have a material adverse effect on our reputation, business, financial condition or operating results. We are currently subject to various litigation matters. For a discussion of litigation involving the CBOE, please see "Business Legal Proceedings."

The CBOE operates in a highly regulated industry and may be subject to censures, fines and other legal proceedings if it fails to comply with its legal and regulatory obligations.

The CBOE is a registered national securities exchange and self-regulatory organization, or SRO, and, as such, is subject to comprehensive regulation by the SEC. The CBOE's ability to comply with applicable laws and rules is largely dependent on its establishment and maintenance of appropriate systems and procedures, as well as its ability to attract and retain qualified personnel. The SEC has broad powers to audit, investigate and enforce compliance and to punish noncompliance by SROs with the Exchange Act, the SEC's rules and regulations under the Exchange Act and the rules and regulations of the SRO. If the SEC were to find the CBOE's program of enforcement and compliance to be deficient, the CBOE could be the subject of SEC investigations and enforcement proceedings that may result in substantial sanctions, including revocation of its registration as a national securities exchange. Any such investigations or proceedings, whether successful or unsuccessful, could result in substantial costs and the diversion of resources and potential harm to CBOE's reputation, which could have a material adverse effect on our business, results of operations or financial condition. In addition, although CBOE intends to retain its responsibilities as an SRO, it may be required to modify or restructure its regulatory functions in response to any changes in the regulatory environment, or it may be required to rely on third parties to perform regulatory and oversight functions, each of which may require us to incur substantial expenses and may harm our reputation if our regulatory services are deemed inadequate.

Although CBOE Holdings itself will not be an SRO, CBOE Holdings, as the parent company of the CBOE following the restructuring transaction, will be subject to regulation by the SEC of its activities that involve the CBOE because CBOE Holdings will control the CBOE. Specifically, the SEC will exercise oversight over the governance of CBOE Holdings and its relationship with the CBOE. See "Regulation Regulatory Responsibilities."

Regulatory changes, particularly in response to adverse financial conditions, could have a material adverse effect on our business.

In recent years, the securities trading industry and, in particular, the securities markets have been subject to significant regulatory changes. Moreover, in the past two years, the securities markets have been the subject of increasing government and public scrutiny in response to the global economic crisis.

During the coming year, it is likely that there will be changes in the regulatory environment in which we operate our businesses, although we cannot predict the nature of these changes or their impact on our business at this time. For example, the SEC published a concept release early in 2010 related to trading in equity markets that could result in changes in the competitive landscape in the options market. Actions on any of the specific regulatory issues currently under review in the U.S., such as fee caps, co-location, high-frequency trading, derivatives clearing, market transparency, taxes on stock transactions, restrictions on proprietary trading by certain of our customers and other related proposals could have a material impact on our business. For a discussion of the regulatory environment in which we operate and proposed regulatory changes, see "Regulation."

CBOE and our market participants also operate in a highly regulated industry. The SEC and other regulatory authorities could impose regulatory changes that could adversely impact the ability of our market participants to use our markets. Regulatory changes by the SEC or other regulatory authorities could result in the loss of a significant number of market participants or a reduction in trading activity on our markets, any of which could have a material adverse effect on our business.

Potential conflicts of interest between our for-profit status and our regulatory responsibilities may adversely affect our business.

As a for-profit business with regulatory responsibilities, there may be a conflict of interest between the regulatory responsibilities of the CBOE and the interests of some of its customers. Any failure by the CBOE to diligently and fairly regulate or to otherwise fulfill its regulatory obligations could significantly harm our reputation, prompt regulatory scrutiny and adversely affect our business, results of operations or financial condition.

Our compliance methods might not be effective and may result in outcomes that could adversely affect our financial condition and operating results.

Our ability to comply with applicable laws and rules is largely dependent on our establishment and maintenance of compliance, audit and reporting systems, as well as our ability to attract and retain qualified compliance personnel. Our policies and procedures to identify, monitor and manage compliance risks may not be fully effective. Management of legal and regulatory risk requires, among other things, policies and procedures to properly monitor, record and verify a large number of transactions and events. We cannot assure you that our policies and procedures will always be effective or that we will always be successful in monitoring or evaluating the compliance risks to which we are or may be exposed.

As a regulated entity, CBOE's ability to implement or amend rules could be limited or delayed, which could negatively affect its ability to implement needed changes.

The CBOE must submit proposed rule changes to the SEC for its review and, in many cases, its approval. Even where a proposed rule change may be effective upon its filing with the SEC, the SEC retains the right to abrogate such rule changes. The SEC review process can be lengthy and can significantly delay the implementation of proposed rule changes that the CBOE believes are necessary to the operation of our markets. If the SEC refuses to approve a proposed rule change or delays its approval, this could negatively affect the ability of the CBOE to make needed changes or implement business decisions.

Similarly, the SEC must approve amendments to the CBOE's certificate of incorporation and bylaws as well as certain amendments to the certificate of incorporation and bylaws of CBOE Holdings. The SEC may not approve a proposed amendment or may delay such approval in a manner that could negatively affect CBOE's or CBOE Holdings' ability to make a desired change.

Misconduct by members or others could harm us.

Although the CBOE performs significant self-regulatory functions, we run the risk that the members of the CBOE, other persons who use our markets or our employees will engage in fraud or other misconduct, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to deter misconduct, and the precautions we take to prevent and detect this activity may not be effective in all cases.

Risks Relating to Changes in Our Corporate Governance Structure

The following risks relate to the significant changes to our corporate governance structure that will occur as part of the restructuring transaction.

CBOE Holdings stockholders will have reduced influence in the day-to-day management and operation of our business from that enjoyed by former members.

If we complete the restructuring transaction, the CBOE Holdings stockholders will have less ability to influence the day-to-day management and operation of our business than our members currently do. Holders of CBOE Holdings common stock will not be stockholders of the CBOE and will not, therefore, have any vote with respect to matters acted on at the CBOE. CBOE Holdings, as the holder of all of the outstanding stock of the CBOE, will have the sole right to vote on all matters affecting the CBOE, such as any proposal to merge the CBOE with a third party, to sell a significant amount of the CBOE assets to a third party, to cause the CBOE to acquire, invest in or enter into a business in competition with the then existing business of the CBOE or to dissolve or liquidate the CBOE.

In addition to these changes to voting rights and the manner of amending the certificate of incorporation and bylaws of CBOE Holdings, we will be making changes to the classified structure of our board of directors and the manner in which directors are nominated. Also, we will eliminate the ability of our members to take action by written consent.

Currently, CBOE members may call a special meeting of the CBOE following the adoption of an amendment to the CBOE Rules, provided that 150 CBOE members request such a meeting pursuant to a written petition within 15 days of notice to the members of the adoption of such amendment. Following the restructuring transaction, CBOE members will not have the right to vote at CBOE and, as a result, will no longer have this petition right.

Collectively, these changes will reduce the influence of our members and may lead to decisions and outcomes that differ from those made under our current certificate of incorporation, Constitution, Rules and regulations. Moreover, additional changes to our corporate governance and capital structure will be required in connection with the initial public offering of CBOE Holdings, which could reduce even further the influence of holders of CBOE Holdings stock.

We may be unable to complete our proposed tender offers on anticipated terms or at all.

CBOE Holdings currently plans to make two concurrent tender offers, one for shares of Class A-1 common stock and one for shares of Class A-2 common stock, between the 60th and 120th day after completion of the initial public offering. CBOE Holdings anticipates that the aggregate dollar amount of the two tender offers, if fully subscribed, would roughly approximate CBOE Holdings' net proceeds of the initial public offering.

CBOE Holdings' board of directors may determine not to launch, or to reduce the size of, the tender offers as a result of market conditions, our operating results or outlook or other developments following the initial public offering. If the offers are launched, there can be no assurances that the offers will be fully subscribed, which will be largely dependent on the price offered and the prevailing market price of the unrestricted common stock at the time the offers expire. In the event that the offers are not completed or are not fully subscribed, the number of shares of outstanding common stock may be significantly higher than the pro forma share amounts set forth in "Unaudited Pro Forma Consolidated Financial Statements" in Annex B to this proxy statement and prospectus.

In addition, the pro forma share amounts set forth in "Unaudited Pro Forma Consolidated Financial Statements" have been presented on the assumption that the offers will be made at an assumed initial public offering price. The initial public offering price and the price offered in the tender offers may be higher or lower than these assumed amounts and will depend on market conditions at the time of the initial public offering and thereafter.

Certain provisions in the CBOE Holdings organizational documents could enable the board of directors of CBOE Holdings to prevent or delay a change of control.

Following the restructuring transaction, CBOE Holdings' organizational documents will contain provisions that may have the effect of discouraging, delaying or preventing a change of control of, or unsolicited acquisition proposals for, CBOE Holdings that a stockholder might consider favorable. These include provisions:

prohibiting the stockholders from acting by written consent;

requiring advance notice of director nominations and of business to be brought before a meeting of stockholders;

requiring the vote of majority of the outstanding shares of common stock to amend the bylaws; and

limiting the persons who may call special stockholders' meetings.

In addition, CBOE Holdings' organizational documents include provisions that:

following the initial public offering, restrict any person (either alone or together with its related persons) from voting or causing the voting of shares of stock representing more than 20% of CBOE Holdings' outstanding voting capital stock (including as a result of any agreement by any other persons not to vote shares of stock); and

following the initial public offering, restrict any person (either alone or together with its related persons) from beneficially owning shares of stock representing more than 20% of the outstanding shares of CBOE Holdings' capital stock.

For a more detailed description of these provisions, see "Description of CBOE Holdings Capital Stock" on page 178, as well as the form of CBOE Holdings certificate of incorporation and bylaws attached as Annexes C and D, respectively, to this proxy statement and prospectus.

Furthermore, the CBOE Holdings board of directors has the authority to issue shares of preferred stock in one or more series and to fix the rights and preferences of these shares without stockholder approval. Any series of CBOE Holdings preferred stock is likely to be senior to the CBOE Holdings common stock with respect to dividends, liquidation rights and, possibly, voting rights. The ability of the CBOE Holdings board of directors to issue preferred stock also could have the effect of discouraging unsolicited acquisition proposals, thus adversely affecting the market price of the unrestricted common stock.

In addition, Delaware law makes it difficult for stockholders that recently have acquired a large interest in a corporation to cause the merger or acquisition of the corporation against the directors' wishes. Under Section 203 of the Delaware General Corporation Law, a Delaware corporation may not engage in any merger or other business combination with an interested stockholder for a period of three years following the date that the stockholder became an interested stockholder except in limited circumstances, including by approval of the corporation's board of directors.

Certain aspects of the certificate of incorporation, bylaws and structure of CBOE Holdings and its subsidiaries will be subject to SEC oversight. See "Regulation" on page 131.

We will incur increased costs as a result of being a publicly-traded company.

As a company with publicly-traded securities, we will incur additional legal, accounting and other expenses not presently incurred. In addition, the Sarbanes-Oxley Act of 2002, as well as rules promulgated by the SEC and the national securities exchange on which we list, require us to adopt corporate governance practices applicable to U.S. public companies. These rules and regulations may increase our legal and financial compliance costs.

If CBOE Holdings is unable to favorably assess the effectiveness of its internal controls over financial reporting, or if its independent registered public accounting firm is unable to provide an unqualified attestation report on CBOE Holdings' internal controls, the stock price of CBOE Holdings could be adversely affected.

