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February 14, 2007

RE: File No.SR-CBOE-2006-106

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



Dear Ms. Morris,

This letter may help you in understanding the pending request for a rule change by the CBOE. I have traded on and owned a membership on the CBOT since 1980. During that time I exercised my rights, per dozens of agreements I am sure you are aware of, going back to the original creation of the CBOE by the CBOT, to trade on the CBOE, as a member of the CBOE, without actually owning or leasing a CBOE membership. At an average monthly lease rental fee for a CBOE membership of \$ 4000.00 per month since 1980, if I did not own the exercise right included in my CBOT ownership, it would have been very expensive for me to trade on the CBOE. The CBOE now wants you to rule that because of the proposed merger by the CME and the CBOT that exercise right is extinguished.

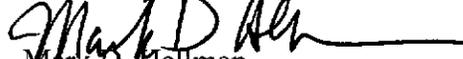
I do not believe that is true. If and when the proposed merger takes place, there will be several categories of memberships on the new merged exchange. There will be a full CME, and several partial CME memberships and full CBOT and many partial CBOT memberships, each of which will be allowed to trade specific items on the new combined exchange. Something called the ringed fenced theory. In order to trade something that was previously not under the jurisdiction of a certain category of membership, the trader would have to pass necessary qualifying exams and then either lease or acquire a type of membership previously allowed to trade that product. One of the memberships on the new exchange will be a CBOT full membership with an exercise right to trade on the CBOE. That membership currently exists on the CBOT and trades openly with a \$ 80,000.00 to \$ 120,000.00 premium over a full CBOT membership without the exercise right. The premium has expanded to \$ 150,000.00 at times, and is currently under pressure with the CBOE'S current proposal and the CBOE'S position that the right will be extinguished upon the proposed merger.

The types of memberships on an exchange have nothing to do with stock ownership if an exchange goes public. The CBOE is proposing to eliminate the exercise right to facilitate a public offering so

that underwriters can clearly determine who is entitled to shares in the new public company. The CBOE is proposing to eliminate a right established when the CBOT used its resources to create and grow the CBOE. That is a breach of the CBOE charter and numerous written agreements. If the underwriters need the exercise right eliminated to allow the CBOE to go public, then a court of law should be the proper jurisdiction to determine the consequences of the contractual breach. As you know there are several cases pending which are grasping with that issue. The current action by the CBOE before your agency is an attempt to circumnavigate the court proceedings.

I am not wise enough to be able to determine the actual value of this exercise right in the event of a CBOE breach, that is something a very smart jurist will have to determine, but I do believe your agency should not be involved in assisting the CBOE in depriving CBOT members of a right that has existed since 1973 and could continue to exist going forward if the parties would just discuss the situation. If the CBOE is willing to breach the existing contracts and charters creating the right ( since specific performance is probably not an option here ) then a court has to determine the economic consequences for the CBOE. Please let me know your thoughts on this. Thank you.

Very Truly Yours

  
Mark D. Hellman