



Notice, Pursuant to Exchange By-law 18-2, of Disciplinary Action Cutler Group, Inc., Member Organization

To: Members, Member Organizations, Participants and Participant Organizations
From: John C. Pickford, Enforcement Counsel, NASDAQ OMX PHLXSM
DATE: June 2, 2011

NASDAQ OMX PHLX No. 11-03-3 Enforcement No. 2011-02

On June 1, 2011, the Business Conduct Committee (the "Committee") issued a disciplinary decision against Cutler Group, Inc. ("Cutler"), a member organization of the Exchange. In response to a Statement of Charges issued in this action, Cutler 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, Cutler consented to findings that it violated Exchange Rule 1014(b)(ii)(A) when a Cutler Streaming Quote Trader who had received permission from the Exchange to generate and submit option quotations electronically for the firm submitted quotations electronically while not physically present on the floor of the exchange. Cutler's Offer was accepted by the Committee and was the basis of its Decision.

The Committee found that Culter violated Exchange Rule 1014(b)(ii)(A), 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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