



Regulatory Information Circular			
Circular number:	2008-01	Contact:	Michael J. Simon Chief Regulatory Officer
Date:	January 2, 2008	Telephone:	212-897-0230

Subject: Disciplinary Actions

The purpose of this Regulatory Information Circular is to set forth final disciplinary actions that resulted in the imposition of penalties for violations of specified provisions of the federal securities laws and/or the Constitution and Rules of the Exchange during 2007.

Disciplinary Sanctions Imposed Pursuant to ISE Rule 1603, Letters of Consent:

File Nos. 2004-0430-23; 2004-0531-23; 2004-0630-23; 2004-0731-21; 2004-0731-23; 2004-0831-21; 2004-0831-23; 2004-0930-21; 2004-0930-23; 2004-59; 2004-61; 2004-63; 2005-8; 2005-135; 2005-173

TD Options LLC was fined \$10,000 for submitting quotations that exceeded the spread quote differential both prior to and after the opening rotation. (ISE Rule 803(b)(4))

File Nos. 2005-06; 2005-136; 2005-174; 2006-32; 2006-82; 2006-130; 2006-171; 2006-172; 2006-173; 2006-174

Archelon, LLC was fined \$10,000 for, as Competitive Market Maker, failing to participate on the opening rotation within 60 percent of its appointed options classes and failing to maintain a continuous quote for all series until the close of trading that day. (ISE Rule 804(e)(2))

File Nos. 2005-06; 2005-136; 2005-174; 2006-32; 2006-82; 2006-130; 2006-171; 2006-172; 2006-173; 2006-174

BNP Paribas Securities Corp. was fined \$45,000 for, as Competitive Market Maker, failing to participate on the opening rotation within 60 percent of its appointed options classes and failing to maintain a continuous quote for all series until the close of trading that day. (ISE Rule 804(e)(2))

File Nos. 2005-06; 2005-136; 2005-174; 2006-32; 2006-82; 2006-130; 2006-171; 2006-172; 2006-173; 2006-174; 2007-014; 2007-015; 2007-016; 2007-017

Lehman Brothers Inc. was fined \$55,000 for, as Competitive Market Maker, failing to participate on the opening rotation within 60 percent of its appointed options classes and failing to maintain a continuous quote for all series until the close of trading that day. (ISE Rule 804(e)(2))

File Nos. 2005-06; 2005-136; 2005-174; 2006-32; 2006-82; 2006-130; 2006-171; 2006-172; 2006-173; 2006-174

Morgan Stanley & Co., Incorporated was fined \$20,000 for, as Primary Market Maker, failing to continuously quote in all series to which it was appointed; and as Competitive Market Maker, failing to participate on the opening rotation within 60 percent of its appointed options classes and failing to maintain a continuous quote for all series until the close of trading that day. (ISE Rules 804(e)(1); 804(e)(2))

File Nos. 2005-06; 2005-136; 2005-174; 2006-32; 2006-82; 2006-130; 2006-171; 2006-172; 2006-173; 2006-174; 2007-014; 2007-015; 2007-016; 2007-017

Wolverine Trading, LLC was fined \$115,000 for, as Competitive Market Maker, failing to participate on the opening rotation within 60 percent of its appointed options classes and failing to maintain a continuous quote for all series until the close of trading that day. (ISE Rule 804(e)(2))

File No. 2005-117

Bear Stearns & Co. Inc. was fined \$1,000 and made a restitution payment of unpaid execution fees due the Exchange in the amount of \$720.00 for entering on the Exchange orders with incorrect information regarding account type. (ISE Rule 712)

File Nos. 2005-157; 2006-65; 2006-112

SG Americas Securities, LLC was fined \$15,000 for, as Competitive Market Maker, effecting transactions for its principal orders in options series at prices that were inferior to the National Best Bid or Offer. (ISE Rule 1902(d))

File Nos. 2005-187; 2005-191; 2006-54; 2006-75; 2006-97

Lehman Brothers Inc. was censured and fined \$25,000 for failing to expose customer orders it represented as agent for 30 seconds prior to entering offsetting and interacting firm proprietary orders. (ISE Rule 717(d))

File Nos. 2005-201; 2006-54; 2006-97

Cantor Fitzgerald & Co. was censured and fined \$15,000 for failing to expose customer orders it represented as agent for 30 seconds prior to entering offsetting and interacting proprietary and broker dealer orders. (ISE Rules 717(d); 717(e))

File No. 2006-009; 2006-078

Pali Capital Inc. was fined \$1,000 and made a restitution payment of unpaid execution fees due the Exchange in the amount of \$1,619.46 for entering on the Exchange orders with incorrect information regarding account type. (ISE Rule 712)

File Nos. 2006-011; 2006-062

Wolverine Trading, LLC was fined \$10,000 for, as Competitive Market Maker, creating a locked or crossed market and failing to unlock or uncross that market or to direct a principal order through the Linkage to trade against the bid or offer that it locked or crossed. (ISE Rule 1903)

File Nos. 2006-80; 2006-128; 2006-152; 2007-12

Wolverine Trading, LLC was fined \$20,000 for submitting quotations that exceeded the spread quote differential both prior to and after the opening rotation. (ISE Rule 803(b)(4))