The rules governing Sections 302 and 404 of the Sarbanes-Oxley Act of 2002 that must be met for management to assess CBOE Holdings' internal controls over financial reporting are complex, and require significant documentation, testing and possible remediation. The CBOE currently is in the process of reviewing, documenting and testing its internal controls over financial reporting. The continuing effort to comply with regulatory requirements relating to internal controls will likely cause us to incur increased expenses and will cause a diversion of management's time and other internal resources. We also may encounter problems or delays in completing the implementation of any changes necessary to make a favorable assessment of our internal controls over financial reporting. In addition, in connection with the attestation process by CBOE Holdings' independent registered public accounting firm, CBOE Holdings may encounter problems or delays in completing the implementation of any requested improvements or receiving a favorable attestation. If CBOE Holdings cannot favorably assess the effectiveness of its internal controls over financial reporting, or if its independent registered public accounting firm is unable to provide an unqualified attestation report on CBOE Holdings' internal controls, investor confidence and the stock price of the unrestricted common stock could be adversely affected.

FORWARD-LOOKING STATEMENTS

We make forward-looking statements under the "Summary," "Risk Factors," "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and in other sections of this proxy statement and prospectus. In some cases, you can identify these statements by forward-looking words such as "may," "might," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," and the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. In particular, you should consider the numerous risks and uncertainties described under "Risk Factors."

While we believe we have identified material risks, these risks and uncertainties are not exhaustive. Other sections of this proxy statement and prospectus describe additional factors that could adversely impact our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. We are under no duty to update any of these forward-looking statements after the date of this proxy statement and prospectus to conform our prior statements to actual results or revised expectations, and we do not intend to do so.

Forward-looking statements include, but are not limited to, statements about:

our business' possible or assumed future results of operations and operating cash flows;

our business' strategies and investment policies;

our business' financing plans and the availability of capital;

our business' competitive position;

potential growth opportunities available to our business;

the risks associated with potential acquisitions or alliances by us;

the recruitment and retention of our officers and employees;

our expected levels of compensation;

our business' potential operating performance, achievements, productivity improvements, efficiency and cost reduction efforts;

the likelihood of success in and impact of litigation;

our protection or enforcement of our intellectual property rights;

our expectation with respect to securities, options and future markets and general economic conditions;

our ability to keep up with rapid technological change;

the effects of competition on our business; and

the impact of future legislation and regulatory changes on our business.

We caution you not to place undue reliance on the forward-looking statements, which speak only as of the date of this proxy statement and prospectus.

WE EXPRESSLY QUALIFY IN THEIR ENTIRETY ALL FORWARD-LOOKING STATEMENTS ATTRIBUTABLE TO THE CBOE OR CBOE HOLDINGS OR ANY PERSON ACTING ON OUR BEHALF BY THE CAUTIONARY STATEMENTS CONTAINED OR REFERRED TO IN THIS SECTION.

DIVIDEND POLICY

We intend to pay regular quarterly dividends to our stockholders beginning in the third quarter of 2010. The annual dividend target will be approximately 20% to 30% of the prior year's net income adjusted for unusual items. The decision to pay a dividend, however, remains within the discretion of our board of directors and may be affected by various factors, including our earnings, financial condition, capital requirements, level of indebtedness and other considerations our board of directors deems relevant. Future credit facilities, other future debt obligations and statutory provisions, may limit, or in some cases, prohibit, our ability to pay dividends.

SPECIAL MEETING OF CBOE VOTING MEMBERS

Time, Place and Purpose of the CBOE Special Meeting

The special meeting of the CBOE Voting Members will be held in the Members Lounge at 400 South LaSalle Street, Chicago, Illinois 60605, on May 21, 2010 at 3:30 p.m., local time, for the following purposes:

- (1) to vote on the adoption of the Agreement and Plan of Merger that will facilitate the restructuring of the CBOE in which the CBOE will convert from a non-stock corporation owned by its members to a stock corporation that will be a wholly-owned subsidiary of CBOE Holdings;
- (2) to consider and vote on any proposal that may be made by the Vice Chairman of the CBOE board of directors to adjourn or postpone the CBOE special meeting for the purpose of soliciting proxies with respect to the proposal to adopt the Agreement and Plan of Merger; and
- (3) to transact any other business that may properly come before the CBOE special meeting or any adjournment or postponement of the CBOE special meeting.

The CBOE board of directors recommends that you vote "FOR" the adoption of the Agreement and Plan of Merger to accomplish the restructuring transaction and for any proposal that may be made by the Vice Chairman of the Board of the CBOE to adjourn or postpone the CBOE special meeting for the purpose of soliciting proxies.

Who Can Vote at the CBOE Special Meeting

Each CBOE Voting Member of record and in good standing as of the close of business on April 26, 2010, the record date for the meeting, will be entitled to vote on the matters presented at the meeting and at any adjournment thereof. On each proposal set forth at the CBOE special meeting, each CBOE Voting Member is entitled to one vote with respect to each membership for which the CBOE Voting Member has the right to vote. As of the record date, there are 970 total memberships entitled to vote. The CBOE currently holds one inactive "treasury" membership. This membership will not be voted and will not be converted into the demutualization consideration. This membership is not included in the number of memberships referenced above.

Vote Required

The proposal to adopt the Agreement and Plan of Merger requires the affirmative vote of a majority of the outstanding CBOE memberships entitled to vote. As a result, if a CBOE member entitled to vote does not vote or abstains from voting on this proposal, it will have the same effect as a vote against the proposal.

The presence in person or by proxy of CBOE Voting Members holding a majority of the total outstanding CBOE memberships entitled to vote shall constitute a quorum at the meeting.

Directors and officers of the CBOE hold memberships entitling them to cast an aggregate of 14 votes on the proposal, representing approximately 1.4% of the total membership votes that may be cast.

Adjournments

If no quorum of the CBOE Voting Members is present at the CBOE special meeting, the CBOE special meeting may be adjourned by the majority of the members present or represented by proxy and entitled to vote at that meeting from time to time, without notice other than announcement at the meeting, unless otherwise required by statute. If the Vice Chairman of the CBOE board of directors proposes to adjourn the CBOE special meeting and this proposal is approved by the CBOE Voting

Members entitled to vote, the CBOE special meeting will be adjourned. At any adjourned meeting of the special meeting at which a quorum is present, any business may be transacted which might have been transacted at the special meeting as originally notified. In order for the special meeting to be adjourned, the proposal to adjourn the meeting must be approved by the majority of the members present or represented by proxy at the meeting and entitled to vote.

Manner of Voting

If you are a CBOE Voting Member, you may cast your vote for or against the proposals submitted at the CBOE special meeting either in person at the meeting or by proxy prior to the time the meeting is called. To vote in person, you must be present at the special meeting and cast your ballot.

The Election Committee (or their designees) will collect proxies in-person on the trading floor from 8:00 a.m. until 3:30 p.m., local time, on May 21, 2010. Two voting stations will be set up on the trading floor near the escalators on the North and South walls (or at such other location as the Election Committee may designate).

To vote by proxy, and avoid the inconvenience of in-person voting at the special meeting, you may submit your proxy at any time prior to the time the special meeting is called to order. The following materials are enclosed with this proxy statement and prospectus: a proxy card and a postage paid return envelope. You may submit your proxy card by mail in the postage paid envelope, by fax, by hand delivery to the Office of the Secretary on the 7th floor of the Exchange or to the voting stations on the trading floor, or you can submit your proxy through the internet or by telephone. When voting by proxy, your proxy card indicates how you wish to vote on the proposals at issue, and the proxy authorizes a designated person to cast your vote at the meeting and to vote on your behalf on any other matters that may properly come before the meeting.

If you own or hold multiple memberships you will receive a single Control Number that will allow you to vote all of your memberships at once, except that Temporary Members will receive a separate Control Number for each Temporary Membership held.

The following is a detailed description of how to vote by proxy using the telephone, internet and mail methods:

By Telephone (Available only until 3:30 p.m. Central Standard Time on May 21, 2010.)

On a touch tone telephone, call **TOLL FREE 1-888-693-8683**, 24 hours a day, 7 days a week.

You will be asked to enter **ONLY** the CONTROL NUMBER shown on the proxy card.

Have your proxy card ready, and then follow the simple instructions.

Your vote will be confirmed and cast as you directed.

****If you are voting by telephone, please do not mail your proxy card.**

By Internet (Available only until 3:30 p.m. Central Standard Time on May 21, 2010.)

Visit the internet voting Website at <http://www.cesvote.com>.

Enter the CONTROL NUMBER shown on the proxy card and follow the instructions on your screen.

You will incur only your usual internet charges.

****If you are voting by internet, please do not mail your proxy card.**

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By Mail or Fax

Mark the proxy card. LEGIBLY PRINT the CBOE Voting Member name (Individual Member or Member Organization), acronym (if applicable), and the name of the authorized signatory (e.g., executive officer) voting for a member organization (if applicable), on the proxy card. Be sure to indicate the legal name in which your membership is held.

Sign and date your proxy card and either return your proxy card in the postage-paid envelope by May 21, 2010 or fax your proxy card to Corporate Election Services at 412-299-9191 by 3:30 p.m. Central Standard Time on May 21, 2010.

****If you are voting by telephone, fax or the internet, please do not mail your proxy card.**

You are encouraged to submit your proxy promptly in order to ensure timely receipt and an efficient election. You may verify receipt of your proxy at the voting stations on the trading floor or by contacting Jaime Galvan at (312) 786-7058 (galvanj@cboe.com).

Upon completion of the vote count, the vote results will be posted on the Member's website at www.CBOE.com and on the Election Results Hotline at (312) 786-8150.

Duly executed proxies authorizing the persons designated therein to cast your vote at the special meeting must be received prior to 3:30 p.m., Central Standard Time, on May 21, 2010 in order to be counted.

All proxies (including those given by phone or through the internet) received before the deadline stated above or by any later established deadline for any adjourned meeting, as the case may be, will, unless revoked, be voted as indicated in those proxies. If no voting instruction is indicated on a proxy card, the CBOE membership(s) represented by the proxy card will be voted in accordance with the recommendation of the CBOE board of directors and, therefore, "FOR" the adoption of the Agreement and Plan of Merger to affect the restructuring transaction and "FOR" any proposal that may be made to adjourn or postpone the special meeting.

If you return a properly executed proxy card and have indicated that you have abstained from voting on a proposal, your CBOE memberships represented by the proxy will be considered present at the CBOE special meeting for purposes of determining a quorum. We urge you to mark each applicable box on the proxy card to indicate how to vote your CBOE membership.

You may revoke your proxy at any time before it is cast by:

submitting a written revocation dated after the date of the proxy that is being revoked to Chicago Board Options Exchange, Incorporated, Office of the Secretary, at 400 South LaSalle Street, Chicago, Illinois 60605;

submitting a later-dated proxy by mail, fax, telephone or internet; or

attending the CBOE special meeting and voting by paper ballot in person.

Attendance at the CBOE special meeting will not, in and of itself, constitute revocation of a previously delivered proxy. If the CBOE special meeting is adjourned or postponed, it will not affect the ability of CBOE Voting Members to exercise their voting rights or to revoke any previously granted proxy using the methods described above.

Returning your completed proxy will not prevent you from changing your vote or revoking your proxy and voting in person at the special meeting of CBOE Voting Members. Please note, however, that if you submit your proxy through one of the available methods, you will not need to attend the special meeting of members or take any further action in connection with the special meeting because you already will have directed your proxy to vote on your behalf with respect to the proposal to be brought at the special meeting.

Confidential Voting

It is the CBOE's policy that all proxies and voting tabulations that identify the CBOE Voting Members be kept confidential. The CBOE has engaged a third-party firm to serve as inspector of election and count the ballots. The CBOE Election Committee will oversee the third-party firm selected to count the ballots.

