



EXECUTE SUCCESS™

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Via Electronic Submission

Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F. Street NE.  
Washington DC, 20549-1090

Re: File No. 10-209 (Topaz Exchange Form 1 Application)

Dear Ms. Murphy:

The Chicago Board Options Exchange, Incorporated (“CBOE”) hereby submits comments regarding the captioned Form 1 application for registration as a national securities exchange by Topaz Exchange, LLC. We understand that the proposed exchange will be called ISE Gemini. In this letter we will refer to it as “Topaz”. We recognize that the proposed Topaz rules are virtually identical to the rules of the International Securities Exchange, LLC (“ISE”), and that, therefore, very few unique and significant issues are presented in connection with the Securities and Exchange Commission’s (“Commission”) review. Nevertheless, we raise the following points for Commission consideration.

CBOE presumes that the wholesale copying of ISE rules by Topaz would be subject to the same considerations given to rule filings by exchanges seeking to copy rules in place at other exchanges. In some cases, added transparency and detail to rule language being copied could be beneficial and appropriate, especially with respect to rules involving order handling, auction, and execution processes.

Additionally, CBOE believes that one rule in particular requires clarification and greater explanation or detail. CBOE finds proposed Topaz Rule 712 (Submission of Orders and Clearance of Transactions) vague and unclear. For example, Rule 712(b) states that every Clearing Member shall be responsible for the clearance of the transaction of each Member who gives up the Clearing Member pursuant to a letter of authorization, letter of guarantee or *other*

*guarantee* given by such Clearing Member to such Member, *which authorization must be submitted to the Exchange*. It is not clear from this language however, whether or not Topaz will require some form of written authorization between a Clearing Member and Member in order for a Member to give up a particular Clearing Member. Topaz should be required to clarify what is required of Members under this rule and provide greater detail. Additionally, if written authorization will not be required, Topaz should be required to clarify whether a Clearing Member will have the ability to reject a trade it is given up on and if so, explain how that process would work.

Please feel free to contact Corinne Klott at 312-786-7793 should you have any questions regarding this letter.

Sincerely,



Angelo Evangelou

cc: Heather Seidel  
Richard Holley III