

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

IN THE MATTER OF)	
)	
)	
* ,)	
)	
Claimant,)	File No. 07NM001
)	
v.)	
)	
Lisa Ferry Deel, Katherine M. Owens,)	
and A.G. Edwards,)	
)	
Respondents.)	
)	

Representation

For Claimant:	Pro se
For Respondents:	Michael Naccarato, Esq.

Pleadings

Claimant's Statement of Claim and Submission Agreement, filed on or about:	October 11, 2007
Statement of Answer of Lisa Ferry Deel, Katherine M. Owens and A.G. Edwards & Sons, Inc., filed on or about:	November 16, 2007
Submission Agreements of Lisa Ferry Deel, Katherine M. Owens and A.G. Edwards & Sons, Inc. filed on or about:	November 19, 2007
Claimant's Response/Rebuttal to Respondents' Statement of Answer filed on or about:	December 7, 2007
Claimant's Revised Rebuttal to Respondents' Statement of Answer filed on or about:	December 11, 2007

Hearing

Pursuant to Chicago Board Options Exchange ("Exchange") Rule 18.4, Simplified Arbitration, the claim was decided by a single public arbitrator knowledgeable in the securities industry solely upon the pleadings and evidence filed by the parties. The named parties had full opportunity to present written arguments and evidence for consideration by the agreed upon public arbitrator.

* Claimant requests confidentiality pursuant to CBOE Rule 18.31.

Summary of Issues

On or about October 11, 2007, Claimant filed a Statement of Claim ("SOC") against Lisa Ferry Deel, Katherine M. Owens, and A.G. Edwards (collectively hereinafter, "Respondents"). Claimant's SOC alleges that he opened an options account with A.G. Edwards in July 2001 to buy call options on gold mining stocks. Claimant alleges that his investment goal was to achieve a three-to-one reward/risk ratio. Claimant alleges that Respondents accepted orders from him, resisted his long interest in gold mining stocks, encouraged trading in technology stocks and closed his account by making unreasonable demands (or threats) that only allowed him to recover \$1,615 from his total investment of \$5,732.27. The alleged activity giving rise to the controversy occurred throughout 2001. Claimant alleges that there was: (a) a failure to execute; (b) manipulation; (c) obstruction of his investment objective; (d) negligence, willful and repeated breach of fiduciary irresponsibility; and/or (e) breach of agreement. Claimant requests an award against Respondents in the amount of \$9,378.00, which is comprised of the following amounts:

- \$1,922.00 - reimbursement of the purchase price of options positions owned as of October 22, 2001, less the proceeds received from the sale of these same positions;
- \$280.00 - profit not realized because order to sell 14 ABXAX was not executed (at \$20 per contract);
- \$2,176.00 - commissions paid to A.G. Edwards; and
- \$5,000.00 - punitive damages.

\$9,378.00

Respondents filed an answer and defenses to the SOC on or about November 16, 2007 ("Answer"). In the Answer, Respondents respond that Claimant's SOC should be dismissed for a variety of reasons and that the Claimant fails to state a claim upon which relief can be granted. Respondents allege that Claimant failed to state a claim because the trading in Claimant's account was almost entirely unsolicited, and that Respondent, Ferry-Deel recalled that she did not recommend a particular security to Claimant and only recommended that Claimant diversify his account. Respondents allege that the three solicited trades were approved by Claimant and were consistent with his sole investment objective of speculation. Respondents allege that Respondent, Ferry-Deel did not misrepresent or guarantee an investment recommendation. Respondents allege that they were under no legal obligation to do business with Claimant. Respondents allege that on or about October 15, 2001, Claimant was notified that as of October 19, 2001, Respondent, A.G. Edwards would not accept orders to establish new positions. Respondent, A.G. Edwards would accept orders to close a position or to transfer positions to another firm. Respondents claim Respondent, A.G. Edwards' decisions did not affect the gains or losses that Claimant realized from the existing positions in his account. Respondents allege that the losses alleged by Claimant are overstated and the result of market forces and not any negligence or wrongdoing on the part of Respondents. Respondents set forth the following defenses: (a) ratification, waiver, and estoppel; (b) express authorization; (c) failure to mitigate damages; (d) contributory negligence and/or comparative fault; (e) assumption of risk; (f) unforeseeable market factors and conditions; (g) the running of federal and state statutes of limitations; and (h) failure to state a claim upon which relief may be granted. Respondents request an order dismissing all claims with prejudice, for all costs and expenses incurred, and for such other relief deemed appropriate.

Award**

After due deliberation and in consideration of the pleading and documentary evidence, the undersigned arbitrator, in full and final settlement of all issues in controversy, awards as follows:

1. Claimant's request for damages is denied.
2. Claimant's request for punitive damages is denied.
3. Respondents' request for costs and expenses is denied.
4. Respondents shall pay the simplified arbitration fee and all forum fees as detailed below.

Filing and Forum Fees

Pursuant to Exchange Rule 18.33, the Arbitrator assesses the following filing and forum fees:

Initial Filing Fee	\$75
Simplified Arbitration Fee	\$75
Pre-Hearing Conference Fee****	\$200
Total	\$350

1. Claimant is responsible for the non-refundable filing fee, totaling \$75, which was previously paid by Claimant.
2. Responsibility for the simplified arbitration fee, totaling \$75, is assessed to Respondents, which shall be submitted to Chicago Board Options Exchange, Incorporated.
3. Responsibility for the Pre-Hearing Conference fee, totaling \$200, is assessed to Respondents. Respondents shall pay to Claimant the sum of \$200 previously paid by Claimant.

/s/ Lee Goodman
Lee Goodman, Public Arbitrator

6/28/2008
Date

** 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.

*** A Pre-Hearing Conference on discovery issues in this matter was held on April 15, 2008.