



Notice, Pursuant to Exchange By-law 18-2, of Disciplinary Action Against Group One Trading, LP, Member Organization

To: Members, Member Organizations, Participants and Participant Organizations
From: John C. Pickford, Enforcement Counsel, NASDAQ OMX PHLXSM
DATE: April 19, 2010

NASDAQ OMX PHLX No. 10-10 Enforcement No. 2010-07

On April 14, 2010, the Business Conduct Committee (the "Committee") issued a disciplinary decision against Group One Trading, LP ("Group One"), a member organization of the Exchange. In response to a Statement of Charges issued in this action, Group One 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, Group One 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 61 failures to quote in at least 60% of the series in those options where the firm acted as a remote streaming quote trader and 27 failures to quote in at least 99% of the series in those options where the firm acted as a directed remote streaming quote trader. Group One's Offer was accepted by the Committee and was the basis of its Decision.

The Committee found that Group One 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 \$3,000.

For more information, contact:

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