

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

I. STEPHEN RABIN, on behalf of himself and  
all others similarly situated,

Plaintiff,

v.

NASDAQ OMX PHLX LLC,  
NASDAQ OMX GROUP, INC., BEDROCK  
TRADING LTD, BLUEFIN TRADING, LLC,  
CONSOLIDATED TRADING LLC, ELM  
TRADING, L.P., FIRST DERIVATIVE  
TRADERS, LP, HAP TRADING, L.L.C.,  
KEYSTONE TRADING PARTNERS, LLC,  
LARGO TRADING, L.P., SUMMIT  
SECURITIES GROUP, LLC, SUMO  
CAPITAL, LLC, SUSQUEHANNA  
INTERNATIONAL GROUP, LLP, SIG  
HOLDING LLC, SUSQUEHANNA  
INVESTMENT GROUP, SUSQUEHANNA  
SECURITIES, TSR ASSOCIATES, L.L.C.  
and V TRADER-CG, LLC,

Defendants.

CIVIL ACTION

NO. 2:15-CV-00551-GAM

CLASS ACTION

TRIAL BY JURY DEMANDED

**CORRECTED SECOND AMENDED COMPLAINT**

**TABLE OF CONTENTS**

I. SUMMARY OF THE CASE.....1

II. JURISDICTION AND VENUE .....2

III. PARTIES .....3

IV. BACKGROUND ON TRADING OPTIONS RELATED TO THE  
MANIPULATION .....8

A. Option Trading Practices ..... 8

B. Summary of Terms Relating to Long and Short Call Options..... 10

C. The Steps to Exercise an Option to Collect Dividends..... 10

V. IMPROPER MANIPULATIVE OPTIONS TRADING BY CERTAIN MARKET  
MAKERS ON PHLX EXCHANGE.....11

A. Steps In The Manipulative Scheme To Improperly Capture Dividends..... 13

B. A Detailed Example of How the Process Used by the Market Maker  
Defendants Works..... 16

C. The Injury to Plaintiff from His Pfizer Inc. Options Positions Due to  
Defendants’ Manipulative Practices ..... 20

D. The Manipulation of the Options Contracts of CME Group, Inc. Provides  
Another Example of Market Maker Defendants’ Practices and Resulting  
Injury..... 23

VI. PLAINTIFF AND THE MEMBERS OF THE CLASS WERE DAMAGED BY  
DEFENDANTS’ MANIPULATIVE PRACTICES .....25

VII. ADDITIONAL SCIENTER AND RELIANCE ALLEGATIONS .....25

VIII. PLAINTIFF’S CLASS ACTION ALLEGATIONS.....28

COUNT I  
Violation of Section 10(b) of th Exchange Act And Rule 10b-5(a) and (c) Promulgated  
Thereunder Against All Defendants.....30

COUNT II  
Unjust Enrichment Against All Defendants .....31

Plaintiff, I. Stephen Rabin (“Rabin” or “Plaintiff”), individually and on behalf of all other persons similarly situated, alleges the following upon information and belief based upon, *inter alia*, the investigation made with his attorneys, except for those allegations regarding his personal trading which is made on personal knowledge.

## **I. SUMMARY OF THE CASE**

1. This is a class action on behalf of all persons who suffered damages when certain market makers<sup>1</sup> and conspiring broker-dealers on the options market of NASDAQ OMX PHLX (“PHLX Exchange”) manipulated certain options in advance of dividend payments on underlying stock and exchange traded funds (“ETFs”) for their personal benefit to the detriment of other options investors during the Class Period.<sup>2</sup> Specifically, the market maker and conspiring broker-dealers defendants identified below (“Market Maker Defendants”) damaged other writers of call options by executing among themselves huge pre-arranged manipulative matched options trades on an underlying security immediately prior to the date for that security’s dividend payment. The result is that the Market Maker Defendants materially increased the likelihood that such defendants would obtain, and did improperly obtain, dividends that would have been paid to Plaintiff and the other members of the Class. The Market Maker Defendants have improperly used their privileged regulatory status as market makers (including exemptions

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<sup>1</sup> A market maker is “a dealer who, with respect to a particular security, (i) regularly publishes bona fide, competitive bid and offer quotations in a recognized interdealer quotation system; or (ii) furnishes bona fide competitive bid and offer quotations on request; and, (iii) is ready, willing and able to effect transactions in reasonable quantities at his quoted prices with other brokers or dealers.” Exchange Act Rule 15c3-1(c)(8), 17 C.F.R. § 240.15c3-1(c)(8).

<sup>2</sup> As defined herein, the proposed Class and the Class Period is: all persons who held short positions on “in the money” call options contracts on dividend paying stocks and exchange traded funds (“ETFs”) and who were adversely affected by Defendants’ conspiracy to manipulate, and manipulation of the options markets prior to the ex-dividend date on such securities from February 6, 2010 through the present (the “Class Period”). Excluded from the Class are Defendants, members of their immediate families and their legal representatives, parents, affiliates, heirs, successors or assigns and any entity in which Defendants have or have had a controlling interest (the “Excluded Persons”). Also excluded are any officers, directors, or trustees of the Excluded Persons.

from certain credit limits) to make these manipulative trades (which are outside their proper market function). In short, these Market Maker Defendants have diverted the dividend payments to themselves from other writers of call options by manipulating the options clearing system.<sup>3</sup> During the Class Period, the actions of the Market Maker Defendants and other Defendants (identified below) have already damaged options investors by hundreds of millions of dollars.

2. As alleged in detail below, Plaintiff was injured as a result of Market Maker Defendants' manipulation of the options contracts in Pfizer, Inc. ("Pfizer" or "PFE") during the Class Period. Plaintiff alleges details of Market Maker Defendants' manipulation of options contracts in Pfizer. The Market Maker Defendants inflated the size of the options open interest pool for Pfizer stock by flooding the market with over a million additional option contracts one day before the ex-dividend date of PFE common stock. The result of this manipulation was to ensure that the bulk of PFE dividend payments would be directed to the Market Maker Defendants rather than to Plaintiff and the other Class members. These trades added almost no risk for the Market Maker Defendants.

3. Market Maker Defendants have engaged in similar manipulative activities with regard to options on other dividend paying stocks and ETFs during the Class Period at the PHLX Exchange.

4. Plaintiff's remedies arise under the Securities Exchange Act of 1934 (the "Exchange Act") and state law.

## **II. JURISDICTION AND VENUE**

5. Plaintiff I. Stephen Rabin ("Mr. Rabin" or "Plaintiff") brings this action pursuant to Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b), as well as Rule 10b-5(a) and (c), 17 C.F.R. § 240.10b-5(a) and (c), promulgated

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<sup>3</sup> A description of "writers" of call options is more fully set forth in Section IV.A. below.

thereunder. Options contracts, including the options at issue here, are securities registered with the Securities and Exchange Commission (“SEC”) and can only be traded on a securities exchange under the jurisdiction of the SEC.

6. In connection with the acts alleged in this complaint, the Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, and the facilities of a national securities exchange.

7. This Court has jurisdiction of this action pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa, and 28 U.S.C. § 1331, and the provisions of the federal securities laws identified above. This Court also has supplemental jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1367.

8. At the time of the wrongs alleged herein, Mr. Rabin transacted business in this district. During the Class Period, Plaintiff’s purchases and sales of the relevant options occurred in this district. Prospective witnesses reside in and/or can be found in this district. Venue is thus proper in this district pursuant to Section 27 of the Exchange Act and 28 U.S.C. §§ 1391(b) and 1391(c).

### **III. PARTIES**

9. Plaintiff I. Stephen Rabin is an individual who resides in New York. As detailed in its Certification attached hereto as Exhibit A, Plaintiff had short positions<sup>4</sup> on options contracts during the Class Period, and as a result thereof, suffered damages from Defendants’ unlawful conduct alleged herein.

10. Market Maker Defendants are market makers who participate in the options market of the PHLX Exchange, with an obligation to provide liquidity in the market, but who conspired to engage in, and engaged in, the wrongs detailed herein. Market Maker Defendants

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<sup>4</sup> A description of “short positions” is more fully set forth in Section IV.A. below.

include those market makers and other broker-dealers who improperly traded in the Pfizer option contracts of the same series as the Plaintiff, as described herein. The PFE manipulative trading incidents resulted in injury to Plaintiff, and is only one example of a pattern of trades engaged in by Defendants for the purpose of wrongfully conspiring to capture, and capturing, the dividend payments on unexercised call options. Exhibit B to this complaint – titled “Ongoing and Massive Trading Manipulation for a Typical Quarter (2014 Q3)” – provides three months of instances of manipulated call options as evidenced by the ballooned trading pattern immediately prior to a security’s ex-dividend date.<sup>5</sup> See attached Exhibit B. The records of Defendant NASDAQ/PHLX revealed the names of the market makers who conspired to engage in, and engaged in, this improper practice during the relevant period in stocks or ETFs going ex-dividend. Market Maker Defendants who wrote more than 700,000,000 contracts of the 789,381,178 call options written in this scheme during the Class Period were the principal participants of this fraudulent scheme and conspiracy.

11. Defendant Bedrock Trading Ltd (“Bedrock”) is a Pennsylvania limited partnership having an address at 19 Bryn Mawr Ave., Bala Cynwyd, PA 19004. Bedrock is a market maker on the PHLX Exchange who wrote 88,646,571 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

12. Defendant Bluefin Trading, LLC (“Bluefin”) is a New York limited liability company having an address at 3 Park Avenue, 37th Fl., New York, NY 10016. Bluefin is a market maker on the PHLX Exchange who wrote 7,780,102 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

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<sup>5</sup> The ex-dividend date refers to the timing of entitlement to the payment of dividends on a security. If an investor purchases a stock on its ex-dividend date or after, he will not receive the next dividend payment. Instead, the seller gets the dividend. If an investor purchases before the ex-dividend date, he gets the dividend.

13. Defendant Consolidated Trading LLC (“Consolidated”) is an Illinois limited liability company having an address at 200 W Jackson Blvd., Ste. 2300, Chicago, IL 60606. Consolidated is a market maker on the PHLX Exchange who wrote 60,106,008 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

14. Defendant ELM Trading, L.P. (“ELM”) is a Pennsylvania limited partnership having an address at 1900 Market St., Ste. 705, Philadelphia, PA 19103. ELM is a market maker on the PHLX Exchange who wrote 70,102,794 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

15. Defendant First Derivative Traders, L.P. (“First Derivative”) is a Pennsylvania limited partnership having an address at 419 Minden Way, Wynnewood, PA 19096. First Derivative is a market maker on the PHLX Exchange who wrote 87,519,180 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

16. Defendant HAP Trading, LLC (“HAP”) is a New York limited liability company having an address at 33 Whitehall St., 6th Fl., New York, NY 10004. HAP is a broker-dealer on the PHLX Exchange who wrote 13,087,239 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

17. Defendant Keystone Trading Partners, LLC (“Keystone”) is a Pennsylvania limited liability company having an address at 660 Narcisi Ln., Wayne, PA 19018. Keystone is a market maker on the PHLX Exchange who wrote 75,697,284 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

18. Defendant Largo Trading, L.P. (“Largo”) is a Pennsylvania limited partnership having an address at 361 North Highland Ave, Merion Station, PA 19066. Largo is a market maker on the PHLX Exchange who wrote 88,836,075 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

19. Defendant Summit Securities Group, LLC (“Summit”) is a Delaware limited liability company having an address at 140 Broadway, 46th Fl., New York, NY 10005. Summit is a broker-dealer engaged in activity on the PHLX Exchange who wrote 26,937,391 call options identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

20. Defendant Sumo Capital LLC (“Sumo”) is an Illinois limited liability company having an address at 440 S. LaSalle Street, Ste. 2101, Chicago, IL 60605. Sumo is a market maker on the PHLX Exchange who wrote 7,315,750 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

21. Defendants Susquehanna International Group, LLP, a Delaware limited liability partnership having an address of 1201 N. Orange St., Ste. 715, New Castle, DE; SIG Holding LLC, a Pennsylvania limited liability company having an address of 401 City Ave., Ste. 220, Bala Cynwyd, PA 19004; Susquehanna Investment Group, a Pennsylvania general partnership having an address at 401 City Ave., Ste. 220, Bala Cynwyd, PA 19004 and Susquehanna Securities, a Delaware general partnership having an address at 401 City Ave., Ste. 220, Bala Cynwyd, PA 19004 (collectively “Susquehanna”). Susquehanna is a market maker on the PHLX Exchange who wrote 36,286,437 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

22. Defendant TSR Associates, L.L.C. (“TSR”) is a Pennsylvania limited liability company having an address at 10 West Mermaid Lane, Philadelphia PA 19118. TSR is a broker-dealer engaged in activity on the PHLX Exchange who wrote 43,529,645 call options during the



Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

23. Defendant V Trader-CG, LLC, trading as V Trader Pro, LLC (“V Trader”) is a Pennsylvania limited liability corporation having an address at 1818 Market Street, 18<sup>th</sup> Fl., Philadelphia, PA 19103. V Trader is a broker-dealer engaged in activity on the PHLX Exchange who wrote 155,421,575 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

24. Defendant NASDAQ OMX PHLX LLC (“NASDAQ/PHLX”) is a limited liability company organized under the laws of the State of Delaware. NASDAQ/PHLX is a Self-Regulatory Organization (“SRO”), which owns and operates the PHLX Exchange. The PHLX Exchange focuses on options trading, trading more than 3,000 classes of equity options.

25. Defendant The NASDAQ OMX Group Inc. (“NASDAQ OMX”) is a Delaware corporation that is the parent of NASDAQ/PHLX. NASDAQ OMX is a for-profit entity. NASDAQ OMX is not itself a securities exchange, but owns and operates several securities exchanges, including the PHLX Exchange through its subsidiary NASDAQ/PHLX.

26. The “Market Maker Defendants,” together with Defendant “NASDAQ/PHLX” and Defendant “NASDAQ OMX” are collectively “Defendants” herein.

27. Identification of the specific Market Maker Defendants who participated in this conspiracy was accomplished by discovery at the outset of the case from the NASDAQ/PHLX. NASDAQ/PHLX maintains records that identified each party to options trades and specifically asks option writers to code any trade that is executed in conjunction with any dividend rebate strategy. The Options Clearing Corporation (“OCC”) also possesses such records of parties to option trades. Review of such trading information from NASDAQ/PHLX allowed Plaintiff to identify the Market Maker Defendants who conspired to manipulate, and who manipulated,

trading in the relevant options, aimed at capturing the dividend payments from unexercised call options during the Class Period. This discovery also identifies which call options were manipulated.

#### **IV. BACKGROUND ON TRADING OPTIONS RELATED TO THE MANIPULATION**

##### **A. Option Trading Practices**

28. A listed option is a security guaranteed by the OCC. An option is a contract to buy or sell a specific underlying security. The options guaranteed by the OCC are traded on multiple securities exchanges in the United States, including the PHLX. Options trading activity is regulated by the SEC.

29. The predominant form of options that trade on the options exchanges in the United States are “American-style” options, which means that the options can be exercised at any time prior to their expiration.

30. In addition to guaranteeing options, the OCC serves as the clearing agent and intermediary of options transactions. By taking the counterparty side in each purchase and sale transaction respectively, the OCC ensures performance between buyers and sellers, and ensures that obligations of the options contracts are fulfilled.

31. Each option contract normally represents 100 shares of the underlying security.

32. A “call” is an option that gives the holder (the “buyer”) the right, but not the obligation, to buy 100 shares of the underlying security (*i.e.*, to “call” or “assign” it away from the current owner) at a specified price (the “strike price”) for the period of time beginning on the purchase date and ending on the expiration of the option (the “expiration date”). The seller of a call option, known as the “writer,” is obligated to sell the underlying security to the buyer should the buyer so elect. When a holder of a call chooses to buy the security through the option contract, their election to buy is called an “exercise” of the option contract. When the seller of a

call option is obligated to sell the underlying security through the option contract, such an obligatory sale is termed an “assignment.” The seller is the “assigned party.”

33. Buyers of call options are known as taking a “long” position, in the options and sellers of options are known as taking a “short” position. As stated by the OCC in its publication “Characteristics and Risks of Standardized Options”:

**Long position:** A position wherein an investor’s interest in a particular series of options is as a net holder (*i.e.*, the number of contracts bought exceeds the number of contracts sold).

**Short position:** A position wherein a person’s interest in a particular series of options is as a net writer (*i.e.*, the number of contracts sold exceeds the number of contracts bought).

34. In purchasing a call option (taking a long position) a purchaser pays a “premium,” *i.e.*, the price for the option. Premiums are set in the market, plus any commissions and transaction costs. The seller of the option, in turn, receives the premium (less any commissions and transaction costs) in exchange for his selling or “writing” of the option.

35. Logically, the holder of a call option will only exercise the option if it is “in the money.” A call option is considered to be “in the money” if the underlying security’s trading price is higher than the call strike price. If the trading price of the underlying security is below the specified strike price, then the call option would be “out of the money.”

36. By way of further background, the chart below summarizes the differences between long and short positions in calls.

**B. Summary of Terms Relating to Long and Short Call Options**

	CALL	
LONG	1.	Buying a call is taking a long position.
	2.	Buyer pays a premium.
	3.	Buyer hopes the value of the call increases as the value of the underlying security goes up.
	4.	If the value of the security goes up, buyer exercises the call and buys the security at the strike price or buyer sells his call at a profit.
	5.	If the value of the security goes down, the most buyer loses is the premium paid ( <i>i.e.</i> , limited to loss exposure).
SHORT	1.	Writing or selling is taking a short position.
	2.	Writer is paid a premium.
	3.	Writer hopes the value of the security does not change or goes down.
	4.	If price does not go above the strike price, writer keeps premium as option expires worthless.
	5a.	If price goes up and the option writer owns the underlying security (known as a “covered call writing”) and his option is assigned, then he is paid the strike price for his security. He keeps both the premium and security payment.
	5b.	If price goes up and the writer does not own the security ( <i>i.e.</i> , “naked”), he has unlimited loss exposure and either has to buy back his call, or if the call is assigned, then the writer keeps the premium and delivers shares in the underlying security to the option holder at the lower strike price.

**C. The Steps to Exercise an Option to Collect Dividends**

37. To exercise a long options contract, one has to send an exercise notice to the OCC. Exercises at the OCC occur after the end of each trading day. The OCC issues an assignment to the broker/dealer who is the custodian for the writer.

38. Assignments are made on a random basis by the OCC across the entire pool of broker/dealers who are the custodians for options writers for each call option series.

39. In order to receive a dividend on an underlying security, one must be the owner on the record date. To receive the dividend using an options strategy, one must exercise an “in the money” call option on the last trading day prior to the ex-dividend date in order to be the owner on the record date. The ex-dividend date is normally set for a security two business days prior to the record date for the dividend to allow time for the security purchase to be recorded on the register for the underlying security.

40. Historically, however, a percentage of “in the money” call holders have not exercised their calls to purchase the underlying dividend paying security on the day before the ex-dividend date. This failure to exercise is due to various reasons, including mistake or oversight, lack of economic resources to exercise the option, lack of sophistication, or ignorance of the process. The measure of these unexercised options is the contract’s “open interest” at the close of trading on the day before ex-dividend. Open interest is the number of outstanding option contracts reported at the end of each day.

**V. IMPROPER MANIPULATIVE OPTIONS TRADING BY CERTAIN MARKET MAKERS ON PHLX EXCHANGE**

41. The Market Maker Defendants have conspired, engaged, and continue to conspire and engage, in improper market manipulation by artificially expanding the size of the option contract open interest pools to increase their *own* chances of not being assigned as writers of the calls on the day before the ex-dividend on the underlying security, thereby collecting the dividend. These actions thus ultimately allow the Market Maker Defendants to “skate” (*i.e.*, not be compelled to deliver the underlying security and thereby collect the dividend payment on the remaining underlying security position that they continue to hold since the calls they had written were not assigned by the OCC).

42. Market makers, unlike retail investors or other professional traders, have a unique advantage in that they are the only options industry participants that are permitted to be in both

long and short identical option contracts and to exercise any long options contracts prior to the OCC netting at the end of the trading day (their offsetting positions are not automatically extinguished by the OCC until after the market makers have decided whether to exercise). This advantage allows them to take these large offsetting positions without true risk.

43. The Market Maker Defendants' scheme is grounded in part by an OCC practice that the Market Maker Defendants improperly use to their advantage. When a market maker has offsetting open long and open short option positions in the same option series, the market maker is still permitted to exercise just one side of their positions. For market makers alone, the OCC does not net the short and long positions until after all the exercise instructions for that day have been processed. If a market maker fails to exercise any long option, the OCC will still net it against the market maker's short option positions, immediately prior to allocating assignments. The result of this practice is that the market maker is never at risk for failing to exercise an "in the money" long option while it has an offsetting short position. This special treatment of market makers by the OCC provides the Market Maker Defendants with the ability to execute large pre-arranged manipulative "wash" trades ("wash trades" are prohibited under SEC rules) to expand the open interest pool, of the relevant option and thereby radically increase the Market Maker Defendants' position in the open interest pool, thereby increasing their probability of capturing the dividend windfall from among the pool of unassigned call options.

44. In contrast to market makers, retail investors, like Plaintiff, generally are not permitted to have open long and short offsetting positions.

45. As a result, market makers are the only participants in the options market that can maintain both long and short market open positions without any consequent risk.

**A. Steps In The Manipulative Scheme To Improperly Capture Dividends**

46. The manipulative dividend scheme involve the Market Maker Defendants using their privileged role to capture as much of the potential “skate” of short call options for dividend paying securities. In order to do this, the Market Maker Defendants conspire to buy and sell the same series in prearranged trades of “in the money” calls with a “partner” broker deal the day prior to the ex-dividend date of the underlying stock or ETF. Multiple pairs of Market Maker Defendants engage in this conspiracy immediately prior to ex-dividend dates of securities. At the end of the day prior to the ex-dividend date, these participating Market Maker Defendants conspire to, and are, completely hedged with both huge open long and huge open short positions on the same call options series.

47. Once the Market Maker Defendants exercise their open long call options after the end of the day, their short option positions remain open prior to the OCC assignment process. This allows the Market Maker Defendants to dramatically expand the size of their collective share of the short call options open interest pool. Given the size of their holdings, the probability of the market makers’ positions not being assigned is maximized and thus the Market Maker Defendants receive the majority of any dividend windfall after these maneuvers.

48. The Market Maker Defendants are not concerned about the large assignments allocated to them resulting from increasing their short positions because they have correspondingly exercised their dominant positions relative to the pre-existing open interest of long call options.

49. In other words, because the Market Maker Defendants conspire to be fully hedged, (buying and selling the same series for the same price), this illicit dividend trade strategy has little, if any, risk. The Market Maker Defendants either, skate and keep the dividend, or they get assigned on options series which they just exercised to end up with a net offsetting position.

Even if a Market Maker Defendant makes an error and fails to exercise, OCC will net their position prior to assignment so that the Market Maker Defendant winds up with no net option position in that series.

50. In addition, Market Maker Defendants conspire to flood the options market with the matched call options on stocks or ETFs about to go ex-dividend because market makers are given special margin privileges, ostensibly to allow them to open positions to provide liquidity to the market. However, rather than enhance market liquidity and engage in bona fide market making, the Market Maker Defendants have used this margin privilege to conspire to, and to engage in, these manipulative dividend trades in an unfair, deceptive and anti-competitive manner, solely for their own benefit.

51. The SEC has real time risk management rules which should normally restrict this abuse for the large dollar trades, Exchange Act Rule 15c3-1 and Regulation 15c3-5, 17 C.F.R. §§ 240.15c3-1 and 15c3-5. Under these rules, either the clearing firm or market maker must ensure there is available capital in the market maker's account or clearing member's account upon exercise of the option. These improper ex-dividend call option market-maker trades have been transacted without regard to the capital requirement at the time of the exercise of the calls. These dividend trades provide zero liquidity because their sole purpose is to steal the assignment opportunity and dividends from the non-market maker investors.

52. In possible violation of the net capital rules, the Market Maker Defendants have conspired to implement, and have implemented, these massive matched positions to capture the non-assignment opportunity. Notably, the Chicago Board of Exchange ("CBOE") bars such prearranged trades suggesting they are not done for legitimate economic purpose nor are the transactions subject to market risks. The International Stock Exchange ("ISE") similarly prevents this practice and has disseminated opinions that such trades are improper. In contrast,



Defendants NASDAQ/PHLX and NASDAQ OMX (improperly) have not limited such prearranged trading on the PHLX Exchange.

53. Market Maker Defendants' conspiracy with the assent of the Defendants NASDAQ/PHLX and NASDAQ OMX of prearranged matched trading is a classic form of market manipulation prohibited by Section 10(b) of the Exchange Act. This conspiracy to engage in manipulative transactions also contravenes numerous rules and regulations prescribed by the Securities and Exchange Commission ("SEC") that restrict the conduct and practices of market makers and others in order to maintain the integrity of the securities markets for the protection of investors. In addition to Rule 15c3-1 and Regulation 15c3-5 described above, these include the following:

- a) Rule 10b-5(a) and (c), 17 C.F.R. § 240.10b-5(a) and (c) (prohibiting the employment of manipulative and deceptive devices or engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person);
- b) Rule 11b-1(a)(2)(ii)(iii), 17 C.F.R. § 240.11b-1(a)(2)(ii)(iii)<sup>6</sup> (requiring specialists to maintain a "fair and orderly market" for investors)<sup>7</sup>.

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<sup>6</sup> Exchange Act Rule 11b-1(a)(2) states in relevant part:  
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(2) The rules of a national securities exchange permitting a member of such exchange to register as a specialist and to act as a dealer shall include:

(ii) Requirements, as a condition of a specialist's registration, that a specialist engage in a course of dealings for his own account to *assist in the maintenance, so far as practicable, of a fair and orderly market*, and that a finding by the exchange of any substantial or continued failure by a specialist to engage in such a course of dealings will result in the suspension or cancellation of such specialist's registration in one or more of the securities in which such specialist is registered;

(iii) Provisions restricting his dealings so far as practicable to those reasonably necessary to permit him to *maintain a fair and orderly market* ....

(emphases added).

<sup>7</sup> "Specialists" are included in the Exchange Act's definition of "Market Makers." Section 3(a)(38), 15 U.S.C. § 78c(a)(38) states: "The term 'market maker' means any specialist permitted to act as a dealer...."

54. The Market Maker Defendants' manipulative transactions alleged herein also violated rules prescribed by NASDAQ, including Rule 782, prohibiting manipulative operations; Rule 1014(a), prohibiting Specialists and Registered Options Traders (ROT) from entering into transactions or make bids or offers that are inconsistent with the maintenance of a fair and orderly market; and Rule 1020(d), specifically prohibiting such options trading by a Specialist for his own account.

**B. A Detailed Example of How the Process Used by the Market Maker Defendants Works**

55. The following simplified example demonstrates how the market manipulation alleged herein works:

- Stock is trading at \$40 and will pay a dividend of \$0.50 per share.
- Dividend trade strategies are transacted in the in-the-money call options such that the market makers have agreed among themselves to use the dividend trade strategy in the \$30 strike calls series for the stock. (Note: A series of an option is a particular option that has a certain strike price and date of expiration in a particular stock.)
- 10 retail investors each have written 1,000 \$30 strike calls on the stock before the stock goes ex-dividend.
- Open interest in the \$30 strike calls (at the beginning of the trading day prior to the ex-dividend date) is therefore 10,000 contracts (each of the 10 retail investors are short 1,000 calls).
- Each retail investor has a one in ten chance of not being assigned by the OCC ("skating") at the beginning of the trading day (1,000 divided by 10,000).
- Market Maker One conspires to enter into trades with Market Maker Two. He sells 500,000 contracts of the \$30 strike call to Market Maker Two, meaning Market Maker One is now short that call. Immediately thereafter (pursuant to the prearranged agreement between Market Maker One and Market Maker Two), Market Maker Two sells 500,000 contracts of the same \$30 strike call to Market Maker One at the same price. That is, he executes a mirrored transaction in the exact same option series and of the exact same size and exact same price.

- At the end of the day, Market Maker One and Market Maker Two end up with the following positions in the \$30 strike calls:

**Market Maker One**

**Market Maker Two**

Long positions	Short positions
500,000	500,000

Long positions	Short positions
500,000	500,000

- Assume then 90% of market participants in the original open interest pool of 10,000 contracts exercise their call options, leaving 1,000 call options “unexercised.” Because of the transactions of the market makers, the open interest has increased from 10,000 contracts to 1,010,000 contracts and the retail investor’s chances of skating have fallen from 1/10 to 1/1,010 (from 10% to .099%).
- Market Makers One and Two will have exercised all of their long call options, meaning they are now long the stock (as illustrated by the lines stricken out in the following chart):

**Market Maker One**

**Market Maker Two**

Long positions	Short positions
<del>500,000</del>	500,000
<del>options</del>	options
<del>contracts</del>	contracts
↓	
Exercise all long options positions	
↓	
50,000,000 shares	

Long positions	Short positions
<del>500,000</del>	500,000
<del>options</del>	options
<del>contracts</del>	contracts
↓	
Exercise all long options positions	
↓	
50,000,000 shares	

- Market Maker One has exercised 500,000 call options. Market Maker One is assigned on 99.901% of his corresponding short calls (499,505 contracts). In the end, Market Maker One retains a balance of 495 short call options. He keeps the stock for 495 of the long call options he exercised and since a single option contract is equal to 100 underlying shares of the stock, the Market Maker One ends up with 49,500 shares of stock. He collects a dividend of \$0.50 on each of these shares, \$24,750 total.
- Market Maker Two has exercised 500,000 call options. Market Maker Two is assigned 99.901% of his corresponding short calls (499,505 contracts). In the end, Market Maker Two retains a balance of 495 short call options. He keeps the stock for 495 of the long call options he exercised and ends up with 49,500 shares of stock. He collects a dividend of \$0.50 on each of these shares, or \$24,750 total.

- Collectively, the pool of remaining retail investors is assigned on 99.901% of their short calls and as a group they are left with 10 short call contracts holding stock for 1,000 shares. The pool of retail investors therefore share just \$500 in dividends. Note that if the market makers had not been permitted to execute this dividend scheme the retail investors would have shared the full \$50,000 in dividend payments. Each writer would have received \$5,000 instead of the \$50.
- Both Market Makers One and Two have collected the dividend payments associated with those shares, and both remain fully hedged with short in-the-money calls. This means they can trade out of the hedged position (or wait until expiration if it is near) after they collect the dividend.
- Market Makers One and Two have each exercised shares of stock with a market value of \$2 billion (500,000 shares at \$40) without regard to the minimum capital requirement.
- Because of this manipulative practice Market Makers One and Two were able to extract 99% (\$49,500) of the dividend payments from the original call writers.

56. These incestuous trades among Market Maker Defendants do not serve any economic purpose. They do not provide any liquidity to the marketplace. Market Maker Defendants who engage in this practice wrongfully benefit at the expense of Plaintiff and other members of the Class. The rules of the various securities exchanges prohibit such pre-arranged “wash sales” since they do not serve any economic purpose. Market makers would normally be prohibited from making these sham trades because they are not within the bona fide market making functions that justify special margin treatment of market makers by an exchange because they do not help to maintain market liquidity.

57. Far from providing a “fair and orderly” options trading market for investors in which random assignment determines who receives the gain from the phenomenon of unexercised call options on days prior to ex-dividend, the Market Maker Defendants conspire to intentionally *disrupt* normal market activity by flooding the market with a massive volume of sham prearranged trades. The sole purpose of their trades is to wrongfully increase their *own*

odds of non-assignment in order to misappropriate the underlying dividend for themselves at the expense of the Plaintiff and the other members of the Class.<sup>8</sup>

58. The Market Maker Defendants have been able to conspire and to engage in this manipulative trading scheme with the knowledge and knowing assistance of the Defendants NASDAQ/PHLX and NASDAQ OMX, securities clearing firms, and the OCC. In fact, each of these entities, along with the SEC itself, benefits by receiving increased trading fees from these sham trades. These regulatory institutions thus benefit by this options market manipulation. These symbiotic relationships cause these various regulatory bodies, self-regulatory organizations and market participants to turn a “blind eye” to these improper activities.

