

BrokerCheck Report

DASH FINANCIAL TECHNOLOGIES LLC

CRD# 104031

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®



BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

-

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For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. [For more information about FINRA, visit www.finra.org.](http://www.finra.org)



DASH FINANCIAL TECHNOLOGIES LLC

CRD# 104031

SEC# 8-52503

Main Office Location

200 S.WACKER DRIVE
SUITE 2450
CHICAGO, IL 60606
Regulated by FINRA Chicago Office

Mailing Address

200 S.WACKER DRIVE
SUITE 2450
CHICAGO, IL 60606

Business Telephone Number

312-986-2006

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a limited liability company.
This firm was formed in Delaware on 12/18/2001.
Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This firm is registered with:

- the SEC
- 26 Self-Regulatory Organizations
- 26 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 5 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	68



Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 12/18/2001.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

DASH FINANCIAL TECHNOLOGIES LLC

Doing business as DASH FINANCIAL TECHNOLOGIES LLC

CRD# 104031

SEC# 8-52503

Main Office Location

200 S.WACKER DRIVE
SUITE 2450
CHICAGO, IL 60606

Regulated by FINRA Chicago Office

Mailing Address

200 S.WACKER DRIVE
SUITE 2450
CHICAGO, IL 60606

Business Telephone Number

312-986-2006



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any): DFT INTERMEDIATE LLC

Is this a domestic or foreign entity or an individual? Domestic Entity

Position MEMBER

Position Start Date 03/2017

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): BUTLER, JACLYN LEIGH
4175577

Is this a domestic or foreign entity or an individual? Individual

Position CHIEF COMPLIANCE OFFICER

Position Start Date 05/2021

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): LONGOBARDI, JEREMY
6694598

Is this a domestic or foreign entity or an individual? Individual

Position FINOP

Position Start Date 04/2024

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): MILITO, STINO MARIO
4072644

Is this a domestic or foreign entity or an individual? Individual

Position PRESIDENT

Position Start Date 08/2018

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): MILLER, TIMOTHY PATRICK
5175547

Is this a domestic or foreign entity or an individual? Individual

Position CHIEF OPERATING OFFICER

Position Start Date 03/2015

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No



Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

Legal Name & CRD# (if any):	ATLAS FINANCIAL SOFTWARE LIMITED
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	ION CAPITAL UK LIMITED
Relationship to Direct Owner	MEMBER
Relationship Established	05/2021
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	BESSEL CAPITAL S.A R.L.
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	ITT S.A R.L.
Relationship to Direct Owner	MEMBER
Relationship Established	05/2021
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	DASH HOLDCO, INC
Is this a domestic or foreign entity or an individual?	Domestic Entity

Firm Profile



Indirect Owners (continued)

Company through which indirect ownership is established DFT ACQUISITION HOLDINGS, LLC

Relationship to Direct Owner MEMBER

Relationship Established 05/2021

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): DASH INVESTMENT GROUP, INC

Is this a domestic or foreign entity or an individual? Domestic Entity

Company through which indirect ownership is established DASH HOLDCO, INC

Relationship to Direct Owner MEMBER

Relationship Established 05/2021

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): DFT ACQUISITION HOLDINGS, LLC

Is this a domestic or foreign entity or an individual? Domestic Entity

Company through which indirect ownership is established DFT INTERMEDIATE HOLDINGS, LLC

Relationship to Direct Owner MEMBER

Relationship Established 08/2018

Firm Profile



Indirect Owners (continued)

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): DFT ACQUISITION, LLC

Is this a domestic or foreign entity or an individual? Domestic Entity

Company through which indirect ownership is established DFT INTERMEDIATE LLC

Relationship to Direct Owner MEMBER

Relationship Established 08/2018

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): DFT INTERMEDIATE HOLDINGS, LLC

Is this a domestic or foreign entity or an individual? Domestic Entity

Company through which indirect ownership is established DFT AQUISITION, LLC

Relationship to Direct Owner MEMBER

Relationship Established 08/2018

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Firm Profile



Indirect Owners (continued) company?

Legal Name & CRD# (if any):	FIDESSA CORPORATION
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	DASH INVESTMENT GROUP, INC
Relationship to Direct Owner	MEMBER
Relationship Established	05/2021
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No
Legal Name & CRD# (if any):	FIDESSA GROUP HOLDINGS LIMITED
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	FIDESSA CORPORATION
Relationship to Direct Owner	MEMBER
Relationship Established	05/2021
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No
Legal Name & CRD# (if any):	ION CAPITAL MARKETS UK LIMITED
Is this a domestic or foreign entity or an individual?	Foreign Entity



Firm Profile

Indirect Owners (continued)

Company through which indirect ownership is established ION TRADING TECHNOLOGIES LIMITED

Relationship to Direct Owner MEMBER

Relationship Established 05/2021

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): ION CAPITAL UK LIMITED

Is this a domestic or foreign entity or an individual? Foreign Entity

Company through which indirect ownership is established FIDESSA GROUP HOLDINGS LIMITED

Relationship to Direct Owner MMEMBER

Relationship Established 05/2021

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): ION INVESTMENT CORPORATION S.À R.L.

Is this a domestic or foreign entity or an individual? Foreign Entity

Company through which indirect ownership is established ION MARKETS TOPCO LIMITED

Relationship to Direct Owner MEMBER

Relationship Established 05/2021

Firm Profile



Indirect Owners (continued)

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): ION INVESTMENT GROUP LIMITED

Is this a domestic or foreign entity or an individual? Foreign Entity

Company through which indirect ownership is established ION INVESTMENT CORPORATION S.À R.L.

