



# BULLETIN

MSB 2008-31  
July 29, 2008

## NOTICES

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The respective By-Laws and Rules of the Philadelphia Stock Exchange ("PHLX") and its subsidiary, the Philadelphia Board of Trade ("PBOT"), in certain specific instances, require the Exchange and its Board of Trade to provide notice to their membership. This Bulletin will be forwarded to all PHLX and PBOT Members on a weekly basis and is intended to satisfy these requirements.

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## REGISTRATION REQUIREMENTS

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Rule 620, covering trading floor registration requires that all trading floor personnel be registered with the PHLX. All member organizations must notify the PHLX of any change in status of their personnel. Appropriate forms are available at [www.phlx.com](http://www.phlx.com). Changes which have not been reported to date should be submitted, in writing, to the Membership Services Department.

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## PBOT MEMBERSHIP SHARE SALES

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As of 12:00 Noon, Tuesday, July 29, 2008:  
Bid: \$1,500  
Ask: \$2,500  
Last contracted sale: \$ 600 on 4-29-08  
Last consummated sale: \$2,500 on 5-13-08

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## PENDING PERMIT HOLDERS

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### Effective on or after July 15, 2008

**Oppenheimer & Co. Inc.**  
Joseph S. Bile

## PENDING PERMIT HOLDERS - Continued

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### Effective on or after July 29, 2008

**Consolidated Trading LLC**  
David B. Pennisi

**ITG Derivatives LLC**  
Carl R. Schranz

**VTrader Pro, LLC**  
Rishi Dhir

### Effective on or after August 5, 2008

**Husky Trading**  
Joseph A. Younes, Jr.

**Toro Trading, LLC**  
Harry E. Morad

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## TERMINATING PERMIT HOLDERS

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### Effective on or after August 5, 2008

**Aubrey & Company**  
Arthur A. Aubrey

**Blue Capital LLC**  
Gregory M. Mullen

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## PENDING TRANSFER OF LEGAL AND EQUITABLE TITLE TO PBOT MEMBERSHIP SHARE

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### Effective on or after August 5, 2008

From: **John F. Wallace**  
Wallace Securities Corp.  
(Owner: Wallace Securities Corp.)  
To: **Eagle Way Capital LLC**  
(Owner: Eagle Way Capital LLC)  
PBOT No. 114

**ANY INFORMATION YOU MAY HAVE WHICH WOULD BE PERTINENT TO CONSIDERATION OF THE APPLICANTS BY THE EXCHANGE OR THE BOARD OF TRADE SHOULD BE PROMPTLY REPORTED IN WRITING TO THE ADMISSIONS COMMITTEE.**

**EFFECTIVE PERMIT TRANSFERS****Effective on July 23, 2008****Merrill Lynch, Pierce, Fenner & Smith Inc.**

From: Robert L. Cunningham  
To: David M. Creagan

**Effective on July 29, 2008****PTR, Inc.**

From: Brian F. Kelly  
To: Eugene M. Ware

**Torc Investments and Research LLC**

From: Stephen M. Johnson  
To: Thomas A. O'Neill

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**TERMINATED PERMIT HOLDER****Effective on July 29, 2008****Citadel Derivatives Group, LLC**

Thomas B. Mester

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**EFFECTIVE TRANSFER OF LEGAL AND  
EQUITABLE TITLE TO PBOT MEMBERSHIP SHARE****Effective on July 29, 2008**

From: **John F. Wallace**  
Wallace Securities Corp.  
(Owner: Wallace Securities Corp.)  
To: **Albert S. Dandridge, III**  
(Owner: Albert S. Dandridge, III)  
PBOT No. 39

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**NOTICE, PURSUANT TO EXCHANGE BY-LAW 18-2,  
OF DISCIPLINARY ACTION AGAINST HUSKY  
TRADING, LLC, MEMBER ORGANIZATION, AND  
AGAINST EUGENE O'BRIEN, MICHAEL INEMER  
AND STEPHEN FLOIRENDO, MEMBERS  
PHLX NO. 08-07; ENFORCEMENT NO. 2006-10**

On April 9, 2008, a Hearing Panel ("Panel") of the Philadelphia Stock Exchange, Inc. ("Exchange") issued a disciplinary decision against Husky Trading LLC ("Husky"), a member organization of the Exchange; Eugene O'Brien ("O'Brien"), a member of the Exchange, Floor Broker and President and principal of Husky; Michael Inemer ("Inemer"), a member of the Exchange, Floor Broker and employee of Husky, and Stephen Floirendo ("Floirendo"), a member of the Exchange, Floor Broker and employee of Husky (collectively the "Respondents"). The Panel found that O'Brien, Inemer

**Disciplinary Actions - Continued**

and Floirendo engaged in numerous options transactions tied to stock in which the options (i) traded through the Philadelphia, and/or the National, Best Bid and Best Offer, or (ii) traded ahead of either customer booked orders or Streaming Quote Traders and/or Remote Streaming Quote Traders with established priority, in violation of Exchange Rules 707, 1014, 1067 and 119 or 120, as applicable.

