

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

)	
In the Matter of:)	
)	
David Rothberg)	
Gold & Harris)	File No. 97-0043
741 Northfield Ave.)	
West Orange, NJ 07052)	
)	
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"), David Rothberg ("Rothberg"), 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, Rothberg, was a member of the Exchange.

2. During all relevant periods herein, Rothberg was registered with the Exchange to transact business on the Exchange in accordance with Exchange Rules as a market-maker.
3. During all relevant periods herein, Exchange Rule 11.1 - Exercise of Option Contracts was in full force and effect.
4. During all relevant periods herein, Exchange members intending to exercise Standard & Poor's 100 Stock Index (OEX) option contracts were required to submit an exercise advice ("Advice") to the Exchange no later than 3:20 p.m. Central Time (CT) on the day their decision to exercise the option contracts was made.
5. On July 16, 1996, Intel Corp. ("Intel") was a component of the OEX option class with a 2.85% weighting.
6. 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.
7. On July 16, 1996, at approximately 3:22 p.m. (CT), Rothberg submitted an Advice to the Exchange indicating his intent to exercise 10 Standard & Poor's 100 Stock Index ("OEX") Jul 625 put option contracts.

FINDINGS

8. The acts, practices, and conduct described in Paragraph 7 above constitute violations of Exchange Rule 11.1 by Rothberg 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 two thousand five hundred dollar (\$2,500) fine.

ORDER

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

**SO ORDERED
FOR THE COMMITTEE**

Dated: December 18, 1997

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