

Securities and Exchange Commission
Attn: Ms. Nancy Morris, Secretary
100 F Street, N.E.
Washington, D.C. 20549-1090

December 3, 2007

Re: File number SR-CBOE-2007-107 and SR-CBOE-2006-106

Dear Ms. Morris,

I am sorry that I am forced to submit another letter to you and the SEC, but Mr Zappfe's comments must not be allowed to stand unanswered. Mr Zappfe's allegation that Ms. Moffic-Silver, and I quote from his letter, "as the paid legal advocate for that exchange, she is, of course, under no obligation to disclose any information to the SEC that may damage their legal position". Mr Zappfe must not be aware that if a federal agency asks questions and you do not respond truthfully or lie, withhold information, mislead, etcetera, then that person would be in serious trouble. Their job, reputation and fortune could surely be ruined. I would suggest to Mr. Zappfe that his public comments about Ms. Moffic-Silver, whose reputation is above reproach, border on defamation of character.

Mr Zappfe said, "my complaint is really with the staff at the SEC who have somehow accepted the spurious claims from someone at the CBOE that no membership information exists from before 1975" is a blatant attempt to misstate the facts. The SEC did not ask for information before 1975. The CBOE never said that the information did not exist before 1975. The SEC was only interested in the number as it related to section 6(C)(4) which was implemented in 1975. Specifically, the SEC asked for "the number of CBOE memberships on May 1, 1975, or the closest date thereto for which CBOE has this information".

The inconvenience that Mr. Zappfe discusses regarding the building of a new CBOE floor, totally disregards a major reason for the founding of the CBOE by the CBOT. That was for the CBOT members to have another product to trade.

Mr. Zappfe said that I made another error in my letter to the SEC. The first fact is that there always was the ability of the 1402 CBOT members to exercise and vote, overwhelming the CBOE vote. Secondly the 80% percent rule only applies to a change in ARTICLE FIFTH (b) which is in the CBOE's original certificate of incorporation which was formulated by the founders of the CBOE, the CBOT members themselves. It does not apply to other votes.

Mr. Zappfe also comments that in 1973 when the CBOE was created its membership included 1402 CBOT full members. There never were 1402 full CBOT members at the CBOE. In order to be a member of the CBOE you had to register with the SEC and exercise to be a CBOE member. In June of 1973, the end of the CBOE's first fiscal year, there were 156 CBOT exercisers on the CBOE, and 257 members that had transferable memberships. Trading on the CBOE started in April 1973.

Mr Zappfe states, “every other CBOE rule that has ever addressed the corporate relationship of the CBOE to the CBOT has always been done to advantage the CBOE and to disadvantage the Full members of the CBOT”. I would like to point out to Mr. Zappfe what the make up of the CBOE Board of Directors was from the first fiscal year end of the CBOE from 1973 through 1980.

During this period there always were CBOT members on the CBOE board, including a CBOT member designated as the liaison director to the CBOT. Everything done at the CBOE was done with the complete knowledge of the CBOT. To essentially say that the CBOE took advantage of the CBOT is utter nonsense.

Mr Zappfe said, “now this is the thanks that we get...”. In my previous letter to the SEC on November 21, 2007 I said, “if Mr. Zappfe and others would look at the terms of the CME Holdings acquisition of the CBOT, they would see that they, the former CBOT members, willingly ignored the risk of giving up any possible exercise right claim for great financial gain bestowed on them by the CME”.

Lastly, his comment that the CBOE rigged a joint venture with the CBOT to fall flat on its face is an outright ridiculous comment.

Thank you,

Norman S. Friedland
Member CBOE since 1976