

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

In the Matter of:)	
)	
)	
James T. Maday)	
15 W. 151 Sedgley)	File No. 97-0040
Burr Ridge, IL 60521)	
)	
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"), James T. Maday ("Maday"), 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, Maday, was a member of the Exchange.
2. During all relevant periods herein, Maday was registered with the Exchange to transact business on the Exchange in accordance with Exchange Rules as a market-maker and a CBT exerciser.
3. During all relevant periods herein, Exchange Rules 4.2 - Adherence to Law and 8.1 -Marker-Maker Defined, and Regulation X of the Board of Governors of the Federal Reserve System ("FRB") - Borrowers of Securities Credit were in full force and effect.
4. Attached to and made a part of the Statement of Charges for File No. 97-0040 ("Statement of Charges") as an Appendix is a sample of cleared option transactions which were executed by

floor brokers, and which increased or established positions in Maday's market-maker account during the period from on or about July 3, 1996, through on or about July 30, 1996.

5. During the period from on or about July 3, 1996, through on or about July 30, 1996, on approximately eleven (11) trade dates, Maday initiated approximately thirty-four (34) option orders resulting in numerous transactions, as more fully described in the Appendix attached to the Statement of Charges, that increased or established positions in his market-maker account while Maday was not present on the trading floor of the Exchange. As a result, Maday improperly received specialist exempt credit for margin purposes for these transactions.

FINDINGS

6. The acts, practices and conduct described in Paragraph 5 above constitute violations of Exchange Rule 8.1 by Maday, in that Maday initiated approximately thirty-four (34) option orders resulting in numerous transactions, as more fully described in the Appendix attached to the Statement of Charges, that increased or established positions in his market-maker account while Maday was not present on the trading floor of the Exchange.
7. The acts, practices and conduct described in Paragraph 5 above constitute violations of Exchange Rule 4.2 and FRB Regulation X by Maday, in that Maday improperly received specialist exempt credit for margin purposes for these transactions.

SANCTION

The sanction to be imposed shall consist of a two thousand five hundred dollar (\$2,500) fine. In accepting the Offer of Settlement, the Committee considered certain mitigating circumstances.

ORDER

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

SO ORDERED FOR THE COMMITTEE

Dated: November 12, 1997

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