March 15, 2007

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Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Attn: Nancy M. Morris, Secretary

Re: ***File Number: SR-CBOE-2006-106***

Ladies and Gentlemen:

On behalf of the Chicago Board of Trade ("CBOT"), we submit this letter in connection with the Chicago Board Options Exchange, Inc.'s ("CBOE") proposed rule change (SR-CBOE-2006-106) (the "Proposed Rule Change") filed with the Securities and Exchange Commission ("SEC" or "Commission"), and our objections to the Proposed Rule Change that we made in our letters of December 22, 2006, January 31, 2007 and February 27, 2007. The purpose of this letter is to report on very recent developments in the Delaware courts that further support CBOT's position that the SEC should not approve the Proposed Rule Change, and should allow the state law issues that go to the heart of this matter to be adjudicated before the Delaware Court of Chancery (the "Delaware Court"), which is the proper forum for their resolution.[1] Notwithstanding the closing of the comment period on the Proposed Rule Change, we ask that you consider these developments, which occurred after the close of the comment period, in your deliberations on the Proposed Rule Change.

By letter dated March 9, 2007, the CBOE submitted a request to the Delaware Court in the Delaware Action for a seriatim briefing schedule on CBOE's motion to dismiss or stay CBOT's second amended complaint, and CBOT's motion for partial summary judgment. CBOE argued that "federal preemption precludes state court litigation over interpretation of a membership rule of a national securities exchange" and that the Delaware Court was required to consider this "threshold issue." CBOT opposed the CBOE's request, arguing in a March 13 letter that its right to relief was based largely on "a clear contractual claim that can be decided as

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[1] *CBOT Holdings, Inc., et al. v. Chicago Board of Options Exchange, Inc., et al.*, C.A. No. 2369-N (the "Delaware Action"). The matters in controversy before the Delaware Court are more fully explained in CBOT's prior correspondence on the Proposed Rule Change.

a matter of [state] law" and that CBOE was seeking to delay the Delaware Action while proceeding "full speed ahead" on its demutualization and the Proposed Rule Change. That same day, the Delaware Court rejected CBOE's request for seriatim briefing, stating that such briefing was "not appropriate" and citing, among other things, the potential for delay that seriatim briefing could cause. Copies of relevant correspondence are attached hereto as Exhibit A.

We bring this matter to the Commission's attention to show that the Delaware Court, by its actions, has demonstrated that it intends to bring the Delaware Action to an early decision, and that Commission action not to approve the Proposed Rule Change under these circumstances is all the more appropriate and consistent with the Securities Exchange Act of 1934 and the public interest. We note further that the CBOE's request for seriatim briefing, and its justifications for its request, further demonstrate the CBOE's overall strategy to use the SEC's self-regulatory organization rulemaking process to deny CBOT its right to a full and fair adjudication of its state law claims in the Delaware Action.

Thank you for your consideration of the foregoing. If you have any questions, please contact the undersigned at (202) 263-3219 or Kathryn McGrath at (202) 263-3374.

Sincerely,

Charles M. Horn

Attachment

cc: The Honorable Christopher Cox, Chairman
The Honorable Paul S. Atkins, Commissioner
The Honorable Roel C. Campos, Commissioner
The Honorable Kathleen L. Casey, Commissioner
The Honorable Annette L. Nazareth, Commissioner

Brian G. Cartwright, Esq., SEC General Counsel
Janice Mitnick, Esq., SEC Assistant General Counsel for Market Regulation
Elizabeth King, SEC
Katherine England, SEC
Richard Holley, SEC
Johnna Dumler, SEC
Joanne Moffic-Silver, CBOE
Patrick Sexton, CBOE
Gordon Nash, Counsel for Plaintiff Class in the Delaware Action

EXHIBIT A

COURT OF CHANCERY
OF THE
STATE OF DELAWARE

JOHN W. NOBLE
VICE CHANCELLOR

417 SOUTH STATE STREET
DOVER, DELAWARE 19901
TELEPHONE: (302) 739-4397
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March 13, 2007

Kenneth J. Nachbar, Esquire
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Wilmington, DE 19899-1347

Andre G. Bouchard, Esquire
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Samuel A. Nolen, Esquire
Richards, Layton & Finger, P.A.
One Rodney Square
P.O. Box 551
Wilmington, DE 19899-0551

Re: CBOT Holdings, Inc. v. Chicago Board Options Exchange, Inc., et al.
C.A. No. 2369-VCN

Dear Counsel:

I share Mr. Nachbar's view, as set forth in his letter of earlier today, that seriatim briefing of the two pending motions is not appropriate. I come to this conclusion because of (1) the potential for delay if the briefing is done in sequence; (2) my preference not to subject Chicago counsel to unnecessary air travel; and (3) my view that one (although potentially long) oral argument to address both motions would be more efficient.

With this guidance, I trust that counsel will be able to agree upon an appropriate schedule for the briefing of both motions.

