

IN ARBITRATION
UNDER CHAPTER XVIII OF THE RULES
OF THE CHICAGO BOARD OPTIONS EXCHANGE, INC.

IN THE MATTER OF

Fossett Corporation

Initiating Party

and

Capital Holding, Federal Capital
Corporation d/b/a Capital Holding
Corporation, Dean Cluff, a principal
of Capital Holding or Federal Capital,
Michael Francis, a guarantor, Mary
Lou Cluff, a guarantor, and Michael D.
Smith, a guarantor

Responding Party

File No. 89-M-22

AWARD

The captioned matter was submitted on November 17, 1989. The named parties had full opportunity to appear and present arguments and evidence at a hearing on October 9, 1990 in Chicago, Illinois. The above captioned controversy involved the following issues:

Fossett Corporation alleged that respondents have an unpaid deficit in a market-maker clearing account in the amount of Forty-Nine Thousand Three Hundred Sixty-One Dollars (\$49,361). Michael Francis, Michael D. Smith, Mary Lou Cluff, and Dean W. Cluff responded that they believed this alleged agreement was illegal and consequently, null and void. They further believe they are not responsible for the unpaid balance.

The undersigned arbitrators have been fully advised by the parties and after due deliberation, award as follows:

The named respondents will jointly and severally pay Fossett Corporation the sum of Fifty-Four Thousand Six Hundred Three and 18/100 Dollars (\$54,603.18) plus interest at the rate of 9.75% per annum until award is paid in full. Filing fees on deposit with the Exchange are retained.

Peter C. Guth

1/3/91

Date

Gloria J. McMahon

1/3/91

Date