Relationship to Direct Owner MEMBER

Relationship Established 05/2021

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): ION MARKETS FINANCE GROUP LIMITED

Is this a domestic or foreign entity or an individual? Foreign Entity

Company through which indirect ownership is established ION MARKETS FINANCE HOLDINGS LIMITED

Relationship to Direct Owner MEMBER

Relationship Established 05/2021

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No



Firm Profile

Indirect Owners (continued) company?

Legal Name & CRD# (if any):	ION MARKETS FINANCE HOLDINGS LIMITED
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	ION MARKETS INVESTMENT GROUP LIMITED
Relationship to Direct Owner	MEMBER
Relationship Established	05/2021
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	ION MARKETS INVESTMENT GROUP LIMITED
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	ION CAPITAL MARKETS UK LIMITED
Relationship to Direct Owner	MEMBER
Relationship Established	05/2021
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	ION MARKETS TOPCO LIMITED
Is this a domestic or foreign entity or an individual?	Foreign Entity

Firm Profile



Indirect Owners (continued)

Company through which indirect ownership is established ION MARKETS FINANCE GROUP LIMITED

Relationship to Direct Owner MEMBER

Relationship Established 05/2021

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): ION TRADING FINANCE LIMITED

Is this a domestic or foreign entity or an individual? Foreign Entity

Company through which indirect ownership is established ATLAS FINANCIAL SOFTWARE LIMITED

Relationship to Direct Owner MEMBER

Relationship Established 05/2021

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): ION TRADING TECHNOLOGIES LIMITED

Is this a domestic or foreign entity or an individual? Foreign Entity

Company through which indirect ownership is established ION TRADING FINANCE LIMITED

Relationship to Direct Owner MEMBER

Relationship Established 05/2021



Firm Profile

Indirect Owners (continued)

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): ITT S.A R.L.

Is this a domestic or foreign entity or an individual? Foreign Entity

Company through which indirect ownership is established ION INVESTMENT GROUP LIMITED

Relationship to Direct Owner MEMBER

Relationship Established 05/2021

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): PIGNATARO, ANDREA
8018732

Is this a domestic or foreign entity or an individual? Individual

Company through which indirect ownership is established BESSEL CAPITAL S.A.R.L.

Relationship to Direct Owner PARTNER

Relationship Established 12/2015

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? No

Firm Profile



Indirect Owners (continued)

Is this a public reporting company? No

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.





Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is currently registered with the SEC, 26 SROs and 26 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	05/19/2000

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	03/26/2001
BOX Exchange LLC	Approved	05/07/2012
Cboe BYX Exchange, Inc.	Approved	07/02/2012
Cboe BZX Exchange, Inc.	Approved	10/23/2008
Cboe C2 Exchange, Inc.	Approved	09/30/2010
Cboe EDGA Exchange, Inc.	Approved	06/09/2010
Cboe EDGX Exchange, Inc.	Approved	06/09/2010
Cboe Exchange, Inc.	Approved	05/19/2000
Investors' Exchange LLC	Approved	08/10/2016
Long-Term Stock Exchange, Inc.	Approved	04/04/2023
MEMX LLC	Approved	08/13/2020
MIAX Emerald, LLC	Approved	03/01/2019
MIAX PEARL, LLC	Approved	02/06/2017
MIAX Sapphire	Approved	08/12/2024
Miami International Securities Exchange, LLC	Approved	12/07/2012

NYSE American LLC	Approved	02/11/2003
NYSE Arca, Inc.	Approved	10/01/2002
NYSE National, Inc.	Approved	05/18/2018
NYSE Texas, Inc.	Approved	02/13/2023
Nasdaq BX, Inc.	Approved	01/29/2009
Nasdaq GEMX, LLC	Approved	07/29/2013
Nasdaq ISE, LLC	Approved	06/01/2001
Nasdaq MRX, LLC	Approved	02/10/2016
Nasdaq PHLX LLC	Approved	02/11/2003
Nasdaq Stock Market	Approved	07/12/2006
New York Stock Exchange	Approved	11/15/2002

Firm Operations



Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	12/15/2016
Arizona	Approved	09/21/2018
California	Approved	02/11/2004
Colorado	Approved	12/12/2003
Connecticut	Approved	01/30/2007
District of Columbia	Approved	07/13/2007
Florida	Approved	07/09/2007
Georgia	Approved	04/13/2007
Illinois	Approved	02/11/2004
Kansas	Approved	01/06/2017
Maryland	Approved	09/13/2006
Massachusetts	Approved	03/27/2007
Michigan	Approved	10/10/2014
Minnesota	Approved	02/12/2004
Missouri	Approved	04/29/2015
Nebraska	Approved	10/12/2006
Nevada	Approved	12/04/2015
New Hampshire	Approved	01/09/2017
New Jersey	Approved	06/03/2015
New York	Approved	05/05/2005
North Carolina	Approved	02/03/2004
Ohio	Approved	12/19/2016
Pennsylvania	Approved	02/24/2004
Texas	Approved	02/26/2008
Virginia	Approved	04/30/2009
Wisconsin	Approved	08/14/2008



Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 5 types of businesses.

Types of Business

Exchange member engaged in exchange commission business other than floor activities
Exchange member engaged in floor activities
Put and call broker or dealer or option writer
Trading securities for own account
Other - ATS OPERATOR.

Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.
This firm does not engage in other non-securities business.

Non-Securities Business Description:

Firm Operations



Clearing Arrangements

This firm does hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name:	BOFA SECURITIES, INC.
CRD #:	283942
Business Address:	ONE BRYANT PARK NEW YORK, NY 10036
Effective Date:	11/01/2012
Description:	CORRESPONDENT CLEARING ARRANGEMENT.

Firm Operations

Industry Arrangements



This firm does have books or records maintained by a third party.

Name: AMAZON WEB SERVICES GLACIER

Business Address: 410 TERRY AVE N
SEATTLE, WA 98109

Effective Date: 09/01/2015

Description: PROVIDES RECORD MANAGEMENT AND RETENTION SERVICES TO THE APPLICANT AND IN THAT CAPACITY, MAINTAINS CERTAIN BOOKS AND RECORDS OF THE APPLICANT.

Name: ADP TOTALSOURCE, INC.

Business Address: 10200 SUNSET DRIVE
MIAMI, FL 33173

Effective Date: 11/01/2015

Description: ADP TOTALSOURCE, INC. PROVIDES ADMINISTRATIVE SERVICES TO THE APPLICANT AND IN THAT CAPACITY MAINTAINS CERTAIN BOOKS AND RECORDS OF THE APPLICANT.

Name: BOFA SECURITIES, INC.

CRD #: 283942

Business Address: ONE BRYANT PARK
NEW YORK, NY 10036

Effective Date: 11/01/2012

Description: BOFA SECURITIES, INC. PROVIDES CORRESPONDENT CLEARING SERVICES TO THE APPLICANT AND IN THAT CAPACITY, MAINTAINS CERTAIN BOOKS AND RECORDS OF THE APPLICANT.

Name: IRON MOUNTAIN

Business Address: 1000 CAMPUS DRIVE
COLLEGEVILLE, PA 19426

Effective Date: 01/11/2016

Description: IRON MOUNTAIN PROVIDES RECORDS MANAGEMENT AND RETENTION SERVICES TO THE APPLICANT AND IN THAT CAPACITY MAINTAINS CERTAIN BOOKS AND RECORDS OF THE APPLICANT.

Name: GLOBAL RELAY

Firm Operations



Industry Arrangements (continued)

Business Address: 220 CAMBIE STREET
2ND FLOOR
VANCOUVER, CANADA VGB2M9

Effective Date: 08/24/2012

Description: GLOBAL RELAY PROVIDES ELECTRONIC MESSAGE ARCHIVING SERVICES TO THE APPLICANT AND IN THAT CAPACITY, MAINTAINS CERTAIN BOOKS AND RECORDS OF THE APPLICANT.

This firm does not have accounts, funds, or securities maintained by a third party.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name: ABN AMRO CLEARING USA LLC

CRD #: 14020

Business Address: 175 WEST JACKSON BLVD.
SUITE 2050
CHICAGO, IL 60604

Effective Date: 12/08/2023

Description: CORESPONDENT CLEARING AGREEMENT

Name: CLEAR STREET LLC

CRD #: 288933

Business Address: 4 WORLD TRADE CENTER, 150 GREENWICH STREET
45TH FLOOR
NEW YORK, NY 10007

Effective Date: 02/03/2023

Description: CORRESPONDENT CLEARING AGREEMENT

Name: BOFA SECURITIES, INC.

CRD #: 283942

Business Address: ONE BRYANT PARK
NEW YORK, NY 10036

Effective Date: 11/01/2012

Description: CORRESPONDENT CLEARING AGREEMENT

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.

Firm Operations

Industry Arrangements (continued)





Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.**

DASH PRIME LLC is under common control with the firm.

CRD #:	41257
Business Address:	200 SOUTH WACKER DRIVE SUITE 2450 CHICAGO, IL 60606
Effective Date:	05/31/2019
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	DASH PRIME (PREVIOUSLY EROOM SECURITIES CRD #:41257) IS UNDER COMMON OWNERSHIP WITH DASH FINANCIAL TECHNOLOGIES (CRD #:104031). DFT INTERMEDATE LLC IS THE DIRECT OWNER OF BOTH ENTITIES.

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	68	0



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 68

Reporting Source: Regulator

Current Status: Final



Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT IMPROPERLY DESIGNATED OPTIONS ORDERS AS QUALIFIED CONTINGENT CROSS (QCC) WHICH DID NOT MEET THE REQUIREMENTS OF NYSE ARCA RULE 6.62P-O(G)(1)(A), AND THEREFORE WERE NOT ENTITLED TO EXEMPTION FROM THE ORDER EXPOSURE REQUIREMENTS OF NYSE ARCA RULE 6.47A-O. THE FINDINGS STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, AND TO ENFORCE WSPS, REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH NYSE ARCA RULES 6.62P-O(G)(1)(A) AND 6.47A-O. THE FIRM DID NOT CONDUCT A REVIEW TO ENSURE THAT OPTIONS ORDERS IT RECEIVED FROM OTHER BROKER-DEALERS DESIGNATED AS QCC ORDERS MET REQUIREMENTS, DESPITE PROVIDING THAT SEVERAL DAILY AND MONTHLY REVIEWS TO ENSURE COMPLIANCE WITH THESE RULES SHOULD OCCUR.

Initiated By: NYSE ARCA, INC.

Date Initiated: 08/25/2025

Docket/Case Number: 2023-09-13-00021

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/25/2025

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$50,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$50,000.

