

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

\_\_\_\_\_  
IN THE MATTER )  
                  ) )  
Kevin Molloy     ) )  
                  ) )  
                  Initiating Party )  
                  ) )  
                  and                     )     Arbitration File No. 91-NM-11  
                  ) )  
Shearson Lehman Hutton, et al.     ) )  
                  ) )  
                  Responding Party     ) )  
\_\_\_\_\_) )

**AWARD**

The captioned matter was submitted on September 24, 1991. The named parties appeared at a hearing on January 8, 1992 in Chicago, Illinois, and had full opportunity to present arguments and evidence. The above captioned controversy involved the following issues:

Complainant Kevin Molloy ("Complainant") claims that respondents Shearson Lehman Hutton, I. Robert Wise, Tom Rohrer, Suzanne McGovern, Howard Clark and Joseph Delduca ("Respondents") have engaged in several regulatory violations in connection with both the handling of his account and the investigation of his complaints regarding the handling of his account. Respondents deny that they have engaged in any wrongdoing in connection with Complainant's account. In addition, Respondents contend that Complainant released them from any liability in connection with his account.

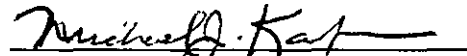
The Panel has thoroughly and carefully analyzed the arguments, the pleadings and the documentary and testimonial evidence presented by the parties. After that thorough and careful analysis, the Panel finds that the Complainant did execute a binding and enforceable release which relinquished the claims for monetary relief which are the subject of this proceeding. Accordingly, the Panel hereby enters no award. The Panel, however, further finds that Respondents may have engaged in regulatory violations in connection with Complainant's account. The Panel, therefore, recommends that Complainant's claims against Respondents be referred for investigation by the appropriate disciplinary committees of the CBOE.

Respondent Shearson Lehman Hutton shall be responsible to pay costs incurred by the CBOE and Complainant in connection with this matter. Respondent Shearson Lehman Hutton shall

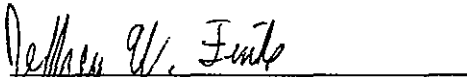
not seek indemnity or contribution from any of its current or former employees in connection with the payment of these costs. Pursuant to CBOE Rule 18.33(c), the Panel finds that these costs are as follows:

- (1) Costs which Respondent Shearson Lehman Hutton must pay to the CBOE are in the amount of \$2026.75;
- (2) Costs which Respondent Shearson Lehman Hutton must pay to the CBOE in forum fees are in the amount of \$2,000.00;
- (3) Costs which Respondent Shearson Lehman Hutton must pay to Complainant (including filing fee) are in the amount of \$4,274.61.

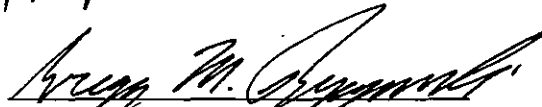
The Panel further orders Respondent to pay post judgement interest on the costs which it has been ordered to pay the CBOE and Complainant at the rate of 7.5% which will begin to run from the date this Order is entered. Filing fees on deposit with the Exchange are retained.

  
Michael J. Kaufman

1/27/92  
Date

  
Jeffrey W. Finke

2/4/92  
Date

  
Gregg M. Rzepczynski

2/11/92  
Date