59. The role and benefit of each regulator or participant and the benefit that regulator or participant receives is as follows:

- a. The Clearing Houses: Certain clearing houses, such as Merrill Lynch Professional Clearing Corporation (a subsidiary of Bank of America) (“Merrill Pro”) and ABN AMRO Clearing Chicago (a subsidiary of ABN – Fortis AMRO Clearing Bank N.V.) promote this dividend trade manipulation in order to receive: (a) transaction fees; (b) fees on margin interest for the market makers capital at risk and (c) interest on the massive balances used by the market makers to buy the options and underlying security if an option is exercised. Notably, these clearing houses give preferred pricing to market makers who do these market maker dividend strategy trades. In contrast, Goldman Sachs is one clearing house that does not permit this activity.

To artificially expand their call options, the market makers borrow on their margin accounts to cover the massive size of their options positions. To finance these massive positions, they use their market maker margin lending capacity provided by their clearing houses. The clearing firms encourage this “hidden” abuse of the net capital rules of the market makers because neither the clearing firms nor any regulatory body calculate the net capital ratios of the market making firms at the close of each trading day. Thus, they ignore the exercise of the market makers’

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<sup>8</sup> Exhibit B attached to this Complaint is a chart delineating the trading data for major dividend yield stocks and ETFs in a typical quarter (3Q 2014), illustrating the breadth of this improper practice. Due to this improper strategy, as shown in the chart, just prior to the ex-dividend date there are consistently huge spikes in the volume for “in the money” option contracts on dividend paying stocks and ETFs. Additional data and analysis shows this practice has been widespread.

long options prior to any assignments by the OCC. In the Detailed Example above, prior to assignments each market maker would be long 50,000,000 shares of stock worth \$2 billion. The clearing houses are extending margin credit for these massive improper transactions in an amount that dramatically exceeds the clearing houses' stated risk parameters for such market making firms.

- b. NASDAQ/PHLX: Although this market maker dividend manipulation has been prohibited by the CBOE and ICE exchanges, it has flourished on the PHLX Exchange because this exchange has permitted this fraudulent trade practice. The advantage of the market making dividend trades to the PHLX Exchange has been: (a) transaction fees; and (b) inflation of the exchange's reported trade volume. Such inflated exchange trade volume enhances the exchange's competitiveness and consequent attractiveness for investors, bondholders and creditors. Supporting this sham dividend trade activity, the PHLX Exchange gave low-cost pricing to the market makers via rebates for these dividend seeking transactions. Rebates have been given via a cap in charges per option series such that the increased volume of trading does not significantly raise the cost to the market maker of doing a huge volume of transactions. Similarly, rebates are given to cap the overall charges to the market maker per month. In short, there is relatively little additional cost to the market maker for its voluminous trading in this dividend play scheme.

The extremely inflated trading volumes, generated from these sham option trades, have improperly skewed the market value of the PHLX Exchange by inflating its national options volume market share. The distortion in options volume market share is clear when looking at the difference in options volume on days in issues when dividend trades are transacted as compared to when they are not. This false inflation of trading volume then has a multiplier effect for the PHLX Exchange since some market participants, especially those who use electronic option order routing, send their option order flow to the exchange which has the highest volume.

- c. The OCC: The OCC receives fees for each trade by the market makers on these options. The OCC is owned by the exchanges so the exchanges further benefit from the inflated volume.

**C. The Injury to Plaintiff from His Pfizer Inc. Options Positions Due to Defendants' Manipulative Practices**

60. As described below, the conspiracy and manipulation by the Market Maker Defendants of the options contracts in Pfizer resulted in injury to the Plaintiff.

61. The Plaintiff's PFE options contracts had an expiration date of August 21, 2010 and a strike price of \$15. The PFE stock had an ex-dividend date of August 4, 2010. Therefore,

to obtain the dividend, an owner of a call option had to exercise his option on or before August 3, 2010 in order to be a shareholder of record on the dividend date of August 6, 2010 and therefore have a right to the dividend. The Market Maker Defendants' manipulations occurred on August 3, 2010. Plaintiff had his call assigned and exercised on August 3 (reported by his broker on August 4 as reflected in his attached certification attached as Exhibit A hereto).

62. On August 3, 2010, Plaintiff was short 68 call options on the PFE series expiring August 21, 2010 at the strike price of \$15 a share. This option was "in the money" as the stock was trading at \$16.34 at the close of trading on August 3, 2010.

63. At the very end of that same day (based upon information and belief), there were 14 separate rapid fire transactions by Market Maker Defendants totaling 1,312,000 contracts (out of the 1,419,021 contracts traded that day), which drastically increased the open interest pool on the PFE series at the strike price of \$15 and an expiration date of August 21, 2010. Each Market Maker Defendant had the same number of long positions as short positions, perfectly hedged. By conspiring to make, and by making, these manipulative and improper trades, the Market Maker Defendants expanded the open interest pool from the original 173,679 contracts by at least another 1,312,000 on that one day for a total open interest of 1,485,000 contracts, an increase of *over 750%*.

64. Each of the Market Maker Defendants then exercised all of their long call options, leaving each of them with only short call options. When the options were then assigned by the OCC, 16,545 short calls remained. Collectively, the Market Maker Defendants' holdings became the vast majority of the remaining short calls in the open interest pool (because they had a much higher percentage of the short positions). They thereby collected the bulk of the \$297,810 in PFE dividends from among the unexercised short call options (\$.18 dividend x 16,545 open options x 100 shares per option).

65. The remaining PFE investors, including Plaintiff, however, held a much smaller percentage of the short options than they would have, absent this manipulation of the market. Specifically, absent this manipulation, each PFE option contract would have obtained, on average \$1.71 per option contract, calculated as:

$$\$297,810 \text{ (dividends to distribute)} \div 173,679 \text{ (options contracts open)} = \mathbf{\$1.71 \text{ (per option)}}$$

of the dividend distribution from the open interest pool. Instead, because of the manipulation, each contract only obtained, on average, the much smaller dividend distribution of \$.20 per option contract, calculated as:

$$\$297,810 \text{ (dividends to distribute)} \div 1,485,679 \text{ (new open interest following manipulation)} = \mathbf{\$.20 \text{ (per option)}}$$

The Market Maker Defendants' thus caused all other investors to lose approximately \$1.51 per contract (\$1.71-\$.20), or over \$262,000 of the distributable dividends on this one incident of manipulation of option contracts. The Market Maker Defendants thus stole approximately 88% of what would have otherwise gone to Plaintiff and the other members of the Class investing in this PFE option.

66. Plaintiff Rabin also wrote 100 calls on December 17, 2010 (Expiration date 2/19/2011, strike price \$17) that was assigned on February 1, 2011 (reported by his broker on February 2, 2011). The Market Maker Defendants had again ballooned the open interest with 11 huge trades of 42,000 each, amounting to 462,000 in additional open interest on February 1, 2011. The prior day the open interest had been only 21,030.

67. There are thousands of incidents similar to the PFE option manipulation, many in the million dollar range, diverting the dividend payments on underlying stocks and ETFs to the Market Maker Defendants for their own financial benefit and not in any valid market making function.



**D. The Manipulation of the Options Contracts of CME Group, Inc. Provides Another Example of Market Maker Defendants' Practices and Resulting Injury**

68. Another striking example of this widespread manipulative practice on the PHLX Exchange is the pattern of Market Maker Defendants' trading in the open interest options contracts of the CME Group, Inc. (Stock Ticker: CME) in the days prior to the ex-dividend date of the underlying CME stock. In that incident, detailed below, the Market Maker Defendants inflated the size of the options open interest pool for CME stock by flooding the market with 440,000 additional option contracts one day before the ex-dividend date of the CME common stock. The result was to radically reduce all "ordinary" (*i.e.* typical) non-market maker investors' share of unassigned options on CME. The Market Maker Defendants' short option holdings increased the size of the open interest pool and thereby directed the dividend payments to the Market Maker Defendants for these extraordinary trades. The CME incident provides another stark illustration, but is only one example, of Market Maker Defendants' manipulative trading activities in numerous option contracts.

69. The CME options contracts involved in the CME manipulation had an expiration date of January 18, 2014 and a strike price of \$65. The CME stock had an ex-dividend date of December 24, 2013. Therefore, to obtain the dividend, an owner of a call option had to exercise his option on or before December 23, 2013 in order to be a shareholder of record on December 27 and therefore have a right to the dividend. The Market Maker Defendants' manipulations in the CME example occurred on December 23, 2013.

70. On December 23, 2013 (based upon information and belief) at least ten market makers drastically increased the open interest pool. Each Market Maker Defendant bought and sold 40,000 contracts on CME series at a strike price of \$65 with an expiration date of January 18, 2014 to each other; the result was that each Market Maker Defendant had 40,000

long positions and 40,000 short positions, thus perfectly hedged. The ten Market Maker Defendants had thereby expanded the open interest pool from the original 20,027 contracts to approximately 460,000 contracts in one day, an increase of over 2200%.

71. Each of the Market Maker Defendants then exercised all of their long call options, leaving each of them with 40,000 short call options. When the options were then assigned by the OCC, 20,001 short calls remained. Collectively the Market Maker Defendants skated on the vast majority of the short calls in the open interest pool (because they had a much higher percentage of the short positions). They thereby collected the bulk of the dividends on CME from the unassigned short call options.

72. As a result, the remaining CME investors skated on a much smaller number of options than they would have absent this manipulation of the market. Instead of obtaining, on average:

$$\text{\$5,200,260 (dividend)} \div 20,000 \text{ (open short options)} = \text{\$260.01 (dividend payment per open option)}$$

from the dividend distribution, because of the manipulation, each contract only obtained:

$$\text{\$5,200,260 (dividend)} \div 460,000 \text{ (open short options)} \\ = \text{\$11.30 (dividend payment per open option)}$$

The Market Maker Defendants thus stole over 95% of what would have gone to all other investors in the open interest pool.

73. In the CME incident, the Market Maker Defendants' actions caused all other investors to lose approximately \$249 per contract, or over \$4.9 million on this one incident. There are numerous such multi-million dollar incidents capturing the dividend payment by the Market Maker Defendants for themselves. This CME example provides an illustration, but is only one example, of Market Maker Defendants' manipulative trading activities in numerous

open interest option contracts that benefitted Market Maker Defendants while wrongfully depriving typical investors of the value of the dividend payments.

**VI. PLAINTIFF AND THE MEMBERS OF THE CLASS WERE DAMAGED BY DEFENDANTS' MANIPULATIVE PRACTICES**

74. Individual retail investors, legitimate market making professionals, and non-market making professionals, who were short (*i.e.*, had written call positions in the relevant options) had their chances of skating (and thereby earning the dividend payment) reduced dramatically because of the dividend manipulation conspiracy of the Defendants. Defendants' conspiracy dramatically increased the size of the short call option pool the day before underlying securities went ex-dividend. As a result, Plaintiff and other Class members were damaged. Market Maker Defendants (with the knowing acquiescence and participation of the complicit Defendants NASDAQ/PHLX and NASDAQ OMX in furtherance of the scheme) routinely engaged in this option trade strategy and thereby improperly appropriated the dividends to themselves. All writers of the calls, including Plaintiff and other members of the Class, were harmed by this manipulative device – even if they became aware of the practice since there was no alternative for call options writers.

**VII. ADDITIONAL SCIENTER AND RELIANCE ALLEGATIONS**

75. National securities exchanges historically operated as not-for-profit mutual organizations charged with enforcing market rules to protect investors. This structure was intended to minimize conflicts of interest between the exchanges and the investing public and to enable the exchanges to fulfill their roles as self-regulatory organizations.

76. Since the mid-1990s, the exchanges have demutualized, adopting a “for-profit” model that conflicts with their responsibilities as self-regulatory organizations.

77. As recognized by the securities industry, “[t]he traditional model of self-regulation for the exchanges found its justification in the alignment of interests between the

investing public and member firms,” but that model has given way to the exchanges “now [being] oriented toward maximizing profits for their shareholders.”

78. Commentators have noted the recent exchanges’ fundamental shift from a regulatory to a profit-making role. As the lobbying arm of the broker-dealer industry has admitted:

[T]he interests, incentives and functions of the member-owned cooperative exchange of 1934 bear little resemblance to those of the for-profit publicly traded exchange of today. Since the wave of demutualizations, exchanges have rightly focused their efforts on the part of their business that earns profits to maximize the return for their shareholders, and, in some cases, *minimized their actual performance of regulatory functions*.<sup>9</sup>

79. A federal district court has summarized this transformation most succinctly: “As exchanges have evolved into for-profit enterprises, an irreconcilable conflict has arisen, rendering independence unattainable in the context of an exchange regulating its own, for-profit business conduct.”<sup>10</sup>

80. Defendant NASDAQ/PHLX gave special treatment to the Market Maker Defendants who engaged in matched trading on the PHLX Exchange on days prior to the dividend date. This special treatment allowed the Market Maker Defendants to capture the assigned open interests for the valuable dividends. This trading scheme has nothing to do with NASDAQ/PHLX’s duties as a self-regulatory organization (such as the regulatory oversight of its respective members or the discharge of any regulatory duties it has under the securities laws) and everything to do with serving its profit-based motives. Defendant NASDAQ/PHLX profited by attracting more trades than it would have, thereby reaping trading fees and dramatically boosting call option trading activity on the exchange. As alleged above, the huge trading spike

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<sup>9</sup> Letter from the Securities Industry and Financial Markets Association to SEC Chair Mary Jo White, July 31, 2013, available at [www.sifma.org/issues/item.aspx?id=8589944673](http://www.sifma.org/issues/item.aspx?id=8589944673) (emphasis added).

<sup>10</sup> *In re Facebook, Inc., IPO Secs. and Derivative Litig.*, 986 F.Supp.2d 428, 453 (S.D.N.Y. 2013).

caused by the Market Maker Defendants' sham trades enabled Defendant NASDAQ/PHLX to report inflated trade volumes and market share, thereby enhancing its competitiveness in order to generate yet additional revenue. In doing so, Defendant NASDAQ/PHLX was serving its private business interests and acting outside of its role as a self-regulatory organization.<sup>11</sup> These business decisions permitting the manipulative transactions for the exchange's own profit serve as the basis of the claims of Plaintiff and other members of the Class. Defendant NASDAQ/PHLX and Defendant NASDAQ OMX reaped these profits at the expense of Plaintiff and other members of the Class.

81. As alleged herein, all Defendants acted with scienter in that all the Defendants were motivated to allow the wrongful conduct alleged herein and had actual knowledge of and/or willfully participated in the fraudulent conduct alleged herein. In similar situated transactions, the Market Maker Defendants massively diluted the open interest pools to obtain a larger portion of the "skate" than the rest of the investing public, thereby realizing hundreds of millions of profit from their illegal conduct. Defendants NASDAQ/PHLX and NASDAQ OMX profited by increased revenue from the high volume of these manipulative trades made on the PHLX Exchange as well as by reporting a greater market share of options trades. The increased volume was not related to any valid purpose and reflected simply the activity of the Market Maker Defendants buying and selling the same contracts, akin to wash sales. The conduct of the Market Maker Defendants, as alleged herein, had no legitimate market making purpose other than to manipulate the market. The actions of the Market Maker Defendants created no additional liquidity to the market although their role and privileges are to ensure liquidity. The Market

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<sup>11</sup> As previously noted, parent NASDAQ OMX Group, Inc. ("NASDAQ OMX") is the sole owner of the PHLX Exchange through its subsidiary NASDAQ/PHLX. NASDAQ OMX is a for-profit entity and is not itself a securities exchange and is not a self-regulatory organization.

Maker Defendants knowingly exceeded their allowed margins and credit requirements while doing these manipulative dividend trades.

82. In sum, Defendants were motivated to participate in the wrongful scheme by the enormous profits they took. They systematically participated in the scheme with knowledge of its consequences to other investors.

83. Other investors, including Plaintiff and other members of the Class, assumed the existence of an honest and fair market when selling options in the marketplace. Plaintiff and other members of the Class believed that the Market Maker Defendants provided liquidity rather than that the Market Maker Defendants were deceptively taking the dividends for themselves.

#### **VIII. PLAINTIFF'S CLASS ACTION ALLEGATIONS**

84. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and 23(b)(3) on behalf of a Class, consisting of all persons who held short positions on “in the money” call options contracts on dividend paying stocks and ETFs and who were adversely affected by Defendants’ conspiracy to manipulate, and manipulation of the options markets prior to the ex-dividend date on such securities from February 6, 2010 through the present (the “Class Period”). Excluded from the Class are Defendants, members of their immediate families and their legal representatives, parents, affiliates, heirs, successors or assigns and any entity in which Defendants have or have had a controlling interest (the “Excluded Persons”). Also excluded are any officers, directors, or trustees of the Excluded Persons.

85. The members of the Class are so numerous that joinder of all members of the class is impracticable. The exact number of Class members is unknown to Plaintiff at this time but can be ascertained through appropriate discovery. Plaintiff believes that there are thousands of members of the proposed Class. Members of the Class may be identified through records kept

by the PHLX Exchange and the OCC and may be notified of the pendency of this action by mail or electronically, using the form of notice customarily used in securities class actions.

86. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct.

87. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

88. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- a. Whether Defendants implemented the manipulative acts, devices or contrivances or engaged in the alleged fraudulent scheme and course of business alleged herein;
- b. Whether rules and regulations governing market makers were violated by Defendants' acts as alleged herein;
- c. Whether Defendants' actions artificially and repeatedly inflated the size of the options open interest pool;
- d. Whether Defendants acted with scienter in connection with the wrongful conduct;
- e. Whether Plaintiff and the other members of the Class have sustained damages and, if so, the appropriate measure thereof; and
- f. Whether Defendants were unjustly enriched through their actions.

89. Every Class member relied on the assumption that they were trading in an honest and fair market free of manipulation by fraudulent means.

90. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually

redress the wrongs done to them. There will be no insurmountable difficulty in the management of this action as a class action.

91. This action is also properly maintainable as a class action under Federal Rule of Civil Procedure 23(b)(2) because Defendants have conspired and acted on grounds that apply generally to the Class in that they conducted the illegal behavior complained of herein and have continued to do so. Final injunctive relief or corresponding declaratory relief is thus also appropriate respecting the Class as a whole.

**COUNT I**  
**Violation of Section 10(b) of the Exchange Act And Rule 10b-5(a) and (c) Promulgated Thereunder Against All Defendants**

92. Plaintiff repleads and realleges the allegations in the prior paragraphs as if set forth in full.

93. This claim is brought pursuant to Section 10(b) of the Exchange Act, 15 U.S.C. § 78j and Rule 10b-5(a) and (c), 17 C.F.R. § 240.10b-5(a) and (c) against all Defendants.

94. During the Class Period, each of the Defendants, individually and in concert, directly and indirectly, by the use, means, or instrumentalities of interstate commerce and/or the mails, carried out a plan, scheme and course of conduct which was intended to, and throughout the Class Period, did manipulate the options to the detriment of the investing public, including Plaintiff and other Class members, in connection with the purchase and/or sale of options contracts.

95. Defendants, conspired, and employed devices, schemes, and artifices and engaged in acts, practices, and a course of business as alleged herein to unlawfully manipulate and profit from illegal trading in options contracts.



96. Defendants' actions constitute manipulative acts. Through massive matched trades, Defendants utilized their margin and other privileges to falsely increase volume in the options to benefit themselves.

97. Plaintiff and other members of the Class traded in options during the Class Period and held one or more short positions on options contracts during the Class Period and thereby suffered losses as a result of the Defendants' trading which manipulated the options marketplace.

98. Plaintiff and other members of the Class were damaged by relying on an assumption of an honest and fair market, free of manipulation, when buying and selling options in the marketplace.

99. Defendants acted with scienter in connection with the manipulative acts alleged herein in that they acted knowingly and/or recklessly when they artificially inflated the size of the options open interest pool and thereby interfered with the market for options.

100. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class were damaged as a result of their purchase or sale of the options.

101. By virtue of the foregoing, Defendants have violated Section 10(b) of the Exchange Act, and Rule 10b-5(a) and (c) promulgated thereunder.

**COUNT II**  
**Unjust Enrichment Against All Defendants**

102. Plaintiff repleads and realleges the allegations the prior paragraphs as if set forth in full.

103. The Market Maker Defendants have benefitted through the acts complained of herein. The Market Maker Defendants have earned a huge windfall on option contracts. NASDAQ/PHLX and NASDAQ OMX have benefitted by collecting fees on the increased trading activity.

104. As a direct and proximate result of Defendants' manipulation of the options market, Plaintiff and other Class members have suffered damages in an amount to be proven at trial.

105. In equity and in good conscience, it would be unjust and inequitable to permit Defendants to enrich themselves at Plaintiff's and other Class members' expense and to retain the benefits of their inequitable conduct.

106. Plaintiff and other members of the Class are entitled to the establishment of a constructive trust impressed on the benefits to Defendants from their unjust enrichment and inequitable conduct.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff and the Class pray for judgment as follows:

107. Declaring this action to be a proper class action maintainable pursuant to Rule 23 of the Federal Rules of Civil Procedure and declaring Plaintiff to be a proper class representative.

108. Awarding Plaintiff and the Class compensatory damages as a result of the wrongs alleged herein, including interest thereon, and further awarding disgorgement and restitution.

109. Declaratory Judgment and/or injunctive relief requiring Defendants to end the practices complained of herein.

110. Awarding Plaintiff and the Class their costs and expenses in this litigation, including reasonable attorneys' fees, experts' fees, and other costs.

111. Granting Plaintiff and the Class such further relief as allowed by law and/or as is equitable under the circumstances.

**JURY DEMAND**

Plaintiff demands a trial by jury on all issues so triable.

Dated: July \_\_, 2015

Respectfully submitted,

**BERGER & MONTAGUE, P.C.**

/s/ Lawrence Deutsch

Lawrence Deutsch, PA Bar No. 45653  
Robin B. Switzenbaum, PA Bar No. 44074  
Phyllis M. Parker, PA Bar No. 77336  
1622 Locust Street  
Philadelphia, PA 19103  
Tel: (215) 875-3000  
Fax: (215) 875-4604  
Email: ldeutsch@bm.net  
rswitzenbaum@bm.net  
pparker@bm.net

Jeffrey H. Squire  
Lawrence P. Eigel  
**BRAGAR EAGEL & SQUIRE, P.C.**  
885 Third Ave., Suite 3040  
New York, NY 10022  
Tel: (212) 308-5858  
Email: squire@bespc.com  
eigel@bespc.com

*Attorneys for I. Stephen Rabin*

KAL7012928

# **EXHIBIT A**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

I, STEPHEN RABIN, on behalf of himself and  
all others similarly situated,

Plaintiff

v.

John Doe Market Makers,  
NASDAQ OMX PHLX LLC, and  
NASDAQ OMX GROUP, INC.

Defendants

CIVIL ACTION

NO. \_\_\_\_\_

CLASS ACTION

TRIAL BY JURY DEMANDED

**CERTIFICATION**

I, Stephen Rabin, hereby certify, as to the claims asserted under the federal securities laws, that:

1. I have reviewed the complaint and authorize its filing.
2. I did not transact in the securities that are the subject of this action at the direction of counsel or in order to participate in any action arising under the federal securities laws.
3. I am willing to serve as a representative party on behalf of the Class, including providing testimony at deposition and trial, if necessary.
4. My transactions in the Pfizer, Inc. securities that are the subject of this action are set forth below:

**Transactions**

<b>Transaction</b>	<b>Date</b>	<b></b>	<b>Price</b>
<b>Purchase</b>	<b>7/13/2010</b>	<b>6,800 shares</b>	<b>14.8800</b>
<b>Sale</b>	<b>7/13/2010</b>	<b>68 calls (exp. 8/21/10, strike \$15)</b>	<b>0.3700</b>
<b>Assignment</b>	<b>8/4/2010</b>	<b>68 calls</b>	<b>0.00</b>
<b>Sale</b>	<b>8/4/2010</b>	<b>6,800 shares</b>	<b>15.0000</b>
<b>Purchase</b>	<b>8/18/2010</b>	<b>10,000 shares</b>	<b>16.1100</b>
<b>Sale</b>	<b>8/19/2010</b>	<b>100 calls (exp. 9/18/10, strike \$16)</b>	<b>0.5600</b>

<b>Purchase</b>	<b>9/14/2010</b>	<b>100 calls (exp. 9/18/10, strike \$16)</b>	<b>.9800</b>
<b>Sale</b>	<b>9/21/2010</b>	<b>100 calls (exp. 10/16/2010, strike \$17)</b>	<b>.4800</b>
<b>Purchase</b>	<b>10/14/2010</b>	<b>100 calls (exp. 10/16/2010, strike \$17)</b>	<b>.8000</b>
<b>Sale</b>	<b>10/14/2010</b>	<b>100 calls (exp. 11/20/2010, strike \$18)</b>	<b>.3800</b>
<b>Sale</b>	<b>12/17/2010</b>	<b>100 calls (exp. 2/19/2011, strike \$17)</b>	<b>0.5488</b>
<b>Dividend</b>	<b>12/1/2010</b>	<b>N/A</b>	<b>1.8000</b>
<b>Assignment</b>	<b>2/2/2011</b>	<b>100 calls (exp. 2/19/2011, strike \$17)</b>	<b>0.00</b>
<b>Sale</b>	<b>2/2/2011</b>	<b>10,000 shares</b>	<b>17.0000</b>

5. I have not sought to serve as a lead plaintiff or representative party on behalf of a class in any action under the federal securities laws filed during the three-year period preceding the date of this Certification.
6. I will not accept any payment for serving as a representative party on behalf of the Class beyond my pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly related to the representation of the Class, as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct Executed this  
28<sup>th</sup> day of January 2015




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I. Stephen Rabin

# **EXHIBIT B**



Ongoing and Massive Trading Manipulation for a Typical Quarter (2014 Q3)

Ex Dividend Date	Company	Expiration Date	Strike	Total Quarterly Trade Volume			Increase in Open Interest Following Manipulative Trading	Total Dividend Payments to Open Interest
				Open Interest Before Manipulation	One Day's Ballooned Volume	Total for Q3 2014		\$41,786,638
7/01/14	BRISTOL-MYERS SQUIBB COMPANY	7/19/14	45	-478	1,201	1,201	251%	\$6,912
7/01/14	BRISTOL-MYERS SQUIBB COMPANY	7/19/14	47	974	1,211	1,211	124%	\$9,972
7/01/14	BRISTOL-MYERS SQUIBB COMPANY	9/20/14	40	271	650	650	240%	\$1,872
7/01/14	BRISTOL-MYERS SQUIBB COMPANY	1/17/15	26	130	458	458	348%	\$1,332
7/01/14	BRISTOL-MYERS SQUIBB COMPANY	1/17/15	30	222	1,050	1,050	473%	\$6,444
7/01/14	BRISTOL-MYERS SQUIBB COMPANY	1/17/15	32	130	650	650	500%	\$2,736
7/01/14	BRISTOL-MYERS SQUIBB COMPANY	1/17/15	35	317	1,070	1,070	336%	\$7,418
7/01/14	BRISTOL-MYERS SQUIBB COMPANY	1/17/15	37	1,421	4,700	4,700	331%	\$2,952
7/01/14	GENERAL DYNAMICS	8/16/14	100	586	1,162	1,162	198%	\$4,030
7/01/14	ICICI BANK LIMITED	7/19/14	45	76	101	101	133%	\$2,457
7/01/14	ICICI BANK LIMITED	1/17/15	20	93	600	600	638%	\$6,066
7/01/14	ICICI BANK LIMITED	1/17/15	26	201	1,300	1,300	498%	\$10,990
7/01/14	ICICI BANK LIMITED	1/17/15	30	211	1,050	1,050	498%	\$10,990
7/01/14	ICICI BANK LIMITED	1/17/15	33	370	1,250	1,250	336%	\$9,751
7/01/14	JPMORGAN CHASE & CO	7/19/14	45	131	400	400	305%	\$1,200
7/01/14	JPMORGAN CHASE & CO	7/19/14	50	620	1,869	1,869	305%	\$10,990
7/01/14	JPMORGAN CHASE & CO	7/19/14	52.3	4,280	14,430	14,430	337%	\$21,640
7/01/14	JPMORGAN CHASE & CO	7/19/14	56	28,661	64,967	64,967	219%	\$209,040
7/01/14	JPMORGAN CHASE & CO	8/16/14	50	375	1,150	1,150	307%	\$1,840
7/01/14	JPMORGAN CHASE & CO	9/20/14	50	1,048	1,621	1,621	155%	\$19,000
7/01/14	JPMORGAN CHASE & CO	1/17/15	30	478	1,020	1,020	403%	\$7,520
7/01/14	JPMORGAN CHASE & CO	1/17/15	35	204	1,075	1,075	407%	\$9,880
7/01/14	JPMORGAN CHASE & CO	1/17/15	36	899	4,260	4,260	430%	\$32,000
7/01/14	JPMORGAN CHASE & CO	1/17/15	40	2,613	11,342	11,342	434%	\$79,000
7/01/14	JPMORGAN CHASE & CO	1/17/15	42	1,464	6,317	6,317	431%	\$50,320
7/01/14	JPMORGAN CHASE & CO	1/17/15	45	6,258	20,286	20,286	324%	\$126,080
7/01/14	JPMORGAN CHASE & CO	1/15/16	30	146	620	620	425%	\$6,000
7/01/14	JPMORGAN CHASE & CO	1/15/16	35	1,104	4,740	4,740	425%	\$44,160
7/01/14	JPMORGAN CHASE & CO	1/15/16	40	7,513	45,601	45,601	599%	\$296,000
7/01/14	MEDTRONIC INC	7/19/14	60	609	1,219	1,219	200%	\$3,508
7/01/14	MEDTRONIC INC	1/17/15	40	286	700	700	245%	\$8,723
7/01/14	MONSANTO COMPANY (NEW)	7/19/14	105	627	1,627	1,627	187%	\$1,290
7/01/14	MONSANTO COMPANY (NEW)	7/19/14	110	1,296	1,637	1,637	142%	\$3,096
7/01/14	MONSANTO COMPANY (NEW)	7/19/14	115	7,626	9,056	9,056	119%	\$15,050
7/01/14	MONSANTO COMPANY (NEW)	1/17/15	70	295	722	722	253%	\$4,888
7/01/14	MONSANTO COMPANY (NEW)	1/17/15	80	480	1,179	1,179	266%	\$7,926
7/01/14	SYSCO CORPORATION	1/17/15	28	146	500	500	345%	\$3,248
7/01/14	SYSCO CORPORATION	1/17/15	30	229	600	600	262%	\$5,684
7/01/14	iShares 20+ Year Treasury Bond ETF	7/19/14	109	507	1,022	1,022	202%	\$2,888
7/01/14	iShares 20+ Year Treasury Bond ETF	7/19/14	110	2,449	3,663	3,663	150%	\$10,395
7/02/14	Atlas Resource Partners LP	7/19/14	17.5	278	720	720	259%	\$541
7/02/14	CISCO SYSTEMS INC.	7/03/14	24.5	2,821	4,790	4,790	170%	\$7,182
7/02/14	CISCO SYSTEMS INC.	7/19/14	18	822	2,140	2,140	260%	\$2,603
7/02/14	CISCO SYSTEMS INC.	7/19/14	19	467	1,175	1,175	252%	\$5,377
7/02/14	CISCO SYSTEMS INC.	7/19/14	20	6,136	17,340	17,340	283%	\$3,914
7/02/14	CISCO SYSTEMS INC.	7/19/14	21	6,737	24,533	24,533	281%	\$12,141
7/02/14	CISCO SYSTEMS INC.	7/19/14	22	9,157	20,208	20,208	221%	\$32,861
7/02/14	CISCO SYSTEMS INC.	7/19/14	23	17,252	27,018	27,018	157%	\$27,056
7/02/14	CISCO SYSTEMS INC.	7/19/14	24	35,352	100,610	100,610	286%	\$317,281
7/02/14	CISCO SYSTEMS INC.	10/18/14	17	3,521	9,600	9,600	278%	\$570
7/02/14	CISCO SYSTEMS INC.	10/18/14	19	370	975	975	264%	\$660
7/02/14	CISCO SYSTEMS INC.	10/18/14	20	969	2,660	2,660	288%	\$3,040
7/02/14	CISCO SYSTEMS INC.	10/18/14	21	2,494	3,505	3,505	221%	\$5,187
7/02/14	CISCO SYSTEMS INC.	1/17/15	10	343	1,460	1,460	434%	\$6,403
7/02/14	CISCO SYSTEMS INC.	1/17/15	13	220	875	875	443%	\$2,964
7/02/14	CISCO SYSTEMS INC.	1/17/15	15	3,477	16,255	16,255	469%	\$52,546
7/02/14	CISCO SYSTEMS INC.	1/17/15	17	4,403	20,446	20,446	464%	\$39,710
7/02/14	CISCO SYSTEMS INC.	1/15/16	13	494	2,140	2,140	433%	\$5,234
7/02/14	CISCO SYSTEMS INC.	1/15/16	15	4,211	19,600	19,600	465%	\$71,877
7/02/14	iShares Russell 2000 ETF	7/19/14	100	640	2,104	2,104	250%	\$24,571
7/02/14	iShares Russell 2000 ETF	7/19/14	105	1,208	2,005	2,005	166%	\$2,038
7/02/14	iShares Russell 2000 ETF	1/17/15	63	200	484	484	242%	\$9,770
7/02/14	iShares Russell 2000 ETF	1/17/15	70	329	785	785	239%	\$15,436
7/02/14	iShares Russell 2000 ETF	1/17/15	75	305	534	534	260%	\$10,014
7/02/14	iShares Russell 2000 ETF	1/17/15	80	568	1,807	1,807	275%	\$26,234
7/02/14	iShares Russell 2000 ETF	1/17/15	83	3,694	7,500	7,500	203%	\$25,743
7/02/14	MOBILE TELE SYSTEMS QJSC	9/20/14	15	223	1,035	1,035	464%	\$6,090
7/02/14	MOBILE TELE SYSTEMS QJSC	9/20/14	17	95	450	450	474%	\$7,738
7/02/14	MOBILE TELE SYSTEMS QJSC	12/29/14	15	218	890	890	454%	\$24,210
7/03/14	American Realty Capital Properties Inc	10/18/14	10	995	1,862	1,862	189%	\$7,191
7/03/14	American Realty Capital Properties Inc	1/17/15	10	975	2,815	2,815	288%	\$8,300
7/03/14	CAMPBELL SOUP CO	8/16/14	40	266	830	830	220%	\$988
7/07/14	TORONTO DOMINION BANK	7/19/14	50	379	1,055	1,055	278%	\$4,106
7/07/14	TORONTO DOMINION BANK	10/18/14	45	304	825	825	271%	\$8,725
7/08/14	Aetna Inc.	7/19/14	70	1,708	2,751	2,751	161%	\$7,743
7/08/14	Aetna Inc.	7/19/14	75	3,211	4,946	4,946	224%	\$4,230
7/08/14	GENERAL MILLS	7/19/14	52.5	4,179	5,154	5,154	124%	\$10,998
7/08/14	GENERAL MILLS	1/17/15	45	6,991	24,150	24,150	350%	\$66,679
7/08/14	AT & T Inc	7/11/14	35	2,011	6,394	6,394	318%	\$1,064
7/08/14	AT & T Inc	7/11/14	35.5	2,246	4,237	4,237	189%	\$25,828