Reporting Source: Firm



Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH NYSE ARCA, INC. RULES GOVERNING QUALIFIED CONTINGENT CROSSES AND ENFORCEMENT OF WRITTEN SUPERVISORY PROCEDURES FROM JULY 2022 TO FEBRUARY 2025 IN VIOLATION OF NYSE ARCA RULES 6.62P-O(G)(1)(A), 6.47A-O AND 11.18(B-C).
Initiated By:	NYSE ARCA, INC.
Date Initiated:	08/14/2025
Docket/Case Number:	2023-09-13-00021
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	08/14/2025
Sanctions Ordered:	Censure Monetary/Fine \$50,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM PAID THE FINE OF \$50,000.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

Disclosure 2 of 68

Reporting Source:	Regulator
Current Status:	Final
Allegations:	DASH FINANCIAL TECHNOLOGIES LLC VIOLATED CBOE RULE 7.1 IN THAT THE FIRM FAILED TO SUBMIT QCC TRADE INFORMATION TO THE EXCHANGE VIA THE PORTAL AS WAS REQUIRED; DASH ALSO VIOLATED CBOE RULE 8.16 IN THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND



ENFORCE WSPS TO PREVENT VIOLATIONS OF EXCHANGE RULES AND OTHERWISE ENSURE COMPLIANCE WITH EXCHANGE RULES WITH REGARDS TO THE MAINTENANCE AND FURNISHING OF INFORMATION TO THE EXCHANGE RELATED TO QCC TRANSACTIONS.

Initiated By: CBOE EXCHANGE, INC.

Date Initiated: 12/27/2024

Docket/Case Number: FILE NO. URE-334-01

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 01/02/2025

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$30,000.00

Other Sanctions Ordered:

Sanction Details: A CENSURE AND MONETARY FINE IN THE AMOUNT OF \$30,000.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH CBOE EXCHANGE, INC. RULES GOVERNING RECORDKEEPING FROM JULY 2023 TO SEPTEMBER 2024 IN VIOLATION OF CBOE EXCHANGE RULES 7.1 AND 8.16.

Initiated By: CBOE EXCHANGE, INC.

Date Initiated: 12/27/2024



Docket/Case Number:	URE-334-01
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	12/27/2024
Sanctions Ordered:	Censure Monetary/Fine \$30,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM PAID THE FINE (\$30,000.00)
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

Disclosure 3 of 68

Reporting Source:	Regulator
Current Status:	Final
Allegations:	DASH FINANCIAL TECHNOLOGIES LLC VIOLATED EDGX RULE 4.2 IN THAT THE FIRM FAILED TO SUBMIT QCC TRADE INFORMATION TO THE EXCHANGE VIA THE PORTAL AS WAS REQUIRED; DASH ALSO VIOLATED EDGX RULE 5.1 IN THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WSPS TO PREVENT VIOLATIONS OF EXCHANGE RULES AND OTHERWISE ENSURE COMPLIANCE WITH EXCHANGE RULES WITH REGARDS TO THE MAINTENANCE AND FURNISHING OF INFORMATION TO THE EXCHANGE RELATED TO QCC TRANSACTIONS.
Initiated By:	CBOE EDGX EXCHANGE, INC.
Date Initiated:	12/27/2024
Docket/Case Number:	FILE NO. URE-334-04
Principal Product Type:	Options

**Other Product Type(s):**

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 01/02/2025

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$2,000.00

Other Sanctions Ordered:

Sanction Details: A CENSURE AND MONETARY FINE IN THE AMOUNT OF \$2,000

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH CBOE EDGX EXCHANGE, INC. RULES GOVERNING RECORDKEEPING FROM JULY 2023 TO SEPTEMBER 2024 IN VIOLATION OF CBOE EDGX EXCHANGE RULES 4.2 AND 5.1.

Initiated By: CBOE EDGX EXCHANGE, INC.

Date Initiated: 12/27/2024

Docket/Case Number: URE-334-04

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:



Resolution:	Consent
Resolution Date:	12/27/2024
Sanctions Ordered:	Censure Monetary/Fine \$2,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM PAID THE FINE (\$2,000.00)
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

Disclosure 4 of 68

Reporting Source:	Regulator
Current Status:	Final
Allegations:	DASH FINANCIAL TECHNOLOGIES LLC VIOLATED CBOE RULE 7.1 IN THAT THE FIRM FAILED TO FURNISH TRADE INFORMATION TO THE EXCHANGE VIA THE PORTAL AS WAS REQUIRED. DASH ALSO VIOLATED CBOE RULE 8.16 IN THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WSPS TO PREVENT VIOLATIONS OF EXCHANGE RULES AND OTHERWISE ENSURE COMPLIANCE WITH EXCHANGE RULES WITH REGARDS TO THE MAINTENANCE AND FURNISHING OF INFORMATION TO THE EXCHANGE RELATED TO QCC TRANSACTIONS.
Initiated By:	CBOE EXCHANGE, INC.
Date Initiated:	02/16/2023
Docket/Case Number:	FILE NO. URE-108-01
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	02/22/2023



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$12,000.00
Other Sanctions Ordered:	
Sanction Details:	A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$12,000.
<hr/>	
Reporting Source:	Firm
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH CBOE EXCHANGE, INC. RULES GOVERNING RECORDKEEPING FROM JULY 2021 TO SEPTEMBER 2022 IN VIOLATION OF CBOE EXCHANGE RULES 7.1 AND 8.16.
Initiated By:	CBOE EXCHANGE, INC.
Date Initiated:	02/24/2023
Docket/Case Number:	FILE NO. URE-108-01
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	02/24/2023
Sanctions Ordered:	Censure Monetary/Fine \$12,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM PAID THE FINE (\$12,000).
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF



FINDINGS FOR THE SOLE PURPOSE OF SETTling THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

Disclosure 5 of 68

Reporting Source:	Regulator
Current Status:	Final
Allegations:	DASH FINANCIAL TECHNOLOGIES LLC VIOLATED EDGX RULE 4.2 IN THAT THE FIRM FAILED TO FURNISH TRADE INFORMATION TO THE EXCHANGE VIA THE PORTAL AS WAS REQUIRED. DASH ALSO VIOLATED EDGX RULE 5.1 IN THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WSPS TO PREVENT VIOLATIONS OF EXCHANGE RULES AND OTHERWISE ENSURE COMPLIANCE WITH EXCHANGE RULES WITH REGARDS TO THE MAINTENANCE AND FURNISHING OF INFORMATION TO THE EXCHANGE RELATED TO QCC TRANSACTIONS.
Initiated By:	CBOE EDGX EXCHANGE, INC.
Date Initiated:	02/16/2023
Docket/Case Number:	FILE NO. URE-108-04
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	02/22/2023
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$4,000.00
Other Sanctions Ordered:	



Sanction Details: A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$4,000.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH CBOE EDGX EXCHANGE RULES GOVERNING RECORDKEEPING FROM JULY 2021 TO SEPTEMBER 2022, IN VIOLATION OF CBOE EDGX EXCHANGE RULES 4.2 AND 5.1.

Initiated By: CBOE EDGX EXCHANGE, INC.

Date Initiated: 02/24/2023

Docket/Case Number: FILE NO. URE-108-04

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 02/24/2023

Sanctions Ordered: Censure
Monetary/Fine \$4,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM PAID THE FINE (\$4,000).

Firm Statement THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

Disclosure 6 of 68

Reporting Source: Regulator

Current Status: Final



Allegations: DASH FINANCIAL TECHNOLOGIES LLC VIOLATED CBOE RULE 8.1 IN THAT THE FIRM ENTERED ONE NON-BONA FIDE ORDER ON THE EXCHANGE, CONDUCT INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE. THE FIRM ALSO VIOLATED CBOE RULE 4.4 IN THAT THE FIRM EFFECTED OPENING TRANSACTIONS IN AN OPTION SERIES THAT WAS RESTRICTED TO CLOSING ONLY TRANSACTIONS AND DID NOT INFORM THE CUSTOMER THAT THE SECURITY WAS RESTRICTED PRIOR TO THE FIRM EFFECTING THE TRANSACTIONS FOR THE CUSTOMER. LASTLY, THE FIRM VIOLATED CBOE RULE 8.16 IN THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WSPS, AND A SYSTEM FOR APPLYING SUCH PROCEDURES, REASONABLY DESIGNED TO PREVENT AND DETECT POTENTIAL VIOLATIONS OF APPLICABLE EXCHANGE RULES THAT PROHIBIT EFFECTING OPENING TRANSACTIONS IN RESTRICTED SECURITIES.

Initiated By: CBOE EXCHANGE, INC.

Date Initiated: 02/13/2023

Docket/Case Number: FILE NO. URE-126-01

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 02/13/2023

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$22,500.00

Other Sanctions Ordered:

Sanction Details: A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$22,500.

Reporting Source: Firm



Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH CBOE EDGX EXCHANGE, INC. RULES GOVERNING THE WITHDRAWAL OF APPROVAL OF UNDERLYING SECURITIES IN JULY, 2021, IN VIOLATION OF CBOE EXCHANGE RULES 4.4, 8.1, AND 8.16.
Initiated By:	CBOE EXCHANGE, INC.
Date Initiated:	02/15/2023
Docket/Case Number:	FILE NO. URE-126-01
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	02/15/2023
Sanctions Ordered:	Censure Monetary/Fine \$22,500.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM PAID THE FINE (\$22,500).
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTling THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

Disclosure 7 of 68

Reporting Source:	Firm
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH CBOE EDGX EXCHANGE, INC. RULES GOVERNING THE USE OF ORIGIN CODES DURING THE PERIOD MARCH 1, 2017, THROUGH NOVEMBER 8, 2017, IN VIOLATION OF EDGX RULES 3.2, 18.1, 18.2(A)(6), 20.7, AND 24.1 AND



SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULE 17A-3(A)(6) THEREUNDER AND C2 RULE 5.1 FOR FAILING TO SUPERVISE THE SAME.

Initiated By: CBOE EDGX EXCHANGE, INC.

Date Initiated: 10/04/2022

Docket/Case Number: USRI-8790-04/URE-30-04

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 10/04/2022

Sanctions Ordered: Censure
Monetary/Fine \$78,079.02
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: THE FIRM PAID THE FINE (\$28,500), DISGORGEMENT (\$35,346.22), AND RESTITUTION (\$14,232.80) ON OCTOBER 13, 2022.

Firm Statement THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

Disclosure 8 of 68

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH CBOE C2 EXCHANGE, INC. RULES GOVERNING THE USE OF ORIGIN CODES DURING THE PERIOD MARCH 1, 2017, THROUGH NOVEMBER 8, 2017, IN VIOLATION OF C2 RULES 4.2, 4.22, 6.38 AND 15.1 AND SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULE 17A-3(A)(6) THEREUNDER AND C2 RULE 4.24 FOR FAILING TO SUPERVISE THE SAME.