Solicitation of Proxies

The CBOE board of directors is making this solicitation of proxies. The CBOE will pay the expenses incurred in connection with the printing and mailing of this document. Solicitation of proxies by mail may be supplemented by telephone and other electronic means, advertisements and personal solicitation by the directors, officers or employees of the CBOE. No additional compensation will be paid to our directors, officers or employees for soliciting proxies.

THE RESTRUCTURING TRANSACTION

This section of the document describes material aspects of the proposed restructuring transaction. This summary may not contain all of the information that is important to you. You should carefully read this entire document, including the full text of the Agreement and Plan of Merger, which is attached as Annex G, and the other documents we refer you to for a more complete understanding of the restructuring transaction. You may obtain the information incorporated by reference into this document without charge by following the instructions described under "Where You Can Find More Information," which begins on page 204.

General

The restructuring transaction will be completed through the following steps:

The creation of CBOE Holdings, Inc. as a new Delaware stock, for-profit subsidiary corporation, which occurred on August 15, 2006, and CBOE Merger Sub, Inc. as a new second-tier, Delaware stock, for-profit corporation and wholly-owned subsidiary of CBOE Holdings, which occurred on August 15, 2006.

Pursuant to the Agreement and Plan of Merger to be entered into in the near future, CBOE Merger Sub, Inc. will merge with and into the CBOE, with the CBOE surviving the merger as a Delaware stock, for-profit corporation. We refer to this transaction as the "Merger."

Upon the effectiveness of the Merger, the outstanding stock of CBOE Merger Sub, Inc. will be converted into common stock of the CBOE, the CBOE Seats existing on the date of the restructuring transaction will be converted into CBOE Holdings Class A common stock and the outstanding CBOE Holdings common stock already held by the CBOE will be cancelled for no consideration and shall cease to exist. As a result, CBOE Holdings will become the sole stockholder of the CBOE and will be entitled to the exclusive right to receive all dividends and distributions, including proceeds upon liquidation, from the CBOE and all associated voting rights.

Immediately following the Merger, the CBOE will transfer to CBOE Holdings all of the shares or interests the CBOE owns in its subsidiaries (CBOE Futures Exchange, LLC, Chicago Options Exchange Building Corporation, CBOE, LLC, DerivaTech Corporation, Market Data Express, LLC, The Options Exchange, Incorporated, CBOE Execution Services, LLC and C2 Options Exchange, Incorporated), making them first-tier, wholly-owned subsidiaries of CBOE Holdings. CBOE Stock Exchange, LLC will remain a facility of the CBOE in which the CBOE holds a 49.96% interest.

As part of the restructuring transaction, each CBOE Seat existing as of the date of the restructuring transaction will be converted into 80,000 shares of CBOE Holdings Class A common stock. In addition, as required by the Settlement Agreement, Participating Group A Settlement Class Members will be issued, immediately following the effectiveness of the Merger effecting the restructuring transaction, 18,774 shares of Class B common stock of CBOE Holdings for each Group A package held by such class member and approved by the Delaware Court.

The restructuring transaction is contingent on the concurrent completion by CBOE Holdings of an underwritten initial public offering of its unrestricted common stock. CBOE Holdings currently expects to offer approximately 10,000,000 shares of its unrestricted common stock following the requisite approval of the restructuring transaction. In addition, CBOE Holdings intends to provide all holders of the Class A and Class B common stock with the opportunity to sell in the initial public offering a small portion of the shares of Class A and Class B shares to be received in the restructuring transaction and pursuant to the Settlement Agreement. The shares of Class A and Class B common stock to be sold by these selling stockholders will be converted into shares of our unrestricted common stock prior to being sold in the initial public offering. The actual number of shares to be offered and sold and the price at which such shares will be offered and sold in the initial public offering may be different than the

assumptions provided in this proxy statement and prospectus, and the final decision about offering parameters will be determined by the CBOE Holdings board of directors.

We may proceed with the restructuring transaction and the initial public offering without seeking additional member approval only if CBOE Holdings can complete the initial public offering at a price per share before underwriting discount of at least \$25. As a result, you should make your decision regarding the restructuring transaction assuming the initial public offering price could be as low as \$25 per share.

In connection with the initial public offering, we currently expect the underwriters will have an option to purchase up to approximately 1,500,000 additional shares of unrestricted common stock from CBOE Holdings based on the size of the currently contemplated offering. If the option is exercised in full, CBOE Holdings will receive approximately an additional \$35.0 million in net proceeds, assuming the minimum offering price of \$25 per share.

CBOE Holdings intends to use the net proceeds from its initial public offering for general corporate purposes, including two possible concurrent tender offers for the outstanding Class A-1 and Class A-2 common stock. If the tenders offers are fully subscribed, CBOE Holdings anticipates that the aggregate net consideration for such offers will be approximately equal to the aggregate net proceeds of the initial public offering.

Upon completion of the initial public offering, each outstanding share of Class A common stock and Class B common stock automatically shall be converted into one-half of one share of Class A-1 common stock and one-half of one share of Class A-2 common stock. As a result, assuming no shares are sold in the initial public offering by owners of CBOE Seats or Participating Group A Settlement Class Members, the owners of the CBOE Seats outstanding immediately prior to the restructuring transaction will own approximately 82% of the Class A-1 and Class A-2 common stock, and the Participating Group A Settlement Class Members will own approximately 18% of the Class A-1 and Class A-2 common stock outstanding following the restructuring transaction.

Upon completion of the restructuring transaction, 2,489,039 shares of unrestricted common stock of CBOE Holdings will become available for issuance under the Long-Term Incentive Plan. In connection with, and effective upon, the restructuring transaction, directors, officers, and employees will be granted in the aggregate 2,240,552 shares of restricted stock that will be subject to vesting criteria described under "Directors and Management of the CBOE and CBOE Holdings after the Restructuring Transaction Compensation Discussion and Analysis." After giving effect to the approved grants of restricted common stock to be made in connection with our Long-Term Incentive Plan, the percentage of total common stock issued and outstanding, immediately following the restructuring and prior to the closing of the initial public offering, regardless of class, held by CBOE Seat owners will be 80.02%, Participating Group A Settlement Class Members will be 17.57%, officers and other employees holding restricted stock under our Long-Term Incentive Plan will be 2.24% and directors holding restricted stock under the Long-Term Incentive Plan will be 0.17%.

The Class A-1, Class A-2 and unrestricted common stock of CBOE Holdings will represent an equity ownership interest in CBOE Holdings and will have traditional features of common stock, including equal per share dividend, voting and liquidation rights. The rights of holders of CBOE Holdings common stock will be different from the rights of the CBOE members because the CBOE Holdings certificate of incorporation and bylaws in effect immediately after the restructuring transaction will be different from the governing documents of the CBOE. See "Comparison of Rights Prior to and After the Restructuring Transaction" on page 194 for a description of material differences.

The CBOE Holdings common stock issued in the restructuring transaction, however, will not provide its holders with physical or electronic access to the CBOE's trading facilities. Following the restructuring transaction, physical and electronic access to the CBOE trading facilities, subject to such limitations and requirements as will be specified in the Rules of the CBOE, will be available to

individuals and organizations that have obtained a trading permit from the CBOE. For more information regarding trading access following the restructuring transaction, please see " Trading Permits" on page 58.

If the restructuring transaction is approved by a majority of the CBOE memberships outstanding and entitled to vote, the Merger to effect the restructuring transaction will not be consummated until immediately prior to the closing of the initial public offering. This likely will not occur until approximately 30-60 days following the member vote. As such, the timing of the completion of the restructuring transaction is not certain and is dependent upon the timing of the closing of the initial public offering.

Background of the Restructuring Transaction

Over the past several years, the CBOE has been faced with competition from both new and existing exchanges. Some of these competitors were established as for-profit exchanges, and others were converted from not-for-profit membership organizations to for-profit stock corporations. Along with changing their focus to that of a for-profit business, these demutualized exchanges typically have corporate and governance structures more like those of other for-profit businesses, which gives them greater flexibility in responding to the demands of the rapidly changing regulatory and business environment in which they conduct their activities. In addition, by being structured as stock, for-profit corporations, these other exchanges have opportunities to engage in business combinations and joint ventures with other organizations and to access capital markets in ways that are not available to non-stock membership corporations.

In January 2005, responding to these changes, the CBOE's board of directors authorized the formation of a Business Model Task Force, or the Task Force, charged with the responsibility to develop a strategic plan that would respond to the challenges faced by the CBOE. Specifically, the Task Force was directed to consider the advantages and disadvantages of changing the business model of the CBOE to that of a for-profit business and making related changes to the ownership, corporate structure, and governance of the CBOE, possibly extending to the complete restructuring of the CBOE whereby it would be converted into a stock, for-profit corporation. The Task Force was directed to report its conclusions and recommendations to the full board.

The Task Force consisted of four independent directors and three member directors and was chaired by James Boris, an independent director. Although the Task Force often met in executive sessions at which only its members were present, in conducting its review and analysis, the Task Force was assisted by the management of the CBOE and by Goldman, Sachs & Co. The Task Force obtained legal support from Schiff Hardin LLP, legal counsel to the CBOE, Richards, Layton & Finger, special Delaware legal counsel to the CBOE, and Sullivan & Cromwell LLP, special counsel to the CBOE in matters pertaining to the restructuring transaction.

The Task Force held 12 formal meetings, beginning on February 17, 2005, and continuing until September 1, 2005. From the outset, the Task Force realized that any restructuring plan that it might recommend would have to deal with the valuation of the Exercise Right held by full members of the CBOT, pursuant to the CBOE's certificate of incorporation. Nevertheless, the Task Force determined it should first consider what changes to the structure, ownership and governance of the CBOE it would recommend before giving consideration to the Exercise Right.

Accordingly, at its first few meetings the Task Force focused on how the CBOE should change its business model and how it should be organized and governed. Early in its deliberations, the Task Force concluded that formal changes to the corporate structure and ownership would take some time to put into effect, not only on account of the many steps required to accomplish this goal, but also because the implementation of these changes required that the Exercise Right be addressed. On the other hand, the Task Force also determined that several of the changes necessary to convert the CBOE to a for-profit business model could be put into effect prior to the time the CBOE would be in a position to

implement a formal corporate restructuring. This determination was incorporated in the Task Force's preliminary recommendation made to the CBOE's board of directors at a meeting held on September 13 and 14, 2005. That recommendation included both near-term and long-term components.

For the near term, the Task Force recommended that, effective January 1, 2006, the CBOE should adopt a "for-profit" business model to the extent compatible with its current corporate structure. Under such a business model, the CBOE would modify its governance and otherwise conduct its business activities with a focus on maximizing its profit potential in a manner consistent with the fulfillment of its responsibilities as a self-regulatory organization, even though it would not yet be structured as a for-profit stock corporation. For the longer term, the Task Force recommended that the CBOE should move forward with a program designed to provide for the restructuring of the CBOE by separating ownership of the Exchange from trading access and by changing the Exchange's corporate structure from that of a Delaware non-stock corporation owned by its members to that of a Delaware stock, for-profit corporation that would be a subsidiary of a new Delaware stock, for-profit holding company owned by its stockholders.

