optionsXpress
Member NASD • SIPC

November 22, 2005

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

Re: File Number SR-CBOE-2005-39

optionsXpress, Inc. is pleased to comment in response to SR-CBOE-2005-39, the Chicago Board Options Exchange proposal to amend CBOE Rule 5.5, Interpretation and Policy .05 pertaining to the $2.50 Strike Price Program. optionsXpress respectfully requests that the Securities and Exchange Commission approve the filing as submitted.

In the firm's opinion, the existing program has been a considerable success. Over 5% of our customer options business is being transacted in option classes for which the interval of strike prices is $2.50 where the strike price is greater than $20 and less than $50 according to internal data.[1] It is the firm's belief that the expansion of the $2.50 strike interval program affords the retail customer more choices for making investment decisions and improves the overall customer investment experience.

The addition of more $2.50 at-the-money strike intervals in widely recognized stocks such as Johnson and Johnson (JNJ), Boeing Co (BA), Proctor and Gamble Co (PG), Exxon Mobil Co (XOM), and Apple Computer (AAPL), among others, will allow customers to apply their varied option investment strategies to these widely held companies.

Although I support the Commission's continued pursuit of an agreeable solution to the existing quote traffic issue in the options industry, the low volatility nature of these companies should lead to a minimal increase in quote traffic. I strongly believe that the CBOE proposal should not be held up due to misconceptions regarding the effect it will have on quote traffic.

I thank you for your consideration and am happy to discuss the issue further if desired.

Sincerely,

Peter J. Bottini
Executive Vice-President, Trading
optionsXpress, Inc.
888-280-8020

[1] optionsXpress considered open positions, option trades, and option volume as of November 16, 2005.