



## Notice, Pursuant to Exchange By-law 18-2, of Disciplinary Action Against Monadnock Capital Management, LP, Member Organization

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**To:** Members, Member Organizations, Participants and Participant Organizations  
**From:** Mark Schepps, Chief Enforcement Counsel, NASDAQ OMX PHLX<sup>SM</sup>  
**DATE:** January 8, 2010

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### **NASDAQ OMX PHLX No. 10-02 Enforcement No. 2009-32**

On January 5, 2010, the Business Conduct Committee (the "Committee") issued a disciplinary decision against Monadnock Capital Management, LP ("Monadnock"), a member organization of the Exchange. In response to a Statement of Charges issued in this action, Monadnock 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, Monadnock consented to findings that it violated Exchange Rule 1014(b)(ii)(D)(1) by: (i) failing to complete the steps necessary to enable its quoting engine to submit quotations in multiple options for which it was approved by the Exchange to submit quotations, thereby resulting in multiple failures to submit a quotation; and (ii) failing to quote continuous, two-sided markets in multiple options, thereby resulting in multiple failures to quote in at least 60% of the series in those options. Monadnock made efforts to correct failures to quote once they were brought to its attention. Monadnock's Offer was accepted by the Committee and was the basis of its Decision.

The Committee found that Monadnock 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 \$35,000.

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For more information, contact:

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