



Notice, Pursuant to Exchange By-law 18-2, of Disciplinary Action Against Cutler Group, LP, Member Organization

To: Members, Member Organizations, Participants and Participant Organizations
From: John C. Pickford, Enforcement Counsel, NASDAQ OMX PHLXSM
DATE: August 24, 2010

NASDAQ OMX PHLX No. 10-06 Enforcement No. 2009-33

On February 16, 2010, the Business Conduct Committee (the "Committee") issued a disciplinary decision against Cutler Group, LP ("Cutler"), a member organization of the Exchange. In response to a Statement of Charges issued in this action, Cutler submitted an Offer of Settlement, Stipulation of Facts and Consent to Sanctions ("Offer"). Solely to settle this proceeding, and without admitting or denying the charges, Cutler consented to findings that it violated Exchange Rules 707, 748 and 782 by engaging in the practice of entering orders at or near the close of trading day for the purpose of marking the closing price in numerous options series on numerous occasions. Cutler's Offer was accepted by the Committee and was the basis of its Decision.

The Committee found that Cutler violated Exchange Rules 707, 748, and 782, concurred in the sanctions consented to by it, and ordered the imposition of the following sanctions: (i) a censure; (ii) a fine in the amount of \$75,000.

For more information, contact:

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