Initiated By: CBOE C2 EXCHANGE, INC.
Date Initiated: 10/04/2022
Docket/Case Number: USRI-8790-02/URE-30-02
Principal Product Type: Options
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Consent
Resolution Date: 10/04/2022
Sanctions Ordered: Censure
 Monetary/Fine \$2,000.00
Other Sanctions Ordered:
Sanction Details: THE FIRM PAID THE \$2,000 FINE ON OCTOBER 13, 2022.
Firm Statement THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

Disclosure 9 of 68

Reporting Source: Firm
Current Status: Final
Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH CBOE BZX EXCHANGE, INC. RULES GOVERNING THE USE OF ORIGIN CODES DURING THE PERIOD MARCH 1, 2017, THROUGH NOVEMBER 8, 2017, IN VIOLATION OF BZX RULES 3.2, 18.1, 18.2(A)(6), 20.7, AND 24.1 AND SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULE 17A-3(A)(6) THEREUNDER AND BZX RULE 5.1 FOR FAILING TO SUPERVISE THE SAME.
Initiated By: CBOE BZX EXCHANGE, INC
Date Initiated: 10/04/2022
Docket/Case Number: USRI-8790-03/URE-30-03



Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	10/04/2022
Sanctions Ordered:	Censure Monetary/Fine \$55,936.01 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	THE FIRM PAID THE FINE (\$50,500) AND DISGORGEMENT (\$5,436.01) ON OCTOBER 13, 2022.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

Disclosure 10 of 68

Reporting Source:	Firm
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH CBOE EXCHANGE, INC. RULES GOVERNING THE USE OF ORIGIN CODES DURING THE PERIOD MARCH 1, 2017, THROUGH NOVEMBER 8, 2017, IN VIOLATION OF CBOE RULES 4.2, 4.22, 6.51, AND 15.1 AND SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULE 17A-3(A)(6) THEREUNDER AND CBOE RULE 4.24 FOR FAILING TO SUPERVISE THE SAME.
Initiated By:	CBOE EXCHANGE, INC
Date Initiated:	10/01/2022
Docket/Case Number:	USRI-8790-01/URE-30-01
Principal Product Type:	Options
Other Product Type(s):	



Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	10/04/2022
Sanctions Ordered:	Censure Monetary/Fine \$81,837.45 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	THE FIRM PAID THE FINE (\$19,000), DISGORGEMENT (\$42,298.05), AND RESTITUTION (\$20,539.40) ON OCTOBER 13, 2022.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

Disclosure 11 of 68

Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT FAILED TO ADHERE TO THE PRINCIPLES OF GOOD BUSINESS PRACTICE WITH RESPECT TO ITS HANDLING OF A CUSTOMER OPTIONS ORDER. THE FINDINGS STATED THAT THE FIRM'S NY HIGH TOUCH OPTIONS DESK RECEIVED A CUSTOMER ORDER TO PURCHASE 1,354 AUGUST 30, 2019 84 CALLS AND SELL 1,354 JANUARY 17, 2020 87.5 CALLS. FIRM TRADERS SOLICITED A LIQUIDITY PROVIDER TO CROSS THE ORDER, AND THEN SENT THE ORDER TO AN EXCHANGE FLOOR BROKER FIRM WITH INSTRUCTIONS TO SELL AND CROSS THE ORDER AT A \$1.025 NET CREDIT. THE FLOOR BROKER FIRM INFORMED THE TRADING CROWD THAT ITS CUSTOMER WANTED TO CROSS THE ORDER AT A \$1.025 NET CREDIT. MARKET MAKERS IN THE CROWD OFFERED PRICE IMPROVEMENT ON A PORTION OF THE ORDER, FIRST BIDDING \$1.05 FOR 200 SPREADS, AND THEN FURTHER IMPROVING THEIR BIDS UNTIL ULTIMATELY BIDDING \$1.06 FOR 200 OF THE SPREADS. AFTER THE FLOOR BROKER FIRM INFORMED THE FIRM OF THE CROWD'S IMPROVED \$1.06 BID ON 200 OF THE 1,354 SPREADS, THE FIRM INSTRUCTED THE FLOOR BROKER FIRM TO CANCEL



