



DIVISION OF
MARKET REGULATION

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

January 5, 2000

Mr. Richard Lewandowski
Vice President
Department of Finance Compliance
The Chicago Board Options Exchange, Inc.
400 S. LaSalle Street
Chicago, Illinois 60605-1023

Re: Extension of Time for Certain Floor Traders to File Annual FOCUS Reports

Dear Mr. Lewandowski:

This is in response to your letter of December 30, 1999, on behalf of the Chicago Board of Options Exchange, Inc. ("CBOE"), in which you request an extension of time for the annual filing of prescribed portions of Form X-17A-5 (17 CFR 249.617), for the year ending December 31, 1999 as well as subsequent year end filings, for your floor members who conduct no public business. These members are exempt from the filing requirements of paragraphs (a)(2)(i), (ii) and (iii) of Rule 17a-5 (17 CFR 240.17a-5) under the Securities Exchange Act of 1934 pursuant to the plan submitted by the CBOE under paragraph (a)(4) of Rule 17a-5 and approved by the Securities and Exchange Commission ("Commission").

Your request is based on the fact that at least since March 9, 1978 the Division of Market Regulation (the "Division") has permitted these members to file Form X-17A-5 within 105 calendar days after the end of the fourth calendar quarter. This enabled the members and their accountants to prepare the required data in conjunction with the completion of their federal tax returns. To require filing within seventeen business days after the close of the fourth quarter, you have continually maintained, would impose an unnecessary regulatory burden on the members. Moreover, you assert that the information submitted by these members on Form X-17A-5 is not extremely time-sensitive, and that the extension will not impair in any way the CBOE's surveillance of these members.

Based on the representations provided in your letter and other communications, and pursuant to paragraph (1)(3) of Rule 17a-5 and to delegated authority, these members are granted an extension until March 1, 2000, for the filing of the prescribed portions of Form X-17A-5 for the calendar year ending December 31, 1999. Further, these members are granted a permanent extension to March 1 following the end of each fourth calendar quarter, for the filing of the prescribed portions of Form X-17A-5 for subsequent calendar years. Notwithstanding this extension, CBOE will continue to submit to the Commission the information collected on these

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reports by May 15, in accordance with the terms of the plan filed by the CBOE pursuant to paragraph (a)(4) of Rule 17a-5.

This is a staff position with respect to enforcement only and does not represent a legal conclusion regarding the application of the federal securities laws. This position is based solely on the representations which have been made to the Division. Any material change in circumstances may warrant a different conclusion and should be brought immediately to the Division's attention. Furthermore, this position may be withdrawn or modified at any time if the Division determines that such action is necessary in the public interest, for the protection of investors, or otherwise, in furtherance of the purposes of the federal securities laws.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tom McGowan", with a long horizontal flourish extending to the right.

Thomas K. McGowan
Assistant Director