Very truly yours,

/s/ John W. Noble

JWN/cap
cc: Register in Chancery-NC

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March 13, 2007

BY E-FILING

The Honorable John W. Noble
Court of Chancery of the State of Delaware
417 South State Street
Dover, DE 19901

Re: CBOT Holdings, Inc. et al. v. Chicago Board Options Exchange, Inc., et al., C.A. No. 2369-VCN

Dear Vice Chancellor Noble:

I write on behalf of all plaintiffs in response to Mr. Nolen's letter of March 9, 2007 concerning scheduling of briefing on plaintiffs' Motion for Partial Summary Judgment ("the Motion for Summary Judgment") and defendants' Motion to Dismiss or Stay the Second Amended Complaint (the "Motion to Dismiss or Stay").

This case involves the question of what rights so-called "Eligible CBOT Full Members" have in connection with the pending reorganization of defendant Chicago Board of Options Exchange, Inc. ("CBOE"). CBOE's Charter and the related contracts require that such Eligible CBOT Full Members will be treated equally with all other members of the CBOE. Yet, CBOE has approved, and is moving forward with, a restructuring transaction in which certain members of CBOE will receive stock in a new holding company and Eligible CBOT Full Members, including those who have exercised their rights and have been members of the CBOE for many years, will receive literally nothing – their membership interests will simply disappear. CBOE has filed a 147-page Registration Statement for the shares to be issued in the restructuring transaction detailing the terms of the transaction, including the unequivocal representation that "our Board of Directors has approved the Restructuring Transaction." Yet, CBOE asserts to this Court that the Restructuring is "an inchoate transaction whose terms have not been fixed." A

copy of the Q & A that CBOE has posted on its website concerning the Restructuring is attached hereto as Exhibit A. The Court can conclude for itself whether the transaction is "inchoate."[1]

On January 4, 2007, with leave of Court, plaintiffs filed a Second Amended Complaint alleging that the Restructuring Transaction violates CBOE's charter and plaintiffs' contract rights, and that the CBOE directors breached fiduciary duties to plaintiffs by approving a transaction that results in their interests being appropriated, for no consideration whatsoever. The Second Amended Complaint also included a request for injunctive relief to prevent irreparable harm to the plaintiff class as a result of those breaches.

Plaintiffs filed a Partial Motion for Summary Judgment on January 11, 2007, and a brief in support of that motion on February 28, 2007. Defendants filed a Motion to Dismiss or Stay the Second Amended Complaint on January 16, 2007, and filed an opening brief in support of that motion on February 22, 2007.

The parties have tried without success to establish an acceptable briefing schedule. Plaintiffs proposed that the parties' motions be briefed simultaneously. Such a schedule would be fair to both sets of parties, since each set of parties will be required to file an answering brief in opposition its opponents' motion, and then a reply brief in support of its own motion. Requiring answering and reply briefs for the two motions on identical schedules is fair to both sets of parties, since each must file an answering brief and a reply brief.

Defendants obviously prefer delay. They previously sought to shut down this action pending the outcome of a putative special committee process that has since been abandoned. Now, they have adopted a new pretext to propose suspending immediately all activity in the case pending briefing on their motion (thereby effectively granting the stay portion of their motion without briefing or argument), and to file a brief addressing the merits of plaintiffs' motion only 30 days after their own motion has been briefed, argued, decided, and all interlocutory appeal rights have been exhausted. That will be months from now, at the earliest. Notably, defendants do not offer to suspend their "inchoate" Restructuring Transaction until plaintiffs' motion has been decided, or to suspend their SEC rulemaking activity until the Court decides whether it has jurisdiction to decide plaintiffs' claims. Instead, defendants' design is clear: they want to put the Delaware action on ice, while simultaneously proceeding full speed ahead to complete their Restructuring and SEC rulemaking.

Defendants' proposal should be rejected. The "seriatim" motion practice they propose is simply not appropriate here. As set forth in plaintiffs' opening brief in support of their motion for partial summary judgment, plaintiffs' right to relief is largely based on a clear

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[1] Defendants' letter contains several other statements that we believe mischaracterize the facts. Unless those mischaracterizations impact the scheduling issues that the Court is being asked to decide, plaintiffs will defer addressing them to a later date.

contractual claim that can be decided as a matter of law. Defendants' arguments that the action must be stayed or dismissed are, we submit, frivolous on their face. Plaintiffs' right to a timely adjudication should not be delayed by a frivolous motion.

Moreover, there is no efficiency in seriatim motion practice. It is more efficient, and easier for the Court, to consider this matter once, and to hear the parties once. If the Court agrees with defendants' position, it will dismiss or stay the case, a result that should make defendants very happy. If the Court disagrees with defendants' attempt to delay adjudication of this case, plaintiffs' rights should not be delayed by the several months or more that it will take to brief, argue and decide defendants' motion – particularly since the Restructuring Transaction may close during that period of delay. Indeed, the Court and the parties should not be put through the unnecessary burden and expense of rushing to have these issues decided in some expedited fashion down the road when they are framed for decision and can be presented to the Court in a more orderly fashion now.

