

# HARDCASTLE TRADING USA L.L.C

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July 28, 2014

Elizabeth M. Murphy  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-0609

Re: File No. SR-ISE-2014-09 & SR-ISEGemini-2014-09

Dear Ms. Murphy:

We appreciate the opportunity to comment on the above-referenced proposed rule filings in which the International Securities Exchange, LLC ("ISE"), and ISE Gemini, LLC ("ISE Gemini"), propose to implement risk management functionality that would allow market maker quotes to be removed from each exchange's trading system if a specified number of curtailment events occur across both markets.

As a market maker on the ISE, we have found the exchange's current risk protections to be an invaluable tool for managing our risk, particularly as a safeguard against potential systems issues, or unusual or unexpected market activity. Systems and other issues that trigger these risk parameters, however, are normally not confined to a firm's activity on a single exchange. As a result, systems issues at a market maker may disrupt trading for all market participants. While we do not make markets on ISE Gemini, and therefore would not be able to use the cross-market risk protections, we believe that the proposed changes are good for the market as a whole. In particular, we believe that investors are better served when market makers can quickly exit all markets when their curtailment settings are hit, instead of running the risk that erroneous quotes may negatively impact the integrity of the market, potentially causing erroneous trades against bad quotes that may have to be busted or adjusted.

The risk protections proposed for market makers that quote across both exchanges are the same as the protections that we enjoy today with respect to our quoting on the ISE, except that the proposal allows market makers to count activity on more than one exchange if they quote on both ISE and ISE Gemini. Combining risk thresholds across markets at the exchange-level, rather than internally as takes place today, is beneficial to these firms as exchange-based risk

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protections provide a more efficient and reliable means of managing risk. As explained above, we believe that more effective risk management by market makers also benefits the broader market as it reduces disruptive trading events. We do not believe that the proposed changes are unfairly discriminatory to our firm, or others similarly situated, who simply have no need for these additional protections by virtue of only trading on one relevant market operated by the ISE. In addition, we note that market makers would not be forced to use the proposed cross-market risk parameters, and the proposed changes are therefore not unfairly discriminatory to firms that voluntarily decide to use the functionality to enhance their risk management.

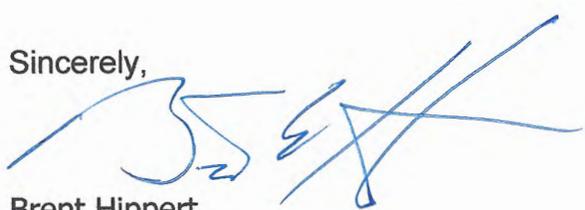
Furthermore, we would welcome an extension of this mechanism to include other options exchanges, including those operated by SROs that are not under common ownership.

We commend the ISE and ISE Gemini for taking steps to assist market making firms in managing their risk across markets, and respectfully ask the Commission to approve the above-referenced proposed rule changes.

\* \* \*

We thank the Commission for the opportunity to comment on these proposed rule filings. If you have any additional questions, or if we can be of further assistance in this matter, please do not hesitate to contact us.

Sincerely,



Brent Hippert  
President / CCO