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| In the Matter of: |) | |
| |) | |
| John C. Addison |) | |
| 4739 Rembert Dr. |) | |
| Raleigh, NC 27612 |) | File No. 97-0031 |
| |) | |
| Subject |) | |
| |) | |

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 subject, John C. Addison, has submitted a Letter of Consent, dated June 30, 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. 97-0031 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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| John C. Addison |) | |
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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, John C. Addison ("Addison") hereby submits 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, Addison consents 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, Addison, was registered with the Exchange to transact business on the Exchange in accordance with Exchange Rules as a Registered Representative of Prudential Securities, Inc. ("Prudential"), an Exchange member organization, at Prudential's Raleigh, North Carolina branch office.
2. During all relevant periods in which the activity noted below occurred, Addison was acting in his capacity as a Registered Representative for Prudential, and was engaged in the handling of public customer accounts.
3. During all relevant periods herein, Exchange Rules 4.1 - Just and Equitable Principles of Trade, and 9.10(a) - Discretionary Accounts-Authorization and Approval Required were in full force and effect.
4. On or about June 24, 1996, Addison failed to enter three closing market orders he received from a public customer ("Public Customer") involving the sale of 1 Safeguard Scientific (SFE) Aug 80 call option contract, 2 SFE Aug 75 call option contracts, and 3 SFE Jul 80 call option contracts.
5. On or about July 11, 1996, Addison effected one option transaction in the account of Public Customer involving the purchase of 4 Standard & Poor's 100 Stock Index Options (OEX) July 625 call option contracts without Public Customer's prior authorization.

6. The acts, practices and conduct described in Paragraph 4 above constitute violations of Exchange Rule 4.1 by Addison, in that Addison failed to enter three closing market orders he received from Public Customer, which conduct was inconsistent with just and equitable principles of trade.
7. The acts, practices and conduct described in Paragraph 5 above constitute violations of Exchange Rule 4.1 and 9.10(a) by Addison, in that Addison effected an unauthorized option transaction in the account of Public Customer.

Sanction: A three month bar from Exchange membership and from association with any Exchange member or member organization and a censure.

Addison acknowledges that he has read the foregoing Letter of Consent, that no promise or inducement of any kind has been made to him by the Exchange or its staff, and that this Letter is voluntary on Addison's part.

Addison 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.

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

June 30, 1997
Date

/s/ John C. Addison
John C. Addison