

Congress of the United States
Washington, DC 20515

September 26, 2017

The Honorable Walter J. Clayton
Chairman
Securities and Exchange Commission
Washington, D.C.

The Honorable Michael S. Piwowar
Commissioner
Securities and Exchange Commission
Washington, D.C.

The Honorable Kara M. Stein
Commissioner
Securities and Exchange Commission
Washington, D.C.

Ms. Heather Seidel
Acting Director, Division of Trading
and Markets
Securities and Exchange Commission
Washington, D.C.

Dear Chairman Clayton, Commissioners Piwowar and Stein, and Director Seidel:

Thank you for your recent actions taken to delay the purchase of the Chicago Stock Exchange by a Chinese entity, Chongqing Casin Group. As previously stated, we have serious concerns related to the national and economic security ramifications of this transaction.

Simply put, this transaction would expose our markets to new vulnerabilities as a result of potential undue and unnecessary state influence from the Chinese government. Public trust in the integrity and security of our financial markets is the bedrock of our national security, and it will be impossible for the SEC to fully monitor Chinese government involvement or manipulation over the Chicago Exchange.

We see no mitigation steps that can fully insulate the Exchange's activities and ensure that our nation's interests are protected, not only in line with the intent of the 1934 Act, but with our broader national security interests, as well. And as you know, the ability to monitor concentrated ownership of our exchanges has long been deemed a necessity by the SEC under the Exchange Act.

Some point to the relative size of the Chicago Exchange vis-à-vis other U.S. exchanges. But, clearly, the Chicago Exchange has important value to this Chinese entity as exhibited by its persistence in pursuing the transaction. In addition, the broad concerns that have been raised about Chinese firms seeking to access U.S. capital through reverse mergers, Variable Interest Entities (VIE) and other mechanisms makes clear that the ownership of a U.S. exchange could provide enormous new opportunities for Chinese firms to list on U.S. markets and expose U.S. investors to new and unknown risks. The transaction must be evaluated not only for its present impact, but its potential impact as well.

U.S-China relations are complex, involving a number of issues such as human rights, cybersecurity, market manipulation, malicious trade actions, illegal maritime claims, and North Korean aggression. When we view this transaction, we cannot isolate any one particular issue from the numerous actions taken by the Chinese government that have been adverse to our

nation's interests. This transaction would be a wholly unnecessary risk that puts in jeopardy our economic security and the trustworthiness of our marketplaces.

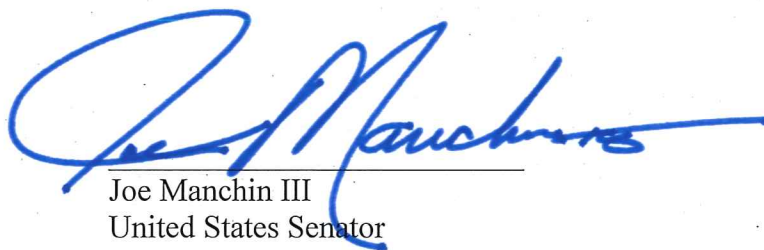
Moreover, the Chinese government has been unwilling to compromise and agree to U.S. transparency standards in their markets. Further, we are aware that the Chinese entities involved in this particular transaction have not yielded themselves to full U.S. jurisdiction or agreed to make their records available to the Exchange to assure compliance with ownership and voting limitations, as has been historically done in international transactions of this nature. This remains a major concern. Their initial steps send a strong message about their future actions.

Thank you for considering our concerns and the national and economic security concerns of the United States as you continue working on this issue.

Sincerely,



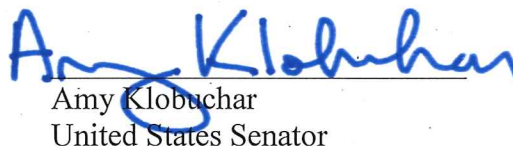
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United States Senator



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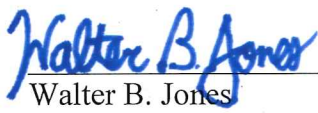
Steve King
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Rosa L. DeLauro
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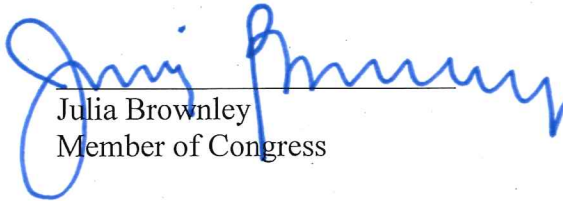
Marcy Kaptur
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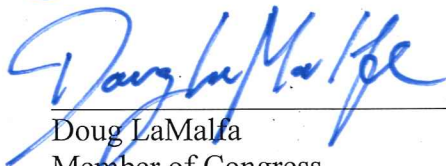
Austin Scott
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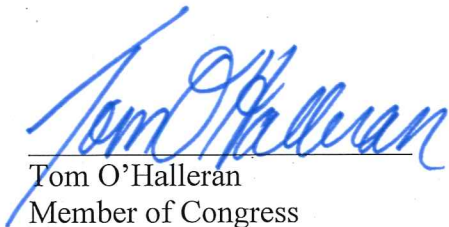
David P. Joyce
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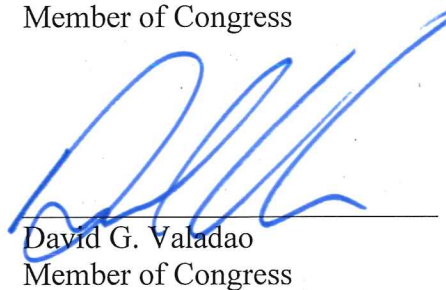
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