

**Lawrence D. Israel
1910 First Street
Suite 306
Highland Park, IL 60035**

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

February 22, 2007

Attn: Ms. Nancy M. Morris, Secretary

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

Ladies and Gentlemen:

My name is Lawrence Israel and I am an associate member of the Chicago Board of Trade. I do not possess a full member trading right, exercise right, nor the requisite amount of stock to exercise at the Chicago Board Options Exchange. I do not have anything financially at stake with this dispute.

I do, however, have an opinion about whether it is in the public interest for the SEC to review this rule before a Delaware court has an opportunity to rule upon the State law issues that are at the heart of this dispute.

I believe strongly in the role the SEC plays overseeing the capital markets. My understanding is that the mission of the SEC is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. To that end the SEC has jurisdiction over self-regulatory organizations, subject to review of the United States Court of Appeals.

Self-regulatory organizations (SROs) create rules that allow for disciplining members for improper conduct and for establishing measures to ensure market integrity and investor protection. It is clearly in the interest of the investing public and integrity of the marketplace that the SEC have jurisdiction over any SRO rules intended to accomplish these objectives.

This rule, however, is a dispute that involves contract and property rights, and has nothing at all to do with protecting investors, maintaining fair, orderly and efficient markets, and facilitating capital formation. The CBOE argues in its submission that it "is a reasonable interpretation of existing rules of the Exchange that is designed to promote just and equitable principles of trade, to perfect the mechanism of a free and open market, and, in general, to protect investors and the public interest." There is no substance to this

argument, and in fact the CBOE itself mentions the risk of an adverse impact on liquidity in CBOE's marketplace as a result of this rule approval.

The substantive issues in this dispute properly belong before the Delaware Court. This is a unique dispute. This proposed rule seeks to unilaterally resolve a dispute in which the SRO itself is a litigant. In a rare case such as this where the SRO itself is involved in a dispute over property rights and contract law, it is in the public interest that a Court of Law be the venue to resolve the matter.

Thank you very much for consideration of my comments.

Sincerely,

Lawrence D. Israel