

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

IN THE MATTER)

Steven J. Cholity)

Initiating Party)

and)

Charles Schwab & Co., Inc.)

Responding Party)

Arbitration File No. 92-NM-9

AWARD

Pursuant to CBOE Rule 18.4 governing small claims procedures, the captioned matter was submitted on October 7, 1992. The matter was decided solely on the submitted documents and the named parties had full opportunity to present arguments and evidence. The above captioned controversy presented the following issues.

Claimant Steven J. Cholity ("Cholity") seeks an award of Two Thousand One Hundred Twenty-three Dollars and Seventy-five cents (\$2,123.75) plus interest and punitive damages from Respondent Charles Schwab & Co., Inc. ("Schwab"). Cholity asserts that Schwab should have canceled two trades entered on February 14, 1992, to wit: the purchase of 40 IBM Feb 95 call option contracts and 14 MSQ Feb 125 call option contracts. Schwab contends that Cholity chose to accept both orders.

Schwab has filed a counterclaim in the amount of Seven Hundred Twenty-six Dollars and Ten Cents (\$726.10) plus interest on the grounds that Cholity has failed to pay for the MSQ option contracts. Cholity contends that he is not responsible for paying for the option contracts since Schwab did not handle the aforementioned transactions to his satisfaction.

After thoroughly reviewing and analyzing the materials presented by the parties, the arbitrator finds in favor of Schwab and against Cholity on both Cholity's original action and Schwab's counterclaim and therefore enters no award on Cholity's original action and awards Schwab on its counterclaim Seven Hundred Twenty-six Dollars and Ten Cents (\$726.10) against Cholity plus interest from February 14, 1992 to the date of payment at the rate of 7.5 percent compounded daily. Pursuant to CBOE Rule 18.33(c), the arbitrator further orders that Cholity

must pay \$125.00 to the CBOE for the arbitrator's fee and Cholity must also pay Schwab \$25.00 for the filing fee for its counterclaim. Filing fees on deposit with the Exchange are retained.

Jeffrey W. Finke
Jeffrey W. Finke

January 21, 1993
Date