

EXHIBIT 4**705. Review of Investigative Reports**

(a) The Chief Regulatory Officer will review promptly each completed investigation report to determine whether a reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur.

(b) If the Chief Regulatory Officer determines that additional investigation or evidence is needed to decide whether a reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur, the Chief Regulatory Officer will direct the Department to conduct further investigation.

(c) After receiving completion of an investigation, the Chief Regulatory Officer will determine for each potential respondent whether to authorize:

(i) The commencement of disciplinary proceedings because a reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur;

(ii) The summary imposition of fines;

~~[(ii)]~~(iii) The informal disposition of the investigation (by issuing a warning letter or otherwise) because disciplinary proceedings are unwarranted in which case the Chief Regulatory Officer shall provide a written explanation to the Regulatory Oversight Committee; or

~~[(iii)]~~(iv) The closing of the investigation without any action because no reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur in which case the Chief Regulatory Officer shall provide a written explanation to the Regulatory Oversight Committee.

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717. Summary Imposition of Fines

(a) The Chief Regulatory Officer may, in consideration of the severity of the violation, summarily impose a fine against a Clearing Member, Exchange Member or Access Person[(on behalf of itself or any of its Access Persons or other Persons using any of its User IDs)] for failing:

(i) To make timely payments of [original or variation margin, options premiums,]fees, costs, or charges[or fines] to the Exchange or the Clearinghouse;

Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period Fine Amount

<u>First Offense</u>	<u>Warning Letter</u>
<u>Second Offense</u>	<u>\$1,000</u>
<u>Third Offense.....</u>	<u>\$2,500</u>
<u>Subsequent Offenses</u>	<u>\$5,000</u>

(ii) To make timely and accurate submissions to the Exchange of notices, reports or other information required by the Rules of the Exchange; [and]

Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period Fine Amount

<u>First Offense</u>	<u>Warning Letter</u>
<u>Second Offense</u>	<u>\$2,500</u>
<u>Third Offense.....</u>	<u>\$5,000</u>
<u>Subsequent Offenses</u>	<u>Commencement of Disciplinary Proceedings</u>

(iii) To keep any books and records required by the Rules of the Exchange[.];

Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period Fine Amount

<u>First Offense</u>	<u>Warning Letter</u>
<u>Second Offense</u>	<u>\$1,000</u>
<u>Third Offense.....</u>	<u>\$2,500</u>
<u>Subsequent Offenses</u>	<u>Commencement of Disciplinary Proceedings</u>

(iv) To maintain front-end audit trail information for all electronic orders entered into the OneChicago System, including order modifications and cancellations (Rule 403(c));

Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period Fine Amount

<u>First Offense</u>	<u>Warning Letter</u>
<u>Second Offense</u>	<u>\$1,000</u>
<u>Third Offense.....</u>	<u>\$2,500</u>
<u>Subsequent Offenses</u>	<u>Commencement of Disciplinary Proceedings</u>

(v) To comply with order form preparation and recordkeeping requirements relating to orders which cannot be immediately entered into the OneChicago System (Rule 403(b));

Number of Cumulative Violations in Any

Twelve (12) Month Rolling Period Fine Amount

<u>First Offense</u>	<u>Warning Letter</u>
<u>Second Offense</u>	<u>\$1,000</u>
<u>Third Offense.....</u>	<u>\$2,500</u>
<u>Subsequent Offenses</u>	<u>Commencement of Disciplinary Proceedings</u>

(vi) To comply with the exposure requirements related to pre-execution discussions;

Number of Cumulative Violations in Any

Twelve (12) Month Rolling Period Fine Amount

<u>First Offense</u>	<u>Warning Letter</u>
<u>Second Offense</u>	<u>\$10,000</u>
<u>Subsequent Offenses</u>	<u>\$15,000</u>

(vii) To comply with Exchange of Future for Physical transaction reporting requirements;

Number of Cumulative Violations in Any

Twelve (12) Month Rolling Period Fine Amount

<u>First Offense</u>	<u>Warning Letter</u>
<u>Second Offense</u>	<u>\$7,500</u>
<u>Third Offense.....</u>	<u>\$15,000</u>
<u>Subsequent Offenses</u>	<u>Commencement of Disciplinary Proceedings</u>

