

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

)	
In the Matter of:)	
)	
Equimax Partnership L.P.)	
5815 Fallsview)	File No. 97-0042
Dallas, TX 75252)	
)	
and)	
)	
Brian Patton)	
4324 Kathleen Lane)	
Oak Lawn, IL 60453)	
)	
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"), Equimax Partnership L.P. ("Equimax ") and, Brian Patton ("Patton ") 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, Equimax, was a member of the Exchange.

2. During all relevant periods herein, Patton, was a member of the Exchange.
3. During all relevant periods herein, Equimax was registered with the Exchange to transact business on the Exchange in accordance with Exchange Rules as a Lessee organization and as a member organization associated with a market-maker and a floor broker.
4. During all relevant periods herein, Patton 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 Equimax.
5. During all relevant periods herein, Exchange Rule 11.1 Exercise of Option Contracts was in full force and effect.
6. On July 16, 1996, Intel Corp. ("Intel") was a component of the OEX option class with a 2.85% weighting.
7. On July 16, 1996, at approximately 3:19 p.m. (CT), Intel reported second quarter earnings of \$1.17, which was greater than the \$.99 per share earnings predicted by analysts.
8. On July 16, 1996, at approximately 3:24 p.m. (CT), Patton, on behalf of Equimax, submitted an advice to the Exchange indicating his intent to exercise 100 Standard & Poor's Stock Index ("OEX") Jul 625 put option contracts.

FINDINGS

9. The acts, practices, and conduct described in Paragraph 8 above constitute violations of Exchange Rule 11.1 by Equimax and Patton in that the advice was submitted after the 3:20 p.m. cutoff time. (CT).

SANCTION

The sanction to be imposed shall consist of a fifteen thousand dollar (\$15,000) joint and several fine.

ORDER

ACCORDINGLY IT IS ORDERED THAT, the Respondents, Equimax and Patton, shall be and hereby are jointly and severally fined in the amount of fifteen thousand dollars (\$15,000).

**SO ORDERED
FOR THE COMMITTEE**

Dated: November 21, 1997

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