On September 14, 2005, at a regularly scheduled meeting, the CBOE's board of directors adopted these preliminary recommendations of the Task Force and directed the CBOE's management to proceed with the development of a detailed plan to implement both the near-term and long-term components of the recommendations. Specifically, management was directed to start transitioning to a for-profit business model commencing January 1, 2006, by addressing both the budgetary and governance implications of such a change. The board also directed the development of the necessary corporate documents and regulatory filings needed to implement the restructuring recommended by the Task Force. The board also encouraged management to engage in discussions with other organizations regarding transactions that might further the goals articulated by the Task Force and adopted by the board. The board requested that management present a business plan and budget at its January 26, 2006 meeting that reflected the transition to a for-profit business model, including adjustments to the CBOE's fee structure. Following the September 2005 board meeting, the CBOE engaged the Boston Consulting Group, or the BCG, to assist in a review of the CBOE's strategy. Over the next eleven weeks, the BCG worked with management on pricing strategy, overall strategy and change management.

On October 27, 2005, at a regularly scheduled meeting of the board of directors of the CBOE, management reported to the board on the progress with respect to its plans to effect the conversion of the CBOE to a for-profit stock corporation and to start the transition to a for-profit operation beginning January 1, 2006.

At the regularly scheduled board meeting of December 8, 2005, the BCG presented to the board the results of their eleven-week review of the CBOE relating to strategy, pricing and managing change. Following discussion, the board of directors reaffirmed the goal of unlocking value for its members through the conversion of the CBOE to a for-profit stock corporation with the transition to a for-profit model to start January 1, 2006. The board also approved several governance changes designed to streamline decision-making and enhance the efficiency of the advisory committees.

On January 26, 2006, at a regularly scheduled meeting of the CBOE's board of directors, the board approved the business plan and budget proposed by management that addressed the strategic priorities established during the December 8, 2005 board meeting and began the transition to a for-profit business model. Management also proposed and the board adopted the creation of a Strategy and Implementation Task Force, or the SITF. The SITF consisted of five independent directors, the Vice Chairman, one floor director, the lessor director and a member firm director. Its role was to oversee the implementation of the CBOE's strategy with respect to its restructuring, including making recommendations to the board of directors regarding the details of the CBOE's demutualization. Management also established a demutualization team that would be responsible for developing an S-4 Registration Statement to be used in connection with such a restructuring.

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The SITF had six formal meetings between March and July 2006, as well as a number of less formal discussions among its members. At these meetings, the task force addressed various aspects of the CBOE's demutualization, including the form the demutualization would take; the steps required to implement the demutualization; the consideration to be received by CBOE members; tax and accounting treatment; restrictions to be placed on the stock received by CBOE members; the centralization of access rights within the CBOE; how access would be granted after the demutualization; special petition rights for members prior to an initial public offering, if any; ownership and voting limitations; potential organized sales of CBOE Holdings stock; the form governance would take after demutualization; and the amendments required to the CBOE's Constitution and Rules. The Task Force was assisted in its deliberations by Goldman, Sachs & Co., Schiff Hardin, special legal counsel, Sullivan & Cromwell LLP, and special Delaware counsel, Richards, Layton & Finger. The results of these deliberations are reflected in the transaction proposed in this document.

Over this same period of time, management also held discussions with several financial exchanges regarding potential transactions with the CBOE. These discussions included the potential for investments by the CBOE, the potential acquisition of other organizations by the CBOE and the potential acquisition of the CBOE by other organizations. Management was assisted in these explorations by the financial and legal advisors mentioned above. Ultimately, management did not recommend, and the board of directors did not pursue, any of these potential transactions.

On March 23, 2006, at a regularly scheduled meeting of the board of directors of the CBOE, the board was briefed regarding the status of work on the restructuring transaction and was briefed by outside counsel regarding the registration process, the additional obligations that are applicable to registered companies, and various relevant provisions under the securities laws.

On May 11, 2006, at a regularly scheduled meeting of the board of directors of the CBOE, management described and discussed with the Board the primary components of the then-contemplated restructuring transaction and post-demutualization structure, as well as the next steps in the process and key open issues.

On July 27, 2006, at a regularly scheduled meeting of the CBOE board of directors, the SITF presented its recommendations regarding the demutualization of the CBOE. The board of directors approved the restructuring as recommended by the SITF, authorized the creation of CBOE Holdings and CBOE Merger Sub and authorized the preparation of an S-4 Registration Statement for purposes of implementing the demutualization of the CBOE. The board approved interim boards for CBOE Holdings and CBOE Merger Sub and authorized management to file an S-4 Registration Statement. The board also approved the creation of a Special Independent Directors Committee consisting of four independent directors (the "Special Committee"). The board delegated to the Special Committee the sole authority to determine the manner in which the membership interest held by Exercise Member Claimants and CBOE Seat owners would be converted into the right to receive the consideration to be received in any demutualization of the CBOE. The Board resolved not to approve or recommend any demutualization providing for a conversion of membership interests in the CBOE into other interests unless the consideration to be received in such transaction was consistent with the conversion of membership interests as determined by the Special Committee. The Special Committee was empowered to engage its own legal counsel and its own financial advisor to assist it in discharging these duties.

Following the creation of the Special Committee at the July 27, 2006 board meeting through January 2007, the SITF met five times to consider open issues related to the restructuring transaction that had not been delegated to the Special Committee.

On August 23, 2006, the Delaware Action was filed against CBOE and its directors regarding the planned demutualization of the CBOE. In the Delaware Action, the plaintiffs alleged that the CBOE board had already decided that the Exercise Member Claimants would not be entitled to the same consideration as other CBOE members in connection with the restructuring of the CBOE and sought a

declaratory judgment and an injunction to require that any Exercise Member Claimant would be entitled to the same consideration as a CBOE Seat owner. The CBOE's position was that this suit was premature, as the Special Committee had not arrived at any conclusions regarding the consideration to be received by an Exercise Member Claimant.

On September 28, 2006, at a regularly scheduled meeting of the CBOE board of directors, the board was briefed regarding the work on the restructuring transaction. At the request of the Special Committee, the Special Committee's charter was broadened to give the Special Committee the authority to determine whether any of the administrative or regulatory requirements that the CBOE's Rules impose upon persons who apply to become Exercise Member Claimants should be modified or waived in the event of a CBOE demutualization.

On October 17, 2006, CME Holdings and CBOT Holdings announced that CME Holdings would acquire the CBOT through a merger of CBOT Holdings into CME Holdings. Because of the significant changes to the structure and ownership of the CBOT, and to the rights of CBOT members, that would result from the completion of this proposed transaction, its announcement required the CBOE board to consider the possible impact of the proposed CME/CBOT Transaction on the eligibility of CBOT members to become and remain members of the CBOE pursuant to the Exercise Right.

On December 12, 2006, at a regularly scheduled meeting of the board of directors of the CBOE, lawyers from the CBOE's outside legal counsel, Schiff Hardin, presented a legal analysis of the impact of the CME/CBOT Transaction on the Exercise Right. Following a discussion from which members of the Special Committee were recused, the board determined that CBOT would no longer have "members" as contemplated by Article Fifth(b) upon the completion of the CME/CBOT Transaction and authorized CBOE management to submit a rule filing to the SEC consisting of (1) an interpretation of Article Fifth(b) in a manner consistent with the board's determination and (2) authorization for the CBOE, upon completion of the CME/CBOT Transaction, to grant temporary access to CBOT members who had exercised and were in good standing as members of the CBOE on December 11, 2006, to the extent and for the period of time necessary to avoid disruption to the CBOE's market as a result of the ineligibility of such persons to maintain the status of members of CBOE pursuant to the Exercise Right. The CBOE submitted this rule filing on December 12, 2006, and amended it on January 17, 2007. This rule filing is sometimes referred to as the "Eligibility Rule Filing."

Following the approval of this action, the directors on the Special Committee were invited to rejoin the meeting and were informed of the board's decision. The Special Committee informed the board that, based on the board's interpretation of the impact of the proposed CME/CBOE Transaction on the Exercise Right and based on the board's understanding that the CME/CBOT Transaction would likely close prior to the demutualization of the CBOE, the Special Committee would defer further deliberations until such time as it became appropriate to either reinitiate the Special Committee's deliberations, terminate the Special Committee's existence, or take such other action as was warranted.

On January 4, 2007, the CBOT and the other plaintiffs in the Delaware Action filed an amended complaint that challenged the interpretation of Article Fifth(b) contained in the SEC Eligibility Rule Filing. On January 11, 2007, plaintiffs filed a motion for summary judgment on their claims. In addition to continuing to assert their claims about the amount of consideration to which Exercise Member Claimants would be entitled as part of the CBOE restructuring transaction, plaintiffs sought a declaratory judgment and an injunction to prevent the CBOE from implementing the interpretation of Article Fifth(b) that the CBOE had filed with the SEC in the Eligibility Rule Filing. On January 16, 2007, CBOE and the director defendants moved to dismiss the amended complaint to the extent it challenged CBOE's interpretation of Article Fifth(b), on the ground that the SEC's jurisdiction to consider such interpretations preempts any state law challenge to that interpretation. In their motion, the defendants further moved to stay consideration of plaintiffs' claims regarding the consideration to

which Exercise Member Claimants otherwise would be entitled until it was known whether the CME/CBOT Transaction would close before CBOE's restructuring.

On January 25, 2007, at a regularly scheduled meeting of the CBOE board of directors, management made a presentation describing the restructuring transaction. The board approved the proposed terms of the restructuring transaction and authorized the board of CBOE Holdings to file the Registration Statement, of which this proxy statement and prospectus is a part, with the SEC.

On March 15, 2007 the Intercontinental Exchange (ICE) made an unsolicited bid to acquire the CBOT in competition with the CME/CBOT Transaction. ICE approached CBOE regarding a potential joint proposal which would be designed to resolve the Exercise Right issue as part of an ICE acquisition of the CBOT. On May 30, 2007, CBOE and ICE announced that they had entered into an exclusive agreement in which each full member of the CBOT holding an Exercise Right would be entitled to receive \$500,000 in cash and/or debt securities convertible into the stock of a newly created CBOT/ICE Holdings in exchange for relinquishing the Exercise Right. The agreement was contingent upon the closing of the proposed merger of ICE and CBOT Holdings.

In June 2007, the CBOT Holdings board recommended and the stockholders approved the CME/CBOT Transaction. The CME/CBOT Transaction closed on July 12, 2007.

On June 29, 2007, to address issues raised by the CME/CBOT Transaction, the CBOE board approved an interpretation of CBOE Rule 3.19, which provided that persons who were exerciser members in good standing before the consummation of the CME/CBOT Transaction would temporarily retain their CBOE membership status until the SEC ruled on the Eligibility Rule Filing. We refer to this interpretation as the "Interim Access Interpretation." The CBOE filed the Interim Access Interpretation with the SEC on July 2, 2007, and it went into effect upon its filing.

On July 20, 2007, CBOT and the other plaintiffs filed a motion requesting that the Delaware Court enter a temporary restraining order prohibiting CBOE from implementing or enforcing the Interim Access Interpretation. On August 3, 2007, the Court denied the motion for a temporary restraining order.

On August 28, 2007, the CBOE board of directors approved a second interpretation of CBOE Rule 3.19, which provided that the persons who temporarily retained their CBOE membership status pursuant to the Interim Access Interpretation would continue to retain that status after the SEC approved the Eligibility Rule Filing until other specified events occurred. We refer to this interpretation as the "Continued Membership Interpretation." The Continued Membership Interpretation was filed with the SEC on September 10, 2007 and was effective on filing.

On January 15, 2008, the SEC approved the Eligibility Rule Filing and CBOE's interpretation that CBOT "no longer had 'members' as contemplated by Article Fifth(b) following the completion of the CME/CBOT Transaction."