Ex Dividend Date	Company	Expiration Date	Strike	Open Interest Before Manipulation	One Day's Distorted Volume	Increase in Open Interest Following Manipulative Trading	Dividend Payments to Open Interest
7/08/14	AT & T Inc	7/19/14	30	86	272	309%	\$2,622
7/08/14	AT & T Inc	7/19/14	31	171	510	298%	\$2,530
7/08/14	AT & T Inc	7/19/14	32	325	672	268%	\$1,840
7/08/14	AT & T Inc	7/19/14	33	4,515	9,823	218%	\$41,876
7/08/14	AT & T Inc	7/19/14	34	22,591	66,285	302%	\$192,629
7/08/14	AT & T Inc	7/19/14	35	22,345	64,627	289%	\$122,820
7/08/14	AT & T Inc	7/25/14	35	4,758	11,466	241%	\$1,610
7/08/14	AT & T Inc	8/18/14	33	2,815	7,345	279%	\$71,530
7/08/14	AT & T Inc	8/18/14	34	2,322	6,537	282%	\$19,412
7/08/14	AT & T Inc	8/20/14	33	1,210	3,115	257%	\$8,328
7/08/14	AT & T Inc	8/20/14	34	1,100	2,583	244%	\$10,948
7/08/14	AT & T Inc	10/18/14	30	88	325	369%	\$3,488
7/08/14	AT & T Inc	10/18/14	31	163	551	369%	\$1,610
7/08/14	AT & T Inc	10/18/14	32	353	929	263%	\$2,346
7/08/14	AT & T Inc	10/18/14	33	8,570	18,367	280%	\$10,802
7/08/14	AT & T Inc	1/17/15	25	128	841	657%	\$5,842
7/08/14	AT & T Inc	1/17/15	28	705	4,900	695%	\$6,394
7/08/14	AT & T Inc	1/17/15	30	4,208	29,425	699%	\$133,998
7/08/14	AT & T Inc	1/17/15	32	852	3,750	440%	\$5,428
7/08/14	AT & T Inc	1/15/16	18	90	606	673%	\$1,840
7/08/14	AT & T Inc	1/15/16	25	735	5,178	704%	\$24,008
7/08/14	AT & T Inc	1/15/16	28	4,078	28,568	701%	\$168,666
7/08/14	AT & T Inc	1/15/16	30	8,882	62,275	701%	\$317,538
7/08/14	VERIZON COMM	7/11/14	48	1,335	2,788	209%	\$16,006
7/08/14	VERIZON COMM	7/19/14	39	366	829	227%	\$13,197
7/08/14	VERIZON COMM	7/19/14	43	468	1,295	277%	\$21,412
7/08/14	VERIZON COMM	7/19/14	45	2,467	6,965	282%	\$1,865
7/08/14	VERIZON COMM	7/19/14	46	2,093	5,922	283%	\$5,889
7/08/14	VERIZON COMM	7/19/14	47	4,114	11,708	285%	\$64,672
7/08/14	VERIZON COMM	7/19/14	49	6,136	14,225	332%	\$17,384
7/08/14	VERIZON COMM	7/19/14	48	12,300	24,691	201%	\$81,355
7/08/14	VERIZON COMM	8/16/14	32	360	975	271%	\$19,080
7/08/14	VERIZON COMM	8/16/14	38	205	518	253%	\$1,643
7/08/14	VERIZON COMM	8/16/14	44	324	1,356	259%	\$2,756
7/08/14	VERIZON COMM	8/16/14	47	2,888	8,423	281%	\$2,703
7/08/14	VERIZON COMM	10/18/14	46	2,002	5,602	280%	\$15,317
7/08/14	VERIZON COMM	1/17/15	30	93	650	699%	\$4,664
7/08/14	VERIZON COMM	1/17/15	35	277	1,816	655%	\$13,939
7/08/14	VERIZON COMM	1/17/15	40	980	7,002	714%	\$37,683
7/08/14	VERIZON COMM	1/17/15	42	5,662	26,607	470%	\$155,679
7/08/14	VERIZON COMM	1/17/15	43	233	800	343%	\$2,544
7/08/14	VERIZON COMM	1/15/16	35	1,178	5,010	785%	\$81,804
7/08/14	VERIZON COMM	1/15/16	38	2,178	15,520	713%	\$88,628
7/08/14	VERIZON COMM	1/15/16	40	6,065	50,008	825%	\$295,528
7/08/14	AMERICAN EXPRESS	7/19/14	77.5	473	1,105	234%	\$3,718
7/08/14	AMERICAN EXPRESS	7/19/14	82.5	236	552	234%	\$1,718
7/08/14	AMERICAN EXPRESS	7/19/14	87.5	1,188	2,020	170%	\$1,066
7/08/14	AMERICAN EXPRESS	7/19/14	90	5,812	7,517	129%	\$4,962
7/08/14	BreitBurn Energy Partners L.P.	1/17/15	20	1,000	3,003	300%	\$16,231
7/08/14	BreitBurn Energy Partners L.P.	1/15/16	17.5	238	1,200	502%	\$4,003
7/08/14	BreitBurn Energy Partners L.P.	1/15/16	28	844	2,110	250%	\$13,651
7/08/14	BIG LOTS INC.	7/19/14	40	1,737	3,740	215%	\$627
7/08/14	COSTCO COMPANIES	7/19/14	100	240	658	278%	\$3,053
7/08/14	COSTCO COMPANIES	7/19/14	105	386	1,285	333%	\$1,811
7/08/14	COSTCO COMPANIES	7/19/14	110	1,717	3,925	229%	\$24,566
7/08/14	Himax Technologies Inc.	7/19/14	5	129	160	124%	\$810
7/08/14	Himax Technologies Inc.	8/20/14	4	167	202	128%	\$3,187
7/08/14	Kraft Foods Group Inc.	8/20/14	55	1,190	1,784	150%	\$7,140
7/08/14	Kraft Foods Group Inc.	1/17/15	50	1,220	4,860	398%	\$4,630
7/08/14	Kraft Foods Group Inc.	1/17/15	52.5	1,912	5,724	299%	\$8,138
7/08/14	Kraft Foods Group Inc.	1/15/16	47.5	324	1,210	373%	\$2,363
7/08/14	Linn Energy LLC-Units	7/19/14	25	177	475	268%	\$1,740
7/08/14	Linn Energy LLC-Units	7/19/14	28	1,300	2,965	228%	\$3,017
7/08/14	Linn Energy LLC-Units	7/19/14	30	3,408	12,779	375%	\$8,166
7/08/14	Linn Energy LLC-Units	7/19/14	31	2,835	9,606	339%	\$4,784
7/08/14	Linn Energy LLC-Units	10/18/14	28	1,544	5,107	331%	\$23,411
7/08/14	Linn Energy LLC-Units	1/17/15	20	201	1,300	647%	\$4,566
7/08/14	Linn Energy LLC-Units	1/17/15	23	139	920	662%	\$2,923
7/08/14	Linn Energy LLC-Units	1/17/15	25	1,057	7,410	701%	\$24,682
7/08/14	Linn Energy LLC-Units	1/17/15	27	246	1,930	419%	\$2,296
7/08/14	Linn Energy LLC-Units	1/17/15	28	2,680	12,604	469%	\$43,222
7/08/14	Linn Energy LLC-Units	1/15/16	23	554	2,800	505%	\$13,385
7/08/14	Linn Energy LLC-Units	1/15/16	25	455	2,100	462%	\$8,863
7/08/14	Linn Energy LLC-Units	1/15/16	27	1,063	4,900	461%	\$25,368
7/08/14	Linn Co. LLC	7/19/14	28	619	1,707	278%	\$5,146
7/08/14	Linn Co. LLC	7/19/14	29	3,133	3,480	111%	\$2,076
7/08/14	Linn Co. LLC	7/19/14	30	3,372	5,691	169%	\$10,244
7/08/14	Linn Co. LLC	8/18/14	27	584	1,585	273%	\$628
7/08/14	Linn Co. LLC	8/16/14	28	459	1,267	278%	\$4,663
7/08/14	Linn Co. LLC	11/22/14	27	6,190	18,802	301%	\$149,309
7/08/14	Linn Co. LLC	1/17/15	25	167	608	362%	\$4,036
7/08/14	Linn Co. LLC	1/17/15	27	527	1,776	283%	\$10,123
7/08/14	Linn Co. LLC	1/15/16	23	295	1,100	366%	\$6,886
7/08/14	Linn Co. LLC	1/15/16	25	2,121	8,461	396%	\$42,739
7/08/14	POTASH CORP	7/11/14	36	164	321	196%	\$4,650
7/08/14	POTASH CORP	7/19/14	34	163	515	318%	\$1,625
7/08/14	POTASH CORP	7/19/14	35	714	2,338	327%	\$3,290
7/08/14	POTASH CORP	7/19/14	36	2,189	7,714	351%	\$7,560

Ex Dividend Date	Company	Expiration Date	Strike	Open Interest Before Manipulation	One Day's Ballooned Volume	Increase in Open Interest Following Manipulative Trading	Dividend Payments to Open Interest
7/09/14	POTASH CORP	9/20/14	30	236	795	333%	\$2,905
7/09/14	POTASH CORP	9/20/14	32	322	1,030	320%	\$1,715
7/09/14	POTASH CORP	1/17/15	15	81	400	494%	\$2,835
7/09/14	POTASH CORP	1/17/15	20	590	2,620	444%	\$19,810
7/09/14	POTASH CORP	1/17/15	23	448	1,950	435%	\$13,545
7/09/14	POTASH CORP	1/17/15	25	891	4,200	471%	\$21,945
7/09/14	POTASH CORP	1/17/15	28	1,773	8,461	474%	\$36,050
7/09/14	POTASH CORP	1/17/15	30	4,592	16,106	351%	\$67,725
7/09/14	POTASH CORP	1/15/16	20	109	515	472%	\$3,430
7/09/14	POTASH CORP	1/15/16	23	147	650	442%	\$4,760
7/09/14	POTASH CORP	1/15/16	25	600	2,600	433%	\$10,010
7/09/14	RAIF Financial Trust	7/19/14	7	353	770	218%	\$2,160
7/09/14	RAIF Financial Trust	10/18/14	7	516	1,040	202%	\$9,180
7/09/14	Sociedad Quimica y Minera de Chile SA (ADS)	7/19/14	22.5	202	700	347%	\$17,852
7/09/14	Sociedad Quimica y Minera de Chile SA (ADS)	7/19/14	25	753	2,550	334%	\$3,233
7/09/14	Sociedad Quimica y Minera de Chile SA (ADS)	10/18/14	20	62	102	165%	\$3,970
7/09/14	YUM BRANDS INC.	7/19/14	70	917	2,559	279%	\$982
7/09/14	YUM BRANDS INC.	7/19/14	72.5	1,412	3,167	279%	\$1,991
7/09/14	YUM BRANDS INC.	7/19/14	75	2,239	4,977	222%	\$2,072
7/09/14	YUM BRANDS INC.	1/17/15	50	133	440	331%	\$1,254
7/10/14	CBS Corporation CL B	7/19/14	57.5	882	696	102%	\$4,500
7/10/14	CBS Corporation CL B	1/17/15	40	645	1,290	200%	\$27,250
7/10/14	CBS Corporation CL B	1/17/15	42	187	444	225%	\$5,350
7/10/14	Banco Santander S. A.	7/19/14	10	2,317	10,790	466%	\$5,860
7/10/14	Banco Santander S. A.	9/20/14	9	8,911	29,900	433%	\$18,011
7/10/14	Banco Santander S. A.	1/17/15	3	384	2,400	625%	\$6,115
7/10/14	Banco Santander S. A.	1/17/15	5	3,633	23,400	644%	\$56,375
7/10/14	Banco Santander S. A.	1/17/15	7	12,852	84,517	659%	\$173,218
7/10/14	Banco Santander S. A.	1/15/16	7	6,903	45,503	659%	\$105,329
7/11/14	AbbVie Inc.	8/18/14	45	382	1,045	274%	\$2,646
7/11/14	AbbVie Inc.	1/17/15	37.5	152	715	372%	\$6,048
7/11/14	AbbVie Inc.	1/17/15	40	780	2,145	275%	\$5,798
7/11/14	ABBOTT LABORATORIES	8/18/14	35	288	807	211%	\$638
7/11/14	ABBOTT LABORATORIES	8/18/14	37	690	1,386	201%	\$1,474
7/11/14	ABBOTT LABORATORIES	1/17/15	25	2,898	16,500	556%	\$65,076
7/11/14	ABBOTT LABORATORIES	1/17/15	30	801	2,200	275%	\$5,170
7/11/14	BP PRUDHOE BAY ROYALTY TRUST	7/19/14	85	301	3,422	1137%	\$8,188
7/11/14	BP PRUDHOE BAY ROYALTY TRUST	9/20/14	85	65	717	1103%	\$8,491
7/11/14	BP PRUDHOE BAY ROYALTY TRUST	9/20/14	90	138	1,541	1117%	\$18,073
7/11/14	FREEMONT MCMORAN COPPER - CL B	7/11/14	38	236	430	183%	\$2,344
7/11/14	FREEMONT MCMORAN COPPER - CL B	7/19/14	33	2,585	5,899	230%	\$3,313
7/11/14	FREEMONT MCMORAN COPPER - CL B	7/19/14	34	4,573	16,250	355%	\$18,436
7/11/14	FREEMONT MCMORAN COPPER - CL B	7/10/14	35	20,529	73,349	357%	\$341,686
7/11/14	FREEMONT MCMORAN COPPER - CL B	7/19/14	36	16,088	43,782	272%	\$10,406
7/11/14	FREEMONT MCMORAN COPPER - CL B	7/19/14	37	7,237	10,829	150%	\$11,338
7/11/14	FREEMONT MCMORAN COPPER - CL B	8/18/14	27	796	2,619	329%	\$9,406
7/11/14	FREEMONT MCMORAN COPPER - CL B	8/18/14	28	484	1,570	324%	\$2,031
7/11/14	FREEMONT MCMORAN COPPER - CL B	8/18/14	29	510	2,099	327%	\$1,000
7/11/14	FREEMONT MCMORAN COPPER - CL B	8/18/14	30	1,308	4,603	352%	\$9,000
7/11/14	FREEMONT MCMORAN COPPER - CL B	8/18/14	31	4,039	28,158	697%	\$8,998
7/11/14	FREEMONT MCMORAN COPPER - CL B	8/18/14	32	2,409	8,404	349%	\$3,906
7/11/14	FREEMONT MCMORAN COPPER - CL B	8/18/14	33	5,207	18,226	350%	\$11,875
7/11/14	FREEMONT MCMORAN COPPER - CL B	8/18/14	34	12,771	44,750	350%	\$11,000
7/11/14	FREEMONT MCMORAN COPPER - CL B	11/22/14	28	361	1,165	323%	\$1,594
7/11/14	FREEMONT MCMORAN COPPER - CL B	1/17/15	19	1,304	9,102	698%	\$40,218
7/11/14	FREEMONT MCMORAN COPPER - CL B	1/17/15	22	388	2,600	670%	\$5,750
7/11/14	FREEMONT MCMORAN COPPER - CL B	1/17/15	24	1,685	7,845	466%	\$29,688
7/11/14	FREEMONT MCMORAN COPPER - CL B	1/17/15	25	1,577	7,410	470%	\$7,031
7/11/14	FREEMONT MCMORAN COPPER - CL B	1/17/15	27	5,785	27,017	467%	\$37,531
7/11/14	FREEMONT MCMORAN COPPER - CL B	1/17/15	29	14,622	36,009	246%	\$114,869
7/11/14	FREEMONT MCMORAN COPPER - CL B	1/15/16	20	480	3,250	663%	\$13,688
7/11/14	FREEMONT MCMORAN COPPER - CL B	1/15/16	23	288	1,950	677%	\$2,760
7/11/14	FREEMONT MCMORAN COPPER - CL B	1/15/16	25	1,701	8,130	478%	\$20,875
7/11/14	GENERAL GROWTH PROPERTIES INC	7/19/14	23	2,172	5,410	249%	\$1,095
7/11/14	Harsco Corporation	7/19/14	25	237	240	101%	\$3,116
7/11/14	PNC FINANCIAL CORP.	8/18/14	72.5	158	440	282%	\$2,880
7/11/14	PNC FINANCIAL CORP.	8/18/14	75	214	615	287%	\$1,286
7/11/14	PNC FINANCIAL CORP.	8/18/14	77.5	332	880	265%	\$9,848
7/11/14	PNC FINANCIAL CORP.	1/17/15	60	197	550	279%	\$6,240
7/11/14	PNC FINANCIAL CORP.	1/17/15	65	424	770	182%	\$5,904
7/14/14	CHESAPEAKE ENERGY CORP.	7/19/14	25	1,876	3,785	201%	\$8,484
7/14/14	CHESAPEAKE ENERGY CORP.	7/19/14	26	7,878	15,754	200%	\$31,929
7/14/14	CHESAPEAKE ENERGY CORP.	7/19/14	27	2,999	6,032	201%	\$14,070
7/14/14	CHESAPEAKE ENERGY CORP.	1/17/15	19	1,925	8,400	332%	\$12,924
7/14/14	Taiwan Semiconductor Mfg. Co.	7/19/14	17.5	3,766	17,556	466%	\$49,580
7/14/14	Taiwan Semiconductor Mfg. Co.	7/19/14	20	3,943	18,350	465%	\$11,482
7/14/14	Taiwan Semiconductor Mfg. Co.	7/19/14	21	2,768	12,952	468%	\$4,265
7/14/14	Taiwan Semiconductor Mfg. Co.	10/18/14	17.5	511	2,617	428%	\$26,988
7/14/14	Taiwan Semiconductor Mfg. Co.	10/18/14	19	120	140	117%	\$5,972
7/14/14	Taiwan Semiconductor Mfg. Co.	1/17/15	19	622	4,035	649%	\$12,746
7/14/14	Taiwan Semiconductor Mfg. Co.	1/17/15	17.5	5,179	18,217	352%	\$23,987
7/15/14	América Móvil S.A.B. de C.V.	7/19/14	20	1,786	4,502	252%	\$1,071
7/15/14	América Móvil S.A.B. de C.V.	7/19/14	21	950	2,410	254%	\$9,048
7/15/14	América Móvil S.A.B. de C.V.	8/18/14	20	2,937	6,303	215%	\$1,477
7/15/14	América Móvil S.A.B. de C.V.	1/17/15	16	889	3,302	334%	\$2,271
7/16/14	COLGATE PALMOLIVE	1/17/15	52.5	530	550	104%	\$2,088
7/16/14	FOOT LOCKER INC.	1/17/15	38	1,818	4,950	273%	\$30,886
7/16/14	METHUEN ELECTRONICS INC.	7/19/14	30	478	561	132%	\$540



Ex Dividend Date	Company	Expiration Date	Strike	Open Interest Before Manipulation	One Day's Bolted Volume	Increase in Open Interest Following Manipulative Trading	Dividend Payments to Open Interest
7/16/14	PROCTER & GAMBLE	7/19/14	77.5	3,358	9,439	281%	\$11,542
7/16/14	PROCTER & GAMBLE	7/19/14	80	11,128	39,956	359%	\$30,571
7/16/14	PROCTER & GAMBLE	7/25/14	80	2,171	4,900	226%	\$2,188
7/16/14	PROCTER & GAMBLE	8/01/14	79	854	2,056	242%	\$3,282
7/16/14	PROCTER & GAMBLE	8/18/14	77.5	1,544	4,347	282%	\$37,522
7/16/14	PROCTER & GAMBLE	10/18/14	75	1,323	2,846	216%	\$15,318
7/16/14	PROCTER & GAMBLE	1/17/15	80	899	4,610	481%	\$63,137
7/16/14	PROCTER & GAMBLE	1/17/15	82.5	527	2,275	432%	\$2,446
7/16/14	PROCTER & GAMBLE	1/17/15	85	770	4,900	636%	\$36,170
7/16/14	PROCTER & GAMBLE	1/17/15	67.5	2,548	13,151	516%	\$28,190
7/16/14	PROCTER & GAMBLE	1/17/15	70	8,272	38,500	465%	\$109,991
7/16/14	PROCTER & GAMBLE	1/15/16	80	288	1,300	455%	\$17,699
7/16/14	PROCTER & GAMBLE	1/15/16	65	6,111	30,566	500%	\$191,535
7/17/14	CATERPILLAR INC	7/19/14	97.5	819	2,072	251%	\$20,880
7/17/14	CATERPILLAR INC	7/19/14	100	1,373	3,505	255%	\$3,710
7/17/14	CATERPILLAR INC	7/19/14	110	4,526	17,188	380%	\$32,200
7/17/14	CATERPILLAR INC	9/16/14	87.5	317	1,030	325%	\$3,780
7/17/14	CATERPILLAR INC	8/18/14	85	3,402	11,081	322%	\$4,410
7/17/14	CATERPILLAR INC	8/18/14	97.5	1,591	5,115	384%	\$10,920
7/17/14	CATERPILLAR INC	8/18/14	100	7,057	24,953	354%	\$14,280
7/17/14	CATERPILLAR INC	1/17/15	50	144	668	484%	\$7,880
7/17/14	CATERPILLAR INC	1/17/15	55	91	490	538%	\$4,270
7/17/14	CATERPILLAR INC	1/17/15	60	160	725	453%	\$9,380
7/17/14	CATERPILLAR INC	1/17/15	70	207	929	448%	\$8,400
7/17/14	CATERPILLAR INC	1/17/15	75	520	2,380	460%	\$12,250
7/17/14	CATERPILLAR INC	1/17/15	80	2,757	12,920	469%	\$96,880
7/17/14	CATERPILLAR INC	1/17/15	82.5	1,185	5,608	473%	\$15,890
7/17/14	CATERPILLAR INC	1/17/15	85	4,480	15,703	351%	\$22,690
7/17/14	CATERPILLAR INC	1/15/16	55	87	380	567%	\$4,690
7/17/14	CATERPILLAR INC	1/15/16	60	274	1,160	426%	\$18,970
7/17/14	CATERPILLAR INC	1/15/16	65	75	513	687%	\$3,250
7/17/14	CONOCOPHILLIPS	7/19/14	80	2,008	5,679	283%	\$2,117
7/17/14	CONOCOPHILLIPS	7/19/14	82.5	2,537	5,795	228%	\$2,628
7/17/14	CONOCOPHILLIPS	7/19/14	85	18,508	48,179	248%	\$24,455
7/17/14	CONOCOPHILLIPS	7/25/14	84	302	884	290%	\$2,117
7/17/14	CONOCOPHILLIPS	8/18/14	70	360	982	273%	\$4,453
7/17/14	CONOCOPHILLIPS	8/16/14	75	4,296	12,066	281%	\$13,359
7/17/14	CONOCOPHILLIPS	8/16/14	77.5	10,615	29,755	280%	\$6,037
7/17/14	CONOCOPHILLIPS	8/16/14	80	3,598	10,384	288%	\$31,755
7/17/14	CONOCOPHILLIPS	8/16/14	82.5	3,427	4,235	124%	\$29,857
7/17/14	CONOCOPHILLIPS	1/17/15	55	69	460	665%	\$5,329
7/17/14	CONOCOPHILLIPS	1/17/15	57.5	110	515	466%	\$5,913
7/17/14	CONOCOPHILLIPS	1/17/15	60	146	655	449%	\$6,062
7/17/14	CONOCOPHILLIPS	1/17/15	62.5	204	921	451%	\$3,139
7/17/14	CONOCOPHILLIPS	1/17/15	65	581	2,869	511%	\$14,985
7/17/14	CONOCOPHILLIPS	1/17/15	67.5	506	2,600	514%	\$12,921
7/17/14	CONOCOPHILLIPS	1/17/15	70	3,323	12,242	366%	\$37,376
7/17/14	CONOCOPHILLIPS	1/17/15	72.5	3,833	13,365	348%	\$25,185
7/17/14	CONOCOPHILLIPS	1/15/16	45	183	905	495%	\$13,359
7/17/14	CONOCOPHILLIPS	1/15/16	55	79	475	601%	\$3,504
7/17/14	CONOCOPHILLIPS	1/15/16	60	420	2,038	486%	\$28,105
7/17/14	CONOCOPHILLIPS	1/15/16	52.5	63	461	732%	\$2,190
7/17/14	CONOCOPHILLIPS	1/15/16	65	310	1,401	452%	\$13,359
7/17/14	CVS Caremark Corp	7/18/14	75	567	1,541	272%	\$743
7/17/14	CVS Caremark Corp	8/16/14	70	875	1,111	127%	\$2,283
7/18/14	APACHE CORP	7/19/14	85	2,133	5,996	281%	\$1,300
7/18/14	APACHE CORP	7/19/14	87.5	3,279	9,222	281%	\$1,425
7/18/14	APACHE CORP	7/18/14	90	4,836	13,711	284%	\$2,975
7/18/14	APACHE CORP	7/19/14	92.5	4,416	12,832	270%	\$1,200
7/18/14	APACHE CORP	7/18/14	95	4,489	12,682	282%	\$10,175
7/18/14	APACHE CORP	7/18/14	97.5	6,103	7,593	123%	\$39,150
7/21/14	LOWES COS	1/17/15	30	1,525	3,300	216%	\$1,633
7/22/14	ROYAL BANK OF CANADA	10/18/14	85	233	420	180%	\$10,447
7/22/14	ROYAL BANK OF CANADA	1/17/15	80	210	490	233%	\$11,948
7/23/14	Teekay LNG Partners LP	8/16/14	42.5	310	320	108%	\$1,937
7/24/14	The Blackstone Group LP	7/25/14	35	554	1,267	229%	\$3,410
7/24/14	The Blackstone Group LP	8/16/14	33	1,176	4,145	352%	\$21,890
7/24/14	The Blackstone Group LP	8/16/14	31	4,533	13,490	291%	\$16,635
7/24/14	The Blackstone Group LP	9/20/14	25	184	331	180%	\$1,815
7/24/14	The Blackstone Group LP	9/20/14	26	189	483	256%	\$7,580
7/24/14	The Blackstone Group LP	9/20/14	27	86	117	136%	\$2,970
7/24/14	The Blackstone Group LP	9/20/14	28	168	385	229%	\$6,930
7/24/14	The Blackstone Group LP	9/20/14	29	365	669	271%	\$11,385
7/24/14	The Blackstone Group LP	9/20/14	30	1,216	3,600	289%	\$27,225
7/24/14	The Blackstone Group LP	9/20/14	31	5,086	14,316	282%	\$11,550
7/24/14	The Blackstone Group LP	9/20/14	32	10,067	28,300	281%	\$46,145
7/24/14	The Blackstone Group LP	12/20/14	30	1,259	1,997	159%	\$59,015
7/24/14	The Blackstone Group LP	1/17/15	12	93	663	705%	\$2,475
7/24/14	The Blackstone Group LP	1/17/15	15	166	1,040	627%	\$7,205
7/24/14	The Blackstone Group LP	1/17/15	17	342	2,220	649%	\$17,820
7/24/14	The Blackstone Group LP	1/17/15	20	1,026	7,205	702%	\$41,890
7/24/14	The Blackstone Group LP	1/17/15	22	599	4,501	751%	\$23,320
7/24/14	The Blackstone Group LP	1/17/15	25	11,542	80,512	698%	\$69,850
7/24/14	The Blackstone Group LP	1/17/15	27	3,747	26,218	701%	\$105,490
7/24/14	The Blackstone Group LP	1/17/15	28	216	1,358	628%	\$8,855
7/24/14	The Blackstone Group LP	1/17/15	29	414	2,657	642%	\$17,800
7/24/14	The Blackstone Group LP	1/15/16	15	34	396	704%	\$2,080
7/24/14	The Blackstone Group LP	1/15/16	16	343	2,588	748%	\$18,755

