



Notice, Pursuant to Exchange By-law 18-2, of Disciplinary Action Against HSBC Securities, Inc., Member Organization

To: Members, Member Organizations, Participants and Participant Organizations
From: John C. Pickford, Enforcement Counsel, NASDAQ OMX PHLXSM
DATE: April 28, 2010

NASDAQ OMX PHLX No. 10-11 Enforcement No. 2010-03

On April 26, 2010, the Business Conduct Committee (the "Committee") issued a disciplinary decision against HSBC Securities, Inc ("HSBC"), a member organization of the Exchange. In response to a Statement of Charges issued in this action, HSBC 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, HSBC consented to findings that it violated Exchange Rule 1001 by: (i) purchasing 280,000 option contracts exceeding the options position limit of 250,000 contracts by 30,249 contracts. HSBC's Offer was accepted by the Committee and was the basis of its Decision.

The Committee found that HSBC violated Exchange Rule 1001, concurred in the sanctions consented to by it, and ordered the imposition of the following sanctions: (i) a censure and (ii) a fine of \$3,000.

For more information, contact:

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