

= Chicago Options Associates =

Chicago Options Associates ( COA ) is a finance company in Chicago , Illinois which specializes in trading options and futures contracts . It was founded in 1987 by Oliver R. W. Pergams and Michael E. Davis . In 1994 Davis was its chief executive officer , hiring then @-@ graduate student Jimmy Wales as research director ; Wales served in this position until 1998 .

The company and Davis were the subject of litigation resulting from a 2007 Illinois Supreme Court decision . In Dowling v. Chicago Options Associates , plaintiff Brian Dowling successfully sued the company ( and Davis ) , winning a judgement of US \$ 817 @, @ 830 @. @ 45 from both defendants . Davis tried to shield his assets by transferring funds to a law firm , DLA Piper , which had assisted him in buying a home in Florida . During this representation , Davis paid a retainer of \$ 100 @, @ 000 to DLA Piper ; Dowling maintained that he was owed this money . Although the circuit and appellate courts agreed with Dowling , the Illinois Supreme Court reversed and found with DLA Piper . The Illinois State Bar Association and Chicago Bar Association filed amicus curiae briefs in the case , favoring the law firm 's position . This decision by the Illinois Supreme Court was the first time the concept of " advance payment retainer " was recognized in the state , and the court codified its ruling into a 2009 regulation affecting legal practice in Illinois .

= = History = =

= = = Options and futures trading = = =

Chicago Options Associates is a finance company incorporated in Chicago , Illinois which specializes in trading options and futures contracts . It was founded in 1987 by Michael E. Davis ( a 1983 MBA graduate from the University of Chicago ) and Oliver R. W. Pergams , who received a bachelor 's degree from that school in 1981 . The company originally had offices in Chicago and Philadelphia , Pennsylvania . The chief executive officer of Chicago Options Associates in 1994 was Michael Davis , and the company had established a successful reputation in Chicago .

Davis hired Indiana University economics Ph.D. graduate student Jimmy Wales to analyze the company 's pricing @-@ model strategy ; Wales left his graduate program to join the company as research director , serving in that capacity from 1994 through 1998 . He was adept at determining future movements of foreign currencies and interest rates , and Davis mentored Wales in more @-@ aggressive financial trading .

Davis joined Wales and Tim Shell in 1996 to form the Internet company , Bomis . In 2003 , when Wales decided to form a non @-@ profit organization to manage the website Wikipedia , Davis , Shell and Wales formed the initial three @-@ member Wikimedia Foundation Board of Trustees .

In 2013 , Chicago Options Associates was located on LaSalle Street in Chicago .

= = = Dowling v Chicago Options Associates , Inc = = =

In 2007 , the company was the subject of a decision in a lawsuit before the Illinois Supreme Court when a creditor argued that it was owed monies from the defendants after judgments were obtained against them . The court ruled against the creditor and in favor of the law firm , stating that the retainer owed to the firm took precedence . In Dowling v Chicago Options Associates , Inc , the Illinois Supreme Court ruled that preemptive retainers used by attorneys were acceptable arrangements with clients .

The original case was between plaintiff Brian Dowling and defendants Chicago Options Associates and Michael E. Davis , in which Dowling won a judgement of \$ 817 @, @ 830 @. @ 45 from the defendants . After the court entered its judgement against him , Davis then tried to shield his assets from the plaintiff using his attorney @-@ client relationship with the law firm of DLA Piper to assist him in buying a home in Florida . As part of this arrangement , Davis transferred funds into a trust account controlled by DLA Piper . At that time , as stated in the contract between DLA Piper and

Davis , the law firm was allocated \$ 100 @, @ 000 of those funds as its retainer ; the funds were used to pay day @-@ to @-@ day company expenses .

When Dowling 's attorneys learned about the retainer to DLA Piper they asked the court to order the return of the retainer to the plaintiff , and the circuit court ruled in favor of Dowling . On appeal , the decision was upheld . The Illinois Supreme Court reversed the circuit @-@ court decision , ruling that the retainer was the property of DLA Piper and not Dowling .

Both the Illinois State Bar Association and Chicago Bar Association filed amicus curiae briefs in the case favoring the law firm 's position . The case dealt with the concept of an advance payment retainer , a fee given to an attorney for later services to a client . An advance payment retainer became part of an attorney 's assets as soon as it was paid , regardless of subsequent events . More common types of retainer defined by the court included the classic retainer ( also known as a true retainer ) and the security retainer . A classic retainer was described by the court as one used in an attorney @-@ client relationship for a set length of time or a particular purpose . A security retainer referred to a deposit kept in a trust account by the attorney , distinct from their own assets . The case was the first recognition of advance payment retainers in Illinois .

The case became a parameter for defining retainers in Illinois . The Illinois Bar Journal observed in 2009 , " The starting point for any discussion of getting paid for work in the private practice of law is retainer fees . In Dowling v Chicago Options Associates , Inc ... the supreme court identified three types of lawyer retainer fees that are permissible in this state ... " and referred to the legal descriptions as " Dowling fee classifications " .

On July 1 , 2009 , the Illinois Supreme Court codified the definitions set forth in the case as a rule applicable to the practice of law in the state ; known as Rule 1 @. @ 15 ( c ) , it came into practice on January 1 , 2010 . The Illinois Bar Journal noted , " Paragraph ( c ) of the rule reflects the recent supreme court decision in Dowling v Chicago Options Associates , Inc ( 4 ) and describes in detail the so @-@ called advance payment retainer recognized in Dowling . "