Ex Dividend Date	Company	Expiration Date	Strike	Open Interest	One Day's	Increase in Open Interest	Dividend Payments to Open Interest
				Before Manipulation	Ballooned Volume	Following Manipulative Trading	
7/24/14	The Blackstone Group LP	1/15/16	20	972	7,260	747%	\$52,085
7/24/14	The Blackstone Group LP	1/15/16	23	117	780	671%	\$5,940
7/24/14	The Blackstone Group LP	1/15/16	25	899	6,301	706%	\$46,915
7/24/14	CONAGRA FOODS INC	9/16/14	29	525	1,341	255%	\$850
7/24/14	CONAGRA FOODS INC	1/17/15	20	143	700	490%	\$3,575
7/24/14	CONAGRA FOODS INC	1/15/16	23	370	1,250	339%	\$7,725
7/29/14	El Paso Pipeline Partners LP	9/20/14	16	2,592	80,247	3108%	\$66,300
7/29/14	El Paso Pipeline Partners LP	9/20/14	30	224	1,440	643%	\$6,305
7/29/14	El Paso Pipeline Partners LP	9/20/14	32.5	775	5,090	657%	\$5,590
7/29/14	El Paso Pipeline Partners LP	12/20/14	20	10,271	311,150	3028%	\$667,095
7/29/14	ENTERPRISE PROD PARTNERS L.P.I	9/20/14	70	570	1,904	334%	\$4,392
7/29/14	ENTERPRISE PROD PARTNERS L.P.I	9/20/14	72.5	424	1,407	332%	\$4,176
7/29/14	ENTERPRISE PROD PARTNERS L.P.I	1/17/15	45	261	1,686	761%	\$12,816
7/29/14	ENTERPRISE PROD PARTNERS L.P.I	1/17/15	50	119	845	710%	\$6,136
7/29/14	ENTERPRISE PROD PARTNERS L.P.I	1/17/15	52.5	117	786	707%	\$7,920
7/29/14	ENTERPRISE PROD PARTNERS L.P.I	1/17/15	55	325	2,596	797%	\$22,752
7/29/14	ENTERPRISE PROD PARTNERS L.P.I	1/17/15	60	2,333	65,270	2796%	\$148,608
7/29/14	ENTERPRISE PROD PARTNERS L.P.I	1/17/15	62.5	327	2,169	662%	\$18,072
7/29/14	ENTERPRISE PROD PARTNERS L.P.I	1/17/15	65	550	3,575	650%	\$3,024
7/29/14	ENTERPRISE PROD PARTNERS L.P.I	1/17/15	67.5	255	1,631	640%	\$4,248
7/29/14	ENTERPRISE PROD PARTNERS L.P.I	1/15/16	50	100	650	650%	\$7,200
7/29/14	ENTERPRISE PROD PARTNERS L.P.I	1/15/16	80	187	1,190	636%	\$12,096
7/29/14	Qatar LNG Partners LP	9/16/14	30	437	1,306	299%	\$1,667
7/29/14	Kinder Morgan Inc.	9/20/14	27.5	175	796	449%	\$5,031
7/29/14	Kinder Morgan Inc.	9/20/14	50	2,678	14,400	538%	\$108,575
7/29/14	Kinder Morgan Inc.	9/20/14	32.5	4,774	19,210	402%	\$5,149
7/29/14	Kinder Morgan Inc.	12/20/14	27.5	420	519	426%	\$4,945
7/29/14	Kinder Morgan Inc.	1/17/15	25	195	920	691%	\$3,053
7/29/14	Kinder Morgan Inc.	1/17/15	27.5	738	4,810	652%	\$17,114
7/29/14	Kinder Morgan Inc.	1/17/15	30	9,054	48,001	530%	\$66,050
7/29/14	Kinder Morgan Inc.	1/15/16	25	661	4,280	648%	\$16,098
7/29/14	Kinder Morgan Inc.	1/15/16	27.5	602	3,600	648%	\$10,854
7/29/14	KINDER MORGAN ENERGY PARTNERS	8/16/14	77.5	68	285	566%	\$4,855
7/29/14	KINDER MORGAN ENERGY PARTNERS	8/16/14	92.5	1,814	5,463	338%	\$26,356
7/29/14	KINDER MORGAN ENERGY PARTNERS	9/20/14	70	79	270	342%	\$3,753
7/29/14	KINDER MORGAN ENERGY PARTNERS	9/20/14	75	342	1,578	461%	\$9,730
7/29/14	KINDER MORGAN ENERGY PARTNERS	9/20/14	80	5,092	17,812	350%	\$26,888
7/29/14	KINDER MORGAN ENERGY PARTNERS	1/17/15	70	308	2,019	653%	\$26,410
7/29/14	KINDER MORGAN ENERGY PARTNERS	1/17/15	72.5	275	1,824	663%	\$14,039
7/29/14	KINDER MORGAN ENERGY PARTNERS	1/17/15	75	781	5,076	650%	\$52,284
7/29/14	KINDER MORGAN ENERGY PARTNERS	1/17/15	77.5	478	2,667	558%	\$27,661
7/29/14	KINDER MORGAN ENERGY PARTNERS	1/15/16	67.5	45	325	722%	\$3,753
7/29/14	KINDER MORGAN ENERGY PARTNERS	1/15/16	70	327	2,150	657%	\$31,831
7/29/14	KINDER MORGAN ENERGY PARTNERS	1/15/16	72.5	234	1,633	698%	\$22,378
7/29/14	KINDER MORGAN ENERGY PARTNERS	1/15/16	75	574	3,263	567%	\$62,550
7/29/14	National Grid PLC	9/20/14	70	5,688	45,600	802%	\$50,391
7/29/14	OMEGA Healthcare Investors Inc.	9/20/14	35	1,826	4,612	250%	\$7,854
7/29/14	Prospect Capital Corporation	8/16/14	10	2,508	7,182	286%	\$13,114
7/29/14	Prospect Capital Corporation	11/23/14	10	9,205	21,247	231%	\$42,226
7/29/14	Prospect Capital Corporation	2/20/15	10	500	1,429	286%	\$1,812
7/30/14	TD AMERITRADE HOLDING CORP	8/16/14	29	921	2,300	250%	\$912
7/30/14	Bank of Montreal	9/20/14	70	671	2,238	267%	\$2,297
7/30/14	FORD MOTOR COMPANY	8/01/14	15.5	532	1,041	196%	\$388
7/30/14	FORD MOTOR COMPANY	8/01/14	17	926	2,118	229%	\$1,563
7/30/14	FORD MOTOR COMPANY	8/16/14	18	584	1,832	231%	\$600
7/30/14	FORD MOTOR COMPANY	8/16/14	18	1,911	7,210	377%	\$13,338
7/30/14	FORD MOTOR COMPANY	8/16/14	18	6,921	24,568	355%	\$13,100
7/30/14	FORD MOTOR COMPANY	9/20/14	12	536	1,760	329%	\$3,100
7/30/14	FORD MOTOR COMPANY	9/20/14	13	615	2,025	329%	\$5,075
7/30/14	FORD MOTOR COMPANY	9/20/14	14	2,811	10,239	362%	\$19,325
7/30/14	FORD MOTOR COMPANY	9/20/14	15	14,748	51,542	349%	\$22,850
7/30/14	FORD MOTOR COMPANY	12/20/14	14	940	1,710	182%	\$3,750
7/30/14	FORD MOTOR COMPANY	1/17/15	3	250	1,625	650%	\$2,793
7/30/14	FORD MOTOR COMPANY	1/17/15	8	3,093	21,640	700%	\$37,675
7/30/14	FORD MOTOR COMPANY	1/17/15	10	7,537	52,795	700%	\$82,875
7/30/14	FORD MOTOR COMPANY	1/17/15	12	20,144	94,227	489%	\$129,250
7/30/14	FORD MOTOR COMPANY	1/15/16	8	679	4,415	660%	\$6,888
7/30/14	FORD MOTOR COMPANY	3/15/16	10	18,900	132,351	700%	\$217,600
7/30/14	Hi-Crush Partners LP	10/18/14	35	163	450	276%	\$7,590
7/30/14	Hi-Crush Partners LP	10/18/14	40	280	710	254%	\$6,670
7/30/14	Legacy Reserves LP	8/16/14	30	90	120	133%	\$2,440
7/30/14	PLAINS ALL AMERICAN PIPELINE LP	8/16/14	57.5	4,686	12,915	277%	\$10,772
7/30/14	PLAINS ALL AMERICAN PIPELINE LP	1/17/15	45	84	595	706%	\$4,560
7/30/14	PLAINS ALL AMERICAN PIPELINE LP	1/17/15	50	118	730	629%	\$2,387
7/30/14	PLAINS ALL AMERICAN PIPELINE LP	1/15/16	50	91	330	363%	\$2,322
7/30/14	PAYCHEX INC	1/17/15	85	1,102	3,025	275%	\$17,556
7/30/14	PETSMART Inc.	8/16/14	60	6,543	14,410	220%	\$99,670
7/30/14	PETSMART Inc.	8/16/14	62.5	1,431	2,566	179%	\$507
7/30/14	Pfizer	8/16/14	28	1,374	4,788	349%	\$9,152
7/30/14	Pfizer	9/20/14	21	561	1,593	283%	\$1,534
7/30/14	Pfizer	9/20/14	25	286	750	260%	\$4,602
7/30/14	Pfizer	1/17/15	20	1,359	8,595	706%	\$29,042
7/30/14	Pfizer	1/17/15	22	1,290	6,400	709%	\$11,076
7/30/14	Pfizer	1/17/15	25	13,934	82,081	460%	\$278,146
7/30/14	Pfizer	1/15/16	20	473	3,140	664%	\$12,268
7/30/14	Williams Partners LP	9/20/14	50	577	2,210	383%	\$3,024
7/31/14	American Airlines Group Inc.	8/16/14	27	10,224	28,050	274%	\$100,170
7/31/14	American Airlines Group Inc.	8/16/14	30	948	2,424	259%	\$3,980



Ex Dividend Date	Company	Expiration Date	Strike	Open Interest Before Manipulation	One Day's Ballooned Volume	Increase in Open Interest Following Manipulative Trading	Dividend Payments to Open Interest
7/31/14	American Airlines Group, Inc.	8/16/14	31	1,145	2,890	249%	\$1,750
7/31/14	American Airlines Group, Inc.	1/17/15	15	17,064	30,800	780%	\$10,480
7/31/14	Acacia Research	8/16/14	15	1,089	2,160	108%	\$8,050
7/31/14	Calumet Specialty Products Partners L.P.	8/16/14	26	274	650	237%	\$4,656
7/31/14	Calumet Specialty Products Partners L.P.	8/16/14	30	1,195	3,069	307%	\$19,356
7/31/14	Enlink Midstream Partners LP	2/20/15	23	2,977	6,750	227%	\$103,478
7/31/14	Energy Transfer Equity L.P.	8/16/14	45	260	700	260%	\$10,222
7/31/14	Energy Transfer Equity L.P.	1/17/15	22.5	6,310	123,732	1981%	\$239,780
7/31/14	Energy Transfer Equity L.P.	1/17/15	35	559	1,081	901%	\$4,940
7/31/14	Energy Transfer Equity L.P.	1/17/15	37.5	480	1,320	275%	\$3,300
7/31/14	Energy Transfer Equity L.P.	1/15/16	27.5	129	480	372%	\$4,902
7/31/14	Energy Transfer Equity L.P.	1/15/16	30	335	1,210	361%	\$12,654
7/31/14	Easton Corporation plc	1/15/16	40	122	603	494%	\$1,470
7/31/14	Energy Transfer Partners LP	9/20/14	52.5	128	465	367%	\$2,674
7/31/14	Energy Transfer Partners LP	8/20/14	55	1,093	5,209	327%	\$8,309
7/31/14	Energy Transfer Partners LP	1/17/15	42.5	78	650	833%	\$7,449
7/31/14	Energy Transfer Partners LP	1/17/15	45	182	1,255	690%	\$16,235
7/31/14	Energy Transfer Partners LP	1/17/15	47.5	136	980	717%	\$11,842
7/31/14	Energy Transfer Partners LP	1/17/15	50	225	1,540	684%	\$18,145
7/31/14	Energy Transfer Partners LP	1/17/15	52.5	536	2,235	350%	\$37,818
7/31/14	Energy Transfer Partners LP	1/15/16	45	120	795	654%	\$11,460
7/31/14	Holly Energy Partners LP	8/16/14	30	151	665	440%	\$3,299
7/31/14	KKR & Co. LP	8/20/14	20	96	650	677%	\$2,211
7/31/14	KKR & Co. LP	9/20/14	23	883	2,873	325%	\$11,457
7/31/14	KKR & Co. LP	12/20/14	20	119	680	565%	\$6,432
7/31/14	KKR & Co. LP	1/17/15	15	308	2,285	742%	\$18,698
7/31/14	KKR & Co. LP	1/17/15	17	71	650	915%	\$3,350
7/31/14	KKR & Co. LP	1/17/15	20	689	4,780	694%	\$42,047
7/31/14	KKR & Co. LP	1/15/16	15	83	540	651%	\$5,494
7/31/14	KKR & Co. LP	1/15/16	18	85	506	701%	\$3,886
7/31/14	KKR & Co. LP	1/15/16	20	423	425	100%	\$26,867
7/31/14	LAZARD LTD.	8/16/14	50	490	1,193	243%	\$3,000
7/31/14	DNEOK Partners LP	10/18/14	50	128	320	250%	\$2,508
7/31/14	SOUTHERN CO	8/16/14	41	116	385	332%	\$6,038
7/31/14	SOUTHERN CO	8/16/14	42	98	390	398%	\$3,890
7/31/14	SOUTHERN CO	1/17/15	40	216	771	357%	\$5,145
8/04/14	Emerge Energy Services LP	8/16/14	95	451	900	200%	\$51,597
8/04/14	Emerge Energy Services LP	9/20/14	50	72	498	689%	\$6,084
8/04/14	Emerge Energy Services LP	9/20/14	60	52	325	626%	\$4,563
8/04/14	Emerge Energy Services LP	9/20/14	65	440	1,895	431%	\$14,625
8/04/14	Emerge Energy Services LP	9/20/14	70	107	844	428%	\$8,692
8/04/14	Emerge Energy Services LP	8/20/14	80	412	1,350	328%	\$5,499
8/04/14	Emerge Energy Services LP	12/20/14	65	198	920	465%	\$10,176
8/04/14	NuStar Energy LP	9/20/14	55	6,426	19,200	299%	\$11,809
8/04/14	NuStar Energy LP	1/15/16	50	198	1,100	556%	\$3,614
8/05/14	Atlas Pipeline Partners L.P.	1/17/15	25	66	353	433%	\$4,158
8/05/14	Atlas Pipeline Partners L.P.	1/17/15	30	400	1,430	358%	\$15,676
8/05/14	INTEL CORPORATION	8/08/14	32.6	470	1,084	231%	\$608
8/05/14	INTEL CORPORATION	8/16/14	27	20,320	71,218	350%	\$2,160
8/05/14	INTEL CORPORATION	8/16/14	28	23,873	84,079	352%	\$1,776
8/05/14	INTEL CORPORATION	8/16/14	29	3,277	8,766	266%	\$1,823
8/05/14	INTEL CORPORATION	8/16/14	30	17,175	60,261	351%	\$5,040
8/05/14	INTEL CORPORATION	8/16/14	31	8,729	19,219	220%	\$0,750
8/05/14	INTEL CORPORATION	8/16/14	32	16,787	47,264	282%	\$71,460
8/05/14	INTEL CORPORATION	8/22/14	31.5	925	2,670	224%	\$608
8/05/14	INTEL CORPORATION	8/22/14	32	1,388	2,515	181%	\$675
8/05/14	INTEL CORPORATION	9/20/14	27	10,909	35,062	321%	\$743
8/05/14	INTEL CORPORATION	8/20/14	28	6,344	14,182	223%	\$5,240
8/05/14	INTEL CORPORATION	9/20/14	29	15,974	45,183	283%	\$1,553
8/05/14	INTEL CORPORATION	9/20/14	30	3,957	9,935	250%	\$24,075
8/05/14	INTEL CORPORATION	10/18/14	23	2,816	7,003	248%	\$696
8/05/14	INTEL CORPORATION	10/18/14	25	8,811	14,363	163%	\$1,888
8/05/14	INTEL CORPORATION	10/18/14	26	20,341	29,813	147%	\$2,048
8/05/14	INTEL CORPORATION	10/18/14	27	26,812	74,547	279%	\$26,280
8/05/14	INTEL CORPORATION	10/18/14	28	24,247	42,159	174%	\$3,015
8/05/14	INTEL CORPORATION	1/17/15	10	187	1,185	623%	\$823
8/05/14	INTEL CORPORATION	1/17/15	15	2,359	16,991	717%	\$29,048
8/05/14	INTEL CORPORATION	1/17/15	18	1,851	13,035	700%	\$29,295
8/05/14	INTEL CORPORATION	1/17/15	20	6,208	43,420	699%	\$78,458
8/05/14	INTEL CORPORATION	1/17/15	22	24,552	114,898	468%	\$97,695
8/05/14	INTEL CORPORATION	1/17/15	24	513	1,675	325%	\$3,623
8/05/14	INTEL CORPORATION	1/17/15	25	70,254	246,635	351%	\$197,313
8/05/14	INTEL CORPORATION	1/17/15	26	3,952	4,941	102%	\$608
8/05/14	INTEL CORPORATION	1/15/16	15	555	3,260	588%	\$6,030
8/05/14	INTEL CORPORATION	1/15/16	18	1,335	9,275	695%	\$18,395
8/05/14	INTEL CORPORATION	1/15/16	20	4,804	22,410	466%	\$48,823
8/05/14	QR Energy LP	8/16/14	17.5	334	390	298%	\$2,356
8/05/14	QR Energy LP	11/22/14	17.5	1,049	3,354	324%	\$10,806
8/05/14	STARBUCKS CORP	8/16/14	82.5	249	715	287%	\$2,600
8/05/14	STARBUCKS CORP	8/16/14	72.5	382	1,950	271%	\$3,328
8/05/14	Skyworks Solutions Inc	8/16/14	35	881	660	89%	\$2,046
8/05/14	Skyworks Solutions Inc	8/16/14	36	879	704	104%	\$759
8/05/14	Skyworks Solutions Inc	8/18/14	38	204	275	104%	\$1,254
8/05/14	Skyworks Solutions Inc	8/16/14	40	506	500	99%	\$2,024
8/05/14	Skyworks Solutions Inc	8/16/14	43	499	660	110%	\$451
8/06/14	American Realty Capital Properties Inc	10/18/14	10	391	900	230%	\$250
8/06/14	American Realty Capital Properties Inc	1/17/15	10	1,071	2,430	227%	\$470,839
8/06/14	BOEING CO	8/16/14	88	112	325	290%	\$4,526

Dividend Date	Company	Expiration Date	Strike	Open Interest Before Manipulation	One Day's Ballooned Volume	Increase in Open Interest Following Manipulative Trading	Dividend Payments to Open Interest
8/06/14	BOEING CO	8/16/14	100	389	1,191	323%	\$20,221
8/06/14	BOEING CO	8/16/14	110	199	660	332%	\$5,110
8/06/14	BOEING CO	8/16/14	115	278	983	346%	\$3,706
8/06/14	BOEING CO	1/17/15	70	73	650	890%	\$3,139
8/06/14	BOEING CO	1/17/15	75	289	1,895	658%	\$20,221
8/06/14	BOEING CO	1/17/15	80	165	1,071	649%	\$5,913
8/06/14	BOEING CO	1/15/16	85	68	651	943%	\$3,431
8/06/14	BP PLC	8/16/14	47	109	468	422%	\$5,850
8/06/14	BP PLC	1/17/15	30	243	3,185	1315%	\$14,040
8/06/14	BP PLC	1/17/15	33	473	6,175	1305%	\$26,810
8/06/14	BP PLC	1/17/15	35	519	5,770	1304%	\$13,631
8/06/14	BP PLC	1/17/15	38	4,736	66,295	1400%	\$275,360
8/06/14	BP PLC	1/17/15	40	4,218	59,041	1400%	\$370,188
8/06/14	BP PLC	1/17/15	42	832	5,830	701%	\$129,402
8/06/14	BP PLC	1/15/16	35	634	8,885	1403%	\$62,537
8/06/14	BP PLC	1/15/16	40	4,851	33,332	687%	\$1,335,614
8/06/14	Cal-Maine Foods, Inc.	8/16/14	60	225	495	220%	\$7,378
8/06/14	EV Energy Partners L.P.	1/17/15	30	377	1,710	454%	\$12,859
8/06/14	GLAXOSMITHKLINE PLC	1/17/15	40	174	860	494%	\$21,715
8/06/14	GLAXOSMITHKLINE PLC	1/15/16	40	108	497	460%	\$68,004
8/06/14	INTL BUSINESS MACHINE	8/08/14	185	134	246	184%	\$9,790
8/06/14	INTL BUSINESS MACHINE	8/16/14	175	237	650	274%	\$5,720
8/06/14	INTL BUSINESS MACHINE	8/16/14	180	513	1,072	209%	\$11,550
8/06/14	INTL BUSINESS MACHINE	1/17/15	140	193	840	435%	\$13,420
8/06/14	METLIFE INC.	1/17/15	30	307	1,850	607%	\$10,325
8/06/14	METLIFE INC.	1/17/15	35	326	1,210	371%	\$3,955
8/06/14	NEW YORK COMM. BANCORP	1/17/15	12	858	3,870	452%	\$21,400
8/06/14	SEAGATE TECH PLC (IRL)	8/16/14	50	202	580	287%	\$4,730
8/06/14	SEAGATE TECH PLC (IRL)	9/29/14	48	171	485	289%	\$2,160
8/06/14	SEAGATE TECH PLC (IRL)	1/17/15	20	102	560	539%	\$4,386
8/06/14	Sunoco Logistics Partners L.P.	8/16/14	42.5	198	400	201%	\$3,285
8/06/14	UNILEVER N.Y.	8/16/14	30	200	400	200%	\$1,664
8/06/14	WELLS FARGO & CO	8/16/14	35	214	712	333%	\$5,530
8/06/14	WELLS FARGO & CO	10/18/14	39	284	822	325%	\$9,555
8/06/14	WELLS FARGO & CO	1/17/15	20	143	920	643%	\$4,085
8/06/14	WELLS FARGO & CO	1/17/15	25	1,462	10,214	699%	\$43,085
8/06/14	WELLS FARGO & CO	1/17/15	28	147	975	663%	\$4,620
8/06/14	WELLS FARGO & CO	1/17/15	30	1,761	12,335	700%	\$55,475
8/06/14	WELLS FARGO & CO	1/17/15	33	2,158	14,845	688%	\$58,415
8/06/14	WELLS FARGO & CO	1/17/15	35	1,178	8,265	702%	\$39,130
8/06/14	WELLS FARGO & CO	1/17/15	37	909	8,445	709%	\$10,790
8/06/14	WELLS FARGO & CO	1/15/16	25	96	650	677%	\$3,670
8/06/14	WELLS FARGO & CO	1/15/16	30	592	4,203	710%	\$20,475
8/06/14	WAL-MART STORES INC.	8/20/14	65	3,059	10,725	351%	\$3,188
8/06/14	WAL-MART STORES INC.	1/17/15	65	1,192	8,420	708%	\$5,290
8/06/14	WAL-MART STORES INC.	1/17/15	60	227	1,435	632%	\$4,272
8/06/14	WAL-MART STORES INC.	1/15/16	60	164	1,049	632%	\$7,006
8/07/14	Apple Inc.	8/08/14	79	217	633	292%	\$9,670
8/07/14	Apple Inc.	8/08/14	85	305	783	257%	\$1,927
8/07/14	Apple Inc.	8/08/14	88	263	680	259%	\$2,068
8/07/14	Apple Inc.	8/08/14	89	222	580	252%	\$2,068
8/07/14	Apple Inc.	8/08/14	90	1,089	3,023	278%	\$26,320
8/07/14	Apple Inc.	8/08/14	91	893	2,591	291%	\$21,150
8/07/14	Apple Inc.	8/08/14	92	1,897	5,961	314%	\$35,626
8/07/14	Apple Inc.	8/08/14	93	2,452	7,748	308%	\$48,316
8/07/14	Apple Inc.	8/08/14	94	8,731	9,834	119%	\$447,346
8/07/14	Apple Inc.	8/16/14	65	131	364	278%	\$4,888
8/07/14	Apple Inc.	8/16/14	67.14	352	711	202%	\$16,544
8/07/14	Apple Inc.	8/16/14	70	149	417	280%	\$1,786
8/07/14	Apple Inc.	8/16/14	71.43	2,039	14,004	687%	\$56,259
8/07/14	Apple Inc.	8/16/14	72.88	480	1,150	240%	\$3,290
8/07/14	Apple Inc.	8/16/14	75	657	1,553	236%	\$6,615
8/07/14	Apple Inc.	8/16/14	77.14	2,483	2,522	102%	\$10,340
8/07/14	Apple Inc.	8/16/14	78.57	5,033	20,583	818%	\$16,403
8/07/14	Apple Inc.	8/16/14	80	2,652	8,300	238%	\$31,114
8/07/14	Apple Inc.	8/16/14	80.71	2,448	2,934	120%	\$1,363
8/07/14	Apple Inc.	8/16/14	81.43	4,883	7,280	147%	\$9,447
8/07/14	Apple Inc.	8/16/14	82.14	5,957	16,749	281%	\$9,864
8/07/14	Apple Inc.	8/16/14	82.86	7,789	11,088	142%	\$13,442
8/07/14	Apple Inc.	8/16/14	83.57	14,496	17,191	119%	\$6,345
8/07/14	Apple Inc.	8/16/14	85	8,508	12,883	133%	\$107,489
8/07/14	Apple Inc.	8/16/14	85.71	14,168	70,190	495%	\$69,748
8/07/14	Apple Inc.	8/18/14	86	637	1,731	272%	\$2,481
8/07/14	Apple Inc.	8/16/14	86.43	3,614	6,240	173%	\$11,750
8/07/14	Apple Inc.	8/16/14	87.14	4,372	8,264	189%	\$13,254
8/07/14	Apple Inc.	8/19/14	87.86	2,851	3,559	125%	\$11,844
8/07/14	Apple Inc.	8/16/14	88.57	14,422	25,291	175%	\$39,850
8/07/14	Apple Inc.	8/16/14	89.29	14,531	30,671	210%	\$92,778
8/07/14	Apple Inc.	8/16/14	90	28,766	53,608	180%	\$701,287
8/07/14	Apple Inc.	8/22/14	85	891	2,713	304%	\$1,551
8/07/14	Apple Inc.	8/22/14	86	475	1,450	305%	\$9,400
8/07/14	Apple Inc.	8/22/14	88	222	261	118%	\$5,807
8/07/14	Apple Inc.	8/29/14	85	156	181	116%	\$4,183
8/07/14	Apple Inc.	9/29/14	75	121	171	141%	\$4,888
8/07/14	Apple Inc.	9/29/14	80	2,284	3,477	152%	\$88,924
8/07/14	Apple Inc.	10/18/14	42.86	117	250	214%	\$5,498
8/07/14	Apple Inc.	10/18/14	57.14	1,294	4,305	336%	\$18,424
8/07/14	Apple Inc.	10/18/14	60	846	5,930	627%	\$41,266



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8/07/14	Apple Inc.	10/18/14	64.29	3,421	41,234	1205%	\$142,739
8/07/14	Apple Inc.	10/18/14	65	338	1,825	481%	\$13,254
8/07/14	Apple Inc.	10/18/14	65.71	488	2,350	484%	\$15,839
8/07/14	Apple Inc.	10/18/14	66.43	344	1,771	515%	\$4,882
8/07/14	Apple Inc.	10/18/14	67.14	611	2,950	483%	\$15,839
8/07/14	Apple Inc.	10/18/14	67.86	266	950	244%	\$11,045
8/07/14	Apple Inc.	10/18/14	68.57	570	1,788	314%	\$8,413
8/07/14	Apple Inc.	10/18/14	68.29	299	725	242%	\$13,396
8/07/14	Apple Inc.	10/18/14	70	1,583	4,000	258%	\$22,889
8/07/14	Apple Inc.	10/18/14	70.71	1,509	3,900	258%	\$2,256
8/07/14	Apple Inc.	10/18/14	71.43	20,955	83,411	397%	\$185,744
8/07/14	Apple Inc.	10/18/14	72.86	7,611	11,925	187%	\$39,674
8/07/14	Apple Inc.	10/18/14	73.57	2,920	4,995	189%	\$15,745
8/07/14	Apple Inc.	10/18/14	74.29	8,404	13,325	159%	\$42,582
8/07/14	Apple Inc.	10/18/14	75	7,518	10,379	145%	\$142,457
8/07/14	Apple Inc.	1/17/15	28.57	406	1,050	259%	\$13,207
8/07/14	Apple Inc.	1/17/15	35.71	933	8,125	871%	\$17,854
8/07/14	Apple Inc.	1/17/15	37.14	764	5,825	758%	\$15,269
8/07/14	Apple Inc.	1/17/15	38.57	486	3,200	658%	\$5,734
8/07/14	Apple Inc.	1/17/15	40	194	1,200	619%	\$3,123
8/07/14	Apple Inc.	1/17/15	42.86	9,839	111,942	1139%	\$290,930
8/07/14	Apple Inc.	1/17/15	44.29	316	2,325	736%	\$5,022
8/07/14	Apple Inc.	1/17/15	45.71	652	3,900	596%	\$15,228
8/07/14	Apple Inc.	1/17/15	47.14	585	3,550	607%	\$11,606
8/07/14	Apple Inc.	1/17/15	48.57	580	3,350	580%	\$1,551
8/07/14	Apple Inc.	1/17/15	50	7,057	74,285	1049%	\$267,430
8/07/14	Apple Inc.	1/17/15	51.43	602	4,600	764%	\$16,450
8/07/14	Apple Inc.	1/17/15	52.86	1,429	9,290	650%	\$31,114
8/07/14	Apple Inc.	1/17/15	53.57	675	4,415	654%	\$18,283
8/07/14	Apple Inc.	1/17/15	54.29	818	6,665	814%	\$18,585
8/07/14	Apple Inc.	1/17/15	55	221	1,325	600%	\$7,097
8/07/14	Apple Inc.	1/17/15	55.71	522	3,125	599%	\$14,241
8/07/14	Apple Inc.	1/17/15	56.43	385	2,225	510%	\$3,170
8/07/14	Apple Inc.	1/17/15	57.14	35,296	360,782	1022%	\$1,009,043
8/07/14	Apple Inc.	1/17/15	57.86	2,058	17,380	845%	\$20,022
8/07/14	Apple Inc.	1/17/15	58.57	2,673	17,451	653%	\$30,266
8/07/14	Apple Inc.	1/17/15	59.29	2,308	15,005	650%	\$6,674
8/07/14	Apple Inc.	1/17/15	60	5,199	56,300	687%	\$106,408
8/07/14	Apple Inc.	1/17/15	60.71	2,316	15,015	649%	\$43,616
8/07/14	Apple Inc.	1/17/15	61.43	6,735	43,822	651%	\$184,193
8/07/14	Apple Inc.	1/17/15	62.14	983	5,447	656%	\$10,698
8/07/14	Apple Inc.	1/17/15	62.86	13,448	104,900	777%	\$280,355
8/07/14	Apple Inc.	1/17/15	63.57	672	5,678	851%	\$7,285
8/07/14	Apple Inc.	1/17/15	64.29	42,338	277,915	656%	\$1,108,260
8/07/14	Apple Inc.	1/17/15	65	1,576	8,774	430%	\$21,056
8/07/14	Apple Inc.	1/17/15	65.71	10,958	48,628	426%	\$175,498
8/07/14	Apple Inc.	1/17/15	66.43	8,356	29,255	350%	\$30,030
8/07/14	Apple Inc.	1/17/15	67.14	16,459	64,195	349%	\$65,587
8/07/14	Apple Inc.	4/17/15	55	222	900	405%	\$10,528
8/07/14	Apple Inc.	4/17/15	60	666	2,660	399%	\$28,482
8/07/14	Apple Inc.	1/15/16	34.29	538	4,250	760%	\$23,641
8/07/14	Apple Inc.	1/15/16	40	100	600	600%	\$3,431
8/07/14	Apple Inc.	1/15/16	42.86	2,527	27,645	979%	\$68,624
8/07/14	Apple Inc.	1/15/16	44.29	177	1,075	607%	\$5,439
8/07/14	Apple Inc.	1/15/16	45.71	487	3,450	708%	\$11,138
8/07/14	Apple Inc.	1/15/16	47.14	310	2,350	758%	\$24,769
8/07/14	Apple Inc.	1/15/16	50	2,909	26,358	975%	\$108,335
8/07/14	Apple Inc.	1/15/16	51.43	224	1,375	614%	\$5,628
8/07/14	Apple Inc.	1/15/16	52.86	162	950	586%	\$6,298
8/07/14	Apple Inc.	1/15/16	54.29	886	4,385	496%	\$40,514
8/07/14	Apple Inc.	1/15/16	55.71	381	2,150	566%	\$15,181
8/07/14	CVR Refining LP	1/15/16	20	43	424	986%	\$5,280
8/07/14	Exterran Holdings Inc.	8/18/14	40	1,981	3,130	156%	\$780
8/07/14	Health Care REIT Inc.	9/20/14	55	154	500	325%	\$12,164
8/07/14	HCP Inc.	8/16/14	40	1,616	6,786	418%	\$11,500
8/07/14	Linn Energy LLC-Units	1/17/15	20	196	665	441%	\$11,450
8/07/14	Linn Energy LLC-Units	1/17/15	25	890	4,255	430%	\$49,770
8/07/14	Linn Energy LLC-Units	1/15/16	23	554	2,410	436%	\$31,238
8/07/14	Linn Energy LLC-Units	1/15/16	25	387	1,430	370%	\$27,953
8/07/14	Linn Co. LLC	1/15/16	23	285	1,046	367%	\$24,474
8/08/14	WYNN RESORTS LIMITED	1/17/15	122	118	867	575%	\$13,125
8/11/14	CON EDISON	8/16/14	52.5	100	352	352%	\$2,709
8/11/14	CON EDISON	8/16/14	55	2,422	7,214	298%	\$3,717
8/11/14	CON EDISON	1/17/15	50	495	1,259	254%	\$3,024
8/11/14	UNITED STATES STEEL	8/16/14	24	592	600	101%	\$145
8/11/14	UNITED STATES STEEL	8/16/14	25	973	1,005	103%	\$715
8/11/14	EXXON MOBIL CORP	8/16/14	37.5	1,951	3,449	177%	\$9,729
8/11/14	EXXON MOBIL CORP	1/17/15	70	185	1,165	630%	\$12,486
8/11/14	EXXON MOBIL CORP	1/17/15	75	86	650	877%	\$7,659
8/11/14	EXXON MOBIL CORP	1/17/15	80	1,539	7,209	469%	\$84,675
8/11/14	EXXON MOBIL CORP	1/15/16	80	6,124	85,750	1400%	\$422,349
8/12/14	AMGEN	8/18/14	120	2,775	5,198	187%	\$7,198
8/12/14	AMGEN	1/17/15	80	239	880	368%	\$6,466
8/12/14	Boardwalk Pipeline Partners LP	9/20/14	18	316	400	127%	\$820
8/12/14	Boardwalk Pipeline Partners LP	9/20/14	12.5	7,066	19,375	274%	\$5,990
8/12/14	Boardwalk Pipeline Partners LP	1/17/15	19	760	1,700	221%	\$2,970
8/12/14	SandRidge Mississippi Trust II	9/20/14	2.5	421	1,425	346%	\$4,753
8/12/14	SandRidge Mississippi Trust II	12/20/14	3	1386	16,568	1195%	\$5,681

