

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

)	
In the Matter of:)	
)	
Daniel P. Morr)	
657 E. 160 th Place)	File No. 97-0009
South Holland, IL 60473)	
)	
)	
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"), Daniel Morr ("Morr"), 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, Morr, was a member of the Exchange.
2. During all relevant periods herein, Morr was registered with the Exchange to transact business on the Exchange in accordance with Exchange Rules as a floor broker and a nominee of Associated Options, Inc., an Exchange member organization.

3. During all relevant time periods noted herein, Exchange Rule 4.1 - Just and Equitable Principles of Trade and Exchange Rule 6.74(a) - "Crossing" Orders were in full force and effect.
4. On or about July 10, 1996, Morr, while a nominee of Associated Options, crossed a customer order to sell 10 Biochem Pharmaceutical ("BQX") Jul 30 call option contracts (the "Cross") at a price of 4-1/8 with an order Morr represented on behalf of a Broker-Dealer without announcing the Cross to the BQX trading crowd in open outcry.

FINDINGS

5. The acts, practices and conduct described in Paragraph 4, above, constitute a violation of Exchange Rules 4.1 and 6.74(a) by Morr, in that Morr, while a nominee of Associated Options, crossed the order described in Paragraph 4 above, in a manner that was non-competitive, not in open outcry and inconsistent with just and equitable principles of trade.

SANCTION

The sanction to be imposed shall consist of a two thousand five hundred dollar (\$2,500) fine and a censure.

ORDER

ACCORDINGLY IT IS ORDERED THAT, the Respondent, Daniel Morr, shall be and hereby is fined in the amount of two thousand five hundred dollars (\$2,500) and censured.

**SO ORDERED
FOR THE COMMITTEE**

Dated: August 11, 1997

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