

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

In the Matter of:)	
)	
)	
Rockrimmon Securities)	
120 Broadway, 7 th Floor)	
New York, NY 10271)	File No. 97-0007
)	
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 ("Respondent"), Rockrimmon Securities ("Rockrimmon"), 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.

The Respondent has agreed that the determination of the Committee to 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 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, the Respondent, Rockrimmon, was a member of the Exchange.
2. During all relevant periods herein, Rockrimmon was registered with the Exchange to transact business on the Exchange in accordance with Exchange Rules as a lessee member organization associated with a market-maker and a floor broker. Rockrimmon cleared its option transactions at Spear, Leeds and Kellogg ("SLK").
3. During all relevant periods herein, Exchange Rule 4.11 - Position Limits was in full force and effect.

4. During all relevant periods herein, the applicable position limit in the Cal Fed Bancorp, Inc.¹ ("CAL") class of option contracts was any combination of CAL and CFZ options contracts on the same side of the market not to exceed 450,000 shares of the underlying security.
5. During all relevant periods herein, the applicable position limit in the General Motors Corp. (GM) class of option contracts was 10,500 contracts on the same side of the market.
6. On March 11, 1994, Rockrimmon controlled an aggregate short put position of 5,740 CFZ option contracts which equated to 574,000 shares of the underlying security in the combination of its market maker joint account and its customer account.
7. On May 10, 1994, Rockrimmon controlled a long call, short put position of 11,593 GM option contracts in its customer account.

FINDINGS

8. The acts, practices, and conduct described in Paragraph 6 above constitute a violation of Exchange Rule 4.11 by Rockrimmon in that Rockrimmon exceeded the position limit in the CAL option class in the combination of its market maker joint account and its customer account.
9. The acts, practices, and conduct described in Paragraph 7 above constitute a violation of Exchange Rule 4.11 by Rockrimmon in that Rockrimmon exceeded the position limit in the GM option class in its customer account.

SANCTION

The sanction to be imposed shall consist of a fine in the amount of five thousand dollars (\$5,000).

ORDER

ACCORDINGLY IT IS ORDERED THAT, the Respondent, Rockrimmon, shall be and hereby is fined in the amount of five thousand dollars (\$5,000).

SO ORDERED FOR THE COMMITTEE

Dated: June 4, 1997

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

¹ CAL announced a distribution of rights ("Rights") to common stockholders of record March 1, 1994. The distribution was made at a rate of 1 Right for every 1.5 shares CAL common stock. Fractional rights were rounded up to the nearest Right. One Right entitled the holder to purchase one additional share of CAL common stock for a subscription price of \$9.00 per share. The ex-distribution date was Thursday, March 3, 1994. CFZ was the adjusted option symbol after the rights offering.