



January 21, 2005

Mr. Jonathan G. Katz, Secretary
Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0609

Re: File No. SR-CBOE-2002-03
Customer Portfolio and Cross-Margining Requirements

Dear Sir:

I want to thank you for the opportunity to provide comments on the above proposed rule change (the "Proposed Rule Change"), by the Chicago Board Options Exchange, Incorporated (the "CBOE").

The Proposed Rule Change is a good first step for the U.S. options industry that is long overdue. I personally want to thank the management and staff at the CBOE for their perseverance and many years of petitioning on this topic. However, the Proposed Rule Change does not go far enough, in my opinion.

First, if approved, the Proposed Rule Change would not be competitive with the futures industry and its treatment of margining.

Second, the requirement in Rule 12.4(b)(4) that a person or entity (other than broker-dealers and certain non-broker-dealer affiliates of the carrying broker-dealer) establish and maintain equity of at least Five Million Dollars (\$5,000,000) is too high. The threshold should be reviewed as soon as possible to allow for a more reasonable initial account balance.

Finally, the Proposed Rule Change should also include equities and not be limited just to listed, broad-based U.S. index options, index warrants and underlying instruments. The predominance of sophisticated users includes equity baskets in their portfolios.

Sincerely,

Anthony J. Saliba

Anthony J. Saliba,
President
LiquidPoint, LLC