

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

)	
In the Matter of:)	
)	
Gary R. Silverman)	
440 S. LaSalle)	
Suite 1021)	File Nos. 97-0037
Chicago, IL 60605)	and 97-0038
)	
and)	
)	
Daniel C. Williams)	
2 Orchard Lane)	
Golf, IL 60029)	
)	
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"), Gary R. Silverman ("Silverman"), and Daniel C. Williams ("Williams") 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, the Respondents, Silverman and Williams, were members of the Exchange.
2. During all relevant periods herein, Winick Trading Corp. ("Winick") was a member of the Exchange, and was registered with the Exchange to transact business on the Exchange in accordance with Exchange Rules as a member organization associated with a market-maker and a lessee organization.
3. During all relevant periods herein, Bretter Securities, Inc. ("Bretter") was a member of the Exchange, and was registered with the Exchange to transact business on the Exchange in accordance with Exchange Rules as a member organization associated with a market-maker and a lessee organization.
4. During all relevant periods herein, Silverman was registered with the Exchange to transact business on the Exchange in accordance with Exchange Rules as a market-maker and a nominee of GYS Corp. Silverman was also associated with Winick and Bretter as a Director.
5. During all relevant periods herein, Williams was registered with the Exchange to transact business on the Exchange in accordance with Exchange Rules as a market-maker and a nominee of DCW Trading Corp. Williams was also associated with Winick and Bretter as a Director.
6. During all relevant periods herein, Exchange Rules 4.1 - Just and Equitable Principles of Trade and 8.10 - Financial Arrangements of Market-Makers were in full force and effect.
7. On or about March 15, 1996, Silverman and Williams caused Winick to enter into a financial arrangement to finance transactions of a market-maker associated with Winick.
8. On or about May 29, 1996, Silverman and Williams caused Bretter to enter into a financial arrangement to finance transactions of a market-maker associated with Bretter.
9. During the period from on or about March 15, 1996 through on or about January 28, 1997, Silverman and Williams, on behalf of Winick, failed to identify to the Exchange the source and terms of the financial arrangement described in Paragraph 7 above.
10. During the period from on or about May 29, 1996 through on or about March 26, 1997, Silverman and Williams, on behalf of Bretter, failed to identify to the Exchange the source and terms of the financial arrangement described in Paragraph 8 above.

FINDINGS

11. The acts, practices and conduct described in Paragraph 9 above constitute violations of Exchange Rules 4.1 and 8.10 by Silverman and Williams, in that Silverman and Williams aided and abetted Winick in its failure to identify to the Exchange the source and terms of a financial arrangement it entered into to finance the transactions of a market-maker associated with Winick.
12. The acts, practices and conduct described in Paragraph 10 above constitute violations of Exchange Rules 4.1 and 8.10 by Silverman and Williams, in that Silverman and Williams aided and abetted Bretter in its failure to identify to the Exchange the source and terms of a financial arrangement it entered into to finance the transactions of a market-maker associated with Bretter.

SANCTION

The sanction to be imposed shall consist of a four thousand five hundred dollar (\$4,500) joint and several fine and a censure of each Respondent.

ORDER

ACCORDINGLY IT IS ORDERED THAT, the Respondents, Gary R. Silverman, and Daniel C. Williams shall be and hereby are jointly and severally fined in the amount of four thousand five hundred dollars (\$4,500) and each censured.

**SO ORDERED
FOR THE COMMITTEE**

Dated: December 18, 1997

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