On February 6, 2008, the plaintiffs in the Delaware Action filed their third amended complaint. Plaintiffs' essential claims remained the same, although plaintiffs alleged in their new complaint that the adoption of the Interim Access Interpretation damaged so-called CBOT full members in their capacity as owners and lessors of such memberships and that CBOE's board of directors was dominated by interested directors when it approved the Eligibility Rule Filing, the Interim Access Interpretation and the Continued Membership Interpretation.

On March 14, 2008, CBOT and two CBOT members appealed to the United States Court of Appeals for the District of Columbia from the SEC order that approved the Eligibility Rule Filing and CBOE was granted leave to intervene in that appeal.

During the fall of 2007 and into spring 2008, CBOE and plaintiffs' counsel engaged in periodic settlement discussions. On June 2, 2008, two days before the Delaware Court was to hear argument on the parties' pending motions for summary judgment, the parties entered into an agreement in principle

to settle both the Delaware Action and the appeal from the SEC order pending in the federal Court of Appeals. On July 24, 2008, CBOE's board of directors approved the material terms of the Settlement Agreement as then presented to the board and authorized the Office of the Chairman to finalize the Settlement Agreement. On August 20, 2008, the parties entered into the Settlement Agreement, and that agreement was preliminarily approved by the Delaware Court on August 22, 2008. On August 22, 2008, CBOE held an informational membership meeting regarding the Settlement Agreement. On September 17, 2008, CBOE's members approved the Settlement Agreement.

On December 16, 2008, the Delaware Court conducted a lengthy hearing to consider whether to approve the Settlement Agreement and to consider the objections to the settlement.

On May 6, 2009, CBOE board of directors approved certain changes to the restructuring transaction and certain changes to the proposed post-demutualization certificate of incorporation of CBOE Holdings.

On June 3, 2009, the Delaware Court entered an order approving the Settlement Agreement, while reserving ruling on whether certain objectors were eligible to participate in that settlement. After subsequently ruling on those objections, the Delaware Court, on July 29, 2009, entered an order of approval and final judgment approving the Settlement Agreement, resolving all open issues about the settlement and dismissing the Delaware Action. Five appeals from the order of approval and final judgment (brought on behalf of eight appellants) were filed with the Delaware Supreme Court. In addition to the appeals, one individual filed a post-judgment motion with the Delaware Court arguing that he should be allowed to participate as a Participating Group A Settlement Class Member, and that motion was granted.

On November 30, 2009, the CBOE entered into a settlement of all appeals from the Delaware Court's order of approval and final judgment. Pursuant to that settlement, a stipulation to dismiss all of the appeals was filed on November 30, 2009, and all other parties to the appeals consented to that stipulation. On December 2, 2009, the Delaware Supreme Court entered an order dismissing the appeals. Upon the Delaware Supreme Court's order, the Delaware Court's July 29, 2009 order of approval and final judgment became final, and that order and judgment is no longer subject to appeal.

On December 4, 2009, CBOT and the two CBOT members that appealed to the United States Court of Appeals for the District of Columbia from the SEC order that approved the Eligibility Rule Filing voluntarily dismissed their appeal. As a result, the SEC's January 15, 2008 order approving the Eligibility Rule Filing is no longer subject to appeal.

At the end of 2009, the CBOE and CBOE Holdings boards of directors began to explore the possibility of pursuing an initial public offering of CBOE Holdings' unrestricted common stock concurrently with the restructuring transaction. At their meetings in December 2009, the CBOE and CBOE Holdings boards of directors continued to investigate and had general discussions of this possible public offering, including the mechanics of such a transaction and its potential benefits.

At a meeting of the CBOE and CBOE Holdings boards of directors held on March 4, 2010, the boards met with members of senior management, CBOE's legal counsel and Goldman, Sachs & Co. At that meeting, the boards of directors considered and unanimously approved, among other things, the structure of the restructuring transaction, proceeding with a concurrent initial public offering of unrestricted common stock of CBOE Holdings, upon which the completion of the restructuring transaction will be contingent, and the filing of registration statements with the SEC in connection with the restructuring transaction and initial public offering. The CBOE Holdings board of directors also approved the structure of a dividend committee for the purpose of declaring a special dividend of \$1.67 per share of Class A and Class B Common Stock or \$100,200 per CBOE Seat and \$23,513.60 per Group A Package, to be paid immediately following the restructuring transaction and the issuance of stock pursuant to the Settlement Agreement and prior to the closing of the initial public offering. On April 12, 2010, the CBOE Holdings Executive Committee recommended an increase in the number of

shares to be issued for each CBOE Seat, which would effectively reduce the dividend per share to \$1.25 per share, or \$100,000 per CBOE Seat and \$23,467.50 per Group A Package. The boards of directors of both CBOE and CBOE Holdings approved the increase in number of shares on April 16, 2010. The CBOE board of directors unanimously recommends the members approve the Agreement and Plan of Merger to effectuate the restructuring transaction.

The CBOE's Reasons for the Restructuring Transaction

In approving the restructuring transaction, the CBOE board of directors considered a number of factors, including the ones discussed in the following paragraphs. In light of the number and wide variety of factors considered in connection with its evaluation of the transaction, the CBOE board of directors did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its determination. The CBOE board viewed its position as being based on all of the information available and the factors presented to and considered by it. In addition, individual directors may have given different weight to different factors. This explanation of the CBOE's reasons for the proposed restructuring transaction and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under "Forward-Looking Statements" on page 36.

In reaching its decision, the CBOE board of directors consulted with the CBOE management with respect to strategic, operational and regulatory matters, as well as with its outside legal counsel and financial advisors and the board's special counsel.

The CBOE board of directors believes that changing the CBOE's focus to that of a for-profit business, along with modifying the CBOE's corporate and governance structures to be more like those of other for-profit businesses, will provide the CBOE with greater flexibility to respond to the demands of a rapidly changing business environment. By being structured as a stock, for-profit corporation, the CBOE will be able to pursue strategic opportunities to engage in business combinations and joint ventures with other organizations and to access capital markets in ways that are not available to non-stock, membership corporations. As a stock corporation, ownership will be separated from access. Stock will provide a "currency" separate from access that can be used in acquisitions and mergers. Furthermore, our stock will give us the ability to raise capital through stock issuances. We believe that the restructuring transaction will move us one step closer to achieving our key objectives of providing our owners a more liquid investment.

The CBOE board of directors also believes that the restructuring of the CBOE will enable the CBOE to enhance its competitiveness with other options exchanges, including both open outcry and electronic markets, while preserving the CBOE's ability to provide trading opportunities and benefits to our members. The proposed changes in our structure will streamline the governance and decision-making process, which will allow us to respond more quickly to changes in the competitive environment. In addition, our for-profit structure will remove ambiguity with respect to objectives and priorities and establish stockholder interest as the primary guidepost for decision making. At the same time, our new structure will allow us to provide trading access through trading permits, which will be issued by the Exchange. See "Trading Permits" on page 58 for a discussion of this access. This shift in how access is granted will also alter how we think of the users of our marketplace. Users, as distinct from owners, will become customers of the CBOE. It will be clear that the interest of stockholders is served by providing trading opportunities and other benefits to these customers in a way that prompts them to continue to prefer the CBOE to alternative marketplaces. The CBOE board believes that the restructuring transaction will allow the CBOE to:

maximize the value of the CBOE's business by adopting a for-profit approach to business with a view towards increasing volume, efficiency and liquidity in the markets it provides;

increase the CBOE's ability to respond more efficiently to changes within the industry, markets and regulations that govern the CBOE through a more streamlined governance and

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decision-making structure, including a possible reduction in the size of the board and a reduction in the number of member committees;

increase the CBOE's flexibility to diversify and expand its business;

segregate more easily the CBOE's different lines of business into separate subsidiaries through a holding company structure, which could provide greater flexibility in administration and allow these subsidiaries to focus more effectively on particular markets, products or services; and

distribute profits from the operation of its business to its stockholders as determined by its board of directors and as permitted by applicable law.

As such, the restructuring transaction is designed to:

facilitate CBOE Holdings' engagement in other businesses that are either unregulated, or are regulated differently from the CBOE's current business;

provide greater flexibility to finance, acquire or dispose of individual businesses;

create a framework to facilitate public markets for equity securities of CBOE Holdings, capital-raising transactions and other securities issuances, such as the issuance of securities as consideration in an acquisition or merger; and

satisfy the SEC's current policy that at least 20% of the board of the CBOE should be selected by the members, while providing flexibility in governance at the holding company level.

The CBOE board also considered the following potentially negative factors associated with the restructuring transaction:

the possibility that regulatory or governmental authorities might seek to impose conditions on or otherwise prevent or delay the restructuring transaction;

the risks and costs to the CBOE if the restructuring transaction is not completed, including the potential diversion of management and employee attention, potential employee attrition and the potential effect on business and customer relationships;

the risk that the potential benefits of the restructuring transaction may not be fully or partially realized;

the risk of diverting management focus and resources from other strategic opportunities and from operational matters and potential disruption associated with the restructuring transaction;

the risk that CBOE members entitled to vote may fail to approve the restructuring transaction;

the fees and expenses associated with completing the transaction; and

various other risks associated with the restructuring transaction described under "Risk Factors."

The CBOE and CBOE Holdings boards have considered the advantages and disadvantages of the initial public offering. In particular, the CBOE and CBOE Holdings boards discussed the following considerations:

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The initial public offering would enable CBOE members, who would become CBOE Holdings stockholders, to own shares of common stock that are traded on a public market.

CBOE Holdings stockholders would be able to increase or decrease their ownership interest in CBOE Holdings through open market purchases and sales.

As a publicly-traded company, CBOE Holdings would be able to finance capital improvements and business activities to pursue its commercial objectives through subsequent offerings of its common stock.

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The initial public offering would improve financing alternatives for CBOE Holdings and, therefore, for the CBOE business.

The initial public offering would enable CBOE Holdings to use common stock to acquire new businesses, companies and products that could strengthen its competitive position in the marketplace.

With the ability to provide equity incentive compensation, such as stock options and restricted stock, CBOE Holdings would be better able to recruit, develop and retain qualified employees and management while preserving its cash resources.

CBOE Holdings may be more likely to be the target of an unsolicited takeover attempt.

It will be more costly to operate the business as a public corporation.

Alternatives to the Restructuring Transaction

In considering the restructuring transaction, the CBOE board of directors also considered a number of strategic alternatives available to the CBOE, including:

remaining a not-for-profit, non-stock membership corporation;

converting to a for-profit, non-stock corporation;

pursuing one or more acquisitions of or by other U.S. or non-U.S. exchanges; and

exploring mergers, alliances and joint ventures with other entities.

The CBOE board of directors believed and continues to believe that these potential risks and drawbacks are outweighed by the potential benefits that the CBOE board expects the CBOE and its members to achieve as a result of the proposed restructuring transaction.

Initial Public Offering

The principal reasons for the initial public offering are to increase our financial strength through improved access to capital and to provide a liquid market for our owners. In addition, access to capital will provide us with greater strategic flexibility. Conducting an initial public offering concurrently with the restructuring transaction, will also provide more liquidity to our members for their interests in CBOE than if CBOE were to complete the restructuring transaction without completing such an initial public offering.

CBOE Holdings currently expects to offer approximately 10,000,000 shares of its unrestricted common stock following the requisite approval of the restructuring transaction by CBOE Voting Members. In addition, CBOE Holdings intends to permit all holders of the Class A and Class B common stock with the opportunity to sell in the initial public offering a small portion of the shares of Class A and Class B shares to be received in the restructuring transaction and pursuant to the Settlement Agreement. The shares of Class A and Class B common stock to be sold by these selling stockholders will be converted into shares of our unrestricted common stock prior to being sold in the initial public offering. The actual number of shares to be offered and sold and the price at which such shares will be offered and sold in the initial public offering may be different than the assumptions provided herein, and the final decision about offering parameters will be determined by the CBOE Holdings board of directors.

