

From: Steve Fanady  
To: rule-comments@sec.gov  
Subject: File No. SR-CBOE-2006-106

Ms. Elizabeth K. King  
Associate Director  
Division of Market Regulation  
Securities and Exchange Commission  
100 F Street, N.E.  
Mail Stop Room 6628  
Washington, D.C. 20549

February 20, 2007

Re: SR-CBOE-2006-106

I am a member of the CBOE. I am also a member of the CBOT, formerly a Full member. The SEC should decide on the rules filing currently before the commission and the commission should rule in favor of the interpretation by the CBOE.

The CBOT has effectively caused a material change in its substance with the CME acquiring the CBOT. This is a material change, which is not allowable as defined by the rules and constitution within CBOE, the latter that you are the regulator of.

As the SEC is the regulator of the CBOE, the SEC is the sole regulator of all actions affecting the CBOE securities market access.

The ERP (known as the Exercise Right Privilege) is utilized to access an SEC regulated market space, and therefore it is imperative that the commission does not create a precedent by inaction on behalf of the SEC allowing a court, either state or federal to usurp the SEC's regulatory authority or interpret the rules and constitution of the CBOE. Such a precedent would be a watershed moment, thusly marginalizing the authority of the SEC and creating chaos within the securities industry.

As a former CBOT Full member that once was in the possession of an ERP, I (and all ERP holders) understood that the ERP existed within the jurisdiction of the SEC regulatory domain. Therefore, it (ERP) is absolutely subject to the regulatory authority of the SEC, treated in the same regulatory fashion, as is a regular CBOE membership.

Based on the constitution and rules of the CBOE, after the acquisition by the CME of the CBOT is completed, the Article Fifth within CBOE constitution can no longer be relied on to ascertain the existence of the ERP, and therefore the ERP is extinguished.

Thank You  
Steve Fanady  
Member Chicago Board Options Exchange  
Member Chicago Board of Trade