

NORTH AMERICA CASIN HOLDINGS, INC.

March 1, 2017

Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: File No. SR-CHX-2016-20; Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing of Proposed Rule Change in Connection with the Proposed Transaction involving CHX Holdings, Inc. and North America Casin Holdings, Inc. (Release No. 34-79474; File No. SR-CHX-2016-20) – Background of Investor Group and Benefits of Proposed Transaction.

Dear Mr. Fields:

North America Casin Holdings, Inc. (“NACH”) thanks the U.S. Securities and Exchange Commission (“SEC” or “Commission”) for the opportunity to comment on the proposed rule change of the Chicago Stock Exchange, Inc. (“CHX”) in connection with the proposed transaction (“Proposed Transaction”) involving CHX Holdings, Inc. (“CHX Holdings”) and NACH.

NACH is a Delaware corporation that was formed by the Chongqing Casin Enterprise Group Co., Ltd. (“Chongqing Casin”) on January 4, 2016, as an indirect subsidiary, to serve as the investment vehicle pursuant to which Chongqing Casin and various other Chinese and United States investors would acquire all the capital stock of CHX Holdings, the sole stockholder CHX. Upon the closing of the Proposed Transaction, NACH will be owned by a consortium of Chinese and U.S. investors (the “Investors”).

Contrary to certain comment letters the Commission has received, the Investors are all reputable businesses owned by reputable businessmen and businesswomen who have been clearly identified to the Commission and to the Committee on Foreign Investment in the United States (“CFIUS”). Allegations that the ownership of NACH is somehow “mysterious” or “opaque” are simply incorrect.

In addition, contrary to certain comment letters you have received, there exist extensive regulatory and governance safeguards, that are fully transparent to the Commission and the general public, that empower the Commission, and CHX itself, to prevent any influence over CHX and its operations that is in any way improper or a violation of U.S. securities laws and

regulations. In fact, 50% of the board of CHX is required to consist of “Non-Industry Directors” (as defined in the CHX Bylaws), who cannot be employed by any affiliate of CHX.

In sum, as explained below, the various accusations contained in the comment letters have no basis in fact and have been disproved through the materials we have provided to the Commission in the rule-making process.

A. Investor Group

Contrary to the unfounded assertions contained in the Comment Letters, all the members of the consortium are reputable business people, and their identities are clear and have been disclosed in detail to both the Commission and CFIUS. As of the closing of the Proposed Transaction, the Investors in NACH will be as follows:

- North America Casin Group, Inc. (“NA Casin Group”), a corporation incorporated under the laws of the State of Delaware and wholly owned by Chongqing Casin – 20%
- Chongqing Jintian Industrial Co., Ltd. (“Chongqing Jintian”), a corporation incorporated under the laws of the PRC – 15%
- Chongqing Longshang Decoration Co., Ltd. (“Chongqing Longshang”), a corporation incorporated under the laws of the PRC – 14.50%
- Castle YAC Enterprises LLC (“Castle YAC”), a limited liability company organized under the laws of the State of New York, the sole member of which is Mr. Jay Lu, a U.S. citizen and Vice President of NA Casin Group – 19%
- Raptor Holdco LLC (“Raptor”), a limited liability company organized under the laws of the State of Delaware – 11.75%
- Saliba Ventures Holdings, LLC (“Saliba”), a limited liability company organized under the laws of the State of Illinois – 11.75%
- Xian Tong Enterprises Inc. (“Xian Tong”), a corporation incorporated under the laws of the State of New York – 6.93%
- Cheevers & Co., Inc. (“Cheevers”), a corporation incorporated under the laws of the State of Illinois – 0.18%

Each of these investors is an entity that is controlled by reputable businessmen and businesswomen, whose identities have been disclosed both to the Commission and CFIUS. In addition, five members of the CHX Holdings management team, all U.S. citizens, will hold 0.88% of the equity of NACH in the form of equity incentive shares.

The profiles of these Investors are set forth below.

1. North America Casin Group, Inc.

NA Casin Group is a corporation incorporated under the laws of the State of Delaware and is wholly owned by Chongqing Casin. NA Casin Group was formed by Chongqing Casin to hold its stock in NACH and has no other business activities. NA Casin Group will be investing approximately \$5.4 million in NACH to acquire a 20% equity interest.

Chongqing Casin operates as an investment holding company in the Peoples Republic of China. Through its subsidiaries, Chongqing Casin focuses on real estate development, environmental protection industry investment and operations, financial holdings, and municipal infrastructure investment and construction. Chongqing Casin is headquartered in Chongqing, a major Chinese city with a population of approximately 28 million people in its metropolitan area. Chongqing Casin has approximately 1,300 employees throughout China. Chongqing Casin has been the recipient of the Credit China 100 Award, the AAA Enterprise Credit Evaluation Award and the China Best Employer Award from the 9th China Employer Branding Forum.

