

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Claimant

Glen Lyon Long-Term Options, LP

Case Number 12-02766

vs.

Respondent

Interactive Brokers LLC

Hearing Site: Richmond, Virginia

Nature of the Dispute: Customer vs. Member

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimant Glen Lyon Long-Term Options, LP: Robert A. Kantas, Esq. and David W. Miller, Esq., Shepherd Smith Edwards & Kantas, LLP, Houston, Texas.

For Respondent Interactive Brokers LLC: Robert W. Topp, Chief Litigation Counsel, Interactive Brokers LLC, Washington, District of Columbia.

CASE INFORMATION

Statement of Claim filed on or about: July 26, 2012.

Claimant signed the Submission Agreement: February 13, 2012.

Statement of Answer and Counterclaim filed on or about: September 25, 2012.

Respondent signed the Submission Agreement: September 25, 2012.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract; promissory estoppel; violation of state securities statutes; claims under common law; and vicarious liability. The causes of action relate to Respondent's allegedly flawed, inefficient and fraudulent margin auto-liquidation system whereby Respondent auto-liquidates its customers' portfolios at prices inferior to the National Best Bid/Best Offer.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses. Additionally, Respondent asserted a Counterclaim for breach of the fully-executed Interactive Customer Agreement. The cause of action relates to Claimant's alleged failure to maintain sufficient equity in its account to satisfy applicable margin requirements for the account.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested compensatory damages in the amount of between \$1,000,000.00 and \$3,000,000.00, comprised of the following:

1. All sums lost on any or all transactions made or not made;
2. All lost opportunities incurred as a result of acts and/or omissions;
3. Rescission of any or all transactions;
4. Statutory damages as provided by applicable law;
5. Punitive damages in an amount that the Panel deems appropriate;
6. Pre-award and pre-judgment interest on all sums invested from the date deposited until the date of the award and/or judgment and until such sums are paid, at the highest rate allowed by law;
7. All costs of these proceedings, including legal fees, including while on appeal, if any, and for collection; and
8. Any and all other relief available to Claimant, in law or equity or otherwise, which may be granted by the Panel.

In the Statement of Answer, Respondent requested that Claimant's Statement of Claim be denied.

In its Counterclaim, Respondent requested: compensatory damages in the amount of \$45,910.10; accrued interest; costs; and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

During the evidentiary hearing, Respondent waived its request for attorneys' fees in connection with its Counterclaim. Therefore, the Panel did not make a determination with respect thereto.

During the evidentiary hearing, Claimant moved to exclude certain evidence and testimony regarding damages. The Panel offered Claimant additional time to review the calculations. Claimant elected to proceed, thereby rendering Claimant's motion moot.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable and shall pay to Claimant compensatory damages in the following amounts:

- \$175,000.00 with respect to Respondent's January 12, 2011, wrongful auto-liquidation of Claimant's account, plus interest thereon in the amount of \$57,200.00; and
 - \$285,000.00 with respect to Respondent's August 5, 2011, wrongful auto-liquidation of Claimant's account, plus interest thereon in the amount of \$77,000.00.
2. Post-Award interest, if any, shall accrue in accordance with the Code of Arbitration Procedure (the "Code").
 3. Respondent is liable and shall reimburse Claimant the sum of \$72,418.00 representing expert witness fees, filing fees and other costs incurred by Claimant in connection with this arbitration.
 4. Claimant's request for attorneys' fees is denied.
 5. Respondent's Counterclaim is denied in its entirety.
 6. Any and all relief not specifically addressed herein, including Claimant's request for punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution assessed a filing fee* for each claim:

Initial Claim Filing Fee	= \$ 1,800.00
Counterclaim Filing Fee	= \$ 1,450.00

**The filing fee is made up of a non-refundable and a refundable portion*

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, Respondent is assessed the following:

Member Surcharge	= \$ 2,800.00
Pre-Hearing Processing Fee	= \$ 750.00
Hearing Processing Fee	= \$ 5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

May 27-30, 2014, adjournment by Claimant	Waived
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Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s) that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator @ \$450.00/session	= \$ 450.00
Pre-hearing conference: September 25, 2013	1 session

One (1) Pre-hearing session with the Panel @ \$1,200.00/session	= \$ 1,200.00
Pre-hearing conference: March 12, 2013	1 session

Nine (9) Hearing sessions @ \$1,200.00/session	= \$10,800.00
Hearing Dates: February 3, 2015	3 sessions
February 4, 2015	2 sessions
February 5, 2015	2 sessions
February 6, 2015	2 sessions

Total Hearing Session Fees	= \$12,450.00
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The Panel has assessed the total hearing session fees of \$12,450.00 to Respondent.

All balances are payable to FINRA Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

Carl F. Bowmer	-	Public Arbitrator, Presiding Chairperson
Stuart H. Dunn	-	Public Arbitrator
Peter H. Goldberg	-	Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument which is my award.

Concurring Arbitrators' Signatures

Carl F. Bowner
Public Arbitrator, Presiding Chairperson

Signature Date

Carl F. Brumm

2-16-15

Stuart H. Dunn
Public Arbitrator

Signature Date

Peter H. Goldberg
Public Arbitrator

Signature Date

8/17/15

Date of Service (For FINRA Dispute Resolution office use only)

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Signature Date

Stuart H. Dunn

Stuart H. Dunn
Public Arbitrator

2-15-2015

Signature Date

Peter H. Goldberg
Public Arbitrator

Signature Date

2/17/15

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Peter Goldberg

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