

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

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In the Matter of:)	
)	
Irvin R. Kessler)	
One Financial Place)	
440 South LaSalle Street)	File No. 97-0030
7 th Floor)	
Chicago, IL 60605)	
)	
and)	
)	
Decathlon Trading Ltd. Partnership)	
One Financial Place)	
440 South LaSalle Street)	
7 th Floor)	
Chicago, IL 60605)	
)	
Subjects)	
)	

DECISION ACCEPTING LETTER OF CONSENT

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, Irvin R. Kessler and Decathlon Trading Ltd. Partnership, have submitted a Letter of Consent, dated July 7, 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. 97-0030 which is attached to and made a part of this Decision.

SO ORDERED
FOR THE COMMITTEE

Dated: October 6, 1997

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

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LETTER OF CONSENT

In order to resolve this proceeding pursuant to the Chicago Board Options Exchange, Incorporated (the "Exchange") Rule 17.3, Expedited Proceeding, Irvin R. Kessler and Decathalon Trading Ltd. Partnership 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, Irvin R. Kessler and Decathalon Trading Ltd. Partnership consent to the Stipulation of Facts and Findings and Sanction set forth below.

Stipulation of Facts and Findings

1. During all relevant periods, the Subject, Irvin R. Kessler ("Kessler"), was an Exchange member registered with the Exchange to transact business on the Exchange in accordance with Exchange rules as a market-maker and a floor broker. During 1989, Kessler was registered for (RF) Decathalon Trading Ltd. Partnership.

2. During all relevant periods, the Subject, Decathalon Trading Ltd. Partnership ("Decathalon"), was an Exchange member organization registered with the Exchange to transact business on the Exchange in accordance with Exchange rules as a member organization associated with a market-maker and a floor broker.

3. During all relevant periods, Exchange Rules 4.1 - Just and Equitable Principles of Trade, and 8.7 and Interpretations and Policies .03A and .03B thereunder - Obligations of Market-Makers, were in full force and effect.
4. During all relevant periods, pursuant to Exchange Rule 8.7 and Interpretation and Policy .03B thereunder, a market-maker must execute in person, and not through the use of orders, at least 25% of his total option transactions.
5. During all relevant periods herein, pursuant to Exchange Rule 8.7 and Interpretation and Policy .03A thereunder, at least 75% of a market-maker's total contract volume must be in option classes to which he has been appointed.
6. During the first quarter of 1989, Kessler, on behalf of Decathalon, executed in person and not through the use of orders, 16.55% of his total option transactions.
7. During the first quarter of 1991, Kessler executed in person and not through the use of orders, 11.03% of his total option transactions.
8. As a result of the activity described in Paragraph 6 above, the Exchange's Market Performance Committee ("MPC") imposed a trading restriction prohibiting Kessler and Decathalon from entering into any opening market-maker transactions for 20 consecutive business days, to be served from June 19 through July 17, 1989. On June 28, June 30, July 7 and July 13, 1989 in the SYN option class, and on July 17, 1989 in the BMY and OEX option classes, Kessler entered into a total of 60 opening option transactions for his individual market-maker account.
9. As a result of the activity described in Paragraph 7 above, the MPC imposed a trading restriction prohibiting Kessler from entering into any opening market-maker transactions for 10 consecutive business days, to be served from June 3 through 14, 1991. On June 4, 1991 in the GM/LGM and PEP option classes, on June 5, 1991 in the LBO and GM/ZGM option classes, and on June 6, 1991 in the GM option class, Kessler entered into a total of 18 opening option transactions for his QKK market-maker joint account.
10. During the second quarter of 1992, Kessler effected approximately 57% of his contract volume in his appointed option classes (AEP, BA, BBC, BIQ, CDN, CIQ, CPO, CPS, DBQ, EMC, GY, HDL, IBM, IP, KLM, LFB, LSW, LSX, ME, MPQ, MPZ, MRG, NRQ, NSX, OAX, OEX, OLX, PHI, RDA, RN, RNP, SC, SCH, SHX, SHY, SPL, SPX, SPZ, SWY, TJX, UJB, UPJ, VBO, VIB, VRJ, VUP, WBN, WBO, WIB, WRJ, WUP, ZBO, ZIB, ZRJ and ZUP).
11. The acts, practices and conduct described in Paragraph 6 above constitute violations of Exchange Rule 8.7.03B by Kessler and Decathalon, in that they failed to meet the Exchange's 25% in-person market-maker trading requirement.
12. The acts, practices and conduct described in Paragraph 7 above constitute violations of Exchange Rule 8.7.03B by Kessler, in that he failed to meet the Exchange's 25% in-person market-maker trading requirement.

13. The acts, practices and conduct described in Paragraph 8 above constitute violations of Exchange Rule 4.1 by Kessler and Decathalon, in that they failed to comply with an MPC trading restriction.
14. The acts, practices and conduct described in Paragraph 9 above constitute violations of Exchange Rule 4.1 by Kessler, in that he failed to comply with an MPC trading restriction.
15. The acts, practices and conduct described in Paragraph 10 constitute violations of Exchange Rule 8.7.03A by Kessler, in that he failed to meet the Exchange's 75% minimum distribution market-maker trading requirement.

Sanction: A twelve thousand five hundred dollar (\$12,500) joint and several fine and a censure of each Subject.

We acknowledge that we have read the foregoing Letter of Consent, that no promise or inducement of any kind has been made to us by the Exchange or its staff, and that this Letter is voluntary on our parts.

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

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

July 7, 1997
Date

/s/ Irvin R. Kessler
Irvin R. Kessler

July 7, 1997
Date

/s/ Irvin R. Kessler
Decathalon Trading Ltd. Partnership

Title