The Chairman, founder and controlling stockholder of Chongqing Casin is Mr. Shengju Lu. Mr. Lu is a well-known businessman in Chongqing and active in various business organizations in the city. Mr. Lu founded Chongqing Casin in 1997, with its headquarters in Chongqing. Chongqing Casin had net assets of approximately \$1.2 billion at the end 2015.

Chongqing Casin has been committed to developing and growing its business in the financial sector and has actively developed its business in banking, insurance, securities and trust activities. Chongqing Casin is a substantial shareholder of the following financial institutions:

- Chongqing Rural Commercial Bank;
- Shijiazhuang Huirong Rural Cooperative Bank;
- Chongqing Jiangbei Hengfeng Village Bank;
- Chongqing Jiangbei Juxing Microfinance Ltd.;
- Sino-Australian International Trust (49.99% ownership, assets under management of approximately \$4 billion at the end of 2015);
- Ancheng Property & Casualty Insurance Co. Ltd.; and
- Yinfeng Equity Fund Management (Shanghai) Ltd.

Casin Environmental Protection Investment Co. Ltd. (“Casin Environmental”), in which Chongqing Casin has a controlling stake, was founded in 2006. Casin Environmental has been named a “Key Enterprise in China’s Environmental Protection Industry” by the Chinese Environmental Protection Industry Association, an “Excellent General Contractor in China” from the Chinese Construction Industry Association, a “Top 10 in Chongqing’s Environmental Protection Industry” from Chongqing Environmental Protection Industry Association, and “Famous Trademark Enterprise in Chongqing” from Chongqing Administration for Industry & Commerce. It has received a “Class A Qualification Certificate of Environmental Pollution Control”.

Casin Environmental's major businesses are sewage treatment, urban waste treatment, other solid waste treatment and resource utilization. Casin Environmental has independent research and development capabilities and a post-doctoral research center. It is now operating 26 sewage and waste treatment plants in 23 cities and serving 10.22 million people.

The energy conservation and the environmental protection industries are huge markets in China and are expected to become substantial industries in China in the near future. China welcomes private capital into this industry, which features fierce competition. The environmental protection industry is not considered a state-sensitive sector in China.

Chongqing Casin has been in the business of infrastructure investment and construction for two decades, and has completed more than 20 major projects. Chongqing Casin increased its investment in this sector in 2015. Its subsidiary company Casin Infrastructure Investment Group ("Casin Infrastructure") was founded in 2015 and focuses on investment in the urban infrastructure sector. In 2016, Casin Infrastructure completed the construction of a new town for over 5000 persons in the mountainous region hit by the Wenchuan earthquake.

Chongqing Casin has been building a Five-A rated national tourism resort around Longshui Lake in Chongqing. This development is also a model for China's international leisure industry, cultural industry and national senior care industry. The development covers 16 square kilometers.

Chongqing Casin also has developed valuable mixed use property consisting of a five-star hotel, an IMAX cinema, restaurants, sports and leisure shops in Chongqing's *jiangbeizui* Central Business District.

Casin Real Estate Development Co. Ltd was founded in 1996, and it has the First Grade Real Estate Development Qualification and Property Management Qualification. It has developed projects in Beijing, Zhengzhou and Chongqing in China. It is the controlling shareholder (59.65% ownership) of Casin Development (Code: 000838), a public company on China's A share market (market cap: approximately \$1.3 billion).

Casin Property Management Co. Ltd manages a total of 30 million square feet of residential and commercial space and serves more than 100,000 residents.

To summarize, Chongqing Casin is a large, well-known and highly successful company in China. Mr. Lu is its Chairman, founder and controlling stockholder. Anyone wanting to learn more about Chongqing Casin is encouraged to review our website at <http://www.cqcasin.com>.

2. Chongqing Jintian Industrial Co., Ltd.

Chongqing Jintian will be investing approximately \$4.1 million in NACH to acquire a 15% equity interest. Chongqing Jintian is controlled by Tianrong Xiang, its general manager and chairman of the board. Mr. Xiang owns 60 percent of Chongqing Jintian.

