



**Federal Election Commission
Washington, DC 20463**

October 21, 2005

Eric S. Brown, Esq.
Patton Boggs LLP
2550 M Street, NW
Washington, DC 20037-1350

Re: ADR 262
Chicago Board of Options Exchange, Inc. PAC and Alan J. Dean, Treasurer

Dear Mr. Brown:

Enclosed is the signed copy of the agreement resolving the referral initiated on June 10, 2005 by the Federal Election Commission ("FEC/Commission") against Chicago Board of Options Exchange, Inc. PAC and Alan J. Dean, Treasurer ("Respondents"). The agreement for ADR 262 (RR 05L-12) was approved by the Commission on October 13, 2005 -- the effective date of the agreement.

Note that paragraph 9 of the agreement specifies that Respondents shall comply with the terms of this settlement within thirty (30) days of the effective date of the agreement for term (a), and within twelve (12) months for term (b). Please forward to this office, a statement confirming Respondents' compliance with the terms listed in paragraph 6 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 6.

As you are aware, the settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

This agreement resolves the matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities regarding violations of federal election campaign laws. I appreciate your

assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,

Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office
202-694-1665

Enclosure: Agreement

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**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 262

Source: RR 05L-12

Case Name: Chicago Board of Options Exchange, Inc. PAC

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, ("FECA") and resolve this matter, the Commission entered into negotiations with Benjamin L. Ginsberg, Esq. representing the Chicago Board of Options Exchange, Inc. PAC and Alan J. Dean, in his official capacity as Treasurer ("the Committee" or "Respondents"). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and Respondents addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:

1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondent(s). The Commission's use of alternative dispute resolution procedures ("ADR") is authorized in "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. Respondents voluntarily enter into this agreement with the Commission.
3. RAD referred the Committee for failing to disclose all financial activity on its 2003 August Monthly and 2003 Year End Reports. In October 2004 the Committee amended its 2003 August Monthly Report to disclose additional receipts of \$19,522, and additional disbursements that, in aggregate, total \$64,500. In October 2004, Respondents also filed an amended 2003 Year End Report to disclose additional receipts totaling \$75,518 and additional disbursements of \$2,000.
4. The FECA requires that political committees disclose all receipts and all disbursements for the reporting period and the calendar year, or election cycle, in the case of an authorized committee of a candidate for Federal office. 2 U.S.C. §§ 434(b)(2), 434(b)(4), 11 C.F.R. §§ 104.3(a), 104.3(b).
5. Respondents acknowledge that some reports were filed in 2003-2004 with incomplete financial data due to an unknown software default problem apparently present when the software was installed. Respondents contend that they caught the errors during an

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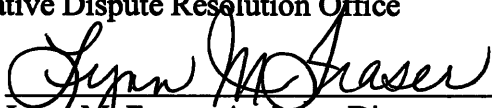
internal audit, and filed amended reports to accurately and completely disclose all financial activities prior to notice by the Commission. Respondents state that additional internal checks were put in place to ensure errors of this nature do not recur. The Committee then worked with Commission staff to provide an explanation for the errors, which has become part of the public record.

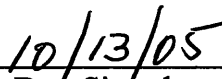
6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) designate a Committee Compliance Officer; and (b) have the Compliance Office attend a FEC campaign finance seminar for PACs within twelve months of the effective date of this agreement.
7. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.
8. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
9. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with term (a) of paragraph 6 above within thirty (30) days, and term (b) of paragraph 6 above within twelve (12) months, from the effective date of this agreement.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 262 (RR 05L-12), and effectively resolves this matter. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

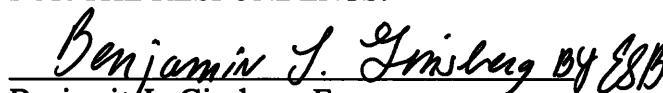
Allan D. Silberman, Director
Alternative Dispute Resolution Office

By:


Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office


Date Signed

FOR THE RESPONDENTS:


Benjamin L. Ginsberg, Esq.
Representing Chicago Board of Options Exchange, Inc. PAC
and Alan J. Dean, Treasurer


Date Signed

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FEDERAL ELECTION COMMISSION
Washington DC 20463

THIS IS THE END OF ADR CASE # 262

DATE SCANNED 11/10/05

SCANNER NO. 2

SCAN OPERATOR S.E.G

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