

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

	)	
In the Matter of:	)	
	)	
Charles Goldstein	)	
440 S. LaSalle St., Suite 700	)	
Chicago, IL 60605	)	
	)	
and	)	File No. 97-0029
	)	
Kessler Asher Securities Trading L.P.	)	
440 S. LaSalle St., Suite 1900	)	
Chicago, IL 60605	)	
	)	
Respondents	)	
	)	

**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 respondents ("Respondents"), Charles Goldstein ("Goldstein") and Kessler Asher Securities Trading, L.P., ("Kessler Asher") submitted an offer of settlement ("Offer of Settlement").

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

The Respondents have 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 Respondents may not seek review thereof.

The Respondents understand and acknowledge that the Committee's decision in this matter will become part of their 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 Respondents' 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, Goldstein and Kessler Asher were members of the Exchange.
2. During all relevant periods herein, Goldstein was registered with the Exchange to transact business on the Exchange in accordance with Exchange Rules as a market-maker, a floor broker, and a nominee of Kessler Asher.
3. During all relevant periods herein, Kessler Asher was registered with the Exchange to transact business on the Exchange in accordance with Exchange Rules as a member organization associated with a market-maker.
4. During all relevant periods herein, Exchange Rule 8.16-RAES Eligibility in Equity Options was in full force and effect.
5. Pursuant to Exchange Rule 8.16(b), any market-maker who has logged on the Exchange's Retail Automatic Execution System ("RAES") at any time during an expiration month must log on the RAES system in that option class whenever the market-maker is present in that trading crowd until the next expiration.
6. During the December 1996 expiration cycle, from November 18, 1996 to December 21, 1996, Goldstein, as nominee of Kessler Asher, logged on RAES in the International Business Machines (IBM) option class.
7. On November 19 and 20, 1996, Goldstein, as nominee of Kessler Asher, failed on numerous occasions to log on RAES in the IBM option class while Goldstein was present in the IBM trading crowd.

### **FINDINGS**

8. The acts, practices and conduct described in Paragraph 7 above constitute violations of Exchange Rule 8.16(b) by Goldstein and Kessler Asher, in that Goldstein, as nominee of Kessler Asher, failed on numerous occasions to log on RAES in the IBM option class while Goldstein was present in the IBM trading crowd.

### **SANCTION**

The sanction to be imposed shall consist of a censure of each Respondent, a ten thousand dollar (\$10,000) joint and several fine, and a one year suspension of Goldstein from eligibility to participate on the Exchange's Retail Automatic Execution System ("RAES"). The suspension from RAES shall incorporate the one full expiration cycle RAES suspension previously served by Goldstein.

### **ORDER**

ACCORDINGLY IT IS ORDERED THAT, the Respondents, Charles Goldstein and Kessler Asher Securities Trading L.P., shall be and hereby are censured and jointly and severally fined in the amount of ten thousand dollars (\$10,000) and Goldstein shall be suspended for one year from eligibility to participate on the Exchange's Retail Automatic Execution System ("RAES"). The suspension from RAES shall incorporate the one full expiration cycle RAES suspension previously served by Goldstein.

**SO ORDERED  
FOR THE COMMITTEE**

**Dated: October 6, 1997**

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