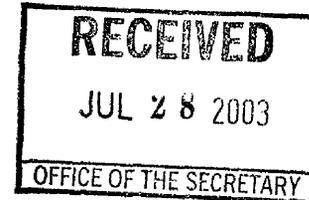


VIA FEDEX

July 25, 2003

Secretary
Securities and Exchange Commission
450 Fifth Street NW
Washington, DC 20549-0609

Re: Release No. 34-48115; SR-CBOE-2003-24

Dear Secretary:

The Chicago Board Options Exchange, Inc. ("CBOE") proposes to issue a Regulatory Circular to its membership setting forth a clarifying interpretation to CBOE Rule 12.3, *Margin Requirements*, relating to margin requirements for certain complex option spreads. ABN AMRO Incorporated ("AAI") welcomes this opportunity to submit this comment letter to the Commission in support of CBOE's Regulatory Circular.¹

AAI, among other matters, clears and carries the accounts of options customers engaged in effecting complex option spreads. As a result, the clarification of the margin requirements for complex option spread positions is important to the business interests of AAI.

AAI believes that certain **complex** option spreads (as specified in CBOE's proposed Regulatory Circular) are the equivalent of combining two or more spreads that **are** currently recognized in the margin rules of the CBOE and of other self-regulatory organizations. These complex spreads can be shown to equate to aggregations of two or more currently recognized spreads, having the same profit/loss and risk potential, whether established outright or through netting of offsetting contracts. AAI has independently considered the characteristics of the complex spreads CBOE describes in **its** proposed Regulatory Circular, and agrees with CBOE's portrayal of those characteristics.

AAI concurs with the CBOE that the complex **spreads** in question are simply another way of expressing a collection of two or more basic option spreads (i.e., the butterfly spread, the **box** spread, and the time spread) already covered under the margin rules. AAI believes that the appropriate margin for each complex spread is no more than the total of the margin for the various combined recognized spreads, in that the applicable rules already provide a margin requirement for each recognized spread in the equivalent aggregation. This is the treatment that CBOE's proposed Regulatory Circular so clearly sets forth.

AAI further agrees with the CBOE's statement that the complex spread margin requirements are reasonably implied by, and are a logical extension of, the current margin rules. AAI believes that the proposed Regulatory Circular is consistent with the requirements of the Securities Exchange Act of 1934.

¹ ABN AMRO Incorporated is a full service broker/dealer and CBOE member that offers execution and clearing services to its customers, which include non-member broker/dealers.

Secretary
Securities and Exchange Commission
July 25, 2003
Page Two

We urge the Commission to promptly approve the issuance of CBOE's **proposed** Regulatory Circular. The issuance of the Regulatory Circular will resolve ambiguity concerning the appropriate margin treatment for these **complex spreads**. This resolution will benefit **all** market participants for whom options are an important **part** of their investment programs.

Sincerely,



Patrick K. Blackburn
Executive **Vice** President