We may proceed with the restructuring transaction and the initial public offering without seeking additional member approval only if CBOE Holdings can complete the initial public offering at a price per share before underwriting discount of at least \$25. As a result, you should make your decision regarding the restructuring transaction assuming the initial public offering price could be as low as \$25 per share.

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Upon the completion of the initial public offering, each outstanding share of Class A common stock and Class B common stock automatically shall be converted into one-half of one share of Class A-1 common stock and one-half of one share of Class A-2 common stock. As a result, assuming no shares are sold in the initial public offering by owners of CBOE Seats or Participating Group A Settlement Class Members, the owners of the CBOE Seats outstanding immediately prior to the restructuring transaction will own approximately 82% of the Class A-1 and Class A-2 common stock, and the Participating Group A Settlement Class Members will own approximately 18% of the Class A-1 and Class A-2 common stock outstanding following the restructuring transaction and the completion of the initial public offering.

Upon completion of the restructuring transaction, 2,489,039 shares of unrestricted common stock of CBOE Holdings will become available for issuance under the Long-Term Incentive Plan. In connection with, and effective upon, the restructuring transaction, directors, officers, and employees will be granted in the aggregate 2,240,552 shares of restricted stock that will be subject to vesting criteria described under "Directors and Management of the CBOE and CBOE Holdings after the Restructuring Transaction Compensation Discussion and Analysis." After giving effect to the approved grants of restricted stock to be made in connection with our Long-Term Incentive Plan, the percentage of total common stock issued and outstanding immediately following the restructuring and prior to the initial offering, regardless of class, held by CBOE Seat owners will be 80.02%, Participating Group A Settlement Class Members will be 17.57%, officers and other employees holding restricted stock will be 2.24% and directors holding restricted stock will be 0.17%.

Giving effect to the initial public offering and the approved grants of restricted common stock to be made in connection with our long-term incentive plan, and assuming 10,000,000 shares of unrestricted common stock are sold in the initial public offering, none of which are sold by owners of CBOE Seats and Participating Group A Settlement Class Members, the percentage of total common stock issued and outstanding, regardless of class, held by CBOE Seat owners will be 72.25%, Participating Group A Settlement Class Members will be 15.86%, holders of restricted shares under our long-term incentive plan will be 2.18% and purchasers in the initial public offering will be 9.71%.

Conditions to Completion of the Restructuring Transaction

In order for us to complete the restructuring transaction, the following approvals and conditions, among others, must be obtained and/or satisfied:

Approval by Our Members. To complete the restructuring transaction, we must obtain the approval of a majority of all of the CBOE memberships outstanding and entitled to vote. Please see a description of the CBOE special meeting on page 39.

Initial Public Offering. The restructuring transaction is contingent on the concurrent completion by CBOE Holdings of an underwritten initial public offering of its unrestricted common stock as discussed above under "Initial Public Offering." CBOE Holdings will, in the sole discretion of its board of directors, determine the number of shares to be issued in the initial public offering and the price at which such shares will be sold. Such terms and parameters may differ from those assumptions set forth in this proxy statement and prospectus.

What You Will Receive in the Restructuring Transaction

CBOE Seat Owners. In the restructuring transaction, each CBOE Seat existing on the date of the restructuring transaction will immediately be converted into 80,000 shares of Class A common stock of CBOE Holdings.

Group A Participating Settlement Class Members. Each Participating Group A Settlement Class Member will be issued, immediately following the effectiveness of the Merger effecting the

restructuring transaction and as required by the Settlement Agreement, 18,774 shares of Class B common stock of CBOE Holdings for each Group A Package approved by the Delaware Court.

Immediate Conversion of Shares of Class A and Class B Common Stock into Shares of Class A-1 and Class A-2 Common Stock as a result of the Initial Public Offering. Upon completion of the initial public offering, each outstanding share of Class A common stock and Class B common stock automatically shall be converted into one-half of one share of Class A-1 common stock and one-half of one share of Class A-2 common stock. Because the initial public offering is anticipated to close concurrently with the completion of the restructuring transaction, both the Class A common stock issued in the restructuring transaction to CBOE Seat owners and the Class B common stock issued to Participating Group A Settlement Class Members pursuant to the Settlement Agreement will convert into shares of Class A-1 and Class A-2 common stock shortly following their respective issuances except to the extent converted into unrestricted common stock for purposes of being sold in the initial public offering. The Class A-1 and A-2 common stock shall have all the same rights and privileges as the Class A common stock; however, the Class A-1 and A-2 common stock will be issued subject to certain transfer restrictions that will apply for different durations following the initial public offering. For a description of these transfer restrictions, please see below.

Transfer Restrictions on CBOE Holdings Class A and Class B Common Stock. The board of directors of CBOE Holdings has determined to proceed with an initial public offering of its unrestricted common stock concurrently with the completion of the restructuring transaction. As a result, the shares of Class A and Class B common stock issued in the restructuring transaction and pursuant to the Settlement Agreement, respectively, and not converted into unrestricted common stock for purposes of being sold in the initial public offering, will convert into shares of Class A-1 and Class A-2 common stock shortly following their issuance. The CBOE Holdings board of directors has determined not to appoint any agent or to allow market trading of the Class A or Class B shares. As a result, such shares of Class A and Class B common stock will not be transferable in any manner and will convert automatically into shares of Class A-1 and Class A-2 common stock upon the closing of the initial public offering and become subject to the transfer restrictions discussed below.

Transfer Restrictions on the CBOE Holdings Class A-1 and Class A-2 Common Stock. The Class A-1 and Class A-2 common stock will be subject to the transfer restrictions or "lock-up restrictions" under CBOE Holdings' certificate of incorporation. These lock-up restrictions will expire on the Class A-1 and Class A-2 common stock as of the 180th and 360th day, respectively, following the closing date of the initial public offering. During each applicable lock-up period, shares of CBOE Holdings Class A-1 or Class A-2 common stock may not be directly or indirectly assigned, offered for sale, sold, transferred or otherwise disposed of, except pursuant to limited exceptions set forth in the CBOE Holdings certificate of incorporation, which provides for certain permitted transfers to affiliates, family members, qualified trusts and estates, as well as certain pledges and the potential transfer upon a *bona fide* foreclosure resulting therefrom under the circumstances set forth in CBOE Holdings' certificate of incorporation. Subject to possible extension in the event of an organized sale, as more fully set forth in this proxy statement and prospectus, upon the expiration of the applicable lock-up period with respect to the Class A-1 and Class A-2 common stock, such shares then scheduled to expire would automatically convert to unrestricted common stock that would be freely transferable.

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In addition to the restrictions described above, all shares of Class A-1 and Class A-2 common stock must be registered in the name of the owner and may not be registered in the name of any nominee or broker. The shares of Class A-1 and Class A-2 common stock will not have any value for margin or net capital purposes until such shares convert to unrestricted common stock and are freely tradeable.

Removal of Transfer Restrictions and Permitted Transfers. Pursuant to Article Fifth(d)(i) of the form of CBOE Holdings' certificate of incorporation, the board of directors of CBOE Holdings will remove the transfer restrictions associated with any shares of Class A or Class B common stock to be sold by owners of CBOE Seats and Participating Group A Settlement Class Members in the initial public offering and convert such shares into shares of CBOE Holdings' unrestricted common stock. Moreover, the board of directors of CBOE Holdings will remove the transfer restrictions associated with any shares of Class A-1 and Class A-2 common stock to be purchased by CBOE Holdings in the proposed tender offers.

Who Will Receive the Restructuring Consideration

The owner of each CBOE Seat will be issued CBOE Holdings Class A common stock in the restructuring transaction as described in this proxy statement and prospectus. All shares of Class A common stock not converted into unrestricted common stock for purposes of being sold in the initial public offering will convert into shares of Class A-1 and Class A-2 common stock automatically upon the closing of the initial public offering. Because we permit owners of CBOE Seats to lease their seats to other persons, it is possible that more than one person may have an interest in the same seat. For instance, during the term of a lease, the lessee is considered to be a member of the CBOE for trading purposes, although, under Delaware law, the owner of the CBOE Seat (or lessor) retains the equity right represented by the CBOE membership and is the member of the CBOE for purposes of ownership. The CBOE Holdings Class A common stock being issued in the restructuring transaction represents an equity interest in CBOE Holdings that is being issued in exchange for the former CBOE member's equity interest in the CBOE. The CBOE Holdings Class A common stock, therefore, will be issued to the owner of the CBOE Seat and not a lessee of a seat.

As a result of the approval by the SEC of the Eligibility Rule Filing and the Delaware Court's approval of the Settlement Agreement becoming final, there are no longer members of the CBOT who qualify to become or remain a member of the CBOE under Article Fifth(b). Accordingly, at the time of the restructuring transaction, there will be no exercise memberships outstanding to be converted in the restructuring transaction. The Participating Group A Settlement Class Members and Participating Group B Settlement Class Members as defined herein will not receive any consideration in the restructuring transaction or in the Merger effecting the restructuring transaction. The CBOE has agreed, pursuant to the Settlement Agreement, to make available a pool of Class B common stock to be paid to the Participating Group A Settlement Class Members. In addition, the CBOE has agreed to make available a pool of cash to be paid to the Participating Group A and Participating Group B Settlement Class Members. The Participating Group A Settlement Class Members and the Participating Group B Settlement Class Members will receive the settlement consideration described below pursuant to the terms of the Settlement Agreement and only immediately after the Merger effecting the restructuring transaction is complete. All shares of Class B common stock issued to the Participating Group A Settlement Class Members and not converted into unrestricted common stock for purposes of being sold in the initial public offering will convert into shares of Class A-1 and Class A-2 common stock automatically upon the closing of the initial public offering. For a discussion of the Settlement Agreement, please see " Exercise Right Settlement Agreement" on page 65.

Payment of Special Dividend

The CBOE Holdings board of directors has appointed a special committee for purposes of declaring a special dividend and has authorized the special committee to declare a dividend of \$1.25 per share of Class A and Class B common stock. The special dividend will be paid on the Class A and Class B common stock outstanding immediately following the completion of the restructuring transaction and the issuance of Class B common stock pursuant to the Settlement Agreement and will be paid immediately prior to the completion of the initial public offering. The committee may not declare or pay the special dividend unless the restructuring transaction is approved by a majority of the CBOE memberships entitled to vote and the Merger has been completed. As a result of the special dividend, each CBOE Seat owner will receive \$100,000 in respect of each CBOE Seat such member owns, and each Participating Group A Settlement Class Member will receive \$23,467.50 for each Group A Package approved by the Delaware Court.

