



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

To: Members, Member Organizations, Participants and Participant Organizations
From: John C. Pickford, Enforcement Counsel, NASDAQ OMX PHLXSM
DATE: June 12, 2012

Enforcement No. 2012-05

On June 12, 2012, the Business Conduct Committee (the "Committee") issued a disciplinary decision against Sumo Capital, LLC ("Sumo"), a member organization of the Exchange. In response to a Statement of Charges issued in this action, Sumo 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, Sumo consented to findings that it violated Exchange Rule 1014(b)(ii)(D)(1) as a Remote Streaming Quote Trader when the firm failed to quote continuously, two-sided markets in multiple options, thereby resulting in 1,583 failures to quote in at least 60% of the series in those options and failed to quote the series 90% of the trading day 847 times during the period. Additionally, the firm, acting as a Directed Remote Streaming Quote Trader failed to quote continuously, two-sided markets in multiple options, thereby resulting in 371 failures to quote in the lesser of 99% of the series listed on the Exchange or 100% of the series listed on the Exchange minus one call-put pair, in each case in at least 60% of the options in which the firm was assigned. Sumo's Offer was accepted by the Committee and was the basis of its Decision.

The Committee found that Sumo 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 \$10,000.

For more information, contact:

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