

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

IN THE MATTER OF	)	
	)	
Customer*,	)	
	)	
Claimant(s),	)	DECISION
	)	
and	)	File No. 99NM009
	)	
Fidelity Brokerage Services, Inc.,	)	
	)	
Respondent.	)	
	)	

**Representation**

For Claimant(s): Pro se  
For Respondent(s): Richelle S. Kennedy, Fidelity Investments, Boston, Massachusetts

**Pleadings**

Statement of Claim (including tape recording exhibit) and Submission Agreement, filed on or about:	05/07/99
Answer, filed on or about:	06/29/99
Respondent's Submission Agreement, filed on or about:	07/06/99

**Hearing**

Pursuant to Chicago Board Options Exchange ("Exchange") Rule 18.4, Simplified Arbitration, the claim was decided by a single public arbitrator knowledgeable in the securities industry solely upon the pleadings and evidence filed by the parties. The named parties had full opportunity to present written arguments and evidence for consideration by the agreed upon public arbitrator.

**Summary of Issues**

Claimant sold December covered call options on 200 shares of Rambus Inc. at a strike price of \$75. During the option period, the shares increased in value substantially in excess of the strike price. Claimant alleges that on the morning of December 21, 1998 (the Monday immediately following expiration) he checked his account via the touch tone telephone system and determined that he still owned the 200 shares of Rambus, Inc. Claimant asserts that he then sold his 200 shares on December 21, 1998 at \$102.50. Claimant complains that Fidelity Brokerage Services, Inc. ("Respondent") subsequently reversed his December 21, 1998 sale. Claimant alleges this reversal was unauthorized. Claimant requests

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\* Claimant requests confidentiality pursuant to CBOE Rule 18.31.

an award against Respondent in the amount of \$5,500.00 in compensatory damages, plus commissions and arbitration filing fees.

Respondent asserts that although it took Respondent 24 hours to update its system, Claimant's 200 Rambus, Inc. shares were automatically assigned at expiration pursuant to Claimant's agreement with Respondent (paragraphs 6 and 14). Respondent further asserts that it canceled Claimant's December 21, 1998 sale (a prohibited short sale in Claimant's IRS Cash Account) at no cost to Claimant.

#### **Award\***

After due deliberation and consideration of the pleadings, documentary evidence, and other submissions of the parties, the undersigned arbitrator, in full and final settlement of all issues in controversy, awards as follows:

Claimant cannot rely on a week-end updating computer delay to capture the profit for himself. The claim is denied.

#### **Forum Fees**

Pursuant to Exchange Rule 18.33, the Arbitrator assesses forum fees in the total amount of \$150.00 (\$75.00 filing fee plus \$75.00 hearing fee) as follows:

1. Responsibility for the forum fees is assessed equally between the parties.
2. The Exchange shall retain the non-refundable filing fee in the amount of \$75.00 and the hearing session deposit in the amount of \$75.00 previously submitted by Claimant.
3. Respondent shall pay to Claimant the sum of \$75.00 for fees previously deposited by Claimant.

/s/ Donald L. Bruton  
Donald L. Bruton, Public Arbitrator

10/06/1999  
Date

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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.