Tender Offers

CBOE Holdings currently intends to make two tender offers, one for its shares of Class A-1 common stock and one for its shares of Class A-2 common stock. It is currently expected that each offer will be commenced between the 60th and 120th day after the closing of the initial public offering, and each will be conducted concurrently. It is expected that each offer will be made for the same aggregate dollar amount. CBOE Holdings anticipates that the aggregate dollar amount of the two tender offers, if fully subscribed, would roughly approximate the net proceeds of the initial public offering. We currently expect the price per share offered in the tender offers will approximate the prevailing market price for the unrestricted common stock at the time the offers are commenced. The timing and terms of each tender offer, including the price per share offered, however, are subject to the discretion of the CBOE Holdings board of directors. For purposes of conducting the tender offers, the board of directors of CBOE Holdings will remove the transfer restrictions associated with any shares of Class A-1 or Class A-2 common stock that it purchases, as permitted by Article Fifth(d)(i) of the form of CBOE Holdings certificate of incorporation. The purpose of the tender offers is both to provide liquidity to former owners of CBOE Seats during the term of the transfer restrictions associated with the shares of Class A-1 and A-2 common stock and to reduce the number of shares of our common stock outstanding following the restructuring transaction and the initial public offering. Although it is CBOE Holdings' intention to complete the tender offers as described above, the CBOE Holdings board of directors may determine not to launch, or to reduce the size of, the tender offers as a result of market conditions, our operating results or outlook or other developments following the initial public offering. As such, there can be no assurance that the tender offers will occur at all or as described in this proxy statement and prospectus.

Organized Sales

CBOE Holdings will have the right to conduct organized sales of the Class A-1 and A-2 common stock of CBOE Holdings when the transfer restriction period applicable to the shares of Class A-1 and A-2 common stock of CBOE Holdings is scheduled to expire. The purpose of this right is to enable CBOE Holdings to facilitate a more orderly distribution of its common stock into the public market. If CBOE Holdings elects to conduct an organized sale, no shares of the Class A-1 or A-2 common stock of CBOE Holdings for which transfer restrictions are scheduled to lapse may be sold during the applicable transfer restriction period, which may be extended to the extent such organized sale is still being conducted, except as part of the organized sale or in a permitted transfer. Holders of the Class A-1 or A-2 common stock may elect to participate in such organized sale but are not required to do so.

If CBOE Holdings completes an organized sale, no shares of the Class A-1 or A-2 common stock of CBOE Holdings for which transfer restrictions are scheduled to lapse may be sold until the 91st day

after the later of the expiration of the related transfer restriction period and the completion of the organized sale, except as part of the organized sale or in a permitted transfer.

For a discussion of organized sales and the procedures to be followed in the event CBOE Holdings determines to conduct an organized sale, please see "Description of CBOE Holdings Capital Stock Organized Sales" on page 185.

Effect of the Restructuring Transaction on Trading Access

In the restructuring transaction, all memberships in the CBOE and the trading rights they represent will be cancelled when the CBOE Seats are converted into shares of Class A common stock of CBOE Holdings. The CBOE Holdings common stock issued in the restructuring transaction will not provide the holder with any right to have physical or electronic access to the CBOE's trading facilities. Following the restructuring transaction, physical and electronic access to the trading facilities of the CBOE, subject to such limitations and requirements as will be specified in the Rules of the CBOE, will be available to individuals and organizations that have obtained a trading permit from the CBOE. For more information regarding trading access following the restructuring transaction, please see " Trading Permits" below. In addition, effective upon completion of the restructuring transaction, each lease of a CBOE Seat will be voided, by operation of law or rule, and the lessee members will cease to have any trading rights under the lease after termination. Members who currently lease their seats, however, will have the opportunity to apply for a trading permit following the restructuring transaction. In addition, CBOE Temporary Members and holders of interim trading permits immediately prior to the restructuring transaction will have the opportunity to apply for a trading permit on the same terms and conditions as are offered to owners of CBOE Seats. See " Trading Permits" below.

In the restructuring transaction, all CBOE Seats existing on the date of the restructuring transaction will be converted into CBOE Holdings Class A common stock, and the concept of a "member" of the CBOE under Delaware law (i.e., as a holder of equity) will cease to exist. The concept of "member" and "member organizations" of the CBOE for purposes of the Exchange Act, however, will continue to exist after the restructuring transaction (generally including individuals and organizations that have direct access to the CBOE as a result of obtaining a trading permit in the CBOE). Such individuals or organizations, however, will not, by virtue of being a "member" for purposes of the Exchange Act, be an equity owner of CBOE Holdings or any of its subsidiaries. Instead, such individuals and organizations will hold trading permits at the CBOE and, therefore, will be subject to the Rules and policies of the CBOE. Following the restructuring transaction, we will refer to these individuals and organizations as "Trading Permit Holders."

Trading Permits

Trading Permits Following the Restructuring Transaction. Prior to the date of the restructuring transaction, the CBOE will conduct an application process for post-restructuring trading permits in accordance with procedures to be established by the CBOE. The CBOE will notify the membership of these procedures prior to the commencement of the application process.

Eligible Applicants. Any person or firm that is a member, CBOE Temporary Member or interim trading permit holder with trading privileges on the CBOE and any person or firm approved for membership and eligible to have trading privileges on the CBOE may apply for one or more post-restructuring trading permits in the initial application process.

Applicants Guaranteed to Receive Initial Trading Permits. Provided an applicant is in good standing as of the date of the restructuring transaction and complies with the application

procedures established by the CBOE, the applicant will be guaranteed to receive a trading permit immediately following the restructuring transaction for:

- (1) each membership not subject to an effective lease as of the date of the restructuring transaction that is owned by the applicant;
- (2) each membership that is leased by the applicant as a lessee as of the date of the restructuring transaction;
- (3) each trading permit issued by the CBOE prior to the restructuring transaction that is held by the applicant; and
- (4) each temporary membership that is held by the applicant.

Accordingly, every individual or firm with trading privileges on the CBOE that is in good standing with the CBOE immediately prior to the restructuring transaction will be entitled, by obtaining a permit as described above, to continue to have access to the trading facilities of the CBOE immediately following the restructuring transaction in substantially the same manner that they currently have, provided they continue to meet the requirements for access. An individual or firm that is guaranteed to receive a trading permit immediately following the restructuring transaction that does not apply to receive a new permit at the time of the restructuring transaction will not receive any priority if the individual or firm should return and seek a permit at a later date.

Lessors with memberships that are subject to an effective lease as of the date of the restructuring transaction will not be guaranteed to receive a post-restructuring trading permit, and a lessor will not be eligible to apply for post-restructuring trading permits unless that lessor is eligible to have trading privileges on the CBOE.

Allocation of Remaining Initial Trading Permits. In the event there are trading permits available after the allocation of permits pursuant to the guarantee described above, those remaining trading permits may be allocated to applicants through a random lottery process. Applicants for these remaining trading permits may include persons or firms that are guaranteed to receive one or more initial trading permits and which have applied for a greater number of initial trading permits than they are guaranteed to receive, as well as any applicants that were not guaranteed to receive initial trading permits. Each of the remaining applicants together with its affiliates shall be eligible to receive no more than the greater of 10 permits of each type or 20% of the initial trading permits of each type allocated through the random lottery process, if the demand for initial trading permits exceeds the available number.

Types of Trading Permits. The CBOE may issue different types of trading permits for different purposes. For example, permits may differ based on whether the holder is a market maker, floor broker or order flow providing firm. Permits may also vary based on the product being accessed or other factors that the CBOE determines in the future.

The initial types of trading permits that CBOE currently plans to issue following the restructuring transaction are a market maker permit, a floor broker permit, an electronic access permit, and a CBSX permit. The market maker permit would be available to market makers (including market makers trading remotely), designated primary market makers (DPMs), electronic DPMs, and lead market makers. The floor broker permit would be available to floor brokers requiring physical access to the trading floor. The electronic access permit would be available to clearing firms, firms approved to transact business with the public, firms and individuals engaged in proprietary trading and order service firms. Permit holders would also be able to purchase additional bandwidth from CBOE above the allowance provided by their trading permits. CBSX

permits are described below. These initial permit types remain subject to change and any changes in permit types would be announced prior to becoming effective.

CBSX Trading Permits. The initial CBOE trading permits will grant the holder the ability to effect transactions on both CBOE and CBSX, as is the case with current CBOE memberships. CBOE will also make available post-restructuring CBSX trading permits that provide the ability to effect transactions solely on CBSX. If an applicant receives an initial CBOE trading permit, such applicant will not need to obtain a CBSX trading permit to have trading privileges on CBSX. CBSX trading permits will be made available through the same application process that will be used for CBOE trading permits and each current holder of a CBSX trading permit will be guaranteed to receive a post-restructuring CBSX trading permit through that application process, provided the applicant is in good standing as of the date of the restructuring transaction and complies with the application procedures established by the CBOE.

Number of Trading Permits. As of December 31, 2009, CBOE had 1,047 authorized memberships consisting of 930 CBOE Seats, 67 CBOE Temporary Members, and 50 interim trading permits (38 of which were in use on December 31, 2009). There were also 97 CBOE members with trading access to CBSX and 62 CBSX trading permit holders as of December 31, 2009. It is currently expected that not fewer than 1,025 permits will be made available at the time of the restructuring transaction. The CBOE also will have the ability to increase, decrease or limit the number of trading permits following the restructuring transaction. The ability to decrease or limit the number of trading permits is currently subject to a statutory requirement that the CBOE make available a minimum of 1025 total permits. Furthermore, in the case of a decrease or limit in the number of permits, the CBOE will be restricted from eliminating or reducing the ability to trade one or more product(s) of a Trading Permit Holder then trading those product(s), and from eliminating or reducing the ability to act in one or more trading function(s) of a Trading Permit Holder then acting in those trading function(s), unless the CBOE is permitted to do so pursuant to a rule filing submitted to the SEC.

Duration. The initial trading permits will become effective upon the closing of the restructuring transaction. The initial term of the trading permits will expire at the end of the calendar month in which the restructuring transaction is completed. The trading permits will automatically renew thereafter for successive calendar months. Please see "Renewal" below for more information on renewal or termination of the trading permits. In the future, the CBOE may issue trading permits that will be valid for longer terms, such as one, three or twelve calendar months. The CBOE may also modify the duration of trading permits depending on various considerations including demand.

Pricing. The initial trading permits will be issued at monthly rates established by the CBOE and filed with the SEC.

The CBOE will determine the prices of trading permits from time to time and announce those prices to the Trading Permit Holders prior to any such change in rate becoming effective and prior to the date by which a Trading Permit Holder would need to notify the CBOE that the holder desires to terminate the permit prior to its automatic renewal. Prices of trading permits may vary based on, for example, whether a person is a liquidity provider or whether a person has floor access. Additionally, the CBOE may apply a surcharge for permits providing access to certain products. Prices for trading permits, however, will be the same for all permits of the same type, regardless of whether the person holding the permit had been a member of the CBOE prior to the restructuring transaction or whether such person is a new Trading Permit Holder.

The initial permit fees that CBOE currently plans to assess are \$7,500 per month for market maker and floor broker permits, \$2,000 per month for electronic access permits, and no permit fee for CBSX permits. CBOE currently plans to discount these permit fees by 20% through the end of

2010. CBOE currently anticipates initially charging \$3,750 per month for quoting and order entry bandwidth packets and \$2,000 per month for order entry bandwidth packets and also discounting these fees by 20% through the end of 2010. Additionally, as further described below with respect to "tier appointments," CBOE currently intends to initially assess a \$3,000 per month surcharge to market makers that trade S&P 500 Index (SPX) options. CBOE currently plans to begin assessing these fees on the first day of the month following the month in which the restructuring transaction is completed.

An organization holding a trading permit in its name will be responsible for paying all fees and charges for that trading permit. An individual holding a trading permit in his or her name will be responsible for paying all fees and charges for that trading permit.

Renewal. Prior to the expiration of a trading permit, the Trading Permit Holder may notify the CBOE that the holder is terminating the trading permit or may file an application with the CBOE to change the trading permit to a different type of trading permit. If the Trading Permit Holder does not take either of these actions, the holder's trading permit will be automatically renewed for the same period of time as the expiring permit. In renewing trading permits, the CBOE may issue one or more trading permits that represent the same or more trading rights as the expiring permit.

