



Walter E. Auch
Chairman and
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October 22, 1984

FOR YOUR EYES ONLY

TO: CBOE Directors

FROM: Walter E. Auch

RE: Very Important - October 31 Meeting

Enclosed is a review of the Instinet proposal, which attempts to answer some of the questions raised by the Board at the September meeting. Also enclosed is the Report of the Organizational Task Force.

I would like to point out that since that meeting, the SEC has sent a strong message that some of the assumptions made in arriving at our Strategic Plan early in 1984 are well on the way to becoming fact.

It is my strong personal view that:

1. The Board must be prepared at the October 31 meeting to make a decision on the Instinet proposal - a very important decision indeed.
2. The Board should approve the report of the Organizational Task Force as a major first step toward improving, not only our management and decision-making process, but also our communications and constituency leadership responsibilities.
3. The Board, the Membership and the staff must support, implement (and probably expand) the program proposed by the Competitive Marketplace Task Force.

I expect there will be lengthy discussions of at least points 1 and 2.

I am asking the Board, if at all possible, to plan to stay through this meeting which might well take up the entire afternoon. There will be a luncheon served at noon and I will begin the deliberations during lunch in order to give us the maximum amount of time for discussion.

Respectfully,

A handwritten signature in cursive script, appearing to read "W. E. Auch", written in dark ink.