Ex Dividend Date	Company	Expiration Date	Strike	Open Interest Before Manipulation	One Day's Backlogged Volume	Increase in Open Interest Following Manipulative Trading	Dividend Payments to Open Interest
8/12/14	TJX COMPANIES INC.	8/16/14	52.5	2,585	5,123	198%	\$3,675
8/13/14	Cliffs Natural Resources Inc	8/16/14	15	1,834	4,255	232%	\$1,920
8/13/14	Cliffs Natural Resources Inc	8/16/14	18	2,747	6,967	254%	\$2,925
8/13/14	Cliffs Natural Resources Inc	8/16/14	16.5	940	1,820	194%	\$7,895
8/13/14	DUPONT	8/16/14	63	119	335	282%	\$1,645
8/13/14	DUPONT	1/17/15	30	89	350	397%	\$3,186
8/13/14	DUPONT	1/17/15	50	238	880	370%	\$3,525
8/13/14	EXELON CORPORATION	8/16/14	31	604	1,057	174%	\$2,201
8/13/14	EXELON CORPORATION	1/17/15	25	373	1,375	368%	\$3,255
8/13/14	EXELON CORPORATION	1/15/16	30	120	715	594%	\$961
8/13/14	ELI LILLY & CO	8/16/14	60	1,622	4,471	276%	\$2,156
8/13/14	ELI LILLY & CO	1/17/15	45	147	825	561%	\$6,272
8/13/14	ELI LILLY & CO	1/17/15	50	683	1,825	267%	\$5,430
8/13/14	Nexstar Broadcasting Group Inc.	8/16/14	40	445	800	180%	\$5,715
8/13/14	Phillips 66	8/16/14	75	828	1,815	219%	\$2,050
8/13/14	Phillips 66	8/16/14	77.5	1,322	3,705	280%	\$2,050
8/13/14	Phillips 66	8/16/14	80	7,839	7,812	101%	\$14,250
8/13/14	Phillips 66	1/17/15	60	216	605	280%	\$2,850
8/13/14	RIO TINTO PLC ADS	8/16/14	57.5	1,734	6,350	367%	\$6,229
8/13/14	RIO TINTO PLC ADS	1/17/15	40	127	840	661%	\$10,446
8/13/14	RIO TINTO PLC ADS	1/17/15	45	343	1,490	434%	\$18,784
8/13/14	RIO TINTO PLC ADS	1/15/16	30	107	705	659%	\$8,534
8/13/14	SOUTHERN COPPER CORPORATION	8/16/14	31	5,209	7,204	138%	\$6,900
8/13/14	UNITED TECHNOLOGIES	8/16/14	100	164	360	220%	\$4,012
8/13/14	Visa Inc.	8/16/14	180	140	315	225%	\$1,600
8/14/14	AMERISOURCEBERGEN CORP.	8/16/14	75	20,557	24,246	118%	\$3,079
8/14/14	Alon USA Partners LP	8/16/14	17.5	594	1,230	207%	\$637
8/14/14	CF Industries Holdings Inc	8/16/14	220	131	440	336%	\$15,000
8/14/14	CF Industries Holdings Inc	8/16/14	235	152	860	434%	\$4,950
8/14/14	The GEO Group Inc.	9/20/14	35	1,131	2,043	181%	\$46,227
8/14/14	Icahn Enterprises LP	9/20/14	75	55	380	691%	\$8,250
8/14/14	Icahn Enterprises LP	9/20/14	80	68	463	682%	\$4,050
8/14/14	Icahn Enterprises LP	9/20/14	100	424	1,639	387%	\$28,600
8/14/14	L-3 COMMUNICATIONS	8/16/14	100	469	1,150	245%	\$2,100
8/14/14	Northstar Realty Finance Corp.	8/16/14	17	2,201	13,200	600%	\$8,600
8/14/14	Northstar Realty Finance Corp.	9/20/14	14	10,073	21,000	208%	\$10,100
8/14/14	Northstar Realty Finance Corp.	9/20/14	15	12,568	86,770	690%	\$24,200
8/14/14	Northstar Realty Finance Corp.	9/20/14	16	15,700	32,900	210%	\$9,150
8/14/14	Northstar Realty Finance Corp.	9/20/14	17	2,738	19,100	701%	\$28,000
8/14/14	Northstar Realty Finance Corp.	1/17/15	10	702	4,550	648%	\$30,400
8/14/14	Northstar Realty Finance Corp.	1/17/15	12	1,200	8,400	700%	\$59,200
8/14/14	Northstar Realty Finance Corp.	1/15/16	10	553	3,650	666%	\$24,350
8/14/14	Northstar Realty Finance Corp.	1/15/16	12	989	7,000	708%	\$31,450
8/14/14	Northern Tier Energy Inc.	8/16/14	25	718	1,463	204%	\$3,445
8/14/14	QIWI PLC	8/16/14	30	297	808	272%	\$1,188
8/14/14	SouFun Holdings Ltd	8/16/14	8	215	430	200%	\$3,990
8/14/14	SouFun Holdings Ltd	8/16/14	10	1,288	4,250	335%	\$2,585
8/14/14	SouFun Holdings Ltd	8/16/14	10.5	563	1,900	337%	\$1,539
8/14/14	SouFun Holdings Ltd	8/16/14	11	2,894	10,044	335%	\$9,766
8/14/14	TIM HORTONS	8/16/14	60	452	1,156	256%	\$4,226
8/14/14	TIM HORTONS	10/16/14	45	414	1,000	242%	\$9,831
8/14/14	Tronox Ltd.	8/16/14	24	459	1,650	359%	\$9,950
8/14/14	Tronox Ltd.	8/16/14	25	1,893	5,380	337%	\$40,000
8/14/14	Tronox Ltd.	8/16/14	26	1,805	6,600	366%	\$25,000
8/14/14	Tronox Ltd.	8/16/14	27	648	1,696	246%	\$3,750
8/14/14	UNITED PARCEL SERVICES	9/20/14	90	147	175	119%	\$4,823
8/14/14	UNITED PARCEL SERVICES	1/17/15	72.5	206	1,165	561%	\$11,725
8/14/14	UNITED PARCEL SERVICES	1/17/15	80	1,140	2,915	256%	\$74,038
8/15/14	CHEVRON CORP	8/15/14	124	150	457	305%	\$5,350
8/15/14	CHEVRON CORP	8/16/14	125	2,298	8,054	350%	\$48,150
8/15/14	CHEVRON CORP	9/20/14	115	257	840	327%	\$3,636
8/15/14	CHEVRON CORP	9/20/14	120	6,804	13,264	195%	\$9,085
8/15/14	CHEVRON CORP	1/17/15	100	321	2,140	667%	\$20,865
8/15/14	CHEVRON CORP	1/17/15	105	173	1,245	720%	\$14,231
8/15/14	CHEVRON CORP	1/15/16	90	80	435	544%	\$14,338
8/15/14	SPDR DJIA ETF Trust	8/16/14	168	3,633	4,322	119%	\$8,829
8/15/14	Whiting USA Trust I	9/20/14	2	529	5,493	1038%	\$1,982
8/16/14	TARGET CORPORATION	10/16/14	50	195	650	332%	\$2,850
8/16/14	TARGET CORPORATION	1/17/15	40	100	650	650%	\$2,352
8/16/14	TARGET CORPORATION	1/17/15	45	156	805	516%	\$2,600
8/16/14	TARGET CORPORATION	1/15/16	40	142	450	317%	\$8,320
8/16/14	VALERO ENERGY CORP.	9/20/14	40	144	245	170%	\$1,018
8/16/14	VALERO ENERGY CORP.	1/17/15	35	2,105	7,700	366%	\$3,740
8/19/14	ARCHER DANIELS MIDLAND CO	9/20/14	48	1,118	1,811	144%	\$2,088
8/19/14	ARCHER DANIELS MIDLAND CO	1/17/15	35	1,107	2,789	249%	\$1,440
8/19/14	APPLIED MATERIALS INC.	1/17/15	10	753	1,500	199%	\$7,240
8/19/14	HONEYWELL INTL INC (NEW)	9/20/14	80	214	660	308%	\$5,580
8/19/14	HONEYWELL INTL INC (NEW)	9/20/14	85	158	440	278%	\$1,530
8/19/14	SOUTHWEST AIRLINES COMPANY	9/20/14	22	1,470	2,423	165%	\$1,458
8/19/14	MICROSOFT CORPORATION	8/22/14	42	506	613	121%	\$2,100
8/19/14	MICROSOFT CORPORATION	8/22/14	43	1,795	4,178	233%	\$13,468
8/19/14	MICROSOFT CORPORATION	8/22/14	43.5	2,699	9,306	345%	\$9,380
8/19/14	MICROSOFT CORPORATION	8/22/14	44	13,408	33,478	250%	\$10,752
8/19/14	MICROSOFT CORPORATION	8/22/14	44.5	4,188	5,064	121%	\$19,254
8/19/14	MICROSOFT CORPORATION	8/29/14	43	786	1,810	227%	\$1,464
8/19/14	MICROSOFT CORPORATION	8/29/14	43.5	1,044	2,350	225%	\$3,246
8/19/14	MICROSOFT CORPORATION	9/20/14	30	408	1,030	252%	\$840
8/19/14	MICROSOFT CORPORATION	9/20/14	39	282	440	156%	\$7,420



Dividend Date	Company	Expiration Date	Strike	Open Interest Before Manipulation	One Day's Backlogged Volume	Increase in Open Interest Following Manipulative Trading	Dividend Payments to Open Interest
8/19/14	MICROSOFT CORPORATION	9/20/14	38	651	1,890	258%	\$2,184
8/19/14	MICROSOFT CORPORATION	9/20/14	39	539	1,571	291%	\$1,176
8/19/14	MICROSOFT CORPORATION	9/20/14	40	2,769	9,274	335%	\$7,644
8/19/14	MICROSOFT CORPORATION	9/20/14	41	3,807	9,523	261%	\$8,484
8/19/14	MICROSOFT CORPORATION	9/20/14	42	10,230	29,423	278%	\$14,612
8/19/14	MICROSOFT CORPORATION	10/18/14	30	308	783	255%	\$1,648
8/19/14	MICROSOFT CORPORATION	10/18/14	32	172	205	118%	\$2,772
8/19/14	MICROSOFT CORPORATION	10/18/14	33	228	481	202%	\$1,960
8/19/14	MICROSOFT CORPORATION	10/18/14	35	1,795	5,715	324%	\$13,692
8/19/14	MICROSOFT CORPORATION	10/18/14	37	3,660	9,594	262%	\$15,668
8/19/14	MICROSOFT CORPORATION	10/18/14	38	3,883	10,082	261%	\$5,908
8/19/14	MICROSOFT CORPORATION	10/18/14	39	8,042	17,272	215%	\$35,980
8/19/14	MICROSOFT CORPORATION	10/18/14	40	15,533	24,432	157%	\$39,452
8/19/14	MICROSOFT CORPORATION	1/17/15	20	886	5,500	653%	\$19,160
8/19/14	MICROSOFT CORPORATION	1/17/15	23	428	2,790	652%	\$10,948
8/19/14	MICROSOFT CORPORATION	1/17/15	25	1,801	11,830	657%	\$23,380
8/19/14	MICROSOFT CORPORATION	1/17/15	28	3,790	24,710	652%	\$52,444
8/19/14	MICROSOFT CORPORATION	1/17/15	30	8,449	59,724	707%	\$81,616
8/19/14	MICROSOFT CORPORATION	1/17/15	32	18,722	65,623	351%	\$45,724
8/19/14	MICROSOFT CORPORATION	1/17/15	35	113,372	323,567	285%	\$352,744
8/19/14	MICROSOFT CORPORATION	1/15/16	29	301	1,950	648%	\$4,212
8/19/14	MICROSOFT CORPORATION	1/15/16	23	120	785	654%	\$2,856
8/19/14	MICROSOFT CORPORATION	1/15/16	25	1,494	9,758	653%	\$28,644
8/19/14	MICROSOFT CORPORATION	1/15/16	28	1,388	6,514	476%	\$7,052
8/19/14	TEVA PHARM. IND. INC.	9/20/14	45	2,937	8,589	326%	\$1,150
8/19/14	TEVA PHARM. IND. INC.	9/20/14	47	16,539	45,055	272%	\$484,681
8/19/14	TEVA PHARM. IND. INC.	1/17/15	30	310	1,301	420%	\$8,286
8/19/14	TEVA PHARM. IND. INC.	1/17/15	35	2,866	6,540	325%	\$55,986
8/19/14	TEVA PHARM. IND. INC.	1/17/15	37.5	1,661	4,035	258%	\$4,518
8/19/14	WALGREEN CO	8/22/14	80	821	1,252	152%	\$18,023
8/19/14	Wyndham Worldwide Corp	8/20/14	70	350	560	160%	\$12,250
8/20/14	CUMMINS INC.	8/20/14	130	130	385	298%	\$2,574
8/20/14	CUMMINS INC.	1/17/15	80	52	550	1058%	\$4,056
8/20/14	3M	10/18/14	130	289	883	306%	\$5,130
8/20/14	3M	1/17/15	90	173	1,185	673%	\$13,424
8/20/14	3M	1/17/15	110	134	595	444%	\$8,807
8/20/14	PITNEY-BOWES INC	1/17/15	15	456	1,980	434%	\$3,844
8/20/14	Transocean Ltd	8/22/14	38.5	324	888	288%	\$2,925
8/20/14	Transocean Ltd	8/20/14	37	223	886	398%	\$3,875
8/20/14	Transocean Ltd	1/17/15	30	113	785	395%	\$200,250
8/20/14	Transocean Ltd	1/17/15	33	178	920	517%	\$76,050
8/20/14	Transocean Ltd	1/16/16	25	46	509	1302%	\$68,825
8/20/14	Transocean Ltd	1/16/16	30	392	1,813	463%	\$730,125
8/21/14	LyondellBasell Industries NV	9/20/14	100	6,407	17,381	271%	\$1,890
8/21/14	LyondellBasell Industries NV	9/20/14	105	4,433	11,955	270%	\$18,410
8/21/14	LyondellBasell Industries NV	1/17/15	90	566	2,092	370%	\$9,800
8/21/14	LyondellBasell Industries NV	1/17/15	82.5	159	611	384%	\$3,640
8/21/14	LyondellBasell Industries NV	1/17/15	85	602	1,995	325%	\$91,980
8/21/14	LyondellBasell Industries NV	1/17/15	87.5	672	2,220	330%	\$22,060
8/21/14	SNAP-ON INCORPORATED	8/20/14	105	512	1,250	244%	\$22,000
8/22/14	JOHNSON & JOHNSON	8/22/14	102	716	1,885	235%	\$7,770
8/22/14	JOHNSON & JOHNSON	8/22/14	103	873	2,177	224%	\$5,250
8/22/14	JOHNSON & JOHNSON	9/29/14	104	1,022	2,245	220%	\$1,960
8/22/14	JOHNSON & JOHNSON	9/20/14	97.5	339	801	235%	\$4,750
8/22/14	JOHNSON & JOHNSON	9/20/14	100	1,439	4,003	278%	\$40,530
8/22/14	JOHNSON & JOHNSON	9/20/14	101	178	273	153%	\$3,220
8/22/14	JOHNSON & JOHNSON	10/18/14	85	817	1,870	229%	\$3,360
8/22/14	JOHNSON & JOHNSON	1/17/15	70	72	480	638%	\$3,080
8/22/14	JOHNSON & JOHNSON	1/17/15	75	1,242	3,325	430%	\$82,320
8/22/14	JOHNSON & JOHNSON	1/17/15	80	602	2,604	433%	\$16,460
8/22/14	JOHNSON & JOHNSON	1/17/15	82.5	281	1,245	443%	\$3,080
8/22/14	JOHNSON & JOHNSON	1/17/15	85	331	1,438	434%	\$7,070
8/22/14	JOHNSON & JOHNSON	1/17/15	87.5	5,879	16,594	281%	\$6,790
8/22/14	JOHNSON & JOHNSON	1/17/15	90	8,384	23,518	281%	\$10,220
8/22/14	JOHNSON & JOHNSON	1/15/16	70	93	565	640%	\$5,320
8/22/14	JOHNSON & JOHNSON	1/15/16	75	402	9,300	2313%	\$6,020
8/22/14	JOHNSON & JOHNSON	1/15/16	77.5	568	9,100	1602%	\$9,580
8/28/14	Green Plains Renewable Energy Inc.	9/20/14	30	3,037	3,000	99%	\$4,456
8/27/14	ALLSTATE CORPORATION	9/20/14	57.5	802	2,200	274%	\$14,056
8/27/14	CSX CORPORATION	1/17/15	22.5	1,360	3,740	275%	\$5,908
8/27/14	CenturyLink Inc	10/18/14	39	5,218	8,576	164%	\$5,618
8/27/14	CenturyLink Inc	1/17/15	30	218	1,435	658%	\$3,780
8/27/14	CenturyLink Inc	1/17/15	33	373	2,410	648%	\$3,240
8/27/14	CenturyLink Inc	1/15/16	28	66	515	790%	\$2,268
8/27/14	CenturyLink Inc	1/15/16	30	378	2,709	717%	\$3,240
8/27/14	DOMINION RESOURCES	9/20/14	87.5	468	1,210	259%	\$3,960
8/27/14	CORNING INCORPORATED	1/17/15	8	420	1,155	275%	\$3,820
8/27/14	CORNING INCORPORATED	1/17/15	10	1,340	4,081	303%	\$10,370
8/27/14	CORNING INCORPORATED	1/17/15	12	3,830	10,944	301%	\$28,410
8/27/14	Lorillard Inc.	9/20/14	80	340	823	271%	\$8,180
8/27/14	Lorillard Inc.	9/20/14	82.5	1,487	6,815	469%	\$7,257
8/27/14	Lorillard Inc.	9/20/14	85	3,706	12,950	349%	\$2,031
8/27/14	Lorillard Inc.	9/20/14	87.5	1,995	4,816	348%	\$5,351
8/27/14	Lorillard Inc.	1/17/15	40	100	650	650%	\$2,708
8/27/14	Lorillard Inc.	1/17/15	45	120	785	654%	\$2,788
8/27/14	Lorillard Inc.	1/17/15	50	1,213	6,609	482%	\$5,103
8/27/14	Lorillard Inc.	1/15/16	45	198	736	377%	\$5,103
8/27/14	LEXMARK INTERNATIONAL	10/18/14	81	323	720	223%	\$10,809

Ex Dividend Date	Company	Expiration Date	Sticks	Open Interest Before Manipulation	One Day's Ballooned Volume	Increase in Open Interest Following Manipulative Trading	Dividend Payments to Open Interest
8/27/14	LEXMARK INTERNATIONAL	1/17/15	25	97	450	464%	\$3,482
8/27/14	Magna International Inc.	9/20/14	100	265	650	245%	\$2,964
8/27/14	TESORO CORP	9/20/14	57.5	293	752	257%	\$6,630
8/27/14	TIME WARNER INC	10/16/14	55	2,280	5,005	220%	\$1,016
8/27/14	UNION PACIFIC	9/20/14	100	667	1,614	235%	\$3,300
8/27/14	UNION PACIFIC	1/17/15	50	256	1,735	701%	\$12,800
8/27/14	UNION PACIFIC	1/17/15	80	452	1,215	269%	\$8,000
8/27/14	WHIRLPOOL CORPORATION	9/20/14	120	108	332	307%	\$7,800
8/27/14	WEYERHAEUSER CO	9/20/14	32	489	1,375	281%	\$4,437
8/27/14	WEYERHAEUSER CO	9/20/14	33	1,062	2,342	221%	\$3,944
8/27/14	WEYERHAEUSER CO	10/18/14	28	293	825	282%	\$1,943
8/27/14	WEYERHAEUSER CO	10/18/14	29	227	605	267%	\$1,885
8/27/14	WEYERHAEUSER CO	10/18/14	30	918	2,275	248%	\$3,161
8/27/14	WEYERHAEUSER CO	10/18/14	31	911	1,980	217%	\$5,629
8/27/14	WEYERHAEUSER CO	1/17/15	25	234	880	378%	\$3,015
8/27/14	WEYERHAEUSER CO	1/15/16	23	442	1,650	373%	\$12,818
8/28/14	Agnico Eagle Mines Limited	1/17/15	17.5	1,523	1,950	128%	\$11,200
8/28/14	BLACKROCK INC	1/15/16	200	35	225	643%	\$7,720
8/28/14	HollyFrontier Corporation	8/29/14	47	238	480	201%	\$5,720
8/28/14	HollyFrontier Corporation	8/29/14	47.5	196	320	163%	\$3,232
8/28/14	HollyFrontier Corporation	9/05/14	46.5	155	320	209%	\$4,600
8/28/14	HollyFrontier Corporation	9/20/14	43.5	742	1,330	179%	\$3,104
8/28/14	HollyFrontier Corporation	9/20/14	44.5	5,671	18,488	326%	\$01,792
8/28/14	HollyFrontier Corporation	9/20/14	45.5	1,854	4,202	225%	\$4,354
8/28/14	HollyFrontier Corporation	9/20/14	46.5	1,484	2,919	203%	\$1,152
8/28/14	HARTFORD FINANCIAL SERVICES	9/20/14	34	6,171	8,808	143%	\$1,400
8/28/14	HARTFORD FINANCIAL SERVICES	1/17/15	20	294	1,155	393%	\$3,762
8/28/14	HARTFORD FINANCIAL SERVICES	1/17/15	22	858	3,520	367%	\$8,570
8/28/14	HARTFORD FINANCIAL SERVICES	1/15/16	20	1,346	3,740	278%	\$23,632
8/28/14	KEYCORP NEW	1/17/15	7	428	3,195	224%	\$5,870
8/28/14	LOCKHEED MARTIN	9/20/14	155	141	281	190%	\$4,256
8/28/14	LOCKHEED MARTIN	9/20/14	160	571	1,052	184%	\$21,147
8/28/14	LOCKHEED MARTIN	9/20/14	165	1,234	3,415	277%	\$35,112
8/28/14	LOCKHEED MARTIN	9/20/14	170	2,426	5,588	230%	\$38,570
8/28/14	LOCKHEED MARTIN	1/17/15	110	57	280	481%	\$5,852
8/28/14	LOCKHEED MARTIN	1/17/15	145	477	990	208%	\$8,113
8/28/14	MCDONALDS CORP	8/29/14	92	540	1,550	287%	\$22,980
8/28/14	MCDONALDS CORP	9/20/14	80	302	911	302%	\$12,655
8/28/14	MCDONALDS CORP	1/17/15	75	54	385	458%	\$5,589
8/28/14	MCDONALDS CORP	1/17/15	80	408	1,538	377%	\$18,038
8/28/14	MCDONALDS CORP	1/17/15	85	502	1,441	287%	\$21,708
8/28/14	NIKE INC. CLASS B	10/18/14	85	1,645	3,000	182%	\$38,928
8/28/14	NRG Yield Inc.	9/20/14	48	547	990	181%	\$1,070
8/28/14	TESSERA TECHNOLOGIES INC.	9/20/14	23.48	718	1,620	228%	\$3,680
8/28/14	TESSERA TECHNOLOGIES INC.	9/20/14	24.48	3,081	5,490	179%	\$30,170
8/29/14	Qualcomm Inc.	8/29/14	75	544	1,065	198%	\$1,218
8/29/14	Qualcomm Inc.	9/20/14	70	1,144	4,019	351%	\$25,242
8/29/14	Qualcomm Inc.	9/20/14	72.5	1,283	3,502	277%	\$14,448
8/29/14	Qualcomm Inc.	10/18/14	55	476	1,572	330%	\$18,422
8/29/14	Qualcomm Inc.	10/18/14	70	1,118	2,939	263%	\$27,672
8/29/14	Qualcomm Inc.	1/17/15	35	81	558	689%	\$3,234
8/29/14	Qualcomm Inc.	1/17/15	40	501	3,250	649%	\$3,358
8/29/14	Qualcomm Inc.	1/17/15	45	302	3,305	658%	\$2,814
8/29/14	Qualcomm Inc.	1/17/15	50	514	3,385	659%	\$17,640
8/29/14	Qualcomm Inc.	1/17/15	55	595	3,904	659%	\$5,670
8/29/14	Qualcomm Inc.	1/17/15	57.5	253	1,682	640%	\$1,470
8/29/14	Qualcomm Inc.	1/17/15	50	6,258	29,432	470%	\$186,396
8/29/14	SCHLUMBERGER LTD	9/20/14	100	183	508	279%	\$5,240
8/29/14	SCHLUMBERGER LTD	1/15/16	50	565	1,520	269%	\$23,000
9/02/14	China Mobile Limited	9/20/14	42.5	60	400	667%	\$2,683
9/02/14	China Mobile Limited	9/20/14	47.5	3,250	21,180	652%	\$27,619
9/02/14	China Mobile Limited	9/20/14	50	3,943	27,602	700%	\$33,780
9/02/14	China Mobile Limited	9/20/14	52.5	2,044	11,032	540%	\$45,106
9/02/14	China Mobile Limited	9/20/14	55	909	4,750	523%	\$32,686
9/02/14	China Mobile Limited	9/20/14	57.5	1,603	11,223	700%	\$60,506
9/02/14	China Mobile Limited	12/20/14	50	843	5,470	649%	\$41,430
9/02/14	China Mobile Limited	12/20/14	52.5	1,127	7,913	702%	\$47,689
9/02/14	China Mobile Limited	1/17/15	40	284	3,845	1308%	\$10,432
9/02/14	China Mobile Limited	1/17/15	42.5	67	1,110	1278%	\$5,266
9/02/14	China Mobile Limited	1/17/15	45	1,685	23,655	1385%	\$5,663
9/02/14	China Mobile Limited	1/17/15	47.5	2,925	-41,037	1403%	\$13,711
9/02/14	China Mobile Limited	1/17/15	50	5,049	70,676	1400%	\$92,698
9/02/14	China Mobile Limited	1/17/15	52.5	3,445	19,655	571%	\$72,130
9/02/14	China Mobile Limited	1/15/16	35	64	840	1313%	\$4,173
9/02/14	China Mobile Limited	1/15/16	37.5	892	9,510	1394%	\$63,785
9/02/14	China Mobile Limited	1/15/16	40	627	8,750	1395%	\$12,220
9/02/14	China Mobile Limited	1/15/16	42.5	117	1,580	1350%	\$3,874
9/02/14	China Mobile Limited	1/15/16	45	839	4,500	704%	\$31,097
9/02/14	HOME DEPOT INC	9/05/14	82	2,205	6,773	295%	\$18,894
9/02/14	HOME DEPOT INC	9/05/14	92	621	718	118%	\$18,215
9/02/14	HOME DEPOT INC	9/20/14	80	3,585	8,171	227%	\$78,302
9/02/14	HOME DEPOT INC	9/20/14	82.5	3,857	10,339	282%	\$40,373
9/02/14	HOME DEPOT INC	9/20/14	84	588	845	144%	\$6,288
9/02/14	HOME DEPOT INC	9/20/14	85	6,015	11,438	190%	\$12,784
9/02/14	HOME DEPOT INC	9/20/14	86	388	1,040	270%	\$1,316
9/02/14	HOME DEPOT INC	9/20/14	87.5	4,893	13,635	281%	\$20,774
9/02/14	HOME DEPOT INC	9/20/14	89	1,844	4,882	264%	\$8,601
9/02/14	HOME DEPOT INC	10/18/14	80	587	1,570	263%	\$1,833