Eligible Holders. Any individual or organization wishing to obtain a trading permit following the restructuring transaction will be subject to applicable regulatory requirements under the CBOE Rules. Permits will be issued to organizations and individuals approved by the CBOE to hold a trading permit ("qualified persons").

Inactive Nominees. The CBOE will continue the status of inactive nominees so as to allow firms to have nominees who can rotate on and off permits. All inactive nominees registered as such in the CBOE Membership System on the day prior to the restructuring transaction will have their inactive status continued automatically (assuming their affiliated firm receives a trading permit), unless the inactive nominee or their affiliated firm provides the CBOE with prior written notice of termination of the inactive nominee status effective on or prior to the restructuring transaction. Immediately following the restructuring transaction, inactive nominees will continue to be assessed fees to maintain their status, generally equivalent to those being assessed immediately prior to restructuring transaction. The CBOE may determine in the future to increase, decrease, waive or eliminate the fees assessed with respect to inactive nominees. Any such determination will be communicated to the Trading Permit Holders.

Access to Related Exchanges. The trading permits issued by the CBOE will also provide the Trading Permit Holder with trading access to OneChicago, LLC (OneChicago). However, trading access to CBOE Futures Exchange (CFE) and C2, the proposed second options exchange to be wholly owned by CBOE Holdings, Inc., will be provided through separate trading permits issued by CFE and C2, respectively. The trading permits issued by CBOE will not provide access to CFE and C2.

Ability to Transfer or Assign. Trading permits will only be issued by the CBOE and cannot be leased or transferred to any person under any circumstances, except as follows: a firm may change the designation of the nominee in respect of each trading permit it holds in a form and manner prescribed by the CBOE. In addition, a Trading Permit Holder may, with the prior written consent of the CBOE, transfer a trading permit to a firm that is or is qualified to become a Trading Permit Holder (i) which is an affiliate or (ii) which continues substantially the same business of that Trading Permit Holder without regard to the form of the transaction used to achieve such continuation, for example, a merger, sale of substantially all assets, reincorporation, reorganization or the like.

Additional Issuances. From time to time, the CBOE in its discretion may determine to make available additional permits of one or more types. In connection with such an issuance, a qualified

person and any affiliated qualified person are eligible to receive no more than the greater of (i) 10 of the trading permits in that specific issuance or (ii) 20% of total number of any specific issuance of trading permits. This limit, however, would not apply in the event the issuance number of the trading permits exceeds the demand for the trading permits. In the event the demand for trading permits exceeds the issuance number, trading permits will be made available through a random lottery process or on a first-come, first-served basis.

Appointment Process. Following the restructuring transaction, the CBOE intends to keep the existing appointment process (e.g., class quoting and appointment costs) specified in the CBOE Rules. The CBOE also will have the authority to issue various types of trading permits that will allow Trading Permit Holders to: (i) act in one or more of the trading functions permitted under the CBOE's Rules (e.g., floor broker, market maker, etc.); and (ii) subject to the appointment process (e.g., class quoting limits and appointment costs) in the Rules, to trade one or more of the securities permitted to be traded on the CBOE. Under this provision, for example, the CBOE would have the authority to issue trading permits that will allow applicants to act as specific types of liquidity providers in particular options classes.

Tier Appointments. CBOE may also create a new type of appointment called a "tier appointment." A "tier appointment" is an appointment to trade one or more options classes that must be held by a market maker to be eligible to trade the options class or options classes subject to that appointment. CBOE currently plans to have one initial type of tier appointment for market makers that trade SPX options. The application and issuance processes for tier appointments will be in accordance with, and subject to the same terms and conditions as, the application and issuance processes for trading permits as described above. A tier appointment will be for the same term as the trading permit with which the tier appointment is associated. Termination, change, renewal, and transfer of tier appointments, and the authority of the CBOE to limit, reduce, or increase tier appointments, will also be in accordance with, and subject to the same terms and conditions as, the processes for trading permits as described above. Tier appointments will be in addition to the current appointment cost process under the CBOE Rules, which will remain unchanged in connection with the restructuring transaction. As with trading permits, the CBOE will from time to time determine and announce to the members the price of each tier appointment, and the prices may vary by tier appointment.

Other Rules. The other CBOE Rules applicable to trading permits will be substantially similar to those in place today with respect to memberships.

Trading Access Rules Subject to SEC Approval. Before the CBOE Rules related to access go into effect, they must be approved by the SEC. Accordingly, the CBOE Rules related to access as finally adopted may differ from those described above. The CBOE's program for providing trading access following the restructuring transaction will be in accordance with the CBOE's Rules as in effect at that time. Before any changes to the CBOE Rules related to access go into effect, they must first be published for comment and then approved by the SEC.

Amendments to the CBOE Certificate of Incorporation, Constitution and Bylaws

As part of the restructuring transaction, the bylaws and certificate of incorporation for the CBOE will be amended and restated to reflect the new holding company structure, certain technical amendments required as a result of converting from a membership organization to a stock corporation and to change the capital structure and governing structure contained in such documents. The amended and restated bylaws of the CBOE will replace the CBOE's current Constitution, and following the restructuring transaction, the CBOE's amended and restated bylaws will no longer include the CBOE Rules. Please review carefully all the terms and conditions of the amended and restated bylaws and certificate of incorporation of not only the CBOE, but also CBOE Holdings. We have included the form of amended and restated certificate of incorporation for CBOE Holdings and form of amended

and restated bylaws for CBOE Holdings in this proxy statement and prospectus as Annex C and D, respectively. The form of certificate of incorporation of the CBOE and form of amended and restated bylaws of the CBOE are also included in this proxy statement and prospectus as Annex E and F, respectively.

Some of the more significant provisions of the CBOE and CBOE Holdings certificates of incorporation and bylaws are summarized below. For additional information on capital stock and corporate governance of the CBOE and CBOE Holdings, see "Comparison of Rights Prior to and After the Restructuring Transaction" on page 194.

Capital Stock. Pursuant to its certificate of incorporation, CBOE Holdings is authorized to issue (i) 325,000,000 shares of unrestricted common stock, par value \$0.01 per share, (ii) 74,400,000 shares of Class A common stock, par value \$0.01 as per share, (iii) 45,366,690 shares of Class A-1 common stock, \$0.01 par value per share, (iv) 45,366,690 shares of Class A-2 common stock, \$0.01 par value per share, (v) 16,333,380 shares of Class B common stock, \$0.01 par value per share, and (vi) 20,000,000 shares of preferred stock. After the restructuring transaction, the CBOE will be authorized to issue 1,000 shares of common stock, par value \$0.01 per share. All CBOE shares will be held by CBOE Holdings.

Voting Rights. After the restructuring transaction, you will hold ownership interests in CBOE Holdings and not the CBOE. These new ownership interests will entitle you to vote on matters pertaining to CBOE Holdings. You will no longer vote on matters at the CBOE. CBOE Holdings, as the sole stockholder of the CBOE, will have the right to vote generally with respect to CBOE matters, including for the election of directors and on other matters as required by the bylaws, certificate of incorporation and the law of the State of Delaware. As a voting stockholder of CBOE Holdings, you will be entitled to vote, along with all other holders of CBOE Holdings voting common stock generally, with respect to CBOE Holdings matters, including for the election of directors and on other matters required by the bylaws, certificate of incorporation or the laws of the State of Delaware.

Voting Limitations. No person, together with its related persons, may vote or cause to vote more than 20% of the voting power of CBOE Holdings without the prior approval of the board of directors of CBOE Holdings and, in certain circumstances, the SEC. This limitation is described in more detail below at "Description of CBOE Holdings Capital Stock" on page 178.

Ownership Limitations. No person, together with its related persons, may directly or indirectly beneficially own more than 20% of the outstanding shares of common stock of CBOE Holdings without the prior approval of the board of directors of CBOE Holdings and, in certain circumstances, the SEC. For additional information about this limitation and additional information about the capital stock of CBOE Holdings, see "Description of CBOE Holdings Capital Stock" on page 178.

Board of Directors. There will be a separate board of directors for each of the CBOE and CBOE Holdings. Because there is currently an off-floor director vacancy on the CBOE board that is expected to remain as a vacancy until the effective time of the restructuring transaction, the CBOE board currently has 22 directors. After the restructuring transaction, the CBOE board will be reduced to 22 members and will consist of the same 22 directors who are serving on the board immediately prior to the restructuring transaction. The CBOE Holdings board will have the same 22 directors. At all times, the CBOE Holdings board will consist of the CBOE Holdings' chief executive officer and 21 other directors, no less than two-thirds of whom will at all times meet the independence requirements of CBOE Holdings and those established by the New York Stock Exchange and NASDAQ Stock Market. The CBOE board will consist of the CBOE's chief executive officer, as well as non-industry directors making up at least a majority of the board and industry directors making up at least 30% of the board, as each of those director classifications is defined in the applicable bylaws and certificate of incorporation. Failure of a director to maintain the categorical requirements of either a non-industry or an industry director may result in the director's removal from the board. Directors of each of the

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CBOE and CBOE Holdings will be elected by a plurality of votes. The CBOE board will no longer be a classified board with staggered terms of office. Rather, each director will serve for one year or until his or her successor is elected and qualified. Directors of CBOE Holdings will also serve for one year or until a successor is elected and qualified. There is no limit on the number of terms a director may serve on either board.

Nomination of Directors. After the restructuring transaction, the Nominating and Governance Committee of the CBOE will be comprised solely of board members and will nominate all directors for election at the CBOE. It is currently anticipated that the members of the Nominating and Governance Committee of the CBOE will be the same as the members of the Nominating and Governance Committee of CBOE Holdings. At the CBOE, however, the Nominating and Governance Committee will have an Industry-Director Subcommittee, which will consist of all of the industry directors serving on the Nominating and Governance Committee. The Industry-Director Subcommittee shall select industry directors that equal at least 20% of the directors serving on the board of the CBOE. For a discussion of the nomination procedures at each of CBOE Holdings and the CBOE, please see "Directors and Management of the CBOE And CBOE Holdings After the Restructuring Transaction Committees of the CBOE Holdings Board of Directors Nominating and Governance Committee" on page 148.

Exercise Right. As part of the restructuring transaction, the certificate of incorporation of the CBOE will be amended to remove Article Fifth(b) as it would no longer be applicable to a demutualized CBOE. In any event, as a result of the CME/CBOT Transaction and the approval by the SEC of the Eligibility Rule Filing and the Delaware Court's approval of the Settlement Agreement becoming final, there no longer are members of the CBOT who qualify to become a member of the CBOE under Article Fifth(b). Following the restructuring transaction, there will no longer be any reference in the CBOE certificate of incorporation to the Exercise Right described in the former certificate of incorporation of the CBOE.

Amendments to the CBOE Rules

In addition to the changes to the CBOE's Constitution, certificate of incorporation and bylaws, as part of the restructuring transaction, the CBOE's Rules will be amended:

to reflect that access to the CBOE's trading facilities will be made available through the issuance of trading permits as described in the section " Trading Permits" above and to clarify the CBOE's regulatory authority over trading permits and trading permit holders;

to establish a new type of appointment called a "tier appointment" as described in the section " Trading Permits" above;

to make technical, conforming changes to reflect the restructuring transaction and the issuance of trading permits (for example, to replace the term "member" throughout with the term "trading permit holder" to reflect that ownership will be separated from trading access following the restructuring transaction, and to delete the reference