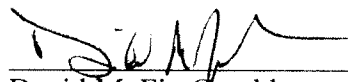


**Disciplinary Panel
NYSE Alternext US LLC¹**

IN THE MATTER	:	Case No. 05-310
of	:	[AMXC08028]
STUYVESANT TRADING GROUP, LLC	:	Hearing Officer – DMF

NOTICE OF DECISION

Enclosed is a copy of the decision of the Hearing Officer in this disciplinary proceeding, dated October 24, 2008 (“Decision”). Under Rule 476(g), this Decision will become the final decision of NYSE Alternext US, LLC 25 days after service of the Decision upon you unless the NYSE Regulation Committee or the Exchange Board of Directors calls the Decision for review. Pursuant to Rule 478T, Temporary Procedures Governing Legacy Disciplinary Proceedings, the Hearing Officer has decided that its Decision shall be publicized as provided therein. However, no publicity release shall be made until the Decision becomes final.



David M. FitzGerald
Hearing Officer

Dated: October 24, 2008

Copies to: Stuyvesant Trading Group, LLC *(via overnight courier and first-class mail)*
D. Christopher Walker, Esq. *(via electronic and first-class mail)*
Jocelyn Thrower *(via overnight courier and electronic mail)*
Mary Yeager *(via overnight courier and electronic mail)*

¹ Effective October 1, 2008, the corporate successor to the American Stock Exchange is NYSE Alternext US, LLC.

**Disciplinary Panel
NYSE Alternext US LLC¹**

IN THE MATTER

of

STUYVESANT TRADING GROUP,
LLC

:
:
:
: Case No. 05-310
: [AMXC08028]

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:
: Hearing Officer – DMF

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:
: **DECISION**

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: October 24, 2008
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Pursuant to Rule 478T, Temporary Procedures Governing Legacy Disciplinary Proceedings, this proceeding came before the Hearing Officer for review of the attached Stipulation and Consent to Penalty (Stipulation), which was entered into by the Parties for the purposes of settling this proceeding and concluding all disciplinary actions by NYSE Alternext US, LLC against Respondent based upon or arising out of the facts set forth in the Stipulation. Respondent, without admitting or denying the facts, allegations and conclusions contained in the Stipulation, consented to the entry of findings of violations of an Exchange Rule, and the imposition of penalties, as set forth in the Stipulation.

After considering the stipulated facts, as well as the analysis and authorities set forth in the Memorandum in Support of Proposed Settlement, the Hearing Officer hereby accepts the Stipulation, and accordingly finds that Respondent violated Exchange Rule 155 (made applicable to options by Exchange Rule 950) in that, on 11 occasions during the period October 1, 2004, through November 30, 2005, Respondent, while holding a

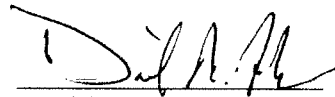
¹ Effective October 1, 2008, the corporate successor to the American Stock Exchange is NYSE Alternext US, LLC.

customer order to purchase or sell certain options entitled to an execution, traded ahead of such customer order by effecting a transaction in the same option at the same or better price for an account in which the firm had an interest. There was no quantifiable customer harm on any of the 11 occasions.

The Hearing Officer notes that there were just 11 trading-ahead transactions over a period of more than one year, with no quantifiable customer harm. The Hearing Officer agrees that, under the Sanction Guidelines, it is appropriate to “batch” these transactions for purposes of determining the appropriate penalties, and that the proposed penalties are consistent with the Sanctions Guidelines for violations of Rule 155.

Therefore, in accordance with the Stipulation, for these violations, Respondent is censured and fined \$5,000.

SO ORDERED.



David M. FitzGerald
Hearing Officer

Copies to: Stuyvesant Trading Group, LLC (*via overnight courier and first-class mail*)
D. Christopher Walker, Esq. (*via electronic and first-class mail*)
Jocelyn Thrower (*via overnight courier and electronic mail*)
Mary Yeager (*via overnight courier and electronic mail*)

EXHIBIT A

Disciplinary Panel
American Stock Exchange LLC

IN THE MATTER
OF
STUYVESANT TRADING GROUP, LLC

**STIPULATION OF FACTS AND
CONSENT TO PENALTY**

Case No. 05-310

This proceeding was instituted by the American Stock Exchange LLC (the "Exchange" or "Amex") against Stuyvesant Trading Group, LLC ("Respondent", "Stuyvesant" or the "Firm")(CRD# 41718), a Regular Member Organization of the Exchange. This Stipulation of Facts and Consent to Penalty ("Stipulation") is entered into with the Respondent pursuant to Article V, Section 2 of the Exchange Constitution in order to settle and conclude all disciplinary actions brought by the Exchange against the Respondent based upon or arising out of the facts hereinafter stipulated. The Respondent, without admitting or denying the facts, allegations and conclusions contained in this Stipulation, hereby consents to the entry of findings of violations of the Exchange Rules, and the imposition of the penalties hereinafter provided. The Respondent understands that a hearing officer, without conducting a formal hearing, will determine whether the Respondent has committed the violations set forth herein and may fix and impose the agreed upon penalty or reject the Stipulation. This Stipulation can also be the subject of review by the Amex Adjudicatory Council ("AAC"). The Respondent understands and acknowledges that the hearing officer's acceptance of this Stipulation may not be appealed by the parties, will become part of its disciplinary record and may be considered in any future proceeding brought by the Exchange.

