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Regulatory Circular RG07-02

**IMPORTANT MEMORANDUM**

**TO:** Members and Member Organizations

**FROM:** Department of Member Firm Regulation

**DATE:** January 16, 2007

**SUBJECT:** FOCUS REPORT (Form X-17A-5)  
2006 Year-End Filing  
Due March 1, 2007

**EXCHANGE CONTACTS:** Mike LaGioia (312) 786-7728  
Tyson Wilson (312) 786-7011

Every registered broker-dealer is required by SEC rule<sup>1</sup> to file FOCUS Report X-17A-5 Part IIA (CBOE) and Schedule I for the calendar year ended December 31, 2006.

Enclosed you will find FOCUS Report Part IIA (CBOE) and Schedule I. Every Exchange member and member organization registered with the SEC as a broker-dealer whose designated examining authority is the CBOE and who does not file FOCUS monthly, must file a FOCUS Report Part IIA (CBOE) **and** Schedule I for calendar year 2006 no later than **March 1, 2007** with the Exchange's Department of Member Firm Regulation.

The CBOE will compile the data and forward a computer file containing the data 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,

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<sup>1</sup> SEC Rule 17a-10(a)(1)

an electronic FOCUS filing system. CBOE members are encouraged to file electronically. Those who file electronically 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 ("PIN"). The PIN will be provided by the CBOE upon the member's completion of the WinJammer Software License Agreement and PIN Agreement (enclosed). The Department needs to receive all license agreements as soon as possible, in order to ensure you will receive the PIN in time to meet the March 1, 2007 deadline. To obtain the software, go to the WinJammer website at [www.wjammer.com](http://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.

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#### **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 or if you have any questions, please contact Mike LaGioia at (312) 786-7728 or Tyson Wilson at (312) 786-7011 with the Department of Member Firm Regulation on the 23<sup>rd</sup> 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.

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#### **Filing Fees:**

If the FOCUS Report is filed electronically no later than March 1, 2007, your account at your clearing firm will be charged \$50. If the FOCUS Report is filed in paper form no later than March 1, 2007, 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 "Chicago Board Options Exchange", to the Department of Member Firm Regulation. If you are mailing your check, please send it to the CBOE Department of Member Firm Regulation's mailing address at 400 S. LaSalle, Chicago, IL 60605, no later than March 1, 2007.

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### **Filing Requirements:**

It should be noted that every member and member organization registered with the SEC as a broker-dealer for which the Exchange is the Designated Examining Authority 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.

### **ATTENTION: CBT Exercisers and Lessors**

Even if you did not execute any trades on the CBOE during calendar year 2006, 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 correct and filed with the Department of Member Firm Regulation on or before March 1, 2007.

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**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 2006 by March 1, 2007 will be subject to the following fines:

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

**A failure to file by June 1, 2007 will be referred to the Exchange's Business Conduct Committee. The Business Conduct Committee may take whatever action it deems appropriate under the circumstances in addition to the fines noted above.**

If you are unsure as to whether you are required to file or have any questions, please contact Mike LaGioia at (312) 786-7728 or Tyson Wilson at (312) 786-7011 with the Department of Member Firm Regulation on the 23rd floor of 111 W. Jackson.