



June 9, 2014

VIA ELECTRONIC MAIL

Ms. Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-8041

Re: File No. SR-CBOE-2014-040; Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing of a Proposed Rule Change Relating to Orders That Are Tied to Stock

Dear Ms. Murphy:

The Chicago Stock Exchange, Inc. (the “Exchange” or “CHX”) respectfully submits this comment letter in connection with the Securities and Exchange Commission’s (the “SEC” or “Commission”) solicitation of comments to the above-referenced rule filing (the “proposed rule filing”), through which the Chicago Board Options Exchange, Incorporated (“CBOE”) proposes to (1) require a CBOE Trading Permit Holder to attach a special indicator to tied to stock orders if the Trading Permit Holder has knowledge that the order is coupled with an order(s) for the stock or a security convertible into the underlying stock and (2) enhance the reporting requirements concerning stock or convertible security trades related to Qualified Contingent Cross, stock-option and other tied to stock orders (the “proposed rule”).¹

CHX is in support of the proposed rule. However, notwithstanding the heightened away trade reporting requirements, the proposed rule filing does not address the complex task of identifying and linking the often numerous component trades to a combination order executed at different markets. Thus, the Exchange submits that the monitoring of cross-market trade activity could be further improved by addressing this issue.

To this end, and in coordination with other market participants, the Exchange is willing to mark every execution resulting from a cross order submitted to the CHX Matching System with a unique stock leg trade identifier and to make such information readily available to its own Participants and other market participants.² In turn, CHX Participants could cause to have the unique stock leg trade identifier marked on every related non-stock leg trade, which would result in tied to stock trade(s) being directly linked to the specific stock trade it was meant to hedge. With the cooperation of all of the relevant markets, the Exchange believes that the unique stock leg trade identifier could be a powerful tool in bolstering the effectiveness of the proposed rule filing.

¹ See Exchange Act Release No. 72154 (May 13, 2014), 78 FR 67424 (May 19, 2014) (SR-CBOE-2014-040) (“Notice of Filing of a Proposed Rule Change Relating to Orders that are Tied to Stock”).

² The Exchange will not take any action herein described without SEC approval pursuant to Rule 19b-4 under the Exchange Act.

CHX welcomes further dialogue and coordination with Commission staff and other market participants regarding the feasibility of a unique stock leg trade identifier, as described herein.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Ongena".

James Ongena
Senior Vice President and General Counsel