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July 9, 2014

Sent via Email (oneillk@sec.gov) and Certified Mail

Mr. Kevin M. O'Neill
Deputy Secretary, Division of Trading and Markets
United States Securities and Exchange Commission
100 F Street, N.E. Washington, DC 20549-1090

Re: CBSX April 2014 Invoice to WallachBeth Capital LLC

Dear Mr. O'Neill:

We write to you to draw your attention to recent correspondence between us, as counsel to WallachBeth Capital LLC, and Ms. Joanne Moffic-Silver, General Counsel and Corporate Secretary of the Chicago Board Options Exchange ("CBOE").

As you know the CBOE proposed an amendment to the CBSX fee schedule (File No. SR-CBOE-2014-028) and, within days, filed a proposal to amend Rule 51.2 to permit it to cease trading on CBSX (File No. SR-CBOE-2014-036). Both of these proposals were noticed by you on behalf of the SEC. WallachBeth which may have been the largest customer using the CBSX had objected to a fee change in past discussions with CBOE personnel. We are appalled that the CBOE would take the position that the "fee change was proper in all respects" when the proposal failed to provide any notice of the impending close of the business (even though its stated purpose was to "assist in funding CBSX's operational, regulatory and administrative costs" – which it clearly was not) and failed to provide adequate notice to its largest user who had objected to such a rate change in the past. This lack of full disclosure is disingenuous, particularly by an organization which is required to enforce the rules which require transparency of and full disclosure by its members pursuant to SEC Rules and Regulations, the Commodity Exchange Act, etc.

WallachBeth is unaware of any March 27, 2014 "warning... in writing" of the fee increase, and the CBOE is unable to provide proof of such "formal and individualized notice about this fee increase". We note that it was just three business days prior to the effective date which is not adequate notice to implement an alternative operational plan if WallachBeth had actually received any notice.

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Furthermore, we do not agree that a post on the CBOE's website just prior to the change is sufficient notice of material information as a matter of law. At best, it is "buried disclosure" and therefore insufficient. A disclosure of a proposed fee increase to cover costs when the business is to be immediately shut down is not merely disingenuous but intentionally false and misleading.

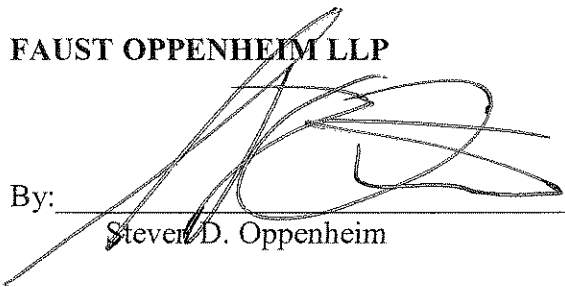
As you see in the attached response by the CBOE it has no intention of refunding the exorbitant fees it charged to WallachBeth based on its misleading filings.

We respectfully request that the SEC pursue the matter against the CBOE as regards misleading both the SEC and the CBSX customers in its filings to amend the fee schedule. We believe that if any member of FINRA and/or the CBOE acted in such a manner, it would be in violation of SEC, CFTC and NFA Rules and Regulations.

Very truly yours,

FAUST OPPENHEIM LLP

By: _____


Steven D. Oppenheim

Encls (2)

Cc:

Joanne Moffic-Silver, Executive Vice President, General Counsel and Corporate Secretary
Chicago Board Options Exchange (via email [REDACTED])

Michael A. Macchiaroli, Associate Director, Division of Trading and Markets, Securities and
Exchange Commission (via email [REDACTED])