For the foregoing reasons, plaintiffs respectfully request that the Court enter an Order in the form attached hereto setting forth a briefing schedule on the parties' pending motions.

Respectfully,

Kenneth J. Nachbar (#2067)

KJN/kd

Enclosure

cc: Samuel A Nolen, Esquire w/enclosure (by e-filing)
Andre G. Bouchard, Esquire w/enclosure (by e-filing)
Register in Chancery w/enclosure (by e-filing)

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March 9, 2007

BY E-FILE

The Honorable John W. Noble
Court of Chancery
417 South State Street
Dover, DE 19901

Re: ***CBOT Holdings, Inc., et al. v. Chicago Board Options Exchange, Incorporated, et al.*, Del. Ch. C.A. No. 2369-N**

Dear Vice Chancellor Noble:

I write to seek the Court's assistance in scheduling briefing on Defendants' Motion to Dismiss or Stay the Second Amended Complaint ("Defendants' Dispositive Motion"). Counsel for the parties have not agreed on an appropriate schedule and on whether Defendants' Dispositive Motion should be decided before briefing Plaintiffs' Motion for Partial Summary Judgment ("Plaintiffs' Partial Summary Judgment Motion").

On January 4, 2007, Plaintiffs filed their Second Amended Complaint. The Second Amended Complaint challenges a rule filing that defendant Chicago Board Options Exchange, Incorporated ("CBOE") filed with the United States Securities and Exchange Commission ("SEC"). As required by federal law because CBOE is a national securities exchange, CBOE submitted this rule filing seeking SEC approval of CBOE's interpretation of the provision of CBOE's certificate of incorporation that defines the right that forms the basis of the claims advanced by the putative class (the "exercise right"). In particular, CBOE's interpretation is that an impending corporate transaction will render all of the putative class ineligible for the exercise right.

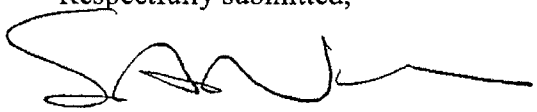
Defendants' Dispositive Motion asserts that federal preemption precludes state court litigation over interpretation of a membership rule of a national securities exchange. In other words, Defendants' Dispositive Motion requires that the Court determine a threshold issue – whether the Court's consideration of plaintiffs' claims is preempted by federal law because the SEC has exclusive jurisdiction to resolve issues of membership in, and the proper interpretation of the rules of, a national securities exchange. Defendants' Dispositive Motion also asserts that plaintiffs' claims are not ripe. On February 22, 2007, the opening brief in support of Defendants' Dispositive Motion was filed, together with the Affidavit of Richard G. DuFour.

Plaintiffs reacted to the opening brief on Defendants' Dispositive Motion by filing an opening brief on their Partial Summary Judgment Motion. Plaintiffs' Partial Summary Judgment Motion seeks an adjudication in this Court of the issue that is before the SEC (membership rights on a national securities exchange) and, assuming existence of such rights, a determination of what those rights would entail in a transaction whose terms have not yet been fixed. Plaintiffs' Partial Summary Judgment Motion also seeks an adjudication that defendants have breached their fiduciary duties in connection with the SEC rule filing and the inchoate transaction whose terms have not been fixed.

The parties have discussed a briefing schedule for the pending motions. Because Defendants' Dispositive Motion requires that the Court first determine whether its consideration of plaintiffs' claims is preempted by federal law and whether any of the claims are ripe -- which are jurisdictional issues -- defendants proposed that briefing and ruling on Defendants' Dispositive Motion would be completed first. Briefing on Plaintiffs' Partial Summary Judgment Motion would be held in abeyance until the Court rules on Defendants' Dispositive Motion, because there is no need for the parties to expend resources briefing the fact-intensive issues raised in the Partial Summary Judgment Motion unless the Court first determines whether it has the authority to consider the merits of plaintiffs' claims. Defendants offered to submit their brief on Plaintiffs' Partial Summary Judgment Motion within 30 days from the Court's decision, should the Court deny Defendants' Dispositive Motion. Plaintiffs did not agree defendants' proposal. Hence, this letter.

Because Defendants' Dispositive Motion requires that the Court decide the fundamental threshold issue of whether the Court has the authority to consider plaintiffs' claims, defendants respectfully request that your Honor order a briefing schedule as reflected in the enclosed proposed form of order. We are available at the convenience of the Court should your Honor wish to discuss an appropriate schedule.

Respectfully submitted,



Samuel A. Nolen (I.D. #971)

SAN/meh
cc: Register in Chancery (by e-file)
Kenneth J. Nachbar, Esquire (by e-file)
Andre G. Bouchard, Esquire (by e-file)