

Regulatory Circular RG97-120

Date: September 16, 1997

To: Members, Member Firms and Associate Persons

From: Regulatory Services Division

Re: Videotaped Submissions to the Business Conduct Committee

On October 22, 1996, the Securities and Exchange Commission ("SEC") approved a Chicago Board Options Exchange ("CBOE") rule filing, SR-CBOE-96-47, which permits the subject of an Exchange investigation to submit a videotaped presentation to the Business Conduct Committee ("BCC") in response to Exchange staff's notice given pursuant to CBOE Rule 17.2(d). A subject of an investigation may submit a videotaped presentation in lieu of or in addition to submitting a written statement.

The following policy has been developed for the handling of videotaped submissions:

- ◇ Video submissions are limited to 15 minutes per subject and must be in VHS format. The Exchange does not provide facilities for the production of any video submissions.
- ◇ Members will be advised in each 17.2(d) notice and, periodically, in a Regulatory Circular that the BCC will be provided access to any video submission at the same time they are provided access to staff's report. Subjects may submit both written and videotaped statements.
- ◇ Video submissions will be distributed in accordance with the current BCC distribution schedule.
- ◇ Subjects who elect to make a video submission must retain a copy as a safeguard against problems with the tape(s) submitted to the staff.
- ◇ Any subject electing video submission must provide to the Regulatory staff fifteen copies of the videotaped presentation (one for each member of the BCC, the BCC archives, and the file). In lieu of the 15 copies, the subject may elect to provide 1 videotape and pay a reasonable fee to cover the Exchange's costs of duplication. The Exchange will file a rule change with the SEC in the near future to establish the fee for making video copies. If a subject elects to furnish one copy for the Exchange to Duplicate, the copy must be provided in a timely manner so that duplication can be completed in and distributed in accordance In order to meet the BCC distribution schedule.

As the Exchange gains experience with the use of videotaped presentations, these policies and procedures may be revised. The membership will be advised of significant changes to the procedures through a Regulatory Circular. Any questions concerning this Regulatory Circular may be directed to Lawrence J. Bresnahan at (312) 786-7713 or Margaret Williams at (312) 786-7834.