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9/02/14	HOME DEPOT INC	10/18/14	82.5	1,104	2,870	260%	\$2,209
9/02/14	HOME DEPOT INC	11/22/14	80	386	977	267%	\$16,967
9/02/14	HOME DEPOT INC	11/23/14	70	482	1,266	263%	\$17,860
9/02/14	HOME DEPOT INC	11/22/14	72.5	178	460	268%	\$1,260
9/02/14	HOME DEPOT INC	11/23/14	75	944	2,485	261%	\$2,068
9/02/14	HOME DEPOT INC	11/23/14	77.5	624	1,728	277%	\$2,021
9/02/14	HOME DEPOT INC	1/17/15	50	82	515	628%	\$2,820
9/02/14	HOME DEPOT INC	1/17/15	70	2,512	11,830	471%	\$6,204
9/02/14	HOME DEPOT INC	1/17/15	72.5	831	2,520	303%	\$3,772
9/02/14	HOME DEPOT INC	1/17/15	75	1,035	5,358	328%	\$8,131
9/02/14	The Mosaic Company (HOLDING COMPANY)	9/20/14	42.5	315	880	279%	\$4,900
9/02/14	The Mosaic Company (HOLDING COMPANY)	9/20/14	45	1,075	2,978	277%	\$1,525
9/02/14	The Mosaic Company (HOLDING COMPANY)	1/17/15	30	333	1,211	364%	\$6,625
9/02/14	The Mosaic Company (HOLDING COMPANY)	1/15/16	30	392	1,200	306%	\$2,075
9/02/14	SUNCOR ENERGY	9/20/14	36	584	1,595	273%	\$674
9/02/14	SUNCOR ENERGY	9/20/14	37	863	2,371	275%	\$4,815
9/02/14	SUNCOR ENERGY	9/20/14	38	1,973	2,349	119%	\$33,803
9/02/14	SUNCOR ENERGY	1/17/15	25	235	1,045	445%	\$5,860
9/02/14	SUNCOR ENERGY	1/17/15	30	485	1,650	340%	\$5,834
9/02/14	SUNCOR ENERGY	1/17/15	32	2,734	6,540	239%	\$9,153
9/02/14	iShares 20+ Year Treasury Bond ETF	9/05/14	116	615	905	147%	\$8784
9/02/14	iShares 20+ Year Treasury Bond ETF	9/20/14	103	178	380	213%	\$4,172
9/02/14	iShares 20+ Year Treasury Bond ETF	9/20/14	110	2,232	6,018	264%	\$1,624
9/02/14	iShares 20+ Year Treasury Bond ETF	9/20/14	111	1,193	3,668	308%	\$1,848
9/02/14	iShares 20+ Year Treasury Bond ETF	9/20/14	112	2,792	3,915	140%	\$24,248
9/02/14	iShares 20+ Year Treasury Bond ETF	9/20/14	113	4,179	5,993	143%	\$10,836
9/03/14	BANK OF AMERICA CORP.	9/05/14	14.5	2,340	3,322	142%	\$4,819
9/03/14	BANK OF AMERICA CORP.	9/05/14	15	2,428	4,418	182%	\$7,050
9/03/14	BANK OF AMERICA CORP.	9/05/14	15.5	4,531	6,484	187%	\$14,170
9/03/14	BANK OF AMERICA CORP.	9/20/14	12	3,103	7,453	240%	\$1,820
9/03/14	BANK OF AMERICA CORP.	9/20/14	13	6,472	15,600	241%	\$9,465
9/03/14	BANK OF AMERICA CORP.	9/20/14	14	17,706	42,763	242%	\$49,409
9/03/14	BANK OF AMERICA CORP.	10/18/14	13	3,531	7,064	200%	\$4,415
9/03/14	BANK OF AMERICA CORP.	1/17/15	3	788	2,350	298%	\$575
9/03/14	BANK OF AMERICA CORP.	1/17/15	4	1,939	6,285	324%	\$4,310
9/03/14	BANK OF AMERICA CORP.	1/17/15	6	16,419	46,228	300%	\$16,170
9/03/14	BANK OF AMERICA CORP.	1/17/15	7	32,819	88,415	300%	\$39,490
9/03/14	BANK OF AMERICA CORP.	1/15/16	5	3,349	10,075	301%	\$8,825
9/03/14	BAXTER INTERNATIONAL INC.	1/17/15	50	203	770	379%	\$8,632
9/03/14	BAXTER INTERNATIONAL INC.	1/17/15	52.5	112	385	344%	\$5,408
9/03/14	BAXTER INTERNATIONAL INC.	1/17/15	55	136	495	364%	\$5,408
9/03/14	BAXTER INTERNATIONAL INC.	1/17/15	55	804	2,203	274%	\$2,444
9/03/14	BHP BILLITON LMTD ADS	1/17/15	50	60	650	1100%	\$8,920
9/03/14	BHP BILLITON LMTD ADS	1/17/15	55	65	715	1100%	\$3,348
9/03/14	C H ROBINSON WORLDWIDE INC	1/15/16	35	137	495	361%	\$4,235
9/03/14	JOHNSON CONTROLS	10/18/14	40	1,270	2,025	159%	\$2,112
9/03/14	KIMBERLY-CLARK	1/17/15	70	80	440	733%	\$5,040
9/03/14	KIMBERLY-CLARK	1/17/15	87.5	210	1,158	350%	\$18,800
9/03/14	PDL BioPharma	9/20/14	9	367	727	198%	\$1,820
9/03/14	PUBLIC SERVICE ENT GROUP INC	9/20/14	35	1,208	1,473	122%	\$8,547
9/03/14	PEPSICO	9/20/14	90	3,118	10,980	352%	\$8,122
9/03/14	PEPSICO	9/20/14	91	240	282	118%	\$1,900
9/03/14	PEPSICO	1/17/15	80	107	515	481%	\$5,961
9/03/14	PEPSICO	1/17/15	70	307	1,397	455%	\$18,930
9/03/14	PEPSICO	1/17/15	75	117	867	570%	\$1,703
9/03/14	PEPSICO	1/17/15	77.5	969	4,550	470%	\$6,550
9/03/14	PEPSICO	1/17/15	80	3,643	12,048	355%	\$18,406
9/03/14	PEPSICO	1/15/16	60	72	465	648%	\$3,855
9/03/14	ROSS STORES INC	9/20/14	67.5	2,462	4,009	162%	\$540
9/03/14	SEALED AIR CORP	1/17/15	20	4,217	4,220	100%	\$676
9/03/14	WASTE MANAGEMENT INC	9/20/14	46	780	1,869	240%	\$2,888
9/03/14	WASTE MANAGEMENT INC	10/18/14	42	749	550	221%	\$1,013
9/03/14	WASTE MANAGEMENT INC	10/18/14	43	3,272	7,965	243%	\$1,200
9/03/14	WASTE MANAGEMENT INC	10/18/14	44	1,655	3,205	194%	\$1,200
9/03/14	WASTE MANAGEMENT INC	1/17/15	40	1,748	5,980	400%	\$4,650
9/03/14	WASTE MANAGEMENT INC	1/17/15	42	1,206	2,080	222%	\$1,125
9/04/14	American Realty Capital Properties Inc.	1/17/15	10	702	2,542	362%	\$470,839
9/04/14	American Realty Capital Properties Inc.	1/17/15	11	1,118	1,960	175%	\$143,461
9/04/14	American Realty Capital Properties Inc.	1/15/16	10	2,090	6,300	301%	\$38,273
9/04/14	BraitBurn Energy Partners L.P.	1/17/15	20	1,024	3,472	339%	\$15,142
9/04/14	BraitBurn Energy Partners L.P.	1/15/16	17.5	257	850	331%	\$56,732
9/04/14	Ensc0 PLC	9/20/14	40	235	785	334%	\$3,300
9/04/14	Ensc0 PLC	9/20/14	47	770	1,302	169%	\$9,750
9/04/14	Ensc0 PLC	1/17/15	40	194	840	433%	\$93,075
9/04/14	KANSAS CITY SOUTHERN	9/20/14	80	736	1,470	200%	\$20,440
9/04/14	KANSAS CITY SOUTHERN	9/20/14	100	822	1,650	201%	\$1,428
9/04/14	KANSAS CITY SOUTHERN	9/20/14	105	609	1,200	197%	\$1,782
9/04/14	Linn Energy LLC-Units	9/20/14	29	195	260	133%	\$3,334
9/04/14	Linn Energy LLC-Units	10/18/14	28	996	4,180	420%	\$25,286
9/04/14	Linn Energy LLC-Units	10/18/14	29	324	405	181%	\$16,386
9/04/14	Linn Energy LLC-Units	1/17/15	20	177	793	448%	\$111,450
9/04/14	Linn Energy LLC-Units	1/17/15	25	986	4,005	415%	\$49,770
9/04/14	Linn Energy LLC-Units	1/17/15	29	1,895	5,228	275%	\$53,514
9/04/14	Linn Energy LLC-Units	1/15/16	23	554	2,410	435%	\$31,239
9/04/14	Linn Energy LLC-Units	1/15/16	25	382	1,625	425%	\$27,953
9/04/14	Linn Co. LLC	9/20/14	27	290	770	266%	\$6,861
9/04/14	Linn Co. LLC	9/20/14	28	208	550	267%	\$4,832
9/04/14	Linn Co. LLC	9/20/14	28	181	340	183%	\$1,208

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9/04/14	Linn Co. LLC	9/20/14	30	671	1,901	283%	\$701
9/04/14	Linn Co. LLC	11/22/14	28	220	605	275%	\$29,741
9/04/14	Linn Co. LLC	11/22/14	27	6,020	28,000	466%	\$65,353
9/04/14	Linn Co. LLC	11/22/14	28	5,279	18,515	351%	\$138,195
9/04/14	Linn Co. LLC	1/17/15	27	398	1,755	438%	\$8,504
9/04/14	Linn Co. LLC	1/15/16	23	285	1,245	437%	\$24,474
9/04/14	Linn Co. LLC	1/15/16	25	1,651	7,700	464%	\$84,077
9/04/14	North Atlantic Drilling Ltd.	9/20/14	10	446	1,227	275%	\$5,496
9/04/14	PRINCIPAL FINANCIAL GROUP INC.	9/20/14	50	742	1,250	169%	\$14,314
9/04/14	Seadrill Ltd.	9/20/14	36	728	4,810	661%	\$35,700
9/04/14	Seadrill Ltd.	10/18/14	33	456	3,005	659%	\$33,200
9/04/14	Seadrill Ltd.	10/18/14	34	65	520	800%	\$5,600
9/04/14	Seadrill Ltd.	10/18/14	35	745	3,274	439%	\$23,400
9/04/14	Seadrill Ltd.	1/17/15	30	156	1,033	662%	\$10,800
9/04/14	Seadrill Ltd.	1/17/15	33	425	2,510	651%	\$23,000
9/04/14	Seadrill Ltd.	1/17/15	34	235	600	255%	\$12,600
9/04/14	Seadrill Ltd.	1/15/16	30	2,089	13,920	666%	\$139,900
9/05/14	CANADIAN NATIONAL RAILWAY	10/18/14	80	410	766	187%	\$2,560
9/05/14	COACH INC.	9/20/14	34	300	641	179%	\$1,283
9/05/14	COACH INC.	9/20/14	35	701	1,425	203%	\$1,789
9/05/14	COACH INC.	1/15/16	23	258	902	337%	\$8,978
9/05/14	ANADARKO PETROLEUM CORPORATION	9/20/14	95	12,577	12,500	99%	\$338,445
9/05/14	CME Group Inc.	9/20/14	72	445	1,219	274%	\$8,366
9/05/14	CME Group Inc.	9/20/14	72.5	1,239	3,583	289%	\$3,102
9/05/14	CME Group Inc.	9/20/14	73	213	670	315%	\$1,316
9/05/14	CME Group Inc.	1/17/15	50	122	650	451%	\$4,606
9/05/14	ClonEquity Inc.	9/20/14	80	1,122	2,800	250%	\$84,000
9/05/14	Golar LNG Ltd.	9/20/14	40	5,169	11,330	219%	\$2,925
9/05/14	General Motors Co.	9/12/14	34	196	254	130%	\$2,970
9/05/14	General Motors Co.	9/20/14	28	128	275	215%	\$1,320
9/05/14	General Motors Co.	9/20/14	30	4,289	20,010	467%	\$19,060
9/05/14	General Motors Co.	9/20/14	31	538	2,330	435%	\$3,510
9/05/14	General Motors Co.	9/20/14	32	1,979	9,245	467%	\$15,210
9/05/14	General Motors Co.	9/20/14	33	7,368	20,752	282%	\$19,530
9/05/14	General Motors Co.	1/17/15	20	2,938	20,605	700%	\$77,520
9/05/14	General Motors Co.	1/17/15	25	722	5,045	699%	\$24,050
9/05/14	General Motors Co.	1/17/15	27	1,599	7,411	468%	\$33,540
9/05/14	General Motors Co.	1/15/16	20	928	6,445	698%	\$24,030
9/05/14	General Motors Co.	1/15/16	23	414	2,735	661%	\$19,440
9/05/14	HEWLETT PACKARD	9/20/14	31	245	300	122%	\$660
9/05/14	HEWLETT PACKARD	9/20/14	34	1,612	3,570	222%	\$2,112
9/05/14	HEWLETT PACKARD	9/20/14	35	5,453	12,368	227%	\$8,512
9/05/14	HEWLETT PACKARD	9/20/14	35.5	1,383	3,050	221%	\$2,032
9/05/14	HEWLETT PACKARD	1/17/15	10	497	1,800	362%	\$3,456
9/05/14	HEWLETT PACKARD	1/17/15	12	459	1,600	352%	\$3,984
9/05/14	HEWLETT PACKARD	1/17/15	15	504	1,680	333%	\$4,704
9/05/14	HEWLETT PACKARD	1/17/15	20	1,201	3,900	325%	\$7,656
9/05/14	HEWLETT PACKARD	1/17/15	22	1,858	4,620	277%	\$7,792
9/05/14	HEWLETT PACKARD	1/17/15	25	5,644	15,510	275%	\$5,184
9/05/14	HEWLETT PACKARD	1/15/16	18	355	990	279%	\$5,360
9/05/14	HEWLETT PACKARD	1/15/16	20	899	2,750	276%	\$5,552
9/05/14	OCCIDENTAL PETROLEUM	9/20/14	97.5	354	981	280%	\$2,448
9/05/14	OCCIDENTAL PETROLEUM	1/17/15	40	43	380	684%	\$3,096
9/05/14	OCCIDENTAL PETROLEUM	1/17/15	50	47	460	979%	\$3,384
9/05/14	OCCIDENTAL PETROLEUM	1/17/15	82.5	183	598	326%	\$120,394
9/05/14	PPL CORPORATION	10/18/14	32	242	601	249%	\$3,725
9/05/14	REYNOLDS AMERICAN INC.	1/17/15	93	50	385	770%	\$3,350
9/05/14	REYNOLDS AMERICAN INC.	1/17/15	50	1,258	3,300	263%	\$16,348
9/05/14	The Travelers Companies Inc.	9/20/14	90	105	285	271%	\$1,485
9/05/14	WellPoint Inc.	9/20/14	100	457	1,074	235%	\$3,019
9/05/14	WellPoint Inc.	9/20/14	110	1,486	3,320	223%	\$9,319
9/05/14	AMERICAN INTERNATIONAL GROUP	1/17/15	20	779	1,650	210%	\$8,313
9/05/14	AMERICAN INTERNATIONAL GROUP	1/17/15	25	1,632	4,600	281%	\$9,013
9/05/14	AMERICAN INTERNATIONAL GROUP	1/15/16	20	1,163	3,900	249%	\$12,750
9/05/14	BEST BUY CO. INC.	9/20/14	25	3,825	11,520	301%	\$1,330
9/05/14	BEST BUY CO. INC.	9/20/14	27	13,027	34,602	267%	\$2,109
9/05/14	BEST BUY CO. INC.	9/20/14	29	6,480	15,620	241%	\$950
9/05/14	LUMOS NETWORKS CORPORATION	10/18/14	10	790	1,800	229%	\$7,500
9/05/14	LUMOS NETWORKS CORPORATION	1/17/15	10	1,838	4,292	234%	\$6,708
9/10/14	CANADIAN NATURAL RESOURCES LIMITED	9/20/14	36	829	2,520	304%	\$3,277
9/10/14	CANADIAN NATURAL RESOURCES LIMITED	9/20/14	38	7,398	13,200	178%	\$30,027
9/10/14	DEVON ENERGY CORP.	1/17/15	40	1,305	3,860	303%	\$30,360
9/10/14	DEVON ENERGY CORP.	1/17/15	45	2,004	6,000	299%	\$48,768
9/10/14	Frontier Communications Corp.	9/20/14	8	994	3,564	381%	\$390
9/10/14	Frontier Communications Corp.	1/17/15	4.5	908	2,253	249%	\$1,690
9/10/14	Frontier Communications Corp.	1/17/15	5	13,679	23,510	172%	\$15,620
9/10/14	GNC Holdings Inc.	9/20/14	35	5,434	10,800	199%	\$720
9/10/14	Nasdaq OMX Group	9/20/14	40	778	1,380	176%	\$815
9/10/14	National Oilwell Varco Inc.	1/17/15	60	147	700	470%	\$2,024
9/10/14	National Oilwell Varco Inc.	1/17/15	60	213	650	305%	\$9,014
9/10/14	National Oilwell Varco Inc.	1/15/16	50	138	700	507%	\$4,508
9/10/14	SHIP FINANCE INTERNATIONAL LIMITED	11/22/14	15	101	140	139%	\$1,230
9/10/14	UNITEDHEALTH GROUP INC.	9/20/14	77.5	1,919	4,823	250%	\$23,063
9/10/14	UNITEDHEALTH GROUP INC.	9/20/14	80	3,352	5,863	176%	\$1,098
9/10/14	UNITEDHEALTH GROUP INC.	9/20/14	82.5	3,047	4,827	158%	\$1,313
9/10/14	UNITEDHEALTH GROUP INC.	9/20/14	89	5,774	6,872	121%	\$3,863
9/10/14	UNITEDHEALTH GROUP INC.	1/17/15	36	172	600	389%	\$5,550
9/10/14	UNITEDHEALTH GROUP INC.	1/17/15	60	1,195	4,600	402%	\$3,358



Dividend Date	Company	Expiration Date	Strike	Open Interest Before Manipulation	One Day's Ballooned Volume	Increase in Open Interest Following Manipulative Trading	Dividend Payments to Open Interest
9/10/14	WILLIAMS COMPANIES	11/22/14	50	5,022	17,598	349%	\$80,472
9/10/14	WILLIAMS COMPANIES	1/17/15	20	200	1,300	650%	\$11,200
9/10/14	WILLIAMS COMPANIES	1/17/15	30	1,599	11,200	700%	\$80,920
9/10/14	WILLIAMS COMPANIES	1/17/15	33	637	4,490	705%	\$32,872
9/10/14	WILLIAMS COMPANIES	1/17/15	35	410	2,855	648%	\$2,688
9/10/14	WILLIAMS COMPANIES	1/17/15	40	27,921	260,415	933%	\$15,456
9/10/14	WILLIAMS COMPANIES	1/17/15	42	7,886	55,000	710%	\$4,872
9/10/14	WILLIAMS COMPANIES	1/17/15	43	539	3,520	653%	\$5,656
9/10/14	WILLIAMS COMPANIES	1/17/15	44	307	2,005	653%	\$2,744
9/10/14	WILLIAMS COMPANIES	1/17/15	45	53,714	250,796	467%	\$176,008
9/10/14	WILLIAMS COMPANIES	1/17/15	46	1,376	3,210	233%	\$5,320
9/10/14	WILLIAMS COMPANIES	1/17/15	47	5,948	28,002	471%	\$35,336
9/10/14	WILLIAMS COMPANIES	1/15/16	25	68	595	902%	\$3,696
9/10/14	WILLIAMS COMPANIES	1/15/16	28	72	650	903%	\$2,912
9/10/14	WILLIAMS COMPANIES	1/15/16	30	2,700	18,900	700%	\$150,410
9/10/14	WILLIAMS COMPANIES	1/15/16	33	898	6,300	702%	\$52,136
9/10/14	WILLIAMS COMPANIES	1/15/16	35	658	3,790	578%	\$10,066
9/10/14	WILLIAMS COMPANIES	1/15/16	37	348	2,275	654%	\$5,992
9/10/14	WILLIAMS COMPANIES	1/15/16	40	278	1,816	658%	\$9,856
9/10/14	WILLIAMS COMPANIES	1/15/16	42	10,274	48,355	471%	\$2,016
9/11/14	Digital Realty Trust Inc	1/17/15	50	72	785	1080%	\$3,154
9/11/14	Digital Realty Trust Inc	1/15/16	40	51	595	1167%	\$2,158
9/11/14	DOMINO'S PIZZA INC	9/20/14	70	283	576	197%	\$750
9/11/14	EASTMAN CHEMICAL CO	9/20/14	80	469	1,182	249%	\$1,890
9/11/14	FAMILY DOLLAR STORES	9/20/14	75	1,209	3,660	303%	\$9,052
9/11/14	FAMILY DOLLAR STORES	10/18/14	55	182	385	212%	\$2,170
9/11/14	FAMILY DOLLAR STORES	10/18/14	57.5	843	1,430	222%	\$837
9/11/14	FAMILY DOLLAR STORES	10/18/14	70	703	1,431	204%	\$3,286
9/11/14	FAMILY DOLLAR STORES	1/17/15	50	369	1,320	359%	\$1,550
9/11/14	FAMILY DOLLAR STORES	1/17/15	52.5	943	3,720	394%	\$23,801
9/11/14	FAMILY DOLLAR STORES	1/17/15	65	7,028	21,000	299%	\$43,668
9/11/14	COCA-COLA COMPANY	9/12/14	41.5	826	1,514	163%	\$1,068
9/11/14	COCA-COLA COMPANY	9/20/14	39	2,930	10,777	368%	\$12,932
9/11/14	COCA-COLA COMPANY	9/20/14	40	5,123	18,098	353%	\$4,148
9/11/14	COCA-COLA COMPANY	9/20/14	40.5	268	716	269%	\$1,525
9/11/14	COCA-COLA COMPANY	9/20/14	41	3,634	9,733	254%	\$4,728
9/11/14	COCA-COLA COMPANY	9/20/14	41.5	8,003	14,856	186%	\$5,673
9/11/14	COCA-COLA COMPANY	10/18/14	39	1,464	5,999	410%	\$1,983
9/11/14	COCA-COLA COMPANY	10/18/14	40	4,232	12,558	297%	\$23,119
9/11/14	COCA-COLA COMPANY	11/22/14	37	419	1,155	276%	\$2,349
9/11/14	COCA-COLA COMPANY	11/22/14	38	1,019	2,009	197%	\$3,081
9/11/14	COCA-COLA COMPANY	1/17/15	30	1,175	6,268	703%	\$10,553
9/11/14	COCA-COLA COMPANY	1/17/15	32.5	1,035	7,260	704%	\$10,828
9/11/14	COCA-COLA COMPANY	1/17/15	35	15,912	78,480	484%	\$114,284
9/11/14	COCA-COLA COMPANY	1/17/15	37.5	16,028	45,317	283%	\$46,055
9/11/14	COCA-COLA COMPANY	1/15/16	30	1,682	11,756	699%	\$26,636
9/11/14	COCA-COLA COMPANY	1/15/16	33	3,898	21,010	350%	\$124,440
9/11/14	ALTRIA GROUP INC	9/12/14	43	952	2,375	249%	\$2,090
9/11/14	ALTRIA GROUP INC	9/20/14	40	2,480	7,334	296%	\$2,756
9/11/14	ALTRIA GROUP INC	9/20/14	42	7,191	25,492	354%	\$14,976
9/11/14	ALTRIA GROUP INC	9/20/14	42.5	845	2,525	299%	\$1,352
9/11/14	ALTRIA GROUP INC	1/17/15	25	167	1,030	617%	\$8,424
9/11/14	ALTRIA GROUP INC	1/17/15	28	126	840	656%	\$5,824
9/11/14	ALTRIA GROUP INC	1/17/15	30	107	650	607%	\$3,536
9/11/14	ALTRIA GROUP INC	1/17/15	32	247	1,825	658%	\$12,188
9/11/14	ALTRIA GROUP INC	1/17/15	35	592	4,210	711%	\$9,100
9/11/14	ALTRIA GROUP INC	1/17/15	37	931	6,590	708%	\$8,840
9/11/14	ALTRIA GROUP INC	1/17/15	39	1,126	2,800	249%	\$7,698
9/11/14	ALTRIA GROUP INC	1/17/15	40	16,741	35,251	193%	\$170,144
9/11/14	ALTRIA GROUP INC	1/15/16	28	60	380	633%	\$5,120
9/11/14	ALTRIA GROUP INC	1/15/16	30	230	1,515	659%	\$7,748
9/11/14	ALTRIA GROUP INC	1/15/16	33	231	1,570	680%	\$7,896
9/11/14	ALTRIA GROUP INC	1/15/16	35	639	4,495	705%	\$26,520
9/11/14	ALTRIA GROUP INC	1/15/16	37	2,444	5,558	227%	\$71,916
9/11/14	MERCK & CO	9/20/14	57.5	4,808	8,575	178%	\$1,584
9/11/14	MERCK & CO	10/18/14	50	328	1,030	314%	\$1,872
9/11/14	MERCK & CO	10/18/14	52.5	1,125	3,921	349%	\$31,800
9/11/14	MERCK & CO	10/18/14	55	6,290	22,019	350%	\$17,424
9/11/14	MERCK & CO	1/17/15	35	337	2,220	659%	\$14,628
9/11/14	MERCK & CO	1/17/15	40	323	2,085	646%	\$14,080
9/11/14	MERCK & CO	1/17/15	42	521	3,645	700%	\$15,180
9/11/14	MERCK & CO	1/17/15	45	1,337	9,365	709%	\$52,228
9/11/14	MERCK & CO	1/17/15	47	439	1,954	445%	\$5,036
9/11/14	MERCK & CO	1/17/15	50	12,719	44,821	353%	\$150,096
9/11/14	MERCK & CO	1/15/16	40	586	4,076	695%	\$25,848
9/11/14	MERCK & CO	1/15/16	43	551	3,912	710%	\$4,708
9/11/14	UGI CORPORATION	1/17/15	26.87	90	240	267%	\$1,479
9/11/14	The Western Union Company	1/17/15	10	1,782	7,865	435%	\$2,863
9/11/14	The Western Union Company	1/17/15	13	786	2,845	324%	\$8,088
9/11/14	The Western Union Company	1/15/16	10	1,130	4,955	436%	\$1,500
9/12/14	American Railcar Industries Inc	9/20/14	70	253	540	205%	\$3,520
9/12/14	HARLEY DAVIDSON INC	9/20/14	62.5	1,441	2,522	175%	\$31,845
9/12/14	TICC Capital Corporation	11/22/14	7.5	120	140	117%	\$2,900
9/15/14	HUNTINGTON BANCSHARES	1/17/15	5	3,036	3,800	125%	\$13,740
9/15/14	Texas Roadhouse Inc	9/20/14	25	565	744	132%	\$510
9/16/14	INTERNET GAME TECH	10/18/14	13	4,059	8,030	197%	\$42,999
9/16/14	INTERNET GAME TECH	10/18/14	14	2,306	5,900	249%	\$22,297
9/16/14	INTERNET GAME TECH	1/15/16	10	754	3,810	506%	\$4,301

Dividend Date	Company	Expiration Date	Strike	Open Interest Before Manipulation	One Day's Ballooned Volume	Increase in Open Interest Following Manipulative Trading	Dividend Payments to Open Interest
9/16/14	SAFEWAY INC.	1/17/15	17	257	935	364%	\$5,811
9/17/14	Apollo Investment Corporation	12/20/14	#	1,365	1,750	128%	\$27,100
9/17/14	Avago Technologies Limited	9/20/14	70	153	440	289%	\$1,728
9/17/14	Avago Technologies Limited	9/20/14	75	1,252	3,439	275%	\$896
9/17/14	Avago Technologies Limited	9/20/14	80	761	2,006	275%	\$1,632
9/17/14	Avago Technologies Limited	9/20/14	82.5	904	2,482	275%	\$5,440
9/17/14	Avago Technologies Limited	10/18/14	70	443	962	149%	\$1,952
9/17/14	CROWN CASTLE INTER.	3/20/14	75	247	602	244%	\$1,785
9/17/14	CROWN CASTLE INTER.	10/18/14	57.5	900	3,250	250%	\$26,250
9/17/14	DSW INC	9/20/14	25	158	202	129%	\$750
9/17/14	DSW INC	10/18/14	25	2,582	2,718	105%	\$5,869
9/18/14	GENERAL ELECTRIC	9/20/14	20	129	382	296%	\$660
9/18/14	GENERAL ELECTRIC	9/20/14	21	448	1,210	270%	\$1,090
9/18/14	GENERAL ELECTRIC	3/20/14	22	886	3,107	313%	\$5,522
9/18/14	GENERAL ELECTRIC	9/20/14	23	748	2,475	331%	\$4,842
9/18/14	GENERAL ELECTRIC	9/20/14	24	1,897	7,534	397%	\$5,815
9/18/14	GENERAL ELECTRIC	9/20/14	25	11,248	59,991	356%	\$21,406
9/18/14	GENERAL ELECTRIC	9/20/14	25.5	1,370	3,659	267%	\$2,882
9/18/14	GENERAL ELECTRIC	9/20/14	26	35,227	105,383	299%	\$126,920
9/18/14	GENERAL ELECTRIC	9/26/14	25.5	690	1,138	194%	\$946
9/18/14	GENERAL ELECTRIC	10/18/14	23	713	1,984	278%	\$3,344
9/18/14	GENERAL ELECTRIC	10/18/14	24	2,134	7,740	363%	\$3,344
9/18/14	GENERAL ELECTRIC	10/18/14	25	7,202	8,210	112%	\$42,284
9/18/14	GENERAL ELECTRIC	11/22/14	24	1,015	2,295	226%	\$3,520
9/18/14	GENERAL ELECTRIC	12/20/14	30	221	717	324%	\$2,574
9/18/14	GENERAL ELECTRIC	1/17/15	14	3,337	23,420	702%	\$73,392
9/18/14	GENERAL ELECTRIC	1/17/15	15	939	6,600	703%	\$17,996
9/18/14	GENERAL ELECTRIC	1/17/15	18	3,083	21,440	700%	\$32,582
9/18/14	GENERAL ELECTRIC	1/17/15	20	11,745	81,928	698%	\$177,804
9/18/14	GENERAL ELECTRIC	1/17/15	22	23,582	110,685	469%	\$286,398
9/18/14	GENERAL ELECTRIC	3/20/15	22	1,791	6,300	352%	\$39,402
9/18/14	GENERAL ELECTRIC	1/15/16	15	438	2,970	655%	\$9,416
9/18/14	GENERAL ELECTRIC	1/15/16	18	2,818	19,745	701%	\$57,860
9/18/14	GENERAL ELECTRIC	1/15/16	20	34,854	122,618	352%	\$757,878
9/18/14	Hatteras Financial Corporation	1/15/16	17	138	400	290%	\$6,650
9/18/14	HUNTSMAN CORPORATION	1/17/15	10	281	770	274%	\$3,513
9/18/14	LAMAR ADVERTISING	1/17/15	45	194	650	335%	\$10,126
9/18/14	Las Vegas Sands Corp	9/20/14	55	452	1,235	273%	\$3,750
9/18/14	Las Vegas Sands Corp	9/20/14	60	620	1,891	305%	\$10,350
9/18/14	Las Vegas Sands Corp	9/20/14	60.5	699	2,811	408%	\$7,500
9/18/14	Las Vegas Sands Corp	9/20/14	61	339	1,763	520%	\$11,550
9/18/14	Las Vegas Sands Corp	9/20/14	61.5	858	1,059	125%	\$2,500
9/18/14	Las Vegas Sands Corp	9/20/14	62	618	1,270	207%	\$13,750
9/18/14	Las Vegas Sands Corp	10/18/14	47.5	100	125	125%	\$5,000
9/18/14	Las Vegas Sands Corp	1/17/15	44.25	184	715	389%	\$8,100
9/18/14	ROYAL CARIBBEAN CRUISES LTD.	9/20/14	68	676	1,872	277%	\$1,050
9/18/14	ROYAL CARIBBEAN CRUISES LTD.	1/17/15	30	144	550	382%	\$4,290
9/18/14	TIFFANY & CO.	9/20/14	97.5	2,532	5,579	220%	\$29,488
9/18/14	TOTAL S.A.	1/17/15	55	139	550	396%	\$29,819
9/18/14	DIAGEO PLC	1/17/15	110	47	160	383%	\$9,927
9/19/14	SPDR DJIA ETF Trust	9/20/14	170	26,464	26,058	106%	\$14,631
9/19/14	PowerShares QQQ Trust	9/20/14	98.63	40,416	39,377	99%	\$154,242
9/19/14	PowerShares QQQ Trust	1/17/15	34.63	203	300	148%	\$5,706
9/19/14	PowerShares QQQ Trust	1/17/15	59.63	805	981	119%	\$22,601
9/19/14	PowerShares QQQ Trust	1/17/15	59.63	4,010	4,000	100%	\$10,092
9/19/14	SPY Option	9/20/14	160	123	174	141%	\$3,052
9/19/14	SPY Option	9/20/14	185	24,690	30,600	123%	\$18,216
9/19/14	SPY Option	9/20/14	190	39,706	45,468	148%	\$16,542
9/19/14	SPY Option	9/20/14	195	64,216	66,158	148%	\$109,689
9/19/14	SPY Option	9/20/14	196	31,454	48,376	156%	\$93,639
9/19/14	SPY Option	9/20/14	197	65,867	98,898	150%	\$137,361
9/19/14	SPY Option	9/20/14	198	108,946	173,778	160%	\$71,487
9/19/14	SPY Option	9/20/14	200	117,642	362,319	325%	\$1,153,536
9/19/14	SPY Option	9/20/14	200.5	17,573	20,000	114%	\$76,312
9/19/14	SPY Option	12/20/14	100	78	435	558%	\$6,498
9/19/14	SPY Option	12/20/14	120	163	765	469%	\$13,684
9/19/14	SPY Option	12/20/14	125	203	345	469%	\$10,831
9/19/14	SPY Option	12/20/14	130	86	315	477%	\$4,333
9/19/14	SPY Option	12/20/14	135	240	1,060	450%	\$15,765
9/19/14	SPY Option	12/20/14	140	789	4,795	608%	\$60,163
9/19/14	SPY Option	12/20/14	145	437	2,216	507%	\$21,367
9/19/14	SPY Option	12/20/14	150	94	450	479%	\$6,006
9/19/14	SPY Option	12/20/14	155	140	830	450%	\$3,052
9/19/14	SPY Option	12/20/14	160	4,727	7,084	150%	\$33,677
9/19/14	SPY Option	12/20/14	165	7,892	11,894	151%	\$130,861
9/19/14	SPY Option	12/20/14	170	14,868	16,017	101%	\$150,949
9/19/14	SPY Option	1/17/15	120	138	787	570%	\$11,028
9/19/14	SPY Option	1/17/15	130	80	460	583%	\$2,757
9/19/14	SPY Option	1/17/15	140	172	665	445%	\$3,545
9/19/14	SPY Option	1/17/15	150	1,113	6,825	613%	\$101,814
9/19/14	SPY Option	1/17/15	155	839	5,060	603%	\$17,724
9/19/14	SPY Option	1/17/15	160	2,559	3,865	151%	\$21,860
9/19/14	SPY Option	1/17/15	165	8,733	10,856	122%	\$17,133
9/19/14	SPY Option	12/19/15	100	147	875	489%	\$9,740
9/19/14	SPY Option	12/19/15	105	110	595	541%	\$10,330
9/19/14	SPY Option	12/19/15	115	208	1,145	550%	\$16,542
9/19/14	SPY Option	12/19/15	120	440	2,850	602%	\$23,041
9/19/14	SPY Option	12/19/15	125	72	435	604%	\$4,628