THE ORDER ON NYSE AMERICAN. THE FIRM THEN MOVED THE ORDER TO ANOTHER EXCHANGE WHERE THE ENTIRE 1,354 SPREADS EXECUTED AT A \$1.02 NET CREDIT, A WORSE EXECUTION PRICE FOR THE FIRM'S CUSTOMER, RESULTING IN HARM TO THE CUSTOMER IN THE AMOUNT OF \$1,377. ACCORDINGLY, THE FIRM VIOLATED NYSE AMERICAN RULE 16 BY FAILING TO ADHERE TO THE PRINCIPLES OF GOOD BUSINESS PRACTICE IN THE CONDUCT OF ITS BUSINESS AFFAIRS, WHEN IT FAILED TO FULFILL ITS DUE DILIGENCE AND BEST EXECUTION OBLIGATIONS WITH RESPECT TO ITS HANDLING OF THIS CUSTOMER ORDER. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO MAKE AND MAINTAIN CERTAIN REQUIRED BOOKS AND RECORDS FOR OPTIONS ORDERS. THE FIRM FAILED TO MAINTAIN ACCURATE AND COMPLETE RECORDS FOR THOUSANDS OF OPTIONS ORDERS MANUALLY HANDLED BY ITS NY HIGH TOUCH OPTIONS DESK. SPECIFICALLY, THE FIRM'S NY HIGH TOUCH OPTIONS DESK FAILED TO RECORD: TRANSMISSION TIMES FOR ALL OPTIONS ORDERS MANUALLY SENT TO EXCHANGE FLOOR BROKERS FOR EXECUTION; ACCURATE ORDER RECEIPT TIMES FOR APPROXIMATELY 27% OF OPTIONS ORDERS MANUALLY RECEIVED (I.E., ORDERS RECEIVED BY PHONE OR INSTANT MESSAGE) BY THE DESK; AND CANCELLATIONS OF OPTIONS ORDERS THAT WERE INITIALLY MANUALLY SENT TO EXCHANGE FLOOR BROKERS FOR EXECUTION (AND SYSTEMATIZED ON THE EXCHANGE) BUT WERE ULTIMATELY CANCELLED AND SENT TO ANOTHER EXCHANGE FOR EXECUTION. ACCORDINGLY, THE FIRM VIOLATED EXCHANGE ACT SECTION 17(A) AND RULE 17A-3(A)(6)(I) THEREUNDER, AND NYSE AMERICAN RULES 324 AND 956NY. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN SUPERVISORY PROCEDURES (WSPS), REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS BOOKS AND RECORDS OBLIGATIONS. THE FIRM'S WSPS PROVIDED FOR NO REVIEWS OF OPTIONS ORDER RECORDS FOR ACCURACY AND COMPLETENESS. THE FIRM FAILED TO CONDUCT ANY REVIEWS OF ITS NY HIGH TOUCH OPTIONS DESK'S OPTIONS ORDER RECORDS, INCLUDING REVIEWS FOR ACCURACY AND COMPLETENESS OF EITHER ORDER TERMS AND CONDITIONS OR ORDER TIMESTAMPS. ACCORDINGLY, THE FIRM VIOLATED NYSE AMERICAN RULE 320(E).

Initiated By: NYSE AMERICAN LLC

Date Initiated: 09/26/2022

Docket/Case Number: 2019-08-00147

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:


Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/26/2022

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$225,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$225,000. IN DETERMINING TO RESOLVE THIS MATTER, NYSE REGULATION TOOK INTO CONSIDERATION THAT THE FIRM OFFERED RESTITUTION TO ITS CUSTOMER IN THE AMOUNT OF \$1,377 FOR ITS BEST EXECUTION VIOLATION. NYSE REGULATION ALSO TOOK INTO CONSIDERATION THE FACT THAT THE FIRM'S NY HIGH TOUCH OPTIONS DESK IS NO LONGER OPERATIONAL AS OF APPROXIMATELY JANUARY 2020, AND THAT THE RELEVANT TRADERS ARE NO LONGER EMPLOYED BY THE FIRM.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH NYSE AMERICAN RULE 16 IN CONNECTION WITH A CUSTOMER OPTIONS ORDER ON AUGUST 29, 2019, NYSE AMERICAN RULES 324 AND 956NY AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3(A)(6)(I) THEREUNDER IN CONNECTION WITH ITS BOOKS AND RECORDS FOR OPTIONS ORDERS FROM AT LEAST AUGUST 1, 2019 THROUGH MAY 28, 2020, AND NYSE RULE 320(E) FOR FAILING TO ESTABLISH A SUPERVISORY SYSTEM REASONABLY DESIGNED TO COMPLY WITH DASH'S BOOKS AND RECORDS OBLIGATIONS DURING THE RELEVANT PERIOD.

Initiated By: NYSE AMERICAN LLC

Date Initiated: 09/26/2022

Docket/Case Number: 2019-08-00147



Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/26/2022
Sanctions Ordered:	Censure Monetary/Fine \$225,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM PAID THE \$225,000 ON OCTOBER 3, 2022. THE FIRM ALSO OFFERED RESTITUION TO ITS CUSTOMER IN THE AMOUNT OF \$1,377.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT MARKED ORDERS WITH THE INCORRECT ORIGIN CODE. THE FINDINGS STATED THAT ON MARCH 1, 2017, THE FIRM ACQUIRED A THIRD-PARTY PLATFORM FROM ANOTHER BROKER-DEALER. FROM MARCH 1, 2017 THROUGH NOVEMBER 8, 2017, THE FIRM ROUTED TO NINE OPTIONS EXCHANGES, INCLUDING MIAX, APPROXIMATELY 60,277 OPTIONS ORDERS, TOTALING APPROXIMATELY 271,658 CONTRACTS, FROM A BROKER-DEALER CLIENT THAT HAD BEEN INCORRECTLY ON-BOARDED IN THE THIRD-PARTY PLATFORM AS "CUSTOMER" INSTEAD OF "BROKER-DEALER". THE FIRM LEARNED OF THE ISSUE IN OR ABOUT EARLY OCTOBER 2017, AND BY NOVEMBER 8, 2017, FIRM TECHNOLOGY PERSONNEL COMPLETED IMPLEMENTING CORRECTIVE CHANGES. EACH INSTANCE IN WHICH THE FIRM ROUTED AN ORDER WITH AN INCORRECT ORIGIN CODE POTENTIALLY HAD ADVERSE CONSEQUENCES, SUCH AS INADVERTENTLY IMPACTING THE PRIORITY OF ORDER EXECUTION, CREATING AN



INACCURATE AUDIT TRAIL AND INACCURATE ORDER RECORDS, REPORTING TRADES TO OPTIONS CLEARING CORPORATION WITH INACCURATE TRADE DETAILS, AND IMPEDING MIAX'S ABILITY TO SURVEIL FOR AND DETECT POTENTIAL VIOLATIONS OF ITS RULES AND FEDERAL SECURITIES LAWS. BY MARKING ORDERS WITH INCORRECT ORIGIN CODES, THE FIRM VIOLATED SECTION 17(A)(1) OF THE SECURITIES EXCHANGE ACT OF 1934 (THE "EXCHANGE ACT") AND RULE 17A-3(A)(6) THEREUNDER; AND MIAX RULES 800, 513, 301, AND 300.

