



400 South LaSalle Street
Chicago, Illinois 60605-1023
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Regulatory Circular RG05-03

IMPORTANT MEMORANDUM

TO: All Exchange Members

FROM: Department of Financial
and Sales Practice Compliance

DATE: January 5, 2005

SUBJECT: FOCUS REPORT (Form X-17A-5)
2004 Year-End Filing
Due March 1, 2005

**EXCHANGE
CONTACTS:** Colleen Gilmartin (312) 786-7049
Kelly Noonan (312) 786-7728

Under SEC Rule 17a-10(a)(1) every registered broker-dealer is required to file FOCUS Report X-17A-5 Part IIA (CBOE) and Schedule I for the calendar year ended December 31, 2004.

Enclosed you will find a FOCUS Report Part IIA (CBOE) and Schedule I. Every Exchange member and member organization registered with the SEC as a broker-dealer and whose designated examining authority is the CBOE, must file a FOCUS Report Part IIA (CBOE) and Schedule I thereto for calendar year 2004 no later than **March 1, 2005**, with the Exchange's Department of Financial and Sales Practice Compliance.

The CBOE will compile the data and forward a computer file containing the data for all members to the Securities and Exchange Commission.

In an effort to reduce processing time and errors in the preparation of FOCUS filings, the CBOE has entered into an agreement with the Chicago Board of Trade, Chicago Mercantile Exchange, Inc., and the National Futures Association to utilize WinJammer,

an electronic FOCUS filing system. CBOE members are required to use WinJammer, which provides for the direct electronic submission of FOCUS reports to the CBOE. This program eliminates the need for a paper copy filing. WinJammer is a personal computer program, which requires the installation of WinJammer software and a Personal Identification Number diskette ("PIN" disk). The PIN disk will be provided by the CBOE upon the member's completion of the WinJammer Software License Agreement and PIN Agreement (enclosed). You may obtain the [Sole-Proprietor WJ License Agreement by clicking here](#), or the [Firm WJ License Agreement by clicking here](#). The Department must receive all license agreements, no later than **February 18, 2005** in order to ensure you will receive the pin in time to meet the March 1, 2005 deadline. To obtain the software, go to the website at www.wjammer.com, click on the "download" tab at the top of the page and download the Main WinJammer Program Version 4.0.7. You will also need to download FOCUS Report IIA (CBOE) Version 1.2 and FOCUS Report Schedule I Version 1.1, if you have not previously filed a FOCUS report. You may click on the "documentation" tab to download the WinJammer instructions. If you have any questions regarding WinJammer, and/or would like to request the WinJammer PIN disk, please contact Colleen Gilmartin at (312) 786-7049 or Kelly Noonan (312) 786-7728 with the Department of Financial and Sales Practice Compliance on the 23rd floor of 111 W. Jackson.

WinJammer Version 4.0.7 System Requirements:

In order to run **WinJammer 4.0.7** you must be running Windows 95, Windows 98, Windows 2000, Windows NT, or Windows XP.

It is highly recommended that you use at least a Pentium-Class computer with Internet Explorer with 32 MB of RAM and 130 MB of free disk space. Specific instructions are listed in the Quick Start Guide or the Internet Transmission instructions, which are provided with the WinJammer software.

In order to obtain a WinJammer pin number and disk, please contact Colleen Gilmartin at (312) 786-7049 or Kelly Noonan at (312) 786-7728 with the Department of Financial and Sales Practice Compliance on the 23rd Floor of 111 W. Jackson. For technical questions related to WinJammer's installation and use, please contact the CBOE Systems Help Desk at (312) 786-8835.

Filing Fees:

Please note that the filing fees for the 2004 FOCUS filing have increased. On December 9, 2004, the Board of Directors approved a rule to raise the FOCUS filing fee to fifty-dollars (\$50) for electronically filed FOCUS Reports to partially recover FOCUS report processing costs. In addition, the Board of Directors also approved an increase to the filing fee for those CBOE market-makers who make their annual FOCUS filing by hard copy to one hundred and fifty dollars (\$150). The Exchange has provided members the opportunity to file their FOCUS reports electronically through the WinJammer system.

If the FOCUS is filed electronically no later than March 1, 2005, your account at your clearing firm will be charged \$50. If the FOCUS is filed in paper form no later than March 1, 2005, your account at your clearing firm will be charged \$150. If you do not have an active clearing firm account, please submit a check, including your broker-dealer number, made payable to the CBOE, to the Department of Financial and Sales Practice Compliance, located at 400 S. LaSalle, Chicago, IL 60605, no later than March 1, 2005.

Filing Requirements:

It should be noted that every member and member organization registered with the SEC as a broker/dealer for which the Exchange has regulatory responsibility must file a FOCUS Report Form X-17A-5 Part IIA (CBOE) and Schedule I. Therefore, if you are a nominee and a registered broker/dealer, you must submit a separate FOCUS Report Form X-17A-5 Part IIA (CBOE) and Schedule I for your personal broker-dealer activity. Your member organization must also submit these reports for the firm's activities. In addition, if you terminated your broker/dealer registration during 2004 and did not already submit a terminating FOCUS to the Department of Financial and Sales Practice Compliance, you are required to file it by March 1, 2005.

ATTENTION: CBT Exercisers and Lessors

Even if you did not execute any trades on the CBOE during calendar year 2004, if you have a broker/dealer registration with the SEC, you are still required to file the FOCUS Report Form X-17A-5 Part IIA (CBOE) and Schedule I.

Please Note:

In filling out FOCUS Report Form X-17A-5 and Schedule I, it is very important that the following points be observed:

1. Your filing must be accurate. You may wish to consult your accountant for

assistance in satisfying your filing obligations.

2. All entries should pertain to your business as a broker/dealer. You need not list assets, liabilities or revenue derived outside your broker/dealer activity.
3. Line 12 (Total Assets) on page one (1) must equal line 25 (Total Liabilities and Ownership Equity) on page two (2).
4. The form must be signed (unless filing electronically) and must contain your broker/dealer number (SEC file number).
5. Please be aware that it is your ultimate responsibility to file the FOCUS Report. Although your clearing firm may provide assistance with regard to completing the FOCUS Report, it is your responsibility to make sure your FOCUS Report is filed with the Department of Financial and Sales Practice Compliance on or before March 1, 2005.

Late Filing Fines:

In accordance with CBOE Rule 17.50(g)(2), any member who fails to file Form X-17A-5 and Schedule I for calendar year 2004 by March 1, 2005 shall be subject to the following fines:

<u>DAYS LATE</u>	<u>AMOUNT</u>
1-30	\$200
31-60	\$400
61-90	\$800

Repeated failure to file FOCUS Report Form X-17A-5 and Schedule I in a timely manner will be referred to the Exchange's Business Conduct Committee as will a failure to file more than ninety (90) days late.

If you are unsure as to whether you are required to file or have any questions, please contact Colleen Gilmartin at (312) 786-7049 or Kelly Noonan (312) 786-7728 with the Department of Financial and Sales Practice Compliance on the 23rd floor of 111 W. Jackson.