

November 10, 2017

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

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

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

Re: The Revised Capitalization Table Proposed by CHX is a Dangerous Circumvention of SEC Oversight. Re: Release No. 34-81435; (File No. SR-CHX-2016-20).

Dear Chairman Clayton, Commissioners Stein, Piwowar,

After Chongqing Casin Enterprise Group's ("Casin's") corporate shells dropped from the face of the CHX transaction to elude SEC review, Casin and CHX now appear to be attempting to use a back-door to effectuate the same transaction. This time, Casin and CHX are trying a new angle - using bearer bonds disguised as "Put Agreements" to avoid SEC scrutiny of foreign purchasers.

Focusing only a portion of the "Put Agreements" in the summary of the amended rule application, the CHX seems to purposefully attempt to draw the SEC's attention away from provisions that allow Jay Lu, the son and agent of Chongqing Casin's Chairman, to force the sale of 51.5% of CHX to unknown foreign "Third Party" entities.

An obvious agent of Chongqing Casin, the college aged Jay Lu is also the manager and signatory for both Castle YAC Enterprises, LLC and NA Casin Holdings, Inc. While Chongqing Casin and Jay Lu hold 40% ownership of the CHX, they would also exercise up to an additional 51.5% ownership and control by virtue of their rights under the bearer-bond like "Put-Agreements." Thus, roughly 91.5% of the CHX would be subject to Chongqing Casin's immediate control. After the proposed initial closing, Chongqing Casin could immediately elect how the "Put" ownership would be distributed amongst unknown "Third Party Purchasers" who would be wholly beyond the SEC's regulatory review power.

Moreover, these Put Agreements appear to be specifically designed to circumvent the kind of basic SEC scrutiny that unraveled Casin's first attempt to buy a majority of the exchange through its now resigned domestic and foreign nominee shell corporations: Chongqing Jintian Industrial Co., Ltd., Chongqing Longshang Decoration Co., Ltd., and Xian Tong Enterprises, Inc. (the "Casin Shells"). The simultaneous flight of the Casin Shells from this transaction, upon even the most rudimentary SEC review, and the slippery language of the "Put Agreements" now proposed in their stead should send a clear message to the SEC - Chongqing Casin is actively trying to circumvent the ownership and voting limitations critical to our country's public interest and faith in our national stock exchanges.

A poorly disguised attempt to reach the same end result - majority ownership and voting control of the CHX - the "Put Agreements" proposed by this transaction do even more harm than the initial proposal, as they further remove the possibility of public oversight of a transaction that has raised substantial red-flags as to ownership and voting concentration limits.

We respectfully request that the Commission think critically about whether a deal structured in this way would enhance or materially inhibit public trust in our markets, and whether it is wise to allow such a critical source of national financial information to be so recklessly and blindly tossed about when an unknown Chinese government connected entity like Chongqing Casin waives its checkbook.