(viii) To identify correct account designation in order entry into the OneChicago System;

Number of Cumulative Violations in Any

Twelve (12) Month Rolling Period Fine Amount

<u>First Offense</u>	<u>Warning Letter</u>
<u>Second Offense</u>	<u>\$1,000</u>
<u>Third Offense.....</u>	<u>\$2,500</u>
<u>Subsequent Offenses</u>	<u>Commencement of Disciplinary Proceedings</u>

(ix) To comply with order marking requirement for block trades (Rule 417(c)) or Exchange of Future for Physical trades (Rule 416(c));

Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period Fine Amount

<u>First Offense</u>	<u>Warning Letter</u>
<u>Second Offense</u>	<u>\$1,000</u>
<u>Third Offense</u>	<u>\$2,500</u>
<u>Subsequent Offenses</u>	<u>Commencement of Disciplinary Proceedings</u>

(x) To comply with block trade reporting requirements (Rule 417(c));

Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period Fine Amount

<u>First Offense</u>	<u>Warning Letter</u>
<u>Second Offense</u>	<u>\$7,500</u>
<u>Third Offense</u>	<u>\$15,000</u>
<u>Subsequent Offenses</u>	<u>Commencement of Disciplinary Proceedings</u>

(xi) To comply with the prohibition on netting down concurrent long and short positions during the last five days of trading (Rule 424(b));

Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period Fine Amount

<u>First Offense</u>	<u>Warning Letter</u>
<u>Second Offense</u>	<u>\$2,500</u>
<u>Third Offense</u>	<u>\$5,000</u>
<u>Subsequent Offenses</u>	<u>Commencement of Disciplinary Proceedings</u>

(xii) To identify correct account type in order entry into the OneChicago System (Rule 403(a));

Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period Fine Amount

<u>First Offense</u>	<u>Warning Letter</u>
<u>Second Offense</u>	<u>\$1,000</u>
<u>Third Offense</u>	<u>\$2,500</u>
<u>Subsequent Offenses</u>	<u>Commencement of Disciplinary Proceedings</u>

(xiii) To timely correct an error in the handling of an order via transfer (Rule 423);

Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period Fine Amount

<u>First Offense</u>	<u>Warning Letter</u>
<u>Second Offense.....</u>	<u>\$1,000</u>
<u>Third Offense.....</u>	<u>\$2,500</u>
<u>Subsequent Offenses</u>	<u>Commencement of Disciplinary Proceedings</u>

(xiv) To comply with reporting requirements for reportable positions; or

Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period Fine Amount

<u>First Offense</u>	<u>Warning Letter</u>
<u>Second Offense.....</u>	<u>\$2,500</u>
<u>Third Offense.....</u>	<u>\$5,000</u>
<u>Subsequent Offenses</u>	<u>Commencement of Disciplinary Proceedings</u>

(xv) To submit ownership and control reports (Rule 516);

Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period Fine Amount

<u>First Offense</u>	<u>Warning Letter</u>
<u>Second Offense.....</u>	<u>\$2,500</u>
<u>Third Offense.....</u>	<u>\$5,000</u>
<u>Subsequent Offenses</u>	<u>Commencement of Disciplinary Proceedings</u>

(b) The Department, acting on behalf of the Chief Regulatory Officer, will give notice of any fine imposed pursuant to this Rule 717 to each Member or Access Person subject thereto. The notice will specify

(i) The violations of the Rules of the Exchange for which the fine is being imposed,

(ii) The violation date and the amount of the fine.

(c) Within 20 days of serving the notice of fine, the Member or Access Person, as the case may be, must either pay or cause the payment of the fine or file notice of an appeal pursuant to Rule 716. Unless timely notice of appeal is filed pursuant to Rule 716, the fine will become final upon the expiration of 20 days after the notice of fine is served on the Member or Access Person, as the case may be.

The Exchange will set the amount of any fines imposed pursuant to this Rule 717, with the maximum fine for each violation not to exceed \$[5]15,000. Summary imposition of fines pursuant to this Rule 717 will not preclude the Exchange from bringing any other action against the Clearing Member, Exchange Member [(]or [any of its]Access Person[s), as the case may be].