



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: Mark Schepps, Chief Enforcement Counsel, NASDAQ OMX PHLXSM
DATE: February 16, 2010

NASDAQ OMX PHLX No. 10-05 Enforcement No. 2009-31

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 Rule 1014(b)(ii)(D)(1) by failing to satisfy its obligation to quote continuous, two-sided markets in at least 60% of the options series to which it was assigned by the Exchange to quote. Cutler's Offer was accepted by the Committee and was the basis of its Decision.

The Committee found that Cutler violated Exchange Rule 1014(b)(ii)(D)(1), concurred in the sanctions consented to by it, and ordered the imposition of the following sanctions: (i) a censure and (ii) a fine of \$25,000.

For more information, contact:

- [Mark Schepps](#), Chief Enforcement Counsel, NASDAQ OMX PHLX, at +1 215 496 5153