



Notice, Pursuant to Exchange By-law 18-2, of Disciplinary Action Against Toro Trading, LLC, Member Organization

To: Members, Member Organizations, Participants and Participant Organizations
From: John C. Pickford, Enforcement Counsel, NASDAQ OMX PHLXSM
DATE: March 15, 2012

Enforcement No. 2012-02

On March 14, 2012, the Business Conduct Committee (the "Committee") issued a disciplinary decision against Toro Trading, LLC ("Toro"), a member organization of the Exchange. In response to a Statement of Charges issued in this action, Toro 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, Toro consented to findings that it violated Exchange Rule 1014(b)(ii)(D)(1) and (b)(1)(A) by failing to quote continuously, two-sided markets in multiple options, thereby resulting in 303 failures to quote in at least 60% of the series in those options and failed to quote the series 90% of the trading day 2,820 times during the period. Additionally, a Streaming Quote Trader for the firm, who had received permission from the Exchange to generate and submit option quotations electronically for the firm submitted quotations electronically while not physically present on the floor of the exchange. Toro's Offer was accepted by the Committee and was the basis of its Decision.

The Committee found that Toro violated Exchange Rule 1014(b)(ii)(D)(1) and (b)(1)(A), concurred in the sanctions consented to by it, and ordered the imposition of the following sanctions: (i) a censure and (ii) a fine and back payment of membership dues of \$28,800.

For more information, contact:

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