

Regulatory Information Circular – 2000-9

To: ISE Members

Date: September 29, 2000

Re: Informal Letters of Caution

Following an investigation by the Exchange regarding possible violations of ISE rules, the ISE may determine to close a matter with an Informal Letter of Caution when it appears that a violation has occurred, but that such violation does not warrant the institution of a formal disciplinary process. This determination will be made based on the facts and circumstances of each investigation. Generally, Informal Letters of Caution only will be issued where there is a non-material, inadvertent or isolated violation of a rule, or where a violation has occurred for the first time.

An Informal Letter of Caution is a “non-disciplinary action” that is not a “final disciplinary action” as provided in Rule 19d-1 under the Securities and Exchange Act of 1934. Therefore, a member does not need to amend its Broker-Dealer Registration (Form B-D) to reflect the issuance of the letter.

For further information, please contact Jim Sampson, Director Market Surveillance and Regulation at 212-897-0235, or Kathy Simmons, Associate General Counsel at 212-897-0233.