Founded on September 27, 2003, Chongqing Jintian has steadily grown into a business group incorporating real estate, infrastructure construction and investment, technology, cultural products and investment. It has transformed itself from a project management team composed of

a dozen employees at its beginning to a corporation that employs hundreds of people today. Chongqing Jintian's current activities include an investment in the Dazu Haitang International real estate project, which, currently under construction, takes a total land area of 3.8 million square feet and a floor area of 9.5 million square feet. The project is the only high-end western-style community development in the Chongqing Dazu district. Since 2014, Chongqing Jintian has been building business networks in Laos and pursuing infrastructure investments through joint ventures. Currently, it is discussing cooperative opportunities with Laos Electric Power Company and is pursuing an investment involving Laos for the Nam Leuk hydro-electric power station.

In sum, Chongqing Jintian is an active, well-known real estate and infrastructure investor in Chongqing, as well as internationally outside of China.

3. Chongqing Longshang Decoration Co., Ltd.

Chongqing Longshang will be investing approximately \$3.9 million in NACH to acquire a 14.5% equity interest. Chongqing Longshang was founded on February 5, 1995, and is an architectural contractor specializing in designing and implementing indoor and outdoor decorations and manufacturing and marketing decorating materials. Chongqing Longshang is based in Chongqing and is controlled by Liang Jiang, the entity's founder and chairman of the board. Mr. Jiang owns 81.6 percent of Chongqing Longshang.

Chongqing Longshang was granted the Grade A Architectural Ornament Qualification by the Ministry of Construction in 2005. It was also granted the Grade A Architectural Decoration and Ornament Engineering Contractor Qualification, Grade B Fire Safety Qualification, Grade B Curtain Wall Construction and Mechanical and Electrical Installation Qualification, and Grade C Classical Garden Construction Qualification. It has a management team of more than 60 people, 80% of whom have senior degrees. Chongqing Longshang's average annual revenue output is almost 100 million yuan. Chongqing Longshang is a large architectural decoration company with great financial strength and management expertise.

Since its inception, Chongqing Longshang has adopted the principle of "Quality is Assurance and Safety Makes Life", and built a great number of well acclaimed construction decoration projects in various sectors, including Fuling Department Store, Yutai Mountain Resort, and the teaching building, library and office building of Sichuan Fine Arts Institute.

As one of the leading players in the decoration industry, Chongqing Longshang has long been engaged in cooperation with banks. It is the construction decorator for Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of Communications, and Evergrowing Bank, among others. Chongqing Longshang is now on the shortlist to become a contractor to the Bank of China and Postal Savings Bank of China. Chongqing Longshang has also played an active role in the construction decoration and upgrades for banking branches.

Chongqing Longshang had been a successful participant in its industry for over a decade and is a reputable company and employer in Chongqing.

4. Castle YAC Enterprises LLC

Castle YAC is wholly owned by its sole member, Mr. Jay Lu, a U.S. citizen and Vice President of NA Casin Group. Castle Yac will invest approximately \$5.2 million in NACH to acquire a 19% equity interest. Mr. Jay Lu is the son of Mr. Shengu Lu. For purposes of the application of the Commission's rules, NACH has assumed that Castle Yac and Chongqing Casin are "Related Parties". Castle Yac was formed expressly for the purpose of being Mr. Jay Lu's investment vehicle in NACH, and has no other operations. Mr. Jay Lu has worked as an executive of Casin Group since 2011 and is currently also studying for his MS in Finance at Johns Hopkins University. As noted, Mr. Jay Lu is a U.S. citizen.

5. Raptor Holdco LLC

Raptor Holdco LLC ("Raptor"), is a limited liability company organized under the laws of the State of Delaware. Raptor will invest approximately \$3.2 million in NACH to acquire an equity interest of 11.75%. Raptor is controlled by entities affiliated with the family of James Pallotta, a well-known investor from Boston who formerly was the Vice-Chairman of the Tudor Group, one of the largest hedge funds in the United States. Raptor has a wide variety of investments in the financial services industry as well as other industries. To summarize, Raptor is an entity controlled by a nationally known investor.

6. Saliba Ventures Holdings, LLC

Saliba Ventures Holdings, LLC ("Saliba"), is a limited liability company organized under the laws of the State of Illinois. Saliba will invest \$3.2 million in NACH to acquire an equity interest of 11.75%. Saliba is controlled by entities affiliated with the family of Mr. Anthony Saliba. Mr. Saliba has been a very well-known participant in the capital markets in Chicago for more than 20 years. He is the author of books on investment strategy and is currently serving as a board member of CHX. To summarize, Saliba is controlled by an investor who is well-known to the business community in Chicago and to CHX.

7. Xian Tong Enterprises Inc.

Xian Tong will invest approximately \$1.9 million in NACH to acquire an equity interest of approximately 6.9%. Xian Tong is a New York corporation that is owned and controlled by Qiuling Charlie Luo, a U.S. citizen residing in New York since 2001. Mr. Quiling Charlie Luo owns 99% of XianTong.

