

	)	
In the Matter of:	)	
	)	
Ernst & Company	)	
One Battery Park Plaza	)	File No. 97-0016
New York, NY 10005	)	
	)	
and	)	
	)	
Patrick Carroll	)	
One Battery Park Plaza	)	
New York, NY 10005	)	
	)	
Subjects	)	
	)	

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. In order to resolve this matter, the subjects, Ernst & Company ("Ernst"), and Patrick Carroll ("Carroll"), have submitted a Letter of Consent, dated May 20, 1997. Such Letter of Consent was submitted solely for the purposes of this proceeding without admitting or denying that a violation of Exchange Rules has been committed. With due regard to the stipulated facts and findings and the proposed sanction contained therein, the Committee believes it is appropriate to accept the Letter of Consent for File No. 97-0016 which is attached to and made a part of this Decision.

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

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

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Ernst & Company	)	
One Battery Park Plaza	)	
New York, NY 10005	)	
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and	)	File No. 97-0016
	)	
Patrick Carroll	)	
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New York, NY 10005	)	
	)	
Subjects	)	
	)	
	)	

**LETTER OF CONSENT**

In order to resolve this proceeding pursuant to the Chicago Board Options Exchange, Incorporated (the "Exchange") Rule 17.3, Expedited Proceeding, Ernst & Company ("Ernst") and Patrick Carroll ("Carroll") hereby submit this Letter of Consent in the captioned matter. Only for purposes of this proceeding and without admitting or denying that a violation of Exchange Rules has been committed, Carroll and Ernst consent to the Stipulation of Facts and Findings and Sanction set forth below.

**Stipulation of Facts and Findings**

1. During all relevant periods herein, the Subject, Ernst, was an Exchange member organization.
2. During all relevant periods herein, the Subject, Carroll, was employed by Ernst as its Operations Manager on the Exchange trading floor.
3. During all relevant periods herein, Ernst was registered with the Exchange to transact business on the Exchange in accordance with Exchange Rules as a lessee member organization associated with a floor broker.
4. During all relevant time periods herein, Exchange Rule 4.1 - Just and Equitable Principles of Trade, Securities Exchange Act Release No. 33972 (May 5, 1994), SR-

CBOE-94-03 - Trading Floor Booth Rental, and Regulatory Circular RG94-37 were in full force and effect.

5. During the period from on or about October 1, 1995, through on or about October 31, 1996, Ernst and Carroll allowed employees of an Exchange member organization who were not employees of Ernst, and who did not clear through Ernst, to access and use booth space allocated to Ernst by the Exchange.
6. The acts, practices, and conduct described in Paragraph Five above constitute violations of Exchange Rule 4.1, Securities Exchange Act Release No. 33972 (May 5, 1994), SR-CBOE-94-03, and Regulatory Circular RG94-37.

Sanction: A three thousand dollar (\$3,000) joint and several fine and a censure of each Subject.

In accepting the Letter of Consent, the Committee considers Ernst's payment of eleven thousand dollars (\$11,000) to the Exchange which represents all booth fees accrued during the period involved herein.

Ernst and Carroll acknowledge that they have read the foregoing Letter of Consent, that no promise or inducement of any kind has been made to Ernst and Carroll by the Exchange or its staff, and that this Letter is voluntary on Ernst's and Carroll's part.

Ernst and Carroll understand and acknowledges that the Committee's decision in this matter will become part of Ernst's and Carroll's disciplinary record and may be considered in any future Exchange proceeding.

Ernst and Carroll also acknowledge that the Committee's decision to accept or reject this Letter of Consent is final and that they may not seek review thereof in accordance with Exchange Rule 17.3.

May 20, 1997  
Date

/s/ Patrick Carroll  
Patrick Carroll

May 20, 1997  
Date

Ernst & Company