

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

IN THE MATTER OF	)	
	)	
	)	
First Options of Chicago, Inc.,	)	
	)	
Claimants,	)	
	)	
v.	)	File No. 98M006
	)	
	)	
ETJ Partners, Ltd. and	)	
E. Thomas Jung,	)	
	)	
Respondents.	)	
	)	

**Representation**

For Claimants:	Eric Bensky, Dickstein, Shapiro, Morin & Oshinsky, L.P. - Washington, DC
For Respondent:	No representation.

**Pleadings**

Statement of Claim and Submission Agreement, filed on or about:	November 11, 1998
Answer:	No answer filed

**Hearing**

Only the Claimant, named above, appeared at the hearing session specified below, and had a full opportunity to present arguments and evidence. Respondent was served with the Notice of Hearing on March 9, 2005.

<u>Date(s)</u>	<u>No. of Sessions</u>	<u>Location</u>
May 10, 2005	1	Chicago, Illinois

**Summary of Issues**

On or about November 5, 1998, Claimant, First Options of Chicago, Inc. filed a Statement of Claim against E. Thomas Jung, an individual, and against ETJ Partners, Ltd. ("ETJ"). Claimant subsequently filed an amended statement of claim on November 18, 1998 (the Statement of Claim and the amended statement of claim shall be collectively referred to as the "Claim"). In its Claim, Claimant alleges that Respondent, ETJ, maintained an account with Claimant on ETJ's behalf ("Account") and that ETJ was at all times liable to Claimant for repaying to Claimant any deficit balances in the Account. Claimant alleges that, as of September 1, 1998, ETJ incurred a net deficit balance in the Account and that, after liquidated all collateral held in the Account, ETJ's deficit balance was approximately \$1,021,069.

Claimant amended this amount to \$1,109,900.90 at the hearing. Claimant contends that ETJ failed to satisfy its obligation to repay the deficit balance in the Account and that, as such, ETJ is liable to Claimant for the total amount of the deficit balance in the amount of \$1,109,900.90, plus \$352,921.27 in interest, plus costs and attorney fees incurred in the pursuit of this dispute.

Claimant further contends that Mr. Jung is liable for the obligations of ETJ owed to Claimant because Mr. Jung executed a "Continuing Unlimited Guaranty" ("Guaranty"), in which Mr. Jung agreed to personally guarantee any indebtedness owed to Claimant by ETJ. As such, Claimant alleges that, despite repeated demands made upon Mr. Jung to comply with his obligations under the Guaranty, Mr. Jung has failed to satisfy any of the deficit balance accrued in the Account. Wherefore, Claimant contends that Mr. Jung is liable to Claimant for the total amount of amount of \$1,109,900.90, plus \$352,921.27 in interest, plus costs and attorney fees incurred in the pursuit of this dispute.

Despite service of the Claim upon Respondent and despite a notice of the hearings held in this matter being served upon Respondent, Respondent submitted no Answer to the Claim and Claimant did not appear or provide representation at the hearing held in this matter.

#### **Award\***

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. Respondent E. Thomas Jung and ETJ Partners are jointly and severally liable to Claimant for compensatory damages in the amount of \$1,109,900.90.
2. Respondent E. Thomas Jung and ETJ Partners are jointly and severally liable to Claimant for interest on the sum of the deficit balance in the amount of \$352,921.27.
3. Claimant's request for attorney fees and costs is denied.
4. Claimant shall be responsible for \$1,000 in forum fees incurred in this matter.
5. Respondent shall be responsible for \$2,000 in forum fees incurred in this matter.

#### **Forum Fees**

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

Initial Filing Fee – Claim	\$1,500
Hearing Session Fees (1 x \$1,500)	\$1,500
Total	\$3,000

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\* 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.

Arbitration Award

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1. Responsibility for the forum fees, totaling \$3,000, shall be assessed as follows: Claimant shall be responsible for \$1,000 and Respondent shall be responsible for \$2,000.
2. The Exchange shall retain \$1,000 from the \$3,000 forum previously deposited with the Exchange by Claimants and the Exchange will refund \$2,000 to Claimants.
3. Respondent shall submit \$2,000 to the Exchange upon receipt of this Award.

<u>s/s Paul J. Jiganti</u>	<u>06/15/05</u>
Paul J. Jiganti, Chairman and Industry Arbitrator	Date
<u>s/s Mark R. Flugger</u>	<u>06/13/05</u>
Mark R. Flugger, Industry Arbitrator	Date
<u>s/s Allen D. Greenberg</u>	<u>06/16/05</u>
Allen D. Greenberg, Industry Arbitrator	Date