

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

IN THE MATTER OF	)	
	)	
Zboss Trading, LLC,	)	
	)	
Claimants,	)	
	)	
v.	)	File No. 05M001
	)	
Christopher J. Figy,	)	
	)	
Respondent.	)	
	)	

**Representation**

For Claimants:	Lloyd Kadish, Lloyd Kadish and Associates, Ltd. Chicago, Illinois
For Respondent:	John T. Ruskusky, Ungaretti and Harris, Chicago, Illinois

**Pleadings**

Statement of Claim and Submission Agreement, filed on or about:	February 22, 2005
Answer, filed on or about:	April 7, 2005
Counterclaim, filed on or about:	August 8, 2005
Answer to Counterclaim, filed on or about:	August 24, 2005

**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 29, 2005	2	Chicago, Illinois

**Summary of Issues**

On or about February 22, 2005, and as amended on August 2, 2005, Zboss Trading LLC ("Zboss" or "Claimant"), filed a Statement of Claim (collectively "Statement of Claim") against Mr. Chris Figy ("Mr. Figy" or "Respondent"), claiming that on July 31, 2003, Zboss and Mr. Figy entered into a trading agreement ("Trading Agreement") in which, among other things, Mr. Figy promised that he would not acquire any position that posed an unacceptable risk to Zboss and that Mr. Figy agreed to "devote [Mr. Figy's] his full efforts, energies, abilities, business time, skill and attention to his duties" to Zboss and that Mr. Figy promised to supervise another Zboss trader, Mr. Greg Wasserman. In its Statement of Claim, Claimant alleges that, among other things, Mr. Figy breached the Trading Agreement by acquiring a position that exposed Zboss to "unacceptable risk;" that Mr. Figy failed to supervise Mr. Greg Wasserman; and that Mr. Figy failed to give Zboss Mr. Figy's full efforts, energies, abilities, business time, skill and attention or to perform his duties in accordance with the terms of the Trading Agreement.

In its Statement of Claim, Claimant further alleges that Mr. Figy's breach of the Trading Agreement caused Zboss to incur trading losses of at least \$150,000 and, as such, Claimant requests the arbitrators appointed to resolve this matter ("Arbitrators") to award Claimant compensatory damages equal to the full amount of the alleged trading losses, plus all reasonable costs and fees incurred by Zboss in the resolution of this dispute. Claimant amended at hearing the amount of compensatory damages claimed against Mr. Figy to a revised total of \$230,000.

On or about April 7, 2005, Respondent filed an answer to the Statement of Claim, along with a counterclaim against Claimant, which were both subsequently amended by Mr. Figy on or about August 18, 2005 (collectively the "answer"). Claimant submitted its response to the amended answer on August 24, 2005. In his answer, Mr. Figy denies breaching the Trading Agreement, or any other agreement between Mr. Figy and Zboss, as alleged by Claimant and, as such, denies that Zboss is entitled to any relief against Mr. Figy. Mr. Figy alleges in his counterclaim that Zboss remains liable to Mr. Figy for \$12,000 in salary draws and \$10,987 in trading profits owed Mr. Figy in accordance with the terms of the Trading Agreement and that Zboss has allegedly failed to satisfy. As such, Mr. Figy requests the Arbitrators to award Mr. Figy compensatory damages in the amount of \$22,987, plus any reasonable costs incurred by Mr. Figy in the resolution of this dispute. Claimant, in its answer to Mr. Figy's counterclaim, denies the allegations raised in the counterclaim.

#### **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 for compensatory damages is denied.
2. Claimant's request for costs and fees is denied.
3. Respondent's request for compensatory damages is granted and Claimant is hereby ordered to submit to Respondent the sum of \$12,000.00.
4. Respondent's request for costs is denied.
5. Claimant shall be responsible for \$3,250.00 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	\$500
Hearing Session Fees (2 x \$750)	\$1,500
Pre-Hearing Session Fees (1 x \$500)	\$500
Total	\$3,250

1. Responsibility for the forum fees, totaling \$3,250, shall be assessed as follows: Claimant shall be responsible for \$3,250 and Respondent shall be responsible for no forum fees.

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\* 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.

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 \$500 and the hearing session deposit in the amount of \$600, as previously submitted by Respondent.
4. Claimant shall submit \$650 to the Chicago Board Options Exchange, Incorporated as satisfaction of Claimant's assessed forum fees.
5. Claimant shall submit \$1,100 to Respondent as reimbursement for the forum fees previously submitted by Respondent to the Chicago Board Options Exchange, Incorporated.

<u>/s/Patrick McDermott</u>	<u>12/15/05</u>
Patrick McDermott, Chairman and Industry Arbitrator	Date
<u>/s/ J. Todd Weingart, Industry Arbitrator</u>	<u>12/15/05</u>
J. Todd Weingart, Industry Arbitrator	Date
<u>/s/ Brock McNerney</u>	<u>12/15/05</u>
Brock McNerney, Industry Arbitrator	Date