



<b>Regulatory Information Circular</b>			
<b>Circular number:</b>	2009-01	<b>Contact:</b>	Michael J. Simon Chief Regulatory Officer
<b>Date:</b>	January 2, 2009	<b>Telephone:</b>	212-897-0230

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## **Subject: Disciplinary Actions**

The purpose of this Regulatory Information Circular is to set forth final disciplinary actions that resulted in the imposition of penalties for violations of specified provisions of the federal securities laws and/or the Constitution and Rules of the Exchange during 2008.

### **A.) Disciplinary Sanctions Imposed Pursuant to ISE Rule 1614, Imposition of Fines for Minor Rule Violations:**

- File No. 2007-187. A member was fined \$1,500 when it failed to expose customer orders it represented as agent for 3 seconds prior to entering offsetting and interacting firm proprietary orders. (ISE Rule 717(d))
- File No. 2008-025. A member was fined \$2,000 when it failed to expose customer orders it represented as agent for 3 seconds prior to entering offsetting and interacting firm proprietary orders. (ISE Rule 717(d))
- File No. 2008-050. A member was fined \$5,000 when it established an option position in excess of the contract limit. (ISE Rule 412)
- File No. 2008-072. A member was fined \$1,500 when it established an option position in excess of the contract limit. (ISE Rule 412)

### **B.) Disciplinary Sanctions Imposed Pursuant to ISE Rule 1603, Letters of Consent:**

File Nos. 2007-012; 2007-055; 2007-110

Citadel Derivatives Group LLC was fined \$12,500 for submitting quotations that exceeded the spread quote differential prior to the opening rotation. (ISE Rule 803(b)(4))

File Nos. 2007-014; 2007-015; 2007-016; 2007-017; 2007-059; 2007-118; 2007-175; 2008-21

Susquehanna Investment Group was fined \$20,000 for, as Competitive Market Maker, failing to maintain a continuous quote for all series until the close of trading. (ISE Rule 804(e)(2)(ii))

File Nos. 2007-055; 2007-059; 2007-110; 2007-118; 2007-167; 2007-175; 2008-013; 2008-021

Wolverine Trading, LLC was fined \$195,000 for, as Competitive Market Maker, submitting quotations that exceeded the spread quote differential both prior to and after the opening rotation; failing to maintain a continuous quote for all series until the close of trading; failing to maintain satisfactory written supervisory procedures to assure compliance with ISE rules regarding market maker quoting requirements at the Exchange. (ISE Rules 401; 803(b)(4); 804(e)(2))

File No. 2007-083

MF Global, Inc. was fined \$1,000 and made a restitution payment of unpaid execution fees due the Exchange in the amount of \$561.00 for entering on the Exchange orders with incorrect information regarding account type. (ISE Rule 712)

File Nos. 2007-083; 2007-133; 2008-082

LaBranche Structured Products, LLC was fined \$12,500 and made a restitution payment of unpaid execution fees due the Exchange in the amount of \$3,353.76 for entering on the Exchange orders with incorrect information regarding account type; and for failing to maintain satisfactory written supervisory procedures to assure compliance with ISE rules regarding the accurate identification of account type for orders entered on the Exchange. (ISE Rules 401; 712)

File Nos. 2007-133; 2008-003

Bulltick, LLC was fined \$5,000 and made a restitution payment of unpaid execution fees due the Exchange in the amount of \$10,355.76 for entering on the Exchange orders with incorrect information regarding account type. (ISE Rule 712)

File Nos. 2007-162; 2008-006

Citigroup Derivatives Markets Inc. was fined \$15,000 for, as Primary Market Maker, sending P/A Orders through the Linkage that did not reflect the terms of a public customer order and in certain instances for not passing executions of P/A Orders along to the public customer. (ISE Rule 400)

File Nos. 2007-162; 2008-006; 2008-068

UBS Securities, LLC was fined \$15,000 for, as Primary Market Maker, sending P/A Orders through the Linkage that did not reflect the terms of a public customer order and in certain instances for not passing executions of P/A Orders along to the public customer. (ISE Rule 400)

File No. 2007-185; 2008-003

Optiver US, LLC was fined \$2,500 and made a restitution payment of unpaid execution fees due the Exchange in the amount of \$277.00 for entering on the Exchange orders with incorrect information regarding account type. (ISE Rule 712)

File Nos. 2008-071; 2008-118

Walleye Trading, LLC was fined \$7,500 for failing to expose directed orders it represented as agent for 3 seconds prior to entering offsetting and interacting firm proprietary orders. (ISE Rule 811(e)(2)(ii))