

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

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| IN THE MATTER OF |) | |
| |) | |
| |) | |
| Wolverine Execution Services, LLC, |) | |
| |) | |
| Claimant, |) | |
| |) | |
| v. |) | File No. 10M001 |
| |) | |
| Michael F. Lohman, |) | |
| |) | |
| |) | |
| Respondent. |) | |
| |) | |

AWARD

Representation

| | |
|-----------------|--------|
| For Claimant: | Pro se |
| For Respondent: | None |

Pleadings

- Wolverine Execution Services, LLC's Statement of Claim and Uniform Submission Agreement, filed on or about: April 19, 2010
- Respondent did not file a Statement of Answer and did not execute a Uniform Submission Agreement.

Hearing

Respondent did not appear at the hearing session specified below. Claimant appeared at the hearing sessions specified below, and had a full opportunity to present arguments and evidence. A Notice of Hearing was issued via email and certified mail on January 20, 2011.¹

¹ On January 14, 2011, Respondent Lohman sent an email to Exchange staff confirming his availability on the suggested hearing dates. On January 20, 2011, the Exchange sent a copy of the Notice of Hearing to Respondent Lohman via certified mail. On April 11, 2011, CBOE received a certified mail receipt marked "unclaimed" for the Notice of Hearing sent to Respondent. Lohman.. On April 11, 2011, Exchange staff sent a second email including the Notice of Hearing to Respondent Lohman. On June 6, 2011, Exchange staff left a telephone message for Respondent Lohman informing him of the scheduled

| <u>Date(s)</u> | <u>No. of Sessions</u> | <u>Location</u> |
|----------------|------------------------|-------------------|
| June 14, 2011 | 1 | Chicago, Illinois |

Summary of Issues

On or about April 19, 2010, Wolverine Execution Services, LLC (“Claimant”), filed a Statement of Claim (“Statement of Claim”), including exhibits in support of the allegations and a request for damages contained in the Statement of Claim, against Michael Lohman (“Respondent”).

Claimant’s Statement of Claim alleged that Respondent has not paid Claimant for orders executed on his behalf from June 2008 through March 2009.

Claimant requested the following relief from the arbitration panel appointed to resolve the above-referenced dispute (“Panel”): (i) an award in favor of Claimant for \$17,579.70 for the unpaid brokerage amount owed by Respondent, plus late payment fees calculated at the greater of 1.5 percent per month or the maximum allowable rate of interest in the State of Illinois for transactions between sophisticated commercial entities; (ii) an award of two times the amount of relief requested in (i) above, \$35,159.40, if the arbitrators find that Respondent knowingly and purposefully failed to pay floor brokerage services and such failure was without justification and excuse; (iii) an award of Claimant’s reasonable costs, including arbitration fees and attorneys’ fees, associated with recovering the losses sustained as a result of Respondent’s failure to pay the brokerage fees owed to Claimant; and (iv) an award of such other and further relief as the Panel may deem appropriate.

The Statement of Claim was sent via U.S. mail to Respondent on June 2, 2010. Respondent did not file an Answer and did not file a Uniform Submission Agreement. However, Respondent participated in a pre-hearing conference in this matter on December 15, 2010.

Respondent terminated from membership at the Chicago Board Options Exchange, Incorporated (“Exchange”) in March 2009.

Award²

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

hearing dates he previously confirmed that he was available to attend. In addition, a copy of the Notice of Hearing was provided to Respondent Lohman via email and first class U.S. Mail on June 9, 2011 (in addition to other materials in preparation for the hearing on the merits).

² Pursuant to Exchange 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.

1. Respondent is liable and, in accordance with Exchange Rule 18.2(c), is ordered to pay to Claimant the amount of \$35,159.40.
2. Claimant and Respondent shall pay all filing and forum fees as detailed below.

Forum Fees

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

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| Initial Filing Fee – Claim | \$500 |
| Pre-hearing session Fees (2) | \$600 |
| Hearing session Fees (1 x \$600) | <u>\$600</u> |
| Total | \$1,700 |

1. The Exchange shall retain the non-refundable filing fees and the hearing session deposits, as previously submitted by Claimant. Claimant initially submitted \$500 for the filing fee and \$600 for the hearing deposit.
2. Responsibility for the forum fees, totaling \$1,700, shall be assessed as follows: Claimant shall be responsible for \$850 and Respondent shall be responsible for \$850.
3. Respondent shall submit \$600 to the Chicago Board Options Exchange, Incorporated.
4. Respondent shall submit \$250 for the remainder of the forum fees to the Claimant.

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| /s/ Stephen P. Donahue | July 18, 2011 |
| Stephen P. Donahue | Date |
| Chairman and Industry Arbitrator | |

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| /s/ Michael P. Held | July 23, 2011 |
| Michael P. Held, Industry Arbitrator | Date |

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| Sondra C. Rabin, Industry Arbitrator | Date |
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