

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

IN THE MATTER OF)	
)	
Ian Sassoon)	
)	
Claimant)	
)	
v.)	File No. 12M002
)	
VTrader Pro, LLC)	
)	
Respondent.)	
)	

Representation

For Claimant: Barry Bordetsky, (The Law Offices of Barry M. Bordetsky)
Respondent: Richard Asche, (Litman, Asche & Gioiella, LLP)

Pleadings

- Ian Sassoon's Statement of Claim and Uniform Submission Agreement, filed on or about: June 26, 2012

- VTrader Pro LLC's Answer and Uniform Submission Agreement, filed on or about: August 6, 2012

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>
August 5, 2013	1	Chicago, Illinois
August 6, 2013	1	Chicago, Illinois
August 7, 2013	1	Chicago, Illinois

Summary of Issues

On or about June 26, 2012, Ian Sassoon (“Claimant”) filed a Statement of Claim against VTrader Pro, LLC (“Respondent”).

Claimant’s Statement of Claim alleged: (i) breach of contract; (ii) breach of good faith and fair dealing; (iii) unjust enrichment; (iv) violation of state labor laws; and (v) conversion. More specifically, Claimant’s allegations included the following: (i) in 2008, Claimant became an Entrepreneurial Member of VTrader Pro, LLC and submitted a total capital contribution of \$100,000; (ii) Claimant was entitled to eighty percent (80%) of the proceeds, net of commissions from the trades that he arranged through his account and that Respondent was entitled to twenty percent (20%) of the proceeds, net of commissions, from any such trades; (iii) pursuant to the Trading Agreement Claimant had with Respondent, any changes to the terms of his payment structure needed to be in writing from the company’s president; (iv) due to a deficit in Claimant’s account at the end of 2009, Claimant’s payment structure was changed temporarily such that Claimant would receive twenty-five percent (25%) of net proceeds, Respondent would receive fifty percent (50%) of net proceeds, and the other twenty-five percent (25%) would go towards paying the deficit; (v) once the Claimant’s deficit was “paid off,” Claimant’s payment structure would revert back to eighty percent (80%); (vi) in or about September 2010, Claimant was “in the black” meaning he had no negative balance; (vii) at the time of his termination in September 2011, Claimant was entitled to 80% of the net proceeds from the profitable trades remaining in his capital account; and, (viii) as of September 2011, the equity balance in Claimant’s account was approximately \$800,000 and of that amount, Claimant is entitled to a return of his \$100,000 in capital contributions and 80% of the remaining balance, which was approximately \$560,000.

Therefore, Claimant in his Statement of Claim has requested: (i) damages to be proved at the hearing of this matter, but believed to be at least \$660,000 representing out of-pocket losses; (ii) all statutorily permitted damages incurred; and, (iii) two computers owned by Claimant which are in Respondent’s possession.

On or about August 6, 2012, Respondent submitted an Answer in which Respondent contends, among other things, that (i) at the end of 2009, Respondent took over Claimant’s account and absorbed its losses after the account showed a \$400,000 deficit; (ii) Claimant had no interest in any account at VTrader Pro, LLC after 2009; (iii) from January 2010 through September 2011, Claimant was permitted to continue trading, but for Respondent’s account; (iv) from January 2010 through September 2011, Claimant received, as compensation, monthly payments of \$5,000; (v) in 2009, Claimant received a K-1, whereas in 2010 and 2011 Claimant received an IRS Form 1099; (vi) in 2011, Claimant recouped his losses and Respondent paid Claimant \$100,000 in addition to his \$5,000 monthly payments; (vii) at no time in 2010 or 2011 did Claimant have an agreement with Respondent entitling claimant to a percentage share of profits; (viii) Claimant was terminated in September 2011 for cause; and (ix) even if Claimant had right to share in the profits of the account, the value of the account should consider the hedge costs before and after Claimant’s termination, as well as Claimant’s withdrawals from Respondent. Additionally, Respondent’s Answer asserts, as an affirmative defense, that the Statement of Claim failed to set forth a claim for relief.

Award¹

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 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.

1. Claimant's request for compensatory damages is GRANTED, in part, in the total amount of \$97,040.00.
2. Claimant's request for attorney fees is GRANTED, in the total amount of \$32,023.00.
3. Claimants request for costs is GRANTED in the total amount of \$2,781.00.
4. Claimant's request for the two computers is DENIED.
5. Claimant's request for interest is DENIED.
6. 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:

Initial Filing Fee – Claim	\$1,000
Pre-hearing session Fees (2)	\$1,000
Hearing session Fees (3 x \$1,000)	<u>\$3,000</u>
Total	\$5,000

1. Responsibility for the Initial Filing Fees, totaling \$1,000, shall be assessed as follows: Claimant shall be responsible for \$1,000 and Respondent shall be responsible for \$0.00.
2. Responsibility for the forum fees, totaling \$4,000, shall be assessed as follows: Claimant shall be responsible for \$2,000 and Respondent shall be responsible for \$2,000.
3. The Exchange shall retain the non-refundable filing fees and the hearing session deposits submitted by Claimant. Claimant initially submitted \$1,000 for the filing fee and \$1,000 for the hearing deposit. Claimant shall submit \$1,000 to the Chicago Board Options Exchange, Incorporated.
4. Respondent initially submitted \$0.00 for the filing fee and \$0.00 for the hearing deposit. Respondent shall submit \$2,000 to the Chicago Board Options Exchange, Incorporated.

/s/ Stephen P. Donahue
Stephen P. Donahue, Chairman and Industry Arbitrator

9-13-13
Date

/s/ Mark Fluger
Mark Fluger, Industry Arbitrator

9-17-13
Date

/s/ Kevin Sullivan
Kevin Sullivan, Industry Arbitrator

9-17-13
Date