

BEFORE THE BUSINESS CONDUCT COMMITTEE
OF THE
CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED

)	
In the Matter of:)	
)	
Richard T. Arden)	
c/o Ashtin Kelly & Co.)	
400 5 th Avenue South)	File No. 96-0030
Suite 101)	
Naples, Florida 34102)	
)	
Respondent)	
)	

DECISION ACCEPTING OFFER OF SETTLEMENT

This proceeding was instituted by the Business Conduct Committee (the "Committee") of the Chicago Board Options Exchange, Incorporated (the "Exchange") as a result of an investigation by the staff of the Exchange, which indicated that there was probable cause for finding a violation within the disciplinary jurisdiction of the Exchange. In accordance with that determination, the Committee directed the issuance of a Statement of Charges ("Statement of Charges"). Pursuant to Exchange Rule 17.8, the respondent, Richard T. Arden ("Respondent" or "Arden"), submitted an offer of settlement ("Offer of Settlement").

In submitting the Offer of Settlement, the Respondent neither admitted nor denied the violations alleged in the Statement of Charges.

In light of the fact that the Respondent is currently the Debtor in the case entitled In Re: Richard Thomas Arden, Case No. 96 B 15412, pending in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, Respondent understands and acknowledges that the decision by the Committee to accept Respondent's Offer of Settlement is contingent and conditional upon the completion of the following actions: (1) Respondent's execution of an agreement within fourteen (14) days of the issuance of the Committee's decision accepting the Offer of Settlement, in a form acceptable to the Committee, to reaffirm the monetary sanction provided for herein as a non-dischargeable debt pursuant to the provisions of 11 U.S.C. Section 524 (the "Reaffirmation Agreement") and (2) approval by the above-referenced court of the Respondent's Reaffirmation Agreement. Furthermore, Respondent understands and acknowledges that he will be responsible for the preparation of the Reaffirmation Agreement and for the preparation, filing, service and costs of any and all motions necessary to obtain court approval of his Reaffirmation Agreement. Respondent's motion seeking court approval of his Reaffirmation Agreement shall be filed no later than twenty-one (21) days after the execution of the Reaffirmation Agreement.

Respondent also understands and acknowledges that the decision by the Committee to accept the Offer of Settlement will not be effective until the later of either: (1) 60 days after the Reaffirmation Agreement is filed with, and approved by, the bankruptcy court, or (2) the date on which Respondent is granted an order of discharge by the bankruptcy court. If the Respondent withdraws or revokes the Reaffirmation Agreement prior to such date, then Respondent hereby consents and stipulates to the Exchange, at its option, being allowed sixty (60) days from the withdrawal or revocation to file a complaint for nondischargeability of a debt, pursuant to the provisions of 11 U.S.C. Section 523, against Respondent.

The Respondent has agreed that upon Respondent's satisfaction of the contingencies and conditions described above in a manner acceptable to the Exchange, the determination of the Committee to conditionally accept the Offer of Settlement shall constitute a final Decision and, as provided in Exchange Rule 17.8, the Respondent may not seek review thereof.

The Respondent understands and acknowledges that the Committee's decision in this matter will become part of his disciplinary record and may be considered in any future Exchange proceeding.

With due regard to the particulars of this matter, the Committee believes it is appropriate to conditionally accept the Respondent's Offer of Settlement based on the following stipulated facts and findings and thereby to impose the sanction specified below.

FACTS

1. During all relevant periods herein, Arden was registered with the Exchange to transact business on the Exchange in accordance with Exchange Rules as a Registered Representative of PaineWebber Inc. ("PaineWebber"), an Exchange member organization, at PaineWebber's Northbrook, Illinois branch office.
2. During all relevant periods herein, Arden was acting in his capacity as a registered representative for PaineWebber, and was engaged in the handling of public customer accounts, including, but not limited to, three related public customer accounts (collectively the "Public Customers' Accounts").
3. During all relevant periods herein, Exchange Rule 4.1 - Just and Equitable Principles of Trade was in full force and effect.
4. During the period from in or about January 1993 through in or about October 1993, Arden effected a total of approximately 669 opening Standard and Poor's 100 Stock Index ("OEX") option transactions for a total of approximately 15,663 OEX option contracts in the Public Customers' Accounts.

FINDINGS

5. The acts, practices, and conduct described in Paragraph 4 above constitute violations of Exchange Rule 4.1 by Arden, in that the transactions Arden effected for the Public Customers' Accounts described in Paragraph 4 above were excessive in size and frequency given the character of the accounts, and such conduct was inconsistent with just and equitable principles of trade.

SANCTION

The sanction to be imposed shall consist of a five thousand dollar (\$5,000) fine and a censure. In accepting the Offer of Settlement, the Committee considered that the Respondent is currently the Debtor in a case pending in the United States Bankruptcy Court.

ORDER

ACCORDINGLY IT IS ORDERED THAT, the Respondent, Richard T. Arden, shall be and hereby is censured and fined in the amount of five thousand dollars (\$5,000). IT IS FURTHER ORDERED THAT, Respondent take action immediately to reaffirm the monetary sanction imposed herein as a non-dischargeable debt pursuant to 11 U.S.C. Section 524 and to satisfy each of the other contingencies set forth herein. This Decision will not become final until the Respondent fully satisfies each of the contingencies contained herein, and the Committee will retain jurisdiction over this matter until the Respondent has fully complied with the provisions of this order.

**SO ORDERED
FOR THE COMMITTEE**

Dated: June 9, 1997

**By: /s/ Bruce I. Andrews
Bruce I. Andrews
Chairman
Business Conduct Committee**