

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

In the Matter of:)

Robert Denning)

c/o Morgan Keegan & Co., Inc.)

820 Shades Creek Parkway)

Birmingham, AL 35209)

Subject)
_____)

File No. 97-0059

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 subject, Robert Denning, has submitted a Letter of Consent, dated November 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. 97-0059 which is attached to and made a part of this Decision.

SO ORDERED
FOR THE COMMITTEE

Dated: December 18, 1997

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

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In the Matter of:)	
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Robert Denning)	
c/o Morgan Keegan & Co., Inc.)	File No. 97-0059
820 Shades Creek Parkway)	
Birmingham, AL 35209)	
)	
Subject)	
)	

LETTER OF CONSENT

In order to resolve this proceeding pursuant to the Chicago Board Options Exchange, Incorporated (the "Exchange") Rule 17.3, Expedited Proceeding, I 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, I consent 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, Robert Denning ("Denning"), was a member of the Exchange.
2. During all relevant periods herein, Denning was registered with the Exchange to transact business on the Exchange in accordance with Exchange Rules as a registered representative of Dean Witter Reynolds, Inc. ("DWR"), an Exchange member organization, at DWR's Birmingham, Alabama branch office.
3. During all relevant periods herein, Denning was acting in his capacity as a Registered Representative for DWR and was engaged in the handling of public customer accounts, including, but not limited to, the public customer joint account of Customer A and B ("Customer A and B"), the Individual Retirement Account ("IRA") of Customer A, the public customer joint account of Customer C and D ("Customer C and D"), the public customer joint account of Customer E and F ("Customer E and F"), the public customer account of Customer G ("Customer G"), and the IRA of Customer G.
4. 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.
5. During the period from in or about March 1991 through in or about April 1993, Denning accepted instructions from Customer A to effect numerous stock and

option transactions in Customer B's IRA without prior third-party written authorization from Customer B.

6. During the period from in or about January 1992 through in or about April 1995, Denning effected numerous stock transactions in Customer A and B's joint account on a discretionary basis. During the period from in or about January 1992 through in or about January 1995, Denning effected numerous stock transactions in Customer C and D's joint account on a discretionary basis. During the period from in or about January 1994 through in or about August 1994, Denning effected numerous stock transactions in Customer E and F's joint account on a discretionary basis. During the period from in or about January 1991 through in or about September 1994, Denning effected numerous stock transactions in Customer G's account on a discretionary basis. Denning effected these stock transactions without prior written authorization from the Customers and written approval by DWR.
7. During the period from in or about January 1992 through in or about April 1995, Denning effected numerous option transactions in Customer A and B's joint account on a discretionary basis. During the period from in or about January 1992 through in or about January 1995, Denning effected numerous option transactions in Customer C and D's joint account on a discretionary basis. During the period from in or about January 1994 through in or about August 1994, Denning effected numerous option transactions in Customer E and F's joint account on a discretionary basis. During the period from in or about January 1991 through in or about September 1994, Denning effected numerous option transactions in Customer G's account on a discretionary basis. Denning effected these option transactions without prior written authorization from the Customers and written approval by DWR.
8. In or about December 1990 and in or about October 1991, Denning made recommendations to Customer G to make two premature distributions from Customer G's IRA from which approximately \$20,000.00 and \$18,629.00, respectively, was transferred to her public customer account at DWR. In or about April 1993, and in or about February 1994, Denning made recommendations to Customer B to make two premature distributions from Customer B's IRA from which approximately \$1,530.00 and \$2,437.00, respectively, was transferred to Customer A and B's joint account at DWA.
9. The acts, practices and conduct described in Paragraph 5 above constitute violations of Exchange Rule 4.1 by Denning, in that Denning accepted instructions from Customer A to effect numerous stock and option transactions in Customer B's IRA without prior third-party written authorization from Customer B.
10. The acts, practices and conduct described in Paragraph 6 above constitute violations of Exchange Rule 4.1 by Denning, in that Denning effected numerous stock transactions in Customer A and B's joint account, Customer C and D's joint account, Customer E and F's joint account, and Customer G's account on a

discretionary basis without their prior written authorization and written firm approval.

11. The acts, practices and conduct described in Paragraph 7 above constitute violations of Exchange Rules 4.1 and 9.10(a) by Denning, in that Denning effected numerous option transactions in Customer A and B's joint account, Customer C and D's joint account, Customer E and F's joint account, and Customer G's account on a discretionary basis without their prior written authorization and written firm approval.
12. The acts, practices and conduct described in Paragraph 8 above constitute violations of Exchange Rule 4.1 by Denning, in that Denning made recommendations to Customer G and Customer B to make two premature distributions from each of their IRA accounts, which distributions were inappropriate business transactions.

Sanction: A seven thousand five hundred dollar (\$7,500) fine and a censure.

I acknowledge that I have read the foregoing Letter of Consent, that no promise or inducement of any kind has been made to me by the Exchange or its staff, and that this Letter of Consent is voluntary on my part.

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

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

November 7, 1997
Date

/s/ Robert Denning
Robert Denning