

Regulatory Circular RG97-07

IMPORTANT MEMORANDUM

TO: All Exchange Members

FROM: Department of Financial Compliance

DATE: January 13, 1997

SUBJECT: FOCUS REPORT (Form X-17A-5)
1996 Year-End Filing
Due March 3, 1997

Under SEC Rule 17a-10(a)(1) every registered broker-dealer is required to file FOCUS Report X-17A-5 IIA and Schedule I for the calendar year ended December 31, 1996.

Enclosed you will find a FOCUS Report Part IIA and Schedule I. **EVERY EXCHANGE MEMBER AND MEMBER ORGANIZATION** registered with the SEC as a broker-dealer and whose designated examining authority is the CBOE, must file FOCUS Report Part IIA and Schedule I thereto for calendar year 1996 no later than March 3, 1997, with the Exchange's Department of Financial Compliance on the 7th floor.

The CBOE will collect the forms, edit the information, compile the data and forward a computer tape containing the data for all members to the Securities and Exchange Commission.

A twenty-five dollar (\$25) filing fee was approved by the Board of Directors on June 5, 1991 (Regulatory Circular RG91-39). The fee was initiated to partially recover FOCUS processing costs and should be attached to form X-17A-5 (checks only, please).

It should be noted that **every** member and member organization registered with the SEC as a broker/dealer for which the Exchange has regulatory responsibility must file a FOCUS Report Form X-17A-5 Part IIA and Schedule I. **Therefore, if you are a nominee and a registered broker/dealer, you must submit a separate FOCUS Report Form X-17A-5 Part IIA and Schedule I for yourself AND your member organization.**

ATTENTION: CBT Exercisers and Lessors

Even if you did not execute any trades on the CBOE during calendar year 1996, if you have a broker/dealer registration with the SEC you are still required to file the FOCUS Report Form X-

17A-5 Part IIA and Schedule I.

In filling out FOCUS Form X-17A-5 and Schedule I, it is very important that the following points be observed:

1. Your filing must be accurate. You may wish to consult your accountant for assistance in satisfying your filing obligations.
2. All entries should pertain to your business as a broker/dealer. You need not list assets, liabilities or revenue derived outside your broker/dealer activity.
3. Line 12 (Total Assets) on page one (1) must equal line 25 (Total Liabilities and Ownership Equity) on page two (2).
4. The form must be signed and must contain your broker/dealer number (SEC file number).
5. Please be aware that it is your ultimate responsibility to file the FOCUS Report. Although your clearing firm may fill out the FOCUS Report, it is your responsibility to make sure your FOCUS Report is filed with the Department of Financial Compliance.

In accordance with CBOE Rule 17.50, any member who fails to file Form X-17A-5 and Schedule I for calendar year 1996 by March 3, 1997 shall be subject to the following fines:

<u>DAYS LATE</u>	<u>AMOUNT</u>
1-30	\$200
31-60	\$400
61-90	\$800

Repeated failure to file FOCUS Report Form X-17A-5 and Schedule I in a timely manner will be referred to the Exchange's Business Conduct Committee as will a failure to file more than ninety (90) days late.

If you are unsure as to whether you are required to file or have any questions, please contact the Department of Financial Compliance on the 7th floor at (312) 786-7942.