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[21855001]

Friday 's stock market plunge claimed its second victim among the scores of futures and options trading firms here .

[21855004]

Timothy Vincent , Petco chief executive officer , confirmed that Petco was withdrawing from the clearing business .

[21855005]

" The owners of the company got a look at the potential risks in this business , and after Monday they felt they did n't want to be exposed any more , " he said .

[21855006]

He added that Petco remained in compliance with all industry capital requirements during the market 's rapid plunge Friday and Monday 's rebound .

[21855007]

A CBOE spokeswoman declined comment on Petco .

[21855008]

Over the weekend Fossett Corp. , another options trading firm , transferred the clearing accounts of about 160 traders to First Options of Chicago , a unit of Continental Bank Corp. , because it could n't meet regulatory capital requirements after Friday 's market slide .

[21855009]

The unprecedented transfer of accounts underscored the options industry 's desire not to have its credibility tarnished by potentially widespread trading defaults on Monday .

[21855010]

The CBOE , American Stock Exchange , Options Clearing Corp. and Stephen Fossett , owner of Fossett , joined in putting up \$ 50 million to guarantee the accounts at First Options .

[21855011]

The head of another small options clearing firm , who asked not to be identified , said that the heightened volatility in the financial markets in recent years makes it increasingly difficult for any but the largest financial trading firms to shoulder the risk inherent in the highly leveraged options and futures business .

[21855012]

Prior to the introduction of financial futures in the late 1970s , most trading firms clustered around the LaSalle Street financial district here were family operations handed down from one generation to the next .

[21855013]

Most also were relatively undercapitalized compared with the size of most Wall Street securities firms .

