



Notice, Pursuant to Exchange By-law 18-2, of Disciplinary Action Against First Derivative Traders, L.P., Member Organization

To: Members, Member Organizations, Participants and Participant Organizations
From: Mark Schepps, Chief Enforcement Counsel, NASDAQ OMX PHLXSM
DATE: July 14, 2009

NASDAQ OMX PHLX No. 09-20 Enforcement No. 2009-21

On July 14, 2009, the Business Conduct Committee (the "Committee") issued a disciplinary decision against First Derivative Traders, L.P. ("First Derivatives"), a member organization of the Exchange. In response to a Statement of Charges issued in this action, First Derivatives submitted an Offer of Settlement, Stipulation of Facts and Consent to Sanctions ("Offer"). Solely to settle this proceeding, and without either admitting or denying the charges, First Derivatives consented to findings that it violated Exchange Rule 1002 by exceeding the exercise limit for Citigroup Inc. put contracts and Fairfax Financial Holdings, Ltd. call contracts within any five consecutive business days. First Derivatives' Offer was accepted by the Committee and was the basis of its Decision.

The Committee found that First Derivatives violated Exchange Rule 1002, concurred in the sanctions consented to by it, and ordered the imposition of the following sanctions: (i) a censure and (ii) a fine of \$5,000.

For more information, contact:

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