



Notice, Pursuant to Exchange By-law 18-2, of Disciplinary Action Against First Derivative Traders, L.P., Member Organization

To: Members, Member Organizations, Participants and Participant Organizations
From: Mark Schepps, Chief Enforcement Counsel, NASDAQ OMX PHLXSM
DATE: May 19, 2009

NASDAQ OMX PHLX No. 09-10 Enforcement No. 2009-10

On May 12, 2009, the Business Conduct Committee (the "Committee") issued a disciplinary decision against First Derivative Traders, L.P. ("First Derivatives"), a member organization of the Exchange. In response to a Statement of Charges issued in this action, First Derivatives submitted an Offer of Settlement, Stipulation of Facts and Consent to Sanctions ("Offer"). Solely to settle this proceeding, and without either admitting or denying the charges, First Derivatives consented to findings that it violated Exchange Rule 1082 by failing to execute incoming orders for various option series at the disseminated price in an amount up to the disseminated size. First Derivatives' Offer was accepted by the Committee and was the basis of its Decision.

The Committee found that First Derivatives violated Exchange Rule 1082, concurred in the sanctions consented to by it, and ordered the imposition of the following sanctions: (i) a censure and (ii) a fine of \$15,000.

For more information, contact:

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