

**IN ARBITRATION
UNDER CHAPTER XVIII OF THE RULES
OF THE CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED**

In The Matter Of)	
)	
)	
)	
LaSalle Capital Markets, L.P.,)	
Cap Mark, Inc., Kevin Flaherty, and)	
Scott Barnes,)	
)	
Claimants/)	AWARD
Counter-Claim Respondents)	
v.)	File No.04M002
)	
Michael F. Lohman,)	
)	
Respondent/)	
Counter-Claimant)	
)	

Representation

For Claimants:	William T. Dwyer, Jr., O'Rourke, Hogan, Fowler & Dwyer, Chicago, Illinois
For Respondent:	Douglas S. Robson, Handler, Thayer, Hoogendoorn & Talbot, Chicago, Illinois

Pleadings

Statement of Claim and Submission Agreement, filed on or about:	February 13, 2004
Answer, filed on or about:	June 4, 2004
Counterclaim, filed on or about:	June 4, 2004
Answer to Counterclaim, filed on or about:	June 10, 2004

Hearing

The named parties appeared at the hearing sessions specified below, and had full opportunity to present arguments and evidence.

<u>Date(s)</u>	<u>No. of Sessions</u>	<u>Location</u>
November 1, 2004	2	Chicago, Illinois
November 2, 2004	2	Chicago, Illinois
November 3, 2004	1	Chicago, Illinois

Summary of Issues

On or about February 13, 2004, LaSalle Capital Markets, L.P. ("LaSalle"), Cap Mark, Inc., Kevin Flaherty, and Scott Barnes ("Claimants") filed a Statement of Claim against Michael F. Lohman (Respondent), claiming that Claimants, Kevin Flaherty, Scott Barnes, and Respondent were all limited partners in LaSalle, and that Cap Mark, Inc. was the general partner. Claimants further allege that Respondent has filed an action against all Claimants in the United States District Court for the Northern

District of Illinois, Eastern Division (“lawsuit”), to resolve certain disputes between Respondent and Claimants and that relate to the business of LaSalle. In their Statement of Claim, Claimants request that the arbitrators appointed to this matter resolve the disputes raised in the lawsuit.

On or about June 4, 2004, Respondent filed with his answer to the Statement of Claim, a counterclaim against all Claimants. In his answer, Respondent admits he was a limited partner of LaSalle, but denies that he was a limited partner of or was engaged in trading activities on behalf of LaSalle after July 28, 2003. In his counter-claim, Respondent claims that, in 2001, he contributed \$666,667.00 to LaSalle in consideration for an 11.2% interest in LaSalle and was admitted as a limited partner of LaSalle. Respondent further claims that on or about July 28, 2003, Claimants breached the limited partnership agreement with Respondent and by forcing Respondent to leave the offices of LaSalle, by forcing Respondent to cease affecting any further transactions on behalf of LaSalle, and by expelling Respondent from LaSalle as a partner. Respondent also alleges that, in relation to Respondent’s contribution of \$666,667.00 to LaSalle, Claimant failed to disclose material information concerning the sale of a limited partnership interest in LaSalle and the terms and conditions of the offer, which directly led to Respondent incurring damages in excess of \$666,667.00. Respondent also alleges that Claimants breached a fiduciary duty to Respondent, which resulted in damages to Respondent in excess of \$100,000. Respondent also seeks compensation for the fees and costs he incurs as a result of this action. At the hearings held in this matter, Respondent’s amended their counter-claim to request a revised amount of compensatory damages totaling \$336,830, which represents the value of Respondent’s interest in LaSalle as of July 28, 2003.

Award*

After due deliberation and in consideration of the hearing testimony, documentary evidence, and other submissions made by the parties, the undersigned arbitrators, in full and final resolution of all issues in controversy, award as follows:

1. Claimant’s request that the arbitrators make a determination that Respondent was an active participant in the business of LaSalle and participated in all decisions made by the Partnership, and was accorded the rights of a general partner, is denied.
2. Claimant’s request that the arbitrators make a determination that Respondent was a sophisticated trader and invested in LaSalle with full knowledge of its financial condition, its capital structure and all risks attendant to doing business as a market maker at the CBOE and CME, is denied.
3. Claimant’s request that the arbitrators make a determination that Respondent voluntarily left his position as a market maker for LaSalle, is denied.
4. Claimant’s request that the arbitrators make a determination that Claimants acted properly and in good faith in liquidating the assets of LaSalle, is denied.
5. Claimant’s request that the arbitrators make a determination that the final distributions from LaSalle to its partners are in accord with the terms of the agreements among Claimants and Respondent, is denied.
6. Claimant’s request that the arbitrators make a determination that Respondent is not entitled to an accounting, is denied.

* Pursuant to CBOE Rule 18.31, all monetary awards shall be paid within thirty (30) days of receipt unless a motion to vacate has been filed with a court of competent jurisdiction.

7. Claimant's request that the arbitrators make a determination that Cap Mark, Inc., Kevin Flaherty, and Scott Barnes did not breach any fiduciary duty owed to Respondent and that Respondent is not entitled to any damages from Claimants, is denied.
8. Claimants are jointly and severally liable to Respondent/Counterclaimant for compensatory damages in the amount of \$165,685.00.
9. Respondent/Counterclaimant's claim for fees and costs incurred in the resolution of this dispute is denied.
10. Claimant/Counterclaim Respondent shall be responsible for \$2,875.00 in forum fees.
11. Respondent/Counterclaimant shall be responsible for \$2,875.00 in forum fees.

Forum Fees

Pursuant to Exchange Rule 18.33, the Arbitrators assess the following forum fees:

Initial Filing Fee – Claim	\$750
Initial Filing Fee – Counterclaim	\$750
Hearing Session Fees (5 x \$750)	\$3,750
Pre-Hearing Session Fees (1 x \$500)	\$500
Total	\$5,750

1. Responsibility for the forum fees, totaling \$5,750, shall be assessed as follows: Claimant shall be responsible for \$2,875 and Respondent shall be responsible for \$2,875.
2. The Exchange shall retain the non-refundable filing fee in the amount of \$750 and the hearing session deposit in the amount of \$750, as previously submitted by Claimant.
3. The Exchange shall retain the non-refundable filing fee in the amount of \$750 and the hearing session deposit in the amount of \$750, as previously submitted by Respondent/Counterclaimant.
4. Claimant shall submit \$1,375 to the Chicago Board Options Exchange, Incorporated.
5. Respondent/Counterclaimant shall submit \$1,375 to the Chicago Board Options Exchange, Incorporated.

<u>s/s Peter Guth</u>	<u>11/24/04</u>
Peter Guth, Chairman and Industry Arbitrator	Date
<u>s/s Mark Flugler</u>	<u>11/24/04</u>
Mark Flugler, Industry Arbitrator	Date
<u>s/s William Shimanek</u>	<u>11/29/04</u>
William Shimanek, Industry Arbitrator	Date