Xian Tong was incorporated in 1997 in New York, and it has been paying taxes in the U.S. for almost two decades. Xian Tong's main business is international trading, including marketing and distribution of computer parts and components, optical fiber, and other electronic components.

Xian Tong has been a distributor of optical fiber for Corning Incorporated for 15 years. Xian Tong exports uninterruptible power systems to Asia for use in subways and substations. Xian Tong also exports synthetic oil for the production of fiber optic cable filling compound. Xian Tong has also been in the business of providing PC radiators to Microsoft OEM suppliers for the production of the Xbox 360. Finally, Xian Tong has recently been engaged in the export of scrap metals and other merchandise from the U.S.

Xian Tong has been an active and successful business for approximately 20 years and is continuously seeking business opportunities and investments.

8. Cheevers & Co., Inc.

Cheevers will invest \$50,000 in NACH to acquire an equity interest of 0.81%. Cheevers has been a broker dealer active at CHX for decades. Cheevers is very well known to CHX and is one of its most important business partners.

9. Management of CHX

In connection with the Proposed Transaction, members of the current management team of CHX will be awarded Equity Incentive Shares in NACH in an aggregate amount of 0.88%. All of these individuals are U.S. citizens and have been employed by CHX for years.

To summarize, there is nothing “opaque” or “mysterious” about the Investors. They are all reputable businessmen and businesswomen. In fact, several of the Investors, Chongqing Casin, Raptor, Saliba and Cheevers in particular, are extremely well-known members of the business community in China, the United States and Chicago. The assertions to the contrary contained in certain recent comment letters are completely unfounded.

The only Related Persons (as defined by the Commission’s rules) among the Investors are Castle YAC and NA Casin Group. Mr. Jay Lu, the sole member of Castle YAC, is associated with an affiliate of Chongqing Casin and is also the son of Mr. Shengju Lu, the Chairman of Chongqing Casin. There are no other Related Persons among the Investors. None of the Investors is directly or indirectly owned by a governmental entity or any political subdivision thereof.

B. Other Inaccuracies and Misrepresentations in the Comment Letters

The recently submitted comments letters contain many obvious inaccuracies, some of which are so easy to verify that one is led to the conclusion that such inaccuracies are actually purposeful misrepresentations. For example, one comment describes Chongqing, a metropolis containing tens of millions of people in its metropolitan area, as “rural”. The same commenter describes Chongqing Casin as “mysterious” when in fact it is a large company in China that is even affiliated with a publicly listed company. Plenty of information about Chongqing Casin is publicly available to anyone, and there is nothing mysterious about it. The same commenter also asserts that Saliba and Raptor are somehow affiliated, when the fact is that they have never had any relationship, are located in different cities, Boston and Chicago, and are owned by completely different families.

The recent comment letters contain many other inaccuracies that we will not spend additional time enumerating.

C. Benefits of the Proposed Transaction

1. Job Growth

We anticipate that the Proposed Transaction will create more jobs at CHX itself due to the implementation of its strategic initiatives. In addition, we anticipate that if we are successful in attracting Chinese companies to list on CHX, they will need advice and support from third party consultants, and therefore we anticipate that the Proposed Transaction will bring more employment opportunities to brokerage firms, investment banks, law firms and accounting firms in the U.S.

2. Increase in International Investments

The Proposed Transaction will help establish links between the capital markets of China and the U.S. We anticipate that the Chinese investors will be able to help enhance the profile, reputation and credibility of CHX in China. We anticipate that an enhanced profile for CHX in China will attract more Chinese investors to buy stocks listed on CHX through Chinese and U.S. broker dealers.

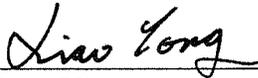
The Proposed Transaction is expected to also help expand the global business of CHX. Due to the involvement of international investors, CHX will become visible to more investors in other countries of Asia. Some companies in other parts of Asia have already shown interest in listing their shares on CHX.

Finally, we expect that Chinese companies listed on CHX will be encouraged to further expand their investment in the U.S. by establishing U.S. subsidiaries, opening factories in the U.S. and hiring local employees.

* * *

Contrary to the assertions of the recent commenters, who have shown themselves to be completely lacking in credibility through inaccurate and uninformed assertions, the Proposed Transaction will be highly beneficial to CHX, its employees and customers and to the securities markets of the United States. The Proposed Transaction will allow CHX to become owned by a supportive group of shareholders who are motivated to support CHX as an innovative competitor in the exchange industry, using its ingenuity and experience to develop new products and markets for the benefit of all its stakeholders.

Very truly yours,



Yong Xiao
Chief Executive Officer
North American Casin Holdings, Inc.