

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

_____))
IN THE MATTER OF))
Petco Options Co.,))
))
 Claimant,))
 CounterRespondent))
v.))
Reuben T. Reinstein,))
))
 Respondent,))
 CounterClaimant,))
 Third Party Claimant))
v.))
Joel R. Bronstein and Stephen Laner,) File No. 89-M-29
))
 Third Party Respondents,))
))
 and))
Joel R. Bronstein,))
))
 CounterClaimant))
))
 and))
Reuben T. Reinstein))
))
 CounterRespondent.))
_____)

AWARD

The captioned matter was submitted on November 2, 1989. The named parties appeared at a hearing on October 1, 8, and 12, 1990 in Chicago, Illinois, and had full opportunity to present arguments and evidence.

SUMMARY OF ISSUES

Claimant Petco Options Co. alleges that respondent Reuben Reinstein is a guarantor for two accounts "QJO" and "QIK" which have a negative balance. Petco Options Co. further alleges that Mr. Reinstein has refused to honor his guarantee of prompt payment of all obligations, liabilities and indebtedness.

Petco Options Co. requests that the arbitrators order Mr. Reinstein to pay the entire amount of the negative balance, plus fees, costs, and expenses including attorney's fees and the filing fee.

Mr. Reinstein responded to Petco Options Co.'s allegations by admitting the accounts of "QJO" and "QIK" have a negative balance but denies the amount stated and liability.

Mr. Reinstein named Joel Bronstein and Stephen Laner as third-party respondents. The third party claim alleges that Mr. Bronstein is liable for all losses in the "QJO" and "QIK" accounts and in the alternative, Mr. Laner is responsible for approximately 75% of the loss in the "QJO" account.

Mr. Reinstein also filed a counterclaim alleging that Petco Options Co. assisted in the wrongful manipulation of assets. Petco denied this claim.

Mr. Bronstein and Mr. Laner deny the allegations of the third party claim. Mr. Bronstein filed a third-party counter claim alleging that Mr. Reinstein is responsible for the debit balance in the account of "QJO" and "QIK". Mr. Reinstein denies the third party counter claim.

DECISION

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

Mr. Reinstein is to pay Petco Options Co. the sum of One Million Fifty-Six Thousand Seven Hundred Seventy-Four Dollars (\$1,056,774) plus interest at the prime rate per annum beginning October 1, 1990 until the award is paid in full.

The arbitration panel finds no award for the third party claim between Mr. Reinstein and Mr. Bronstein.

The arbitration panel finds no award for the third party claim between Mr. Laner and Mr. Reinstein.

The arbitration panel finds no award for the third party counter-claim between Mr. Bronstein and Mr. Reinstein.

Filing fees ~~on deposit~~ with the Exchange are retained.

Alfred E. Dolnick

Date

Lynne Howard

Date

Dec. 3, 1990

Marshall V. Kearney

Date

Dec 4, 1990