

## BUSINESS CONDUCT COMMITTEE

The Business Conduct Committee held four regular meetings during January and February of 1980 and acted upon seventy-one regulatory matters.

These included reports of investigations conducted by the staff in response to customer or member complaints, investigative reports conducted as a result of staff's inquiries into member trading activity, and Offers of Settlement pertaining to earlier ordered Statements of Charges.

The Committee arrived at the following decisions:

In reviewing routine examinations of member firms in the sales practice area, three Letters of Caution were issued and one Statement of Charges was ordered.

In reviewing the results of investigations conducted as the result of customer complaints, four Letters of Caution were issued, and three Statements of Charges were ordered.

With regard to member complaints and Exchange inquiry into member trading activity, eleven Letters of Caution were issued, ten Statements of Charges were ordered, and a Letter of Information was issued. Six cases were filed with no action having been taken.

Eleven Offers of Settlement were accepted and one was rejected from Respondents who had received Statements of Charges.

Summary Proceedings were ordered against a member organization that had failed to file an answer to a Statement of Charges.

Among the Offers of Settlement accepted by the Committee during this period was one from a member firm in which they consented to a fine of \$15,000 for failure to keep their stock records pertaining to options positions in balance with those records of OCC, for failure to adhere to a fixed procedure regarding the allocation of exercise notices assigned in respect to short options positions, and for assignments of customer in-the-money options which exceeded OCC's assignments for the option series.

An Offer of Settlement was also accepted from a Respondent in which he consented to a twelve week suspension and \$15,000 fine for repeated and aggregated position limit violations.