As a retail options trader for over 30 years, I would like to commend the Commission on its appropriate and well reasoned options fee cap proposal.

Accordingly, I believe that this proposal should apply as well to all unlinked proprietary options products, such as the CBOE's S&P 500 index options contract, or SPX.

In a Bloomberg News story (*CBOE Intends to Fight SEC Plan to Cap Options Trades, April 29, 2010,*) CBOE Vice Chairman Edward Tilly mocked the SEC proposal as "...way too simple." Moreover, in a Financial Times article (*CBOE Criticises Proposed Cap on Options Fees, April 30, 2010,)* CBOE Chairman Bill Brodsky was dismissive of the SEC's reasoning in applying the proposal to proprietary products.

Obviously, the CBOE will present all types of legal contortions and theories for its case.

Yet in practice, with respect to cost and pricing clarity, the SEC fee cap proposal is clearly beneficial to the public investor accessing either an unlinked proprietary options contract or a linked multiply listed options contract.

Moreover, I believe that the proposed SEC fee caps will harmonize the transactional costs for either trading linked multiply listed options or unlinked proprietary options -- even if the SEC proposal does not address the serious issue of the hidden "trading costs" (such as, wider bid/ask spreads) associated with non-competitively traded, unlinked proprietary option products.

In addition, I would argue that for the overall benefit and protection of the public investor: The scope of SEC rules regarding the *public* and the market -- in this case, fee caps for accessing options markets -- should not be preempted or subordinated because of *private* agreements between exchanges and index providers.

Apparently, the CBOE believes that its private licensing agreements granted from S&P should somehow exempt its unlinked proprietary products from an SEC proposal which is designed to benefit the investing public.

Indeed, the CBOE's licenses allows it to exclusively list certain products. Additionally, the CBOE's licenses has also allowed it to exclusively determine and control the *unique* price discovery dynamics of these products (all SPX price quotations still must only originate from its floor pit.)

However, the SEC should not allow the CBOE to use its private licensing agreements to usurp, or to game, SEC rules to the obvious detriment of the public investor; specifically in this case, rules regarding costs and pricing clarity in accessing the options market.

Therefore, if the SEC acquiesces on fees caps as a result of pressure from the CBOE, it would effectively -- and dangerously -- expand the "rights" of these private S&P licensing agreements well beyond their intended scope.

In conclusion, the SEC should implement this proposal as soon as possible; and accordingly, place the interests of the investing public above the CBOE's concern for its own balance sheet and income statement. Moreover, the prospect of a 30 cent fee -- flowing *exclusively* to any exchange listing an unlinked proprietary product -- will certainly still be an incentive, and not an impediment, to innovation.

Thank you for your time and consideration.

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