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June 8, 2004

Mr. Jonathan G. Katz
Secretary
Securities and Exchange Commission
459 Fifth Street, N. W.
Washington, DC 20549

Re: File No. SR-CBOE-2004-16 and SR-CBOE-2002-01

Dear Mr. Katz:

This letter is being submitted in response to a CBOE letter dated May 24, 2004.

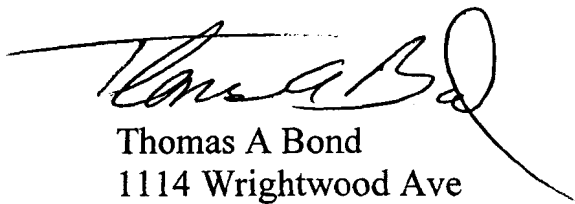
1. We understand that CBOE rule filing SR-CBOE-2002-01 is being withdrawn because the Chicago Board of Trade has not finalized their restructuring. In a May 19, 2004 letter from Charles P. Carey, Chairman of the Board of the Chicago Board of Trade, to his fellow members, he writes "On May 18, 2004, the court granted preliminary approval of our settlement agreement with the plaintiffs in the minority member lawsuit. Once this settlement receives final court approval and the Securities and Exchange Commission (SEC) declares our registration statement effective, we can then move forward with a membership vote and complete our restructure process." We believe that this restructuring will take place soon and therefore believe the SEC should not separate rule 2004-16 from 2002-01. In addition rule 2004-16 refers to rule 2002-01 in a foot note on page 3 of the filing and Amendment No.1 to SR-CBOE-2004-16 filed in a letter of April 8, 2004 references agreements between CBOT and CBOE concerning CBOT's restructuring. For the above reasons, we believe that the SEC should not act on this rule filing alone, but should instead tie both rule filings together and require an article 5(b) vote.

2. If the SEC concludes that rule 2004-16 can be separated from 2002-01, it should require an article 5(b) vote on 2004-16 because the purchase of exercise privileges is a partial demutualization of CBOT and therefore an amendment to article 5(b). Under the new structure, CBOT memberships will have two classes: one with exercise rights and one without. The CBOT will act as transfer agent and registrar. Also CBOT members will be able to receive separate value for the exercise right, which was not recognized in article 5(b) and the 1992 agreement.

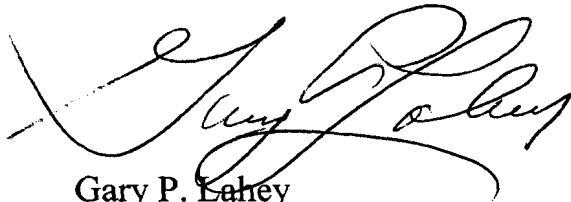
3. The CBOE keeps asserting that the CBOE Board of Directors has the sole right to interpret changes in the CBOT membership with regard to Article 5(b). We would not take issue with its assertion but for the fact that article 5(b) requires the CBOE membership of both classes to decide if changes or amendments to article 5(b) are permissible. The CBOE Board of Directors should not be usurping the member's rights by interpreting article 5(b).

For these reasons and reasons stated in our letter of April 8, 2004, we believe that the SEC should not approve these rule filings, but instead require an article 5(b) vote of the memberships. If you have any questions or need additional information, please contact us.

Sincerely,



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