STIPULATED FACTS:

- 1.0 During all relevant periods herein, Stuyvesant was a Regular Member organization of the Exchange.
- 1.1 During all relevant periods herein, Stuyvesant served as specialist for various options that traded on the Floor of the Exchange.
- 1.2 During all relevant periods herein, FINRA's (f/k/a NASD) Amex Regulation Division was an authorized representative of the Exchange.

Regulatory Framework:

- 2.0 During all relevant periods herein, Exchange Rule 155 required that a specialist give precedence to orders entrusted to him as an agent in any stock in which he is registered before executing at the same price any purchase or sale in the same stock for an account in which the specialist has an interest.
- 2.1 During all relevant periods herein, Exchange Rule 950 (Rule of General Applicability) stated that Exchange Rule 155 also applies to Exchange option transactions and other transactions on the Exchange in option contracts and indicates that unless the context otherwise requires, the term "stock" wherever used in Rule 155 shall be deemed to include option contracts.

Case 05-310:

- 3.0 On eleven (11) occasions during the period of October 1, 2004 through November 30, 2005, a Stuyvesant employee acting as the specialist in ABC & Co. (“ABC”) failed to give precedence to orders entrusted to him as agent in ABC options.¹ There was no quantifiable customer harm on any of the eleven (11) occasions.
- 3.1 On seven (7) of the eleven (11) occasions the Stuyvesant employee acting as specialist in ABC options bought contracts in ABC options for Stuyvesant’s own account at or below the price at which the firm held open customer orders to buy ABC options that were entitled to an execution.
- 3.2 On four (4) of the eleven (11) occasions the Stuyvesant employee acting as specialist in ABC options sold contracts in ABC options at or above the price at which the firm held open customer orders to sell ABC options that were entitled to an execution.
- 3.3 The conduct described in paragraphs 3.0 to 3.2 constitutes separate and distinct violations of Exchange Rule 155 (made applicable to options by Exchange Rule 950) in that Stuyvesant, while holding customer orders to purchase or sell ABC options entitled to an execution, traded ahead of such customer orders by effecting a transaction in the same option at the same or better prices for an account in which the firm had an interest.

¹ A generic identifier has been used throughout this stipulation in relation to the security at issue.

DISCIPLINARY ACTION:

By reason of the foregoing Stipulated Facts, a Disciplinary Panel may impose the following penalties against Stuyvesant:

- (a) a censure; and
- (b) a fine of \$5,000.

The Respondent hereby acknowledges that a qualified representative of the firm has read carefully this Stipulation and understands all of the provisions contained herein; that the firm agreed to its provisions voluntarily; and that no offer, promise, threat or inducement of any kind has been tendered to the Respondent by the Exchange, its staff or representatives to induce the Respondent to enter into this Stipulation, aside from the prospect of settling this disciplinary proceeding based on the terms and conditions set forth in this Stipulation rather than adjudicating this matter by way of a hearing.

Further, the Respondent hereby agrees that it may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this Stipulation or create the impression that the Stipulation is without factual basis. Nothing in this provision affects the Respondent's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which the Exchange is not a party.

Further, the Respondent understands and agrees that the Exchange may make a public announcement concerning this Stipulation and the subject matter thereof in a manner consistent with those specified in Rule 12 of the Rules and Procedures Applicable to Exchange Disciplinary Proceedings.

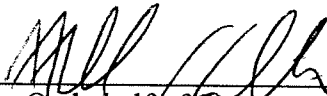
Finally, it is understood and agreed that in any written submission to or proceeding before any person reviewing and/or body convened to consider this Stipulation (including any reviewing person or body authorized by the Amex Constitution and/or Rules), neither Enforcement nor the Respondent, shall offer any argument that is inconsistent with the stipulated facts or the agreed-upon penalty, nor shall either party ask for the imposition of any penalty (including arguing that no penalty should be imposed) other than that agreed upon in this Stipulation.

AMERICAN STOCK EXCHANGE LLC

By: Claudia Crowley

Claudia Crowley
Senior Vice President
Chief Regulatory Officer
American Stock Exchange LLC

Agreed to this 17 day of July, 2008.



On behalf of Stuyvesant Trading Group, LLC
MICHAEL WHITMAN