



Notice, Pursuant to Exchange By-law 18-2, of Disciplinary Action Merrill Lynch Professional Clearing Corp, Member Organization

To: Members, Member Organizations, Participants and Participant Organizations
From: John C. Pickford, Enforcement Counsel, NASDAQ OMX PHLXSM
DATE: December 10, 2010

NASDAQ OMX PHLX No. 10-18 Enforcement No. 2010-15

On December 8, 2010, the Business Conduct Committee (the "Committee") issued a disciplinary decision against Merrill Lynch Professional Clearing Corp. ("ML Pro"), a member organization of the Exchange. In response to a Statement of Charges issued in this action, ML Pro 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, ML Pro consented to findings that it violated Exchange Rule 1001 twice by: (i) exceeding the options position limit of 250,000 contracts by 32,487 and 16,267 contracts respectively. ML Pro's Offer was accepted by the Committee and was the basis of its Decision.

The Committee found that ML Pro 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 \$10,000.

For more information, contact:

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