Ex Dividend Date	Company	Expiration Date	Strikes	Open Interest Before Manipulation	One Day's Ballooned Volume	Increase in Open Interest Following Manipulative Trading	Dividend Payments to Open Interest
9/19/14	SPY Option	12/19/15	130	111	680	536%	\$3,446
9/19/14	SPY Option	12/19/15	135	337	430	134%	\$33,085
9/19/14	SPY Option	1/15/16	130	125	650	520%	\$4,733
9/19/14	SPY Option	12/16/16	110	127	775	619%	\$12,013
9/19/14	SPY Option	12/16/16	120	399	2,400	602%	\$39,190
9/19/14	MATERIALS SELECT SECTOR SPDR	9/20/14	49	2,645	3,585	136%	\$14,253
9/19/14	FINANCIAL SECTOR SPDR	9/20/14	22	39,706	62,161	131%	\$36,092
9/19/14	FINANCIAL SECTOR SPDR	9/20/14	23	69,756	99,052	142%	\$6,957
9/19/14	FINANCIAL SECTOR SPDR	9/20/14	23.5	22,682	41,397	180%	\$85,763
9/19/14	FINANCIAL SECTOR SPDR	1/17/15	15	599	1,200	200%	\$6,179
9/19/14	FINANCIAL SECTOR SPDR	1/17/15	16	1,633	3,625	188%	\$11,947
9/19/14	FINANCIAL SECTOR SPDR	1/17/15	17	1,430	2,911	204%	\$7,484
9/19/14	INDUSTRIAL SECTOR SPDR	9/20/14	50	3,237	6,002	185%	\$2,738
9/19/14	TECHNOLOGY SECTOR SPDR	9/20/14	35	546	550	101%	\$3,826
9/19/14	TECHNOLOGY SECTOR SPDR	9/20/14	37	5,843	8,607	111%	\$37,362
9/19/14	TECHNOLOGY SECTOR SPDR	9/20/14	38	3,220	3,251	101%	\$520
9/19/14	TECHNOLOGY SECTOR SPDR	9/20/14	39	11,082	13,988	126%	\$2,265
9/19/14	TECHNOLOGY SECTOR SPDR	9/20/14	40	19,465	20,413	105%	\$6,221
9/19/14	TECHNOLOGY SECTOR SPDR	1/17/15	30	614	1,350	220%	\$10,139
9/19/14	CONSUMER STAPLES SPDR	9/20/14	45	5,404	7,178	133%	\$3,750
9/19/14	CONSUMER STAPLES SPDR	1/17/15	30	1,017	6,687	658%	\$30,510
9/19/14	CONSUMER STAPLES SPDR	1/17/15	33	9,154	64,110	700%	\$274,620
9/19/14	CONSUMER STAPLES SPDR	1/17/15	36	10,360	72,510	700%	\$303,300
9/19/14	UTILITIES SECTOR SPDR	9/20/14	41	8,180	14,794	181%	\$46,897
9/19/14	UTILITIES SECTOR SPDR	1/17/15	35	139	405	291%	\$1,492
9/23/14	CYPRESS SEMICONDUCTOR CORP.	1/17/15	5	298	1,000	336%	\$3,270
9/23/14	CYPRESS SEMICONDUCTOR CORP.	1/17/15	7	685	2,002	342%	\$5,808
9/23/14	IRON MOUNTAIN INC.	10/18/14	27.5	1,060	3,180	300%	\$42,513
9/23/14	IRON MOUNTAIN INC.	10/18/14	32.5	16,153	38,416	238%	\$52,155
9/23/14	Philip Morris International Inc.	10/18/14	82.5	673	2,162	320%	\$42,400
9/23/14	Philip Morris International Inc.	1/17/15	70	412	2,705	357%	\$18,900
9/23/14	Philip Morris International Inc.	1/17/16	75	407	2,602	339%	\$29,300
9/23/14	Philip Morris International Inc.	1/17/15	77.5	431	2,790	347%	\$8,000
9/23/14	Philip Morris International Inc.	1/15/16	85	86	515	780%	\$6,800
9/23/14	Philip Morris International Inc.	1/15/16	67.5	205	1,300	634%	\$9,600
9/23/14	Philip Morris International Inc.	1/15/16	70	888	7,000	709%	\$83,100
9/23/14	SEMPRA ENERGY	10/18/14	100	397	428	108%	\$7,062
9/24/14	INVESCO MORTGAGE CAPITAL INCCOM	1/17/15	15	158	550	353%	\$8,200
9/24/14	iShares Russell 2000 ETF	9/30/14	104	204	400	196%	\$2,020
9/24/14	iShares Russell 2000 ETF	9/30/14	105	4,021	4,001	100%	\$6,811
9/24/14	iShares U.S. Real Estate ETF	1/17/15	80	576	2,065	511%	\$8,843
9/24/14	STAPLES INC.	10/18/14	11	9,127	17,673	288%	\$11,004
9/25/14	Covanta Holding Corp.	1/17/15	17.5	404	680	218%	\$2,725
9/25/14	SeaWorld Entertainment Inc.	10/18/14	17.5	276	280	101%	\$1,344
9/26/14	American Capital Agency Corporation	1/17/15	15	46	325	722%	\$1,885
9/26/14	American Capital Agency Corporation	1/17/15	20	565	3,713	657%	\$27,756
9/26/14	American Capital Agency Corporation	1/15/16	18	243	1,570	646%	\$4,290
9/26/14	American Capital Agency Corporation	1/15/16	20	556	2,036	365%	\$31,850
9/26/14	DEERE & CO	1/17/15	70	174	600	345%	\$5,880
9/26/14	DEERE & CO	1/15/16	60	163	550	337%	\$9,790
9/26/14	DOW CHEMICAL	1/17/15	25	387	2,465	637%	\$13,801
9/26/14	DOW CHEMICAL	1/17/15	20	610	4,035	653%	\$22,868
9/26/14	DOW CHEMICAL	1/17/15	30	126	500	476%	\$1,258
9/26/14	DOW CHEMICAL	1/17/15	35	155	280	183%	\$1,369
9/26/14	DOW CHEMICAL	1/17/15	40	1,573	6,455	347%	\$44,639
9/26/14	DOW CHEMICAL	1/17/15	42	2,534	5,670	224%	\$4,440
9/26/14	DOW CHEMICAL	1/15/16	30	223	1,325	594%	\$7,659
9/26/14	DOW CHEMICAL	1/15/16	35	1,051	4,980	468%	\$38,887
9/26/14	NUCOR CORPORATION	10/18/14	49	382	851	223%	\$1,147
9/26/14	Two Harbors Investment Corporation	1/17/15	8	1,552	6,770	436%	\$40,352
9/26/14	U.S. BANCORP	10/18/14	30	374	993	268%	\$8,894
9/26/14	Windstream Holdings Inc.	1/22/14	9	413	650	205%	\$1,975
9/26/14	Windstream Holdings Inc.	1/22/14	10	2,320	2,416	104%	\$2,650
9/26/14	Windstream Holdings Inc.	1/17/15	7	201	1,200	597%	\$2,475
9/26/14	Windstream Holdings Inc.	1/17/15	9	525	1,330	253%	\$3,475
9/26/14	Windstream Holdings Inc.	1/15/16	7	867	3,475	401%	\$17,275
9/26/14	XEROX CORP	10/18/14	10	548	680	109%	\$2,368
9/26/14	XEROX CORP	10/18/14	11	3,951	13,200	334%	\$10,431
9/26/14	XEROX CORP	1/17/15	5	2,516	11,000	437%	\$1,788
9/29/14	AMERICAN EAGLE OUTFITTERS	10/18/14	11	1,543	4,235	274%	\$750
9/29/14	AMERICAN EAGLE OUTFITTERS	10/18/14	12	3,893	10,726	278%	\$583
9/29/14	AMERICAN EAGLE OUTFITTERS	11/23/14	10	1,131	2,200	195%	\$463
9/29/14	COMCAST CORPORATION CLASS	10/18/14	30	8,105	10,007	123%	\$923
9/29/14	COMCAST CORPORATION CLASS	1/17/15	35	2,663	7,040	275%	\$1,418
9/29/14	EMC CORP	10/18/14	23	349	825	236%	\$663
9/29/14	Anneky Capital Management Inc.	1/17/15	8	217	895	412%	\$5,790
9/29/14	Anneky Capital Management Inc.	1/17/15	10	2,671	12,635	473%	\$56,490
9/29/14	Anneky Capital Management Inc.	1/15/16	8	1,502	7,000	466%	\$44,910
9/29/14	Anneky Capital Management Inc.	1/15/16	10	6,661	22,085	391%	\$183,030
9/29/14	RAYTHEON CO	10/18/14	85	269	795	296%	\$3,837
9/30/14	CISCO SYSTEMS INC.	10/03/14	24.5	304	631	208%	\$1,292
9/30/14	CISCO SYSTEMS INC.	10/18/14	19	261	876	336%	\$741
9/30/14	CISCO SYSTEMS INC.	10/18/14	20	392	1,502	382%	\$1,102
9/30/14	CISCO SYSTEMS INC.	10/18/14	21	1,267	4,510	357%	\$5,605
9/30/14	CISCO SYSTEMS INC.	10/18/14	22	10,054	35,021	348%	\$22,990
9/30/14	CISCO SYSTEMS INC.	10/18/14	23	15,418	54,040	350%	\$16,340
9/30/14	CISCO SYSTEMS INC.	10/18/14	24	19,606	42,698	217%	\$53,597
9/30/14	CISCO SYSTEMS INC.	10/24/14	23	854	2,170	254%	\$15,200

Ex Dividend Date	Company	Expiration Date	Strike	Open Interest Before Manipulation	One Day's Ballooned Volume	Increase in Open Interest Following Manipulative Trading	Dividend Payments to Open Interest
8/30/14	CISCO SYSTEMS INC.	1/17/15	10	337	1,435	428%	\$6,022
8/30/14	CISCO SYSTEMS INC.	1/17/15	13	211	920	436%	\$2,831
8/30/14	CISCO SYSTEMS INC.	1/17/15	15	3,136	14,700	469%	\$42,598
8/30/14	CISCO SYSTEMS INC.	1/17/15	17	2,166	10,080	465%	\$25,650
8/30/14	CISCO SYSTEMS INC.	1/17/15	20	10,484	38,571	349%	\$88,572
8/30/14	CISCO SYSTEMS INC.	1/15/16	13	449	1,950	434%	\$8,037
8/30/14	CISCO SYSTEMS INC.	1/15/16	15	3,485	16,100	465%	\$57,404



**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

I. STEPHEN RABIN, on behalf of himself and  
all others similarly situated,

Plaintiff,

v.

NASDAQ OMX PHLX LLC,  
NASDAQ OMX GROUP, INC., BEDROCK  
TRADING LTD, BLUEFIN TRADING, LLC,  
CONSOLIDATED TRADING LLC, ELM  
TRADING, L.P., FIRST DERIVATIVE  
TRADERS, LP, HAP TRADING, L.L.C.,  
KEYSTONE TRADING PARTNERS, LLC,  
LARGO TRADING, L.P., SUMMIT  
SECURITIES GROUP, LLC, SUMO  
CAPITAL, LLC, SUSQUEHANNA  
INTERNATIONAL GROUP, LLP, SIG  
HOLDING LLC, SUSQUEHANNA  
INVESTMENT GROUP, SUSQUEHANNA  
SECURITIES, TSR ASSOCIATES, L.L.C.  
and V TRADER-CG, LLC,

Defendants.

CIVIL ACTION

NO. 2:15-CV-00551-GAM

CLASS ACTION

TRIAL BY JURY DEMANDED

**CORRECTED ~~SECOND~~ AMENDED COMPLAINT**

**TABLE OF CONTENTS**

I. SUMMARY OF THE CASE.....1

II. JURISDICTION AND VENUE .....2

III. PARTIES .....3

IV. BACKGROUND ON TRADING OPTIONS RELATED TO THE  
MANIPULATION .....8

A. Option Trading Practices ..... 8

B. Summary of Terms Relating to Long and Short Call Options..... 10

C. The Steps to Exercise an Option to Collect Dividends..... 10

V. IMPROPER MANIPULATIVE OPTIONS TRADING BY CERTAIN MARKET  
MAKERS ON PHLX EXCHANGE.....11

A. Steps In The Manipulative Scheme To Improperly Capture Dividends..... 13

B. A Detailed Example of How the Process Used by the Market Maker  
Defendants Works..... 16

C. The Injury to Plaintiff from His Pfizer Inc. Options Positions Due to  
Defendants’ Manipulative Practices ..... 20

D. The Manipulation of the Options Contracts of CME Group, Inc. Provides  
Another Example of Market Maker Defendants’ Practices and Resulting  
Injury..... 23

VI. PLAINTIFF AND THE MEMBERS OF THE CLASS WERE DAMAGED BY  
DEFENDANTS’ MANIPULATIVE PRACTICES .....25

VII. ADDITIONAL SCIENTER AND RELIANCE ALLEGATIONS .....25

VIII. PLAINTIFF’S CLASS ACTION ALLEGATIONS.....28

COUNT I  
Violation of Section 10(b) of th Exchange Act And Rule 10b-5(a) and (c) Promulgated  
Thereunder Against All Defendants.....30

COUNT II  
Unjust Enrichment Against All Defendants .....31

Plaintiff, I. Stephen Rabin (“Rabin” or “Plaintiff”), individually and on behalf of all other persons similarly situated, alleges the following upon information and belief based upon, *inter alia*, the investigation made with his attorneys, except for those allegations regarding his personal trading which is made on personal knowledge.

## **I. SUMMARY OF THE CASE**

1. This is a class action on behalf of all persons who suffered damages when certain market makers<sup>1</sup> and conspiring broker-dealers on the options market of NASDAQ OMX PHLX (“PHLX Exchange”) manipulated certain options in advance of dividend payments on underlying stock and exchange traded funds (“ETFs”) for their personal benefit to the detriment of other options investors during the Class Period.<sup>2</sup> Specifically, the market maker and conspiring broker-dealers defendants identified below (“Market Maker Defendants”) damaged other writers of call options by executing among themselves huge pre-arranged manipulative matched options trades on an underlying security immediately prior to the date for that security’s dividend payment. The result is that the Market Maker Defendants materially increased the likelihood that such defendants would obtain, and did improperly obtain, dividends that would have been paid to Plaintiff and the other members of the Class. The Market Maker Defendants have improperly used their privileged regulatory status as market makers (including exemptions

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<sup>1</sup> A market maker is “a dealer who, with respect to a particular security, (i) regularly publishes bona fide, competitive bid and offer quotations in a recognized interdealer quotation system; or (ii) furnishes bona fide competitive bid and offer quotations on request; and, (iii) is ready, willing and able to effect transactions in reasonable quantities at his quoted prices with other brokers or dealers.” Exchange Act Rule 15c3-1(c)(8), 17 C.F.R. § 240.15c3-1(c)(8).

<sup>2</sup> As defined herein, the proposed Class and the Class Period is: all persons who held short positions on “in the money” call options contracts on dividend paying stocks and exchange traded funds (“ETFs”) and who were adversely affected by Defendants’ conspiracy to manipulate, and manipulation of the options markets prior to the ex-dividend date on such securities from February 6, 2010 through the present (the “Class Period”). Excluded from the Class are Defendants, members of their immediate families and their legal representatives, parents, affiliates, heirs, successors or assigns and any entity in which Defendants have or have had a controlling interest (the “Excluded Persons”). Also excluded are any officers, directors, or trustees of the Excluded Persons.

from certain credit limits) to make these manipulative trades (which are outside their proper market function). In short, these Market Maker Defendants have diverted the dividend payments to themselves from other writers of call options by manipulating the options clearing system.<sup>3</sup> During the Class Period, the actions of the Market Maker Defendants and other Defendants (identified below) have already damaged options investors by hundreds of millions of dollars.

2. As alleged in detail below, Plaintiff was injured as a result of Market Maker Defendants' manipulation of the options contracts in Pfizer, Inc. ("Pfizer" or "PFE") during the Class Period. Plaintiff alleges details of Market Maker Defendants' manipulation of options contracts in Pfizer. The Market Maker Defendants inflated the size of the options open interest pool for Pfizer stock by flooding the market with over a million additional option contracts one day before the ex-dividend date of PFE common stock. The result of this manipulation was to ensure that the bulk of PFE dividend payments would be directed to the Market Maker Defendants rather than to Plaintiff and the other Class members. These trades added almost no risk for the Market Maker Defendants.

3. Market Maker Defendants have engaged in similar manipulative activities with regard to options on other dividend paying stocks and ETFs during the Class Period at the PHLX Exchange.

4. Plaintiff's remedies arise under the Securities Exchange Act of 1934 (the "Exchange Act") and state law.

## **II. JURISDICTION AND VENUE**

5. Plaintiff I. Stephen Rabin ("Mr. Rabin" or "Plaintiff") brings this action pursuant to Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b), as well as Rule 10b-5(a) and (c), 17 C.F.R. § 240.10b-5(a) and (c), promulgated

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<sup>3</sup> A description of "writers" of call options is more fully set forth in Section IV.A. below.

thereunder. Options contracts, including the options at issue here, are securities registered with the Securities and Exchange Commission (“SEC”) and can only be traded on a securities exchange under the jurisdiction of the SEC.

6. In connection with the acts alleged in this complaint, the Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, and the facilities of a national securities exchange.

7. This Court has jurisdiction of this action pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa, and 28 U.S.C. § 1331, and the provisions of the federal securities laws identified above. This Court also has supplemental jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1367.

8. At the time of the wrongs alleged herein, Mr. Rabin transacted business in this district. During the Class Period, Plaintiff’s purchases and sales of the relevant options occurred in this district. Prospective witnesses reside in and/or can be found in this district. Venue is thus proper in this district pursuant to Section 27 of the Exchange Act and 28 U.S.C. §§ 1391(b) and 1391(c).

### **III. PARTIES**

9. Plaintiff I. Stephen Rabin is an individual who resides in New York. As detailed in its Certification attached hereto as Exhibit A, Plaintiff had short positions<sup>4</sup> on options contracts during the Class Period, and as a result thereof, suffered damages from Defendants’ unlawful conduct alleged herein.

10. Market Maker Defendants are market makers who participate in the options market of the PHLX Exchange, with an obligation to provide liquidity in the market, but who conspired to engage in, and engaged in, the wrongs detailed herein. Market Maker Defendants

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<sup>4</sup> A description of “short positions” is more fully set forth in Section IV.A. below.

include those market makers and other broker-dealers who improperly traded in the Pfizer option contracts of the same series as the Plaintiff, as described herein. The PFE manipulative trading incidents resulted in injury to Plaintiff, and is only one example of a pattern of trades engaged in by Defendants for the purpose of wrongfully conspiring to capture, and capturing, the dividend payments on unexercised call options. Exhibit B to this complaint – titled “Ongoing and Massive Trading Manipulation for a Typical Quarter (2014 Q3)” – provides three months of instances of manipulated call options as evidenced by the ballooned trading pattern immediately prior to a security’s ex-dividend date.<sup>5</sup> See attached Exhibit B. The records of Defendant NASDAQ/PHLX revealed the names of the market makers who conspired to engage in, and engaged in, this improper practice during the relevant period in stocks or ETFs going ex-dividend. Market Maker Defendants who wrote more than 700,000,000 contracts of the 789,381,178 call options written in this scheme during the Class Period were the principal participants of this fraudulent scheme and conspiracy.

11. Defendant Bedrock Trading Ltd (“Bedrock”) is a Pennsylvania limited partnership having an address at 19 Bryn Mawr Ave., Bala Cynwyd, PA 19004. Bedrock is a market maker on the PHLX Exchange who wrote 88,646,571 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

12. Defendant Bluefin Trading, LLC (“Bluefin”) is a New York limited liability company having an address at 3 Park Avenue, 37th Fl., New York, NY 10016. Bluefin is a market maker on the PHLX Exchange who wrote 7,780,102 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

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<sup>5</sup> The ex-dividend date refers to the timing of entitlement to the payment of dividends on a security. If an investor purchases a stock on its ex-dividend date or after, he will not receive the next dividend payment. Instead, the seller gets the dividend. If an investor purchases before the ex-dividend date, he gets the dividend.

13. Defendant Consolidated Trading LLC (“Consolidated”) is an Illinois limited liability company having an address at 200 W Jackson Blvd., Ste. 2300, Chicago, IL 60606. Consolidated is a market maker on the PHLX Exchange who wrote 60,106,008 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

14. Defendant ELM Trading, L.P. (“ELM”) is a Pennsylvania limited partnership having an address at 1900 Market St., Ste. 705, Philadelphia, PA 19103. ELM is a market maker on the PHLX Exchange who wrote 70,102,794 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

15. Defendant First Derivative Traders, L.P. (“First Derivative”) is a Pennsylvania limited partnership having an address at 419 Minden Way, Wynnewood, PA 19096. First Derivative is a market maker on the PHLX Exchange who wrote 87,519,180 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

16. Defendant HAP Trading, LLC (“HAP”) is a New York limited liability company having an address at 33 Whitehall St., 6th Fl., New York, NY 10004. HAP is a broker-dealer on the PHLX Exchange who wrote 13,087,239 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

17. Defendant Keystone Trading Partners, LLC (“Keystone”) is a Pennsylvania limited liability company having an address at 660 Narcisi Ln., Wayne, PA 19018. Keystone is a market maker on the PHLX Exchange who wrote 75,697,284 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

18. Defendant Largo Trading, L.P. (“Largo”) is a Pennsylvania limited partnership having an address at 361 North Highland Ave, Merion Station, PA 19066. Largo is a market maker on the PHLX Exchange who wrote 88,836,075 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

19. Defendant Summit Securities Group, LLC (“Summit”) is a Delaware limited liability company having an address at 140 Broadway, 46th Fl., New York, NY 10005. Summit is a broker-dealer engaged in activity on the PHLX Exchange who wrote ~~7,831,442~~26,937,391 call options ~~as Summit and 14,308,717 call options under its predecessor, White Bay PT LLC, during the Class Period~~ identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

20. Defendant Sumo Capital LLC (“Sumo”) is an Illinois limited liability company having an address at 440 S. LaSalle Street, Ste. 2101, Chicago, IL 60605. Sumo is a market maker on the PHLX Exchange who wrote 7,315,750 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

21. Defendants Susquehanna International Group, LLP, a Delaware limited liability partnership having an address of 1201 N. Orange St., Ste. 715, New Castle, DE; SIG Holding LLC, a Pennsylvania limited liability company having an address of 401 City Ave., Ste. 220, Bala Cynwyd, PA 19004; Susquehanna Investment Group, a Pennsylvania general partnership having an address at 401 City Ave., Ste. 220, Bala Cynwyd, PA 19004 and Susquehanna Securities, a Delaware general partnership having an address at 401 City Ave., Ste. 220, Bala Cynwyd, PA 19004 (collectively “Susquehanna”). Susquehanna is a market maker on the PHLX Exchange who wrote ~~34,657,232~~36,286,437 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.



22. Defendant TSR Associates, L.L.C. (“TSR”) is a Pennsylvania limited liability company having an address at 10 West Mermaid Lane, Philadelphia PA 19118. TSR is a broker-dealer engaged in activity on the PHLX Exchange who wrote 43,529,645 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

23. Defendant V Trader-CG, LLC, trading as V Trader Pro, LLC (“V Trader”) is a Pennsylvania limited liability corporation having an address at 1818 Market Street, 18<sup>th</sup> Fl., Philadelphia, PA 19103. V Trader is a broker-dealer engaged in activity on the PHLX Exchange who wrote ~~158,747,261~~155,421,575 call options during the Class Period identified on the records of Defendant NASDAQ/PHLX as dividend rebate strategy trades.

24. Defendant NASDAQ OMX PHLX LLC (“NASDAQ/PHLX”) is a limited liability company organized under the laws of the State of Delaware. NASDAQ/PHLX is a Self-Regulatory Organization (“SRO”), which owns and operates the PHLX Exchange. The PHLX Exchange focuses on options trading, trading more than 3,000 classes of equity options.

25. Defendant The NASDAQ OMX Group Inc. (“NASDAQ OMX”) is a Delaware corporation that is the parent of NASDAQ/PHLX. NASDAQ OMX is a for-profit entity. NASDAQ OMX is not itself a securities exchange, but owns and operates several securities exchanges, including the PHLX Exchange through its subsidiary NASDAQ/PHLX.

26. The “Market Maker Defendants,” together with Defendant “NASDAQ/PHLX” and Defendant “NASDAQ OMX” are collectively “Defendants” herein.

27. Identification of the specific Market Maker Defendants who participated in this conspiracy was accomplished by discovery at the outset of the case from the NASDAQ/PHLX. NASDAQ/PHLX maintains records that identified each party to options trades and specifically asks option writers to code any trade that is executed in conjunction with any dividend rebate

strategy. The Options Clearing Corporation (“OCC”) also possesses such records of parties to option trades. Review of such trading information from NASDAQ/PHLX allowed Plaintiff to identify the Market Maker Defendants who conspired to manipulate, and who manipulated, trading in the relevant options, aimed at capturing the dividend payments from unexercised call options during the Class Period. This discovery also identifies which call options were manipulated. <sup>2</sup>

**IV. BACKGROUND ON TRADING OPTIONS RELATED TO THE MANIPULATION**

**A. Option Trading Practices**

28. A listed option is a security guaranteed by the OCC. An option is a contract to buy or sell a specific underlying security. The options guaranteed by the OCC are traded on multiple securities exchanges in the United States, including the PHLX. Options trading activity is regulated by the SEC.

29. The predominant form of options that trade on the options exchanges in the United States are “American-style” options, which means that the options can be exercised at any time prior to their expiration.

30. In addition to guaranteeing options, the OCC serves as the clearing agent and intermediary of options transactions. By taking the counterparty side in each purchase and sale transaction respectively, the OCC ensures performance between buyers and sellers, and ensures that obligations of the options contracts are fulfilled.

31. Each option contract normally represents 100 shares of the underlying security.

32. A “call” is an option that gives the holder (the “buyer”) the right, but not the obligation, to buy 100 shares of the underlying security (*i.e.*, to “call” or “assign” it away from the current owner) at a specified price (the “strike price”) for the period of time beginning on the purchase date and ending on the expiration of the option (the “expiration date”). The seller of a

call option, known as the “writer,” is obligated to sell the underlying security to the buyer should the buyer so elect. When a holder of a call chooses to buy the security through the option contract, their election to buy is called an “exercise” of the option contract. When the seller of a call option is obligated to sell the underlying security through the option contract, such an obligatory sale is termed an “assignment.” The seller is the “assigned party.”

33. Buyers of call options are known as taking a “long” position, in the options and sellers of options are known as taking a “short” position. As stated by the OCC in its publication “Characteristics and Risks of Standardized Options”:

**Long position:** A position wherein an investor’s interest in a particular series of options is as a net holder (*i.e.*, the number of contracts bought exceeds the number of contracts sold).

**Short position:** A position wherein a person’s interest in a particular series of options is as a net writer (*i.e.*, the number of contracts sold exceeds the number of contracts bought).

34. In purchasing a call option (taking a long position) a purchaser pays a “premium,” *i.e.*, the price for the option. Premiums are set in the market, plus any commissions and transaction costs. The seller of the option, in turn, receives the premium (less any commissions and transaction costs) in exchange for his selling or “writing” of the option.

35. Logically, the holder of a call option will only exercise the option if it is “in the money.” A call option is considered to be “in the money” if the underlying security’s trading price is higher than the call strike price. If the trading price of the underlying security is below the specified strike price, then the call option would be “out of the money.”

36. By way of further background, the chart below summarizes the differences between long and short positions in calls.

**B. Summary of Terms Relating to Long and Short Call Options**

	CALL	
LONG	1.	Buying a call is taking a long position.
	2.	Buyer pays a premium.
	3.	Buyer hopes the value of the call increases as the value of the underlying security goes up.
	4.	If the value of the security goes up, buyer exercises the call and buys the security at the strike price or buyer sells his call at a profit.
	5.	If the value of the security goes down, the most buyer loses is the premium paid ( <i>i.e.</i> , limited to loss exposure).
SHORT	1.	Writing or selling is taking a short position.
	2.	Writer is paid a premium.
	3.	Writer hopes the value of the security does not change or goes down.
	4.	If price does not go above the strike price, writer keeps premium as option expires worthless.
	5a.	If price goes up and the option writer owns the underlying security (known as a “covered call writing”) and his option is assigned, then he is paid the strike price for his security. He keeps both the premium and security payment.
	5b.	If price goes up and the writer does not own the security ( <i>i.e.</i> , “naked”), he has unlimited loss exposure and either has to buy back his call, or if the call is assigned, then the writer keeps the premium and delivers shares in the underlying security to the option holder at the lower strike price.

**C. The Steps to Exercise an Option to Collect Dividends**

37. To exercise a long options contract, one has to send an exercise notice to the OCC. Exercises at the OCC occur after the end of each trading day. The OCC issues an assignment to the broker/dealer who is the custodian for the writer.

38. Assignments are made on a random basis by the OCC across the entire pool of broker/dealers who are the custodians for options writers for each call option series.

39. In order to receive a dividend on an underlying security, one must be the owner on the record date. To receive the dividend using an options strategy, one must exercise an “in the money” call option on the last trading day prior to the ex-dividend date in order to be the owner on the record date. The ex-dividend date is normally set for a security two business days prior to the record date for the dividend to allow time for the security purchase to be recorded on the register for the underlying security.

40. Historically, however, a percentage of “in the money” call holders have not exercised their calls to purchase the underlying dividend paying security on the day before the ex-dividend date. This failure to exercise is due to various reasons, including mistake or oversight, lack of economic resources to exercise the option, lack of sophistication, or ignorance of the process. The measure of these unexercised options is the contract’s “open interest” at the close of trading on the day before ex-dividend. Open interest is the number of outstanding option contracts reported at the end of each day.

**V. IMPROPER MANIPULATIVE OPTIONS TRADING BY CERTAIN MARKET MAKERS ON PHLX EXCHANGE**

41. The Market Maker Defendants have conspired, engaged, and continue to conspire and engage, in improper market manipulation by artificially expanding the size of the option contract open interest pools to increase their *own* chances of not being assigned as writers of the calls on the day before the ex-dividend on the underlying security, thereby collecting the dividend. These actions thus ultimately allow the Market Maker Defendants to “skate” (*i.e.*, not be compelled to deliver the underlying security and thereby collect the dividend payment on the remaining underlying security position that they continue to hold since the calls they had written were not assigned by the OCC).

42. Market makers, unlike retail investors or other professional traders, have a unique advantage in that they are the only options industry participants that are permitted to be in both

long and short identical option contracts and to exercise any long options contracts prior to the OCC netting at the end of the trading day (their offsetting positions are not automatically extinguished by the OCC until after the market makers have decided whether to exercise). This advantage allows them to take these large offsetting positions without true risk.

43. The Market Maker Defendants' scheme is grounded in part by an OCC practice that the Market Maker Defendants improperly use to their advantage. When a market maker has offsetting open long and open short option positions in the same option series, the market maker is still permitted to exercise just one side of their positions. For market makers alone, the OCC does not net the short and long positions until after all the exercise instructions for that day have been processed. If a market maker fails to exercise any long option, the OCC will still net it against the market maker's short option positions, immediately prior to allocating assignments. The result of this practice is that the market maker is never at risk for failing to exercise an "in the money" long option while it has an offsetting short position. This special treatment of market makers by the OCC provides the Market Maker Defendants with the ability to execute large pre-arranged manipulative "wash" trades ("wash trades" are prohibited under SEC rules) to expand the open interest pool, of the relevant option and thereby radically increase the Market Maker Defendants' position in the open interest pool, thereby increasing their probability of capturing the dividend windfall from among the pool of unassigned call options.

44. In contrast to market makers, retail investors, like Plaintiff, generally are not permitted to have open long and short offsetting positions.

45. As a result, market makers are the only participants in the options market that can maintain both long and short market open positions without any consequent risk.

**A. Steps In The Manipulative Scheme To Improperly Capture Dividends**

46. The manipulative dividend scheme involve the Market Maker Defendants using their privileged role to capture as much of the potential “skate” of short call options for dividend paying securities. In order to do this, the Market Maker Defendants conspire to buy and sell the same series in prearranged trades of “in the money” calls with a “partner” broker deal the day prior to the ex-dividend date of the underlying stock or ETF. Multiple pairs of Market Maker Defendants engage in this conspiracy immediately prior to ex-dividend dates of securities. At the end of the day prior to the ex-dividend date, these participating Market Maker Defendants conspire to, and are, completely hedged with both huge open long and huge open short positions on the same call options series.

47. Once the Market Maker Defendants exercise their open long call options after the end of the day, their short option positions remain open prior to the OCC assignment process. This allows the Market Maker Defendants to dramatically expand the size of their collective share of the short call options open interest pool. Given the size of their holdings, the probability of the market makers’ positions not being assigned is maximized and thus the Market Maker Defendants receive the majority of any dividend windfall after these maneuvers.