The Panel's decision, which was issued following a six-day evidentiary hearing, found that on a total of 172 occasions, the Respondents engaged in options transactions tied to stock that failed to allocate the options trades to parties with established price and/or time priority. Specifically, the Panel found that O'Brien engaged in 106 such violative transactions, Inemer engaged in 22 such violative transactions and Floirendo engaged in 44 such violative transactions. Based on the violations of Exchange Rules 707, 1014, 1067, and 119 or 120, as applicable, the Panel imposed monetary sanctions of \$106,000 on O'Brien, \$22,000 on Inemer and \$44,000 on Floirendo. Pursuant to Exchange Rule 960.1(b), the Panel made Husky and O'Brien jointly and severally liable for all of the monetary sanctions. The Panel also imposed suspensions of four months on O'Brien, three weeks on Inemer, and six weeks on Floirendo. All the suspensions are to continue until the monetary sanctions have been paid in full to the Exchange.

The Respondents appealed the Panel's decision to the Board of Governors (the "Board") of the Exchange. On July 23, 2008, the Board ruled on the Respondents' appeal. In its decision, the Board affirmed the Hearing Panel's decision with respect to the monetary sanctions. The Board modified the Hearing Panel's decision with respect to the suspensions, reducing the suspension from Exchange membership or from employment or association with any Exchange member or member organization to two weeks for Inemer and Floirendo and to two months for O'Brien. The Board's decision further provided that the suspensions were to run consecutively, commencing with Inemer, then Floirendo and then O'Brien. The Board's decision also provided that O'Brien's suspension shall continue until the fine is paid in full to the Exchange.

The Respondents have indicated that they will appeal the Board's decision to the U.S. Securities and Exchange Commission.

**NOTICE, PURSUANT TO EXCHANGE BY-LAW 18-2,  
OF DISCIPLINARY ACTION AGAINST TMBB  
TRADING, LP, MEMBER ORGANIZATION, AND  
THOMAS GRIFFIN, MEMBER  
PHLX NO. 08-08; ENFORCEMENT NO. 2008-07**

On July 23, 2008, the Business Conduct Committee (the "Committee") issued a disciplinary decision against TMBB Trading, LP ("TMBB"), a member organization of the Exchange and Thomas Griffin, a member of the Exchange (collectively, the "Respondents"). In response to a Statement of Charges issued in this action, the Respondents each 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, the Respondents consented to findings that they violated Sections 15 and 17 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Rules 15b3-1, 17a-3, 17a-5, 17f-2 and Rules 200(g) and 203(b) of Regulation SHO promulgated thereunder, and Exchange Rules 623, 703, 712, 722(g)(2), 748 and 760 by failing to: (i) keep accurate books and records and file an accurate December 2006 FOCUS Report, annual audited financial report for the fiscal year ended December 31, 2006, and April 2007 balance sheet with the Exchange; (ii) file with the Financial Industry Regulatory Authority the requisite fingerprint records of an employee; (iii) properly mark two "sell short" orders; (iv) secure, and thereby properly document its reliance upon, an easy-to-borrow list prior to effecting short sale transactions; (v) receive the proper margin treatment with respect to 28 positions in their market maker account; (vi) amend TMBB's Form BD in the Central Registration Depository database to disclose that TMBB is a proprietary trading, and not a market making, firm; and (vii) establish and maintain written supervisory procedures, and a system of supervision, that reasonably addressed: (a) compliance with the order-marking, aggregation, locate and close-out requirements for short sale transactions under Regulation SHO promulgated under the Exchange Act; (b) on-going, moment-by-moment monitoring of TMBB's net capital to ensure that TMBB maintained sufficient net capital while engaging in securities transactions; and (c) TMBB's operation as a proprietary trading, and not a market making, firm. The Respondents' Offers were accepted by the Committee and were the basis of its decision.

**Disciplinary Actions - Continued**

The Committee found that the Respondents violated Sections 15 and 17 of the Exchange Act, Rules 15b3-1, 17a-3, 17a-5, 17f-2 and Rules 200(g) and 203(b) of Regulation SHO promulgated thereunder, and Exchange Rules 623, 703, 712, 722(g)(2), 748 and 760, concurred in the sanctions consented to by them, and ordered the imposition of the following sanctions: (i) a censure and (ii) a joint and several fine of \$1,000.

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**REPORTS DUE TO THE EXCHANGE**

**FOCUS Reports / 703 Financial Condition Reports**

Reports are required from all Members subject to the SEC Net Capital Rule for which the Phlx is the DEA:

July Month End FOCUS/Financial Condition Report 703  
Due: August 25, 2008

**Annual Audited Financial Statements –  
Exchange Act Rule 17a-5(d)**

Member Firms subject to the requirement are reminded to file their Annual Reports with the Phlx Examinations Department by the following due dates:

Member Firms with FYE  
May 31, 2008. . . July 30, 2008  
Member Firms with FYE  
June 30, 2008. . . August 29, 2008  
Member Firms with FYE  
July 31, 2008. . . September 29, 2008

All members are reminded to submit FOCUS Reports, 703 Financial Condition Reports and Annual Audited Financial Statements to the following Address:  
Via mail or hand delivery

NASDAQ OMX PHLX  
Examinations Department  
1900 Market Street, 8<sup>th</sup> Floor  
Philadelphia, PA 19103  
Tel # (215) 496-5188

**Membership Services**