48. The Market Maker Defendants are not concerned about the large assignments allocated to them resulting from increasing their short positions because they have correspondingly exercised their dominant positions relative to the pre-existing open interest of long call options.

49. In other words, because the Market Maker Defendants conspire to be fully hedged, (buying and selling the same series for the same price), this illicit dividend trade strategy has little, if any, risk. The Market Maker Defendants either, skate and keep the dividend, or they get assigned on options series which they just exercised to end up with a net offsetting position.

Even if a Market Maker Defendant makes an error and fails to exercise, OCC will net their position prior to assignment so that the Market Maker Defendant winds up with no net option position in that series.

50. In addition, Market Maker Defendants conspire to flood the options market with the matched call options on stocks or ETFs about to go ex-dividend because market makers are given special margin privileges, ostensibly to allow them to open positions to provide liquidity to the market. However, rather than enhance market liquidity and engage in bona fide market making, the Market Maker Defendants have used this margin privilege to conspire to, and to engage in, these manipulative dividend trades in an unfair, deceptive and anti-competitive manner, solely for their own benefit.

51. The SEC has real time risk management rules which should normally restrict this abuse for the large dollar trades, Exchange Act Rule 15c3-1 and Regulation 15c3-5, 17 C.F.R. §§ 240.15c3-1 and 15c3-5. Under these rules, either the clearing firm or market maker must ensure there is available capital in the market maker's account or clearing member's account upon exercise of the option. These improper ex-dividend call option market-maker trades have been transacted without regard to the capital requirement at the time of the exercise of the calls. These dividend trades provide zero liquidity because their sole purpose is to steal the assignment opportunity and dividends from the non-market maker investors.

52. In possible violation of the net capital rules, the Market Maker Defendants have conspired to implement, and have implemented, these massive matched positions to capture the non-assignment opportunity. Notably, the Chicago Board of Exchange ("CBOE") bars such prearranged trades suggesting they are not done for legitimate economic purpose nor are the transactions subject to market risks. The International Stock Exchange ("ISE") similarly prevents this practice and has disseminated opinions that such trades are improper. In contrast,



Defendants NASDAQ/PHLX and NASDAQ OMX (improperly) have not limited such prearranged trading on the PHLX Exchange.

53. Market Maker Defendants' conspiracy with the assent of the Defendants NASDAQ/PHLX and NASDAQ OMX of prearranged matched trading is a classic form of market manipulation prohibited by Section 10(b) of the Exchange Act. This conspiracy to engage in manipulative transactions also contravenes numerous rules and regulations prescribed by the Securities and Exchange Commission ("SEC") that restrict the conduct and practices of market makers and others in order to maintain the integrity of the securities markets for the protection of investors. In addition to Rule 15c3-1 and Regulation 15c3-5 described above, these include the following:

- a) Rule 10b-5(a) and (c), 17 C.F.R. § 240.10b-5(a) and (c) (prohibiting the employment of manipulative and deceptive devices or engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person);
- b) Rule 11b-1(a)(2)(ii)(iii), 17 C.F.R. § 240.11b-1(a)(2)(ii)(iii)<sup>6</sup> (requiring specialists to maintain a "fair and orderly market" for investors)<sup>7</sup>.

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<sup>6</sup> Exchange Act Rule 11b-1(a)(2) states in relevant part:  
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(2) The rules of a national securities exchange permitting a member of such exchange to register as a specialist and to act as a dealer shall include:

(ii) Requirements, as a condition of a specialist's registration, that a specialist engage in a course of dealings for his own account to *assist in the maintenance, so far as practicable, of a fair and orderly market*, and that a finding by the exchange of any substantial or continued failure by a specialist to engage in such a course of dealings will result in the suspension or cancellation of such specialist's registration in one or more of the securities in which such specialist is registered;

(iii) Provisions restricting his dealings so far as practicable to those reasonably necessary to permit him to *maintain a fair and orderly market* ....

(emphases added).

<sup>7</sup> "Specialists" are included in the Exchange Act's definition of "Market Makers." Section 3(a)(38), 15 U.S.C. § 78c(a)(38) states: "The term 'market maker' means any specialist permitted to act as a dealer...."

54. The Market Maker Defendants' manipulative transactions alleged herein also violated rules prescribed by NASDAQ, including Rule 782, prohibiting manipulative operations; Rule 1014(a), prohibiting Specialists and Registered Options Traders (ROT) from entering into transactions or make bids or offers that are inconsistent with the maintenance of a fair and orderly market; and Rule 1020(d), specifically prohibiting such options trading by a Specialist for his own account.

**B. A Detailed Example of How the Process Used by the Market Maker Defendants Works**

55. The following simplified example demonstrates how the market manipulation alleged herein works:

- Stock is trading at \$40 and will pay a dividend of \$0.50 per share.
- Dividend trade strategies are transacted in the in-the-money call options such that the market makers have agreed among themselves to use the dividend trade strategy in the \$30 strike calls series for the stock. (Note: A series of an option is a particular option that has a certain strike price and date of expiration in a particular stock.)
- 10 retail investors each have written 1,000 \$30 strike calls on the stock before the stock goes ex-dividend.
- Open interest in the \$30 strike calls (at the beginning of the trading day prior to the ex-dividend date) is therefore 10,000 contracts (each of the 10 retail investors are short 1,000 calls).
- Each retail investor has a one in ten chance of not being assigned by the OCC ("skating") at the beginning of the trading day (1,000 divided by 10,000).
- Market Maker One conspires to enter into trades with Market Maker Two. He sells 500,000 contracts of the \$30 strike call to Market Maker Two, meaning Market Maker One is now short that call. Immediately thereafter (pursuant to the prearranged agreement between Market Maker One and Market Maker Two), Market Maker Two sells 500,000 contracts of the same \$30 strike call to Market Maker One at the same price. That is, he executes a mirrored transaction in the exact same option series and of the exact same size and exact same price.

- At the end of the day, Market Maker One and Market Maker Two end up with the following positions in the \$30 strike calls:

**Market Maker One**

**Market Maker Two**

Long positions	Short positions
500,000	500,000

Long positions	Short positions
500,000	500,000

- Assume then 90% of market participants in the original open interest pool of 10,000 contracts exercise their call options, leaving 1,000 call options “unexercised.” Because of the transactions of the market makers, the open interest has increased from 10,000 contracts to 1,010,000 contracts and the retail investor’s chances of skating have fallen from 1/10 to 1/1,010 (from 10% to .099%).
- Market Makers One and Two will have exercised all of their long call options, meaning they are now long the stock (as illustrated by the lines stricken out in the following chart):

**Market Maker One**

**Market Maker Two**

Long positions	Short positions
<del>500,000</del>	500,000
<del>options</del>	options
<del>contracts</del>	contracts
↓	
Exercise all long options positions	
↓	
50,000,000 shares	

Long positions	Short positions
<del>500,000</del>	500,000
<del>options</del>	options
<del>contracts</del>	contracts
↓	
Exercise all long options positions	
↓	
50,000,000 shares	

- Market Maker One has exercised 500,000 call options. Market Maker One is assigned on 99.901% of his corresponding short calls (499,505 contracts). In the end, Market Maker One retains a balance of 495 short call options. He keeps the stock for 495 of the long call options he exercised and since a single option contract is equal to 100 underlying shares of the stock, the Market Maker One ends up with 49,500 shares of stock. He collects a dividend of \$0.50 on each of these shares, \$24,750 total.
- Market Maker Two has exercised 500,000 call options. Market Maker Two is assigned 99.901% of his corresponding short calls (499,505 contracts). In the end, Market Maker Two retains a balance of 495 short call options. He keeps the stock for 495 of the long call options he exercised and ends up with 49,500 shares of stock. He collects a dividend of \$0.50 on each of these shares, or \$24,750 total.

- Collectively, the pool of remaining retail investors is assigned on 99.901% of their short calls and as a group they are left with 10 short call contracts holding stock for 1,000 shares. The pool of retail investors therefore share just \$500 in dividends. Note that if the market makers had not been permitted to execute this dividend scheme the retail investors would have shared the full \$50,000 in dividend payments. Each writer would have received \$5,000 instead of the \$50.
- Both Market Makers One and Two have collected the dividend payments associated with those shares, and both remain fully hedged with short in-the-money calls. This means they can trade out of the hedged position (or wait until expiration if it is near) after they collect the dividend.
- Market Makers One and Two have each exercised shares of stock with a market value of \$2 billion (500,000 shares at \$40) without regard to the minimum capital requirement.
- Because of this manipulative practice Market Makers One and Two were able to extract 99% (\$49,500) of the dividend payments from the original call writers.

56. These incestuous trades among Market Maker Defendants do not serve any economic purpose. They do not provide any liquidity to the marketplace. Market Maker Defendants who engage in this practice wrongfully benefit at the expense of Plaintiff and other members of the Class. The rules of the various securities exchanges prohibit such pre-arranged “wash sales” since they do not serve any economic purpose. Market makers would normally be prohibited from making these sham trades because they are not within the bona fide market making functions that justify special margin treatment of market makers by an exchange because they do not help to maintain market liquidity.

57. Far from providing a “fair and orderly” options trading market for investors in which random assignment determines who receives the gain from the phenomenon of unexercised call options on days prior to ex-dividend, the Market Maker Defendants conspire to intentionally *disrupt* normal market activity by flooding the market with a massive volume of sham prearranged trades. The sole purpose of their trades is to wrongfully increase their *own*

odds of non-assignment in order to misappropriate the underlying dividend for themselves at the expense of the Plaintiff and the other members of the Class.<sup>8</sup>

58. The Market Maker Defendants have been able to conspire and to engage in this manipulative trading scheme with the knowledge and knowing assistance of the Defendants NASDAQ/PHLX and NASDAQ OMX, securities clearing firms, and the OCC. In fact, each of these entities, along with the SEC itself, benefits by receiving increased trading fees from these sham trades. These regulatory institutions thus benefit by this options market manipulation. These symbiotic relationships cause these various regulatory bodies, self-regulatory organizations and market participants to turn a “blind eye” to these improper activities.

59. The role and benefit of each regulator or participant and the benefit that regulator or participant receives is as follows:

- a. The Clearing Houses: Certain clearing houses, such as Merrill Lynch Professional Clearing Corporation (a subsidiary of Bank of America) (“Merrill Pro”) and ABN AMRO Clearing Chicago (a subsidiary of ABN – Fortis AMRO Clearing Bank N.V.) promote this dividend trade manipulation in order to receive: (a) transaction fees; (b) fees on margin interest for the market makers capital at risk and (c) interest on the massive balances used by the market makers to buy the options and underlying security if an option is exercised. Notably, these clearing houses give preferred pricing to market makers who do these market maker dividend strategy trades. In contrast, Goldman Sachs is one clearing house that does not permit this activity.

To artificially expand their call options, the market makers borrow on their margin accounts to cover the massive size of their options positions. To finance these massive positions, they use their market maker margin lending capacity provided by their clearing houses. The clearing firms encourage this “hidden” abuse of the net capital rules of the market makers because neither the clearing firms nor any regulatory body calculate the net capital ratios of the market making firms at the close of each trading day. Thus, they ignore the exercise of the market makers’

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<sup>8</sup> Exhibit B attached to this Complaint is a chart delineating the trading data for major dividend yield stocks and ETFs in a typical quarter (3Q 2014), illustrating the breadth of this improper practice. Due to this improper strategy, as shown in the chart, just prior to the ex-dividend date there are consistently huge spikes in the volume for “in the money” option contracts on dividend paying stocks and ETFs. Additional data and analysis shows this practice has been widespread.

long options prior to any assignments by the OCC. In the Detailed Example above, prior to assignments each market maker would be long 50,000,000 shares of stock worth \$2 billion. The clearing houses are extending margin credit for these massive improper transactions in an amount that dramatically exceeds the clearing houses' stated risk parameters for such market making firms.

- b. NASDAQ/PHLX: Although this market maker dividend manipulation has been prohibited by the CBOE and ICE exchanges, it has flourished on the PHLX Exchange because this exchange has permitted this fraudulent trade practice. The advantage of the market making dividend trades to the PHLX Exchange has been: (a) transaction fees; and (b) inflation of the exchange's reported trade volume. Such inflated exchange trade volume enhances the exchange's competitiveness and consequent attractiveness for investors, bondholders and creditors. Supporting this sham dividend trade activity, the PHLX Exchange gave low-cost pricing to the market makers via rebates for these dividend seeking transactions. Rebates have been given via a cap in charges per option series such that the increased volume of trading does not significantly raise the cost to the market maker of doing a huge volume of transactions. Similarly, rebates are given to cap the overall charges to the market maker per month. In short, there is relatively little additional cost to the market maker for its voluminous trading in this dividend play scheme.

The extremely inflated trading volumes, generated from these sham option trades, have improperly skewed the market value of the PHLX Exchange by inflating its national options volume market share. The distortion in options volume market share is clear when looking at the difference in options volume on days in issues when dividend trades are transacted as compared to when they are not. This false inflation of trading volume then has a multiplier effect for the PHLX Exchange since some market participants, especially those who use electronic option order routing, send their option order flow to the exchange which has the highest volume.

- c. The OCC: The OCC receives fees for each trade by the market makers on these options. The OCC is owned by the exchanges so the exchanges further benefit from the inflated volume.

**C. The Injury to Plaintiff from His Pfizer Inc. Options Positions Due to Defendants' Manipulative Practices**

60. As described below, the conspiracy and manipulation by the Market Maker Defendants of the options contracts in Pfizer resulted in injury to the Plaintiff.

61. The Plaintiff's PFE options contracts had an expiration date of August 21, 2010 and a strike price of \$15. The PFE stock had an ex-dividend date of August 4, 2010. Therefore,

to obtain the dividend, an owner of a call option had to exercise his option on or before August 3, 2010 in order to be a shareholder of record on the dividend date of August 6, 2010 and therefore have a right to the dividend. The Market Maker Defendants' manipulations occurred on August 3, 2010. Plaintiff had his call assigned and exercised on August 3 (reported by his broker on August 4 as reflected in his attached certification attached as Exhibit A hereto).

62. On August 3, 2010, Plaintiff was short 68 call options on the PFE series expiring August 21, 2010 at the strike price of \$15 a share. This option was "in the money" as the stock was trading at \$16.34 at the close of trading on August 3, 2010.

63. At the very end of that same day (based upon information and belief), there were 14 separate rapid fire transactions by Market Maker Defendants totaling 1,312,000 contracts (out of the 1,419,021 contracts traded that day), which drastically increased the open interest pool on the PFE series at the strike price of \$15 and an expiration date of August 21, 2010. Each Market Maker Defendant had the same number of long positions as short positions, perfectly hedged. By conspiring to make, and by making, these manipulative and improper trades, the Market Maker Defendants expanded the open interest pool from the original 173,679 contracts by at least another 1,312,000 on that one day for a total open interest of 1,485,000 contracts, an increase of *over 750%*.

64. Each of the Market Maker Defendants then exercised all of their long call options, leaving each of them with only short call options. When the options were then assigned by the OCC, 16,545 short calls remained. Collectively, the Market Maker Defendants' holdings became the vast majority of the remaining short calls in the open interest pool (because they had a much higher percentage of the short positions). They thereby collected the bulk of the \$297,810 in PFE dividends from among the unexercised short call options (\$.18 dividend x 16,545 open options x 100 shares per option).

65. The remaining PFE investors, including Plaintiff, however, held a much smaller percentage of the short options than they would have, absent this manipulation of the market. Specifically, absent this manipulation, each PFE option contract would have obtained, on average \$1.71 per option contract, calculated as:

$$\$297,810 \text{ (dividends to distribute)} \div 173,679 \text{ (options contracts open)} = \mathbf{\$1.71 \text{ (per option)}}$$

of the dividend distribution from the open interest pool. Instead, because of the manipulation, each contract only obtained, on average, the much smaller dividend distribution of \$.20 per option contract, calculated as:

$$\$297,810 \text{ (dividends to distribute)} \div 1,485,679 \text{ (new open interest following manipulation)} = \mathbf{\$.20 \text{ (per option)}}$$

The Market Maker Defendants' thus caused all other investors to lose approximately \$1.51 per contract (\$1.71-\$.20), or over \$262,000 of the distributable dividends on this one incident of manipulation of option contracts. The Market Maker Defendants thus stole approximately 88% of what would have otherwise gone to Plaintiff and the other members of the Class investing in this PFE option.

66. Plaintiff Rabin also wrote 100 calls on December 17, 2010 (Expiration date 2/19/2011, strike price \$17) that was assigned on February 1, 2011 (reported by his broker on February 2, 2011). The Market Maker Defendants had again ballooned the open interest with 11 huge trades of 42,000 each, amounting to 462,000 in additional open interest on February 1, 2011. The prior day the open interest had been only 21,030.

67. There are thousands of incidents similar to the PFE option manipulation, many in the million dollar range, diverting the dividend payments on underlying stocks and ETFs to the Market Maker Defendants for their own financial benefit and not in any valid market making function.



**D. The Manipulation of the Options Contracts of CME Group, Inc. Provides Another Example of Market Maker Defendants' Practices and Resulting Injury**

68. Another striking example of this widespread manipulative practice on the PHLX Exchange is the pattern of Market Maker Defendants' trading in the open interest options contracts of the CME Group, Inc. (Stock Ticker: CME) in the days prior to the ex-dividend date of the underlying CME stock. In that incident, detailed below, the Market Maker Defendants inflated the size of the options open interest pool for CME stock by flooding the market with 440,000 additional option contracts one day before the ex-dividend date of the CME common stock. The result was to radically reduce all "ordinary" (*i.e.* typical) non-market maker investors' share of unassigned options on CME. The Market Maker Defendants' short option holdings increased the size of the open interest pool and thereby directed the dividend payments to the Market Maker Defendants for these extraordinary trades. The CME incident provides another stark illustration, but is only one example, of Market Maker Defendants' manipulative trading activities in numerous option contracts.

69. The CME options contracts involved in the CME manipulation had an expiration date of January 18, 2014 and a strike price of \$65. The CME stock had an ex-dividend date of December 24, 2013. Therefore, to obtain the dividend, an owner of a call option had to exercise his option on or before December 23, 2013 in order to be a shareholder of record on December 27 and therefore have a right to the dividend. The Market Maker Defendants' manipulations in the CME example occurred on December 23, 2013.

70. On December 23, 2013 (based upon information and belief) at least ten market makers drastically increased the open interest pool. Each Market Maker Defendant bought and sold 40,000 contracts on CME series at a strike price of \$65 with an expiration date of January 18, 2014 to each other; the result was that each Market Maker Defendant had 40,000

long positions and 40,000 short positions, thus perfectly hedged. The ten Market Maker Defendants had thereby expanded the open interest pool from the original 20,027 contracts to approximately 460,000 contracts in one day, an increase of over 2200%.

71. Each of the Market Maker Defendants then exercised all of their long call options, leaving each of them with 40,000 short call options. When the options were then assigned by the OCC, 20,001 short calls remained. Collectively the Market Maker Defendants skated on the vast majority of the short calls in the open interest pool (because they had a much higher percentage of the short positions). They thereby collected the bulk of the dividends on CME from the unassigned short call options.

72. As a result, the remaining CME investors skated on a much smaller number of options than they would have absent this manipulation of the market. Instead of obtaining, on average:

$$\$5,200,260 \text{ (dividend)} \div 20,000 \text{ (open short options)} = \mathbf{\$260.01 \text{ (dividend payment per open option)}}$$

from the dividend distribution, because of the manipulation, each contract only obtained:

$$\$5,200,260 \text{ (dividend)} \div 460,000 \text{ (open short options)} \\ = \mathbf{\$11.30 \text{ (dividend payment per open option)}}$$

The Market Maker Defendants thus stole over 95% of what would have gone to all other investors in the open interest pool.

73. In the CME incident, the Market Maker Defendants' actions caused all other investors to lose approximately \$249 per contract, or over \$4.9 million on this one incident. There are numerous such multi-million dollar incidents capturing the dividend payment by the Market Maker Defendants for themselves. This CME example provides an illustration, but is only one example, of Market Maker Defendants' manipulative trading activities in numerous

open interest option contracts that benefitted Market Maker Defendants while wrongfully depriving typical investors of the value of the dividend payments.

**VI. PLAINTIFF AND THE MEMBERS OF THE CLASS WERE DAMAGED BY DEFENDANTS' MANIPULATIVE PRACTICES**

74. Individual retail investors, legitimate market making professionals, and non-market making professionals, who were short (*i.e.*, had written call positions in the relevant options) had their chances of skating (and thereby earning the dividend payment) reduced dramatically because of the dividend manipulation conspiracy of the Defendants. Defendants' conspiracy dramatically increased the size of the short call option pool the day before underlying securities went ex-dividend. As a result, Plaintiff and other Class members were damaged. Market Maker Defendants (with the knowing acquiescence and participation of the complicit Defendants NASDAQ/PHLX and NASDAQ OMX in furtherance of the scheme) routinely engaged in this option trade strategy and thereby improperly appropriated the dividends to themselves. All writers of the calls, including Plaintiff and other members of the Class, were harmed by this manipulative device – even if they became aware of the practice since there was no alternative for call options writers.

**VII. ADDITIONAL SCIENTER AND RELIANCE ALLEGATIONS**

75. National securities exchanges historically operated as not-for-profit mutual organizations charged with enforcing market rules to protect investors. This structure was intended to minimize conflicts of interest between the exchanges and the investing public and to enable the exchanges to fulfill their roles as self-regulatory organizations.

76. Since the mid-1990s, the exchanges have demutualized, adopting a “for-profit” model that conflicts with their responsibilities as self-regulatory organizations.

77. As recognized by the securities industry, “[t]he traditional model of self-regulation for the exchanges found its justification in the alignment of interests between the

investing public and member firms,” but that model has given way to the exchanges “now [being] oriented toward maximizing profits for their shareholders.”

78. Commentators have noted the recent exchanges’ fundamental shift from a regulatory to a profit-making role. As the lobbying arm of the broker-dealer industry has admitted:

[T]he interests, incentives and functions of the member-owned cooperative exchange of 1934 bear little resemblance to those of the for-profit publicly traded exchange of today. Since the wave of demutualizations, exchanges have rightly focused their efforts on the part of their business that earns profits to maximize the return for their shareholders, and, in some cases, *minimized their actual performance of regulatory functions*.<sup>9</sup>

79. A federal district court has summarized this transformation most succinctly: “As exchanges have evolved into for-profit enterprises, an irreconcilable conflict has arisen, rendering independence unattainable in the context of an exchange regulating its own, for-profit business conduct.”<sup>10</sup>

80. Defendant NASDAQ/PHLX gave special treatment to the Market Maker Defendants who engaged in matched trading on the PHLX Exchange on days prior to the dividend date. This special treatment allowed the Market Maker Defendants to capture the assigned open interests for the valuable dividends. This trading scheme has nothing to do with NASDAQ/PHLX’s duties as a self-regulatory organization (such as the regulatory oversight of its respective members or the discharge of any regulatory duties it has under the securities laws) and everything to do with serving its profit-based motives. Defendant NASDAQ/PHLX profited by attracting more trades than it would have, thereby reaping trading fees and dramatically boosting call option trading activity on the exchange. As alleged above, the huge trading spike

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<sup>9</sup> Letter from the Securities Industry and Financial Markets Association to SEC Chair Mary Jo White, July 31, 2013, available at [www.sifma.org/issues/item.aspx?id=8589944673](http://www.sifma.org/issues/item.aspx?id=8589944673) (emphasis added).

<sup>10</sup> *In re Facebook, Inc., IPO Secs. and Derivative Litig.*, 986 F.Supp.2d 428, 453 (S.D.N.Y. 2013).

caused by the Market Maker Defendants' sham trades enabled Defendant NASDAQ/PHLX to report inflated trade volumes and market share, thereby enhancing its competitiveness in order to generate yet additional revenue. In doing so, Defendant NASDAQ/PHLX was serving its private business interests and acting outside of its role as a self-regulatory organization.<sup>11</sup> These business decisions permitting the manipulative transactions for the exchange's own profit serve as the basis of the claims of Plaintiff and other members of the Class. Defendant NASDAQ/PHLX and Defendant NASDAQ OMX reaped these profits at the expense of Plaintiff and other members of the Class.

81. As alleged herein, all Defendants acted with scienter in that all the Defendants were motivated to allow the wrongful conduct alleged herein and had actual knowledge of and/or willfully participated in the fraudulent conduct alleged herein. In similar situated transactions, the Market Maker Defendants massively diluted the open interest pools to obtain a larger portion of the "skate" than the rest of the investing public, thereby realizing hundreds of millions of profit from their illegal conduct. Defendants NASDAQ/PHLX and NASDAQ OMX profited by increased revenue from the high volume of these manipulative trades made on the PHLX Exchange as well as by reporting a greater market share of options trades. The increased volume was not related to any valid purpose and reflected simply the activity of the Market Maker Defendants buying and selling the same contracts, akin to wash sales. The conduct of the Market Maker Defendants, as alleged herein, had no legitimate market making purpose other than to manipulate the market. The actions of the Market Maker Defendants created no additional liquidity to the market although their role and privileges are to ensure liquidity. The Market

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<sup>11</sup> As previously noted, parent NASDAQ OMX Group, Inc. ("NASDAQ OMX") is the sole owner of the PHLX Exchange through its subsidiary NASDAQ/PHLX. NASDAQ OMX is a for-profit entity and is not itself a securities exchange and is not a self-regulatory organization.



Maker Defendants knowingly exceeded their allowed margins and credit requirements while doing these manipulative dividend trades.

82. In sum, Defendants were motivated to participate in the wrongful scheme by the enormous profits they took. They systematically participated in the scheme with knowledge of its consequences to other investors.

83. Other investors, including Plaintiff and other members of the Class, assumed the existence of an honest and fair market when selling options in the marketplace. Plaintiff and other members of the Class believed that the Market Maker Defendants provided liquidity rather than that the Market Maker Defendants were deceptively taking the dividends for themselves.

#### **VIII. PLAINTIFF'S CLASS ACTION ALLEGATIONS**

84. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and 23(b)(3) on behalf of a Class, consisting of all persons who held short positions on “in the money” call options contracts on dividend paying stocks and ETFs and who were adversely affected by Defendants’ conspiracy to manipulate, and manipulation of the options markets prior to the ex-dividend date on such securities from February 6, 2010 through the present (the “Class Period”). Excluded from the Class are Defendants, members of their immediate families and their legal representatives, parents, affiliates, heirs, successors or assigns and any entity in which Defendants have or have had a controlling interest (the “Excluded Persons”). Also excluded are any officers, directors, or trustees of the Excluded Persons.

85. The members of the Class are so numerous that joinder of all members of the class is impracticable. The exact number of Class members is unknown to Plaintiff at this time but can be ascertained through appropriate discovery. Plaintiff believes that there are thousands of members of the proposed Class. Members of the Class may be identified through records kept

by the PHLX Exchange and the OCC and may be notified of the pendency of this action by mail or electronically, using the form of notice customarily used in securities class actions.

86. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct.

87. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

88. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- a. Whether Defendants implemented the manipulative acts, devices or contrivances or engaged in the alleged fraudulent scheme and course of business alleged herein;
- b. Whether rules and regulations governing market makers were violated by Defendants' acts as alleged herein;
- c. Whether Defendants' actions artificially and repeatedly inflated the size of the options open interest pool;
- d. Whether Defendants acted with scienter in connection with the wrongful conduct;
- e. Whether Plaintiff and the other members of the Class have sustained damages and, if so, the appropriate measure thereof; and
- f. Whether Defendants were unjustly enriched through their actions.

89. Every Class member relied on the assumption that they were trading in an honest and fair market free of manipulation by fraudulent means.

90. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually

redress the wrongs done to them. There will be no insurmountable difficulty in the management of this action as a class action.

91. This action is also properly maintainable as a class action under Federal Rule of Civil Procedure 23(b)(2) because Defendants have conspired and acted on grounds that apply generally to the Class in that they conducted the illegal behavior complained of herein and have continued to do so. Final injunctive relief or corresponding declaratory relief is thus also appropriate respecting the Class as a whole.

**COUNT I**  
**Violation of Section 10(b) of the Exchange Act And Rule 10b-5(a) and (c) Promulgated Thereunder Against All Defendants**

92. Plaintiff repleads and realleges the allegations in the prior paragraphs as if set forth in full.

93. This claim is brought pursuant to Section 10(b) of the Exchange Act, 15 U.S.C. § 78j and Rule 10b-5(a) and (c), 17 C.F.R. § 240.10b-5(a) and (c) against all Defendants.

94. During the Class Period, each of the Defendants, individually and in concert, directly and indirectly, by the use, means, or instrumentalities of interstate commerce and/or the mails, carried out a plan, scheme and course of conduct which was intended to, and throughout the Class Period, did manipulate the options to the detriment of the investing public, including Plaintiff and other Class members, in connection with the purchase and/or sale of options contracts.

95. Defendants, conspired, and employed devices, schemes, and artifices and engaged in acts, practices, and a course of business as alleged herein to unlawfully manipulate and profit from illegal trading in options contracts.

96. Defendants' actions constitute manipulative acts. Through massive matched trades, Defendants utilized their margin and other privileges to falsely increase volume in the options to benefit themselves.

97. Plaintiff and other members of the Class traded in options during the Class Period and held one or more short positions on options contracts during the Class Period and thereby suffered losses as a result of the Defendants' trading which manipulated the options marketplace.

98. Plaintiff and other members of the Class were damaged by relying on an assumption of an honest and fair market, free of manipulation, when buying and selling options in the marketplace.

99. Defendants acted with scienter in connection with the manipulative acts alleged herein in that they acted knowingly and/or recklessly when they artificially inflated the size of the options open interest pool and thereby interfered with the market for options.

100. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class were damaged as a result of their purchase or sale of the options.

101. By virtue of the foregoing, Defendants have violated Section 10(b) of the Exchange Act, and Rule 10b-5(a) and (c) promulgated thereunder.

**COUNT II**  
**Unjust Enrichment Against All Defendants**

102. Plaintiff repleads and realleges the allegations the prior paragraphs as if set forth in full.

103. The Market Maker Defendants have benefitted through the acts complained of herein. The Market Maker Defendants have earned a huge windfall on option contracts. NASDAQ/PHLX and NASDAQ OMX have benefitted by collecting fees on the increased trading activity.

104. As a direct and proximate result of Defendants' manipulation of the options market, Plaintiff and other Class members have suffered damages in an amount to be proven at trial.

105. In equity and in good conscience, it would be unjust and inequitable to permit Defendants to enrich themselves at Plaintiff's and other Class members' expense and to retain the benefits of their inequitable conduct.

106. Plaintiff and other members of the Class are entitled to the establishment of a constructive trust impressed on the benefits to Defendants from their unjust enrichment and inequitable conduct.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff and the Class pray for judgment as follows:

107. Declaring this action to be a proper class action maintainable pursuant to Rule 23 of the Federal Rules of Civil Procedure and declaring Plaintiff to be a proper class representative.

108. Awarding Plaintiff and the Class compensatory damages as a result of the wrongs alleged herein, including interest thereon, and further awarding disgorgement and restitution.

109. Declaratory Judgment and/or injunctive relief requiring Defendants to end the practices complained of herein.

110. Awarding Plaintiff and the Class their costs and expenses in this litigation, including reasonable attorneys' fees, experts' fees, and other costs.

111. Granting Plaintiff and the Class such further relief as allowed by law and/or as is equitable under the circumstances.



**JURY DEMAND**

Plaintiff demands a trial by jury on all issues so triable.

| Dated: ~~June 10~~July, 2015

Respectfully submitted,

**BERGER & MONTAGUE, P.C.**

/s/ Lawrence Deutsch

Lawrence Deutsch, PA Bar No. 45653  
Robin B. Switzenbaum, PA Bar No. 44074  
Phyllis M. Parker, PA Bar No. 77336  
1622 Locust Street  
Philadelphia, PA 19103  
Tel: (215) 875-3000  
Fax: (215) 875-4604  
Email: ldeutsch@bm.net  
rswitzenbaum@bm.net  
pparker@bm.net

Jeffrey H. Squire  
Lawrence P. Egel  
**BRAGAR EAGEL & SQUIRE, P.C.**  
885 Third Ave., Suite 3040  
New York, NY 10022  
Tel: (212) 308-5858  
Email: squire@bespc.com  
egel@bespc.com

*Attorneys for I. Stephen Rabin*

KAL7012928