Initiated By: MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC

Date Initiated: 06/22/2022

Docket/Case Number: 2019061184301

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 06/22/2022

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$7,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$7,500. THIS SETTLEMENT RELATES TO OTHER SETTLEMENTS THE FIRM REACHED WITH MIAX PEARL, LLC, NYSE ARCA, INC., AND NYSE AMERICAN LLC.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH MIAX



RULES GOVERNING THE USE OF ORIGIN CODES DURING THE PERIOD MARCH 1, 2017 THROUGH NOVEMBER 8, 2017, IN VIOLATION OF MIAX RULES 300, 301, 513 AND 800, AND SECTION 17(A)(1) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3(A)(6) THEREUNDER.

Initiated By: MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC

Date Initiated: 06/22/2022

Docket/Case Number: 2019061184301

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 06/22/2022

Sanctions Ordered: Censure
Monetary/Fine \$7,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM PAID THE \$7,500 FINE ON JUNE 28, 2022.

Firm Statement THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS. THE FINDINGS STATED THAT THE FIRM HAD IMPLEMENTED A CONTROL THAT WAS DESIGNED TO LIMIT THE CUMULATIVE PRICE IMPACT THAT A PARENT MARKET ORDER COULD HAVE OVER A SHORT PERIOD OF TIME, BUT THE PARAMETERS WERE INSUFFICIENTLY TAILORED FOR LOW-



PRICED OPTIONS. AS A RESULT, THE FIRM SUBMITTED ERRONEOUS ORDERS TO MIAX EMERALD AND OTHER OPTIONS EXCHANGES. THE FIRM FIRST LEARNED OF THIS ACTIVITY WHEN IT WAS CONTACTED BY ITS BROKER-DEALER CLIENT. AT THE CLIENT'S REQUEST, THE FIRM CONTACTED MIAX EMERALD AND THE OTHER OPTIONS EXCHANGES TO REQUEST THAT THE EXECUTIONS BE REVIEWED AND ADJUSTED. FOLLOWING THEIR REVIEW, THE EXCHANGES DECLINED TO DO SO AS THE EXECUTION PRICES DID NOT QUALIFY AS OBVIOUS OR CATASTROPHIC ERRORS. THE FIRM LATER IMPLEMENTED AN INBOUND MARKET ORDER CONTROL THAT APPLIES A SYNTHETIC LIMIT TO MARKET ORDERS BASED ON THE NBB/NBO AT THE TIME THE ORDER IS RECEIVED. THIS SYNTHETIC LIMIT IS THEN USED AS AN ABSOLUTE LIMIT FOR THE PRICES THAT THE FIRM'S ALGORITHMS CAN USE WHEN EXTERNALLY ROUTING ORDERS FOR EXECUTION. ALTHOUGH THIS CONTROL WAS IN PLACE AT THE TIME OF AN ERRONEOUS ORDER EVENT, ITS PARAMETERS WERE SET SUCH THAT IT APPLIED AN OFFSET OF \$0.50 TO ALL ORDERS PRICED UP TO \$2.00 AND WAS THEREFORE NOT SUFFICIENTLY TAILORED FOR ORDERS IN LOW-PRICED OPTIONS. THE FIRM SUBSEQUENTLY UPDATED THIS CONTROL TO USE NINE PRICING TIERS, WITH OFFSETS RANGING FROM \$0.15 TO \$4.00. THE FIRM DID NOT, HOWEVER, INCLUDE A DESCRIPTION OF ITS INBOUND MARKET ORDER CONTROL IN ITS WRITTEN SUPERVISORY PROCEDURES (WSPS). ACCORDINGLY, THE FIRM VIOLATED RULES 15C3-5(B) AND 15C3-5(C)(1)(II) OF THE SECURITIES EXCHANGE ACT OF 1934. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ASSURE THAT APPROPRIATE SURVEILLANCE PERSONNEL RECEIVED IMMEDIATE POST-TRADE EXECUTION REPORTS THAT RESULTED FROM ITS MARKET ACCESS. THE FIRM LACKED, AND ITS WSPS DID NOT REFERENCE, A POST-TRADE EXECUTION REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. THEREFORE, THE FIRM VIOLATED RULES 15C3-5(B) AND 15C3-5(C)(2)(IV) OF THE EXCHANGE ACT. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WSPS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND EXCHANGE RULES RELATING TO ITS RULE 15C3-5 ERRONEOUS ORDER CONTROLS FOR OPTIONS MARKET ORDERS. THE FIRM'S WSPS DID NOT REFERENCE ITS INBOUND MARKET ORDER CONTROL, OR ANY OTHER CONTROL DESIGNED TO PREVENT THE ERRONEOUSLY PRICED ORDERS. THE FIRM'S WSPS ALSO DID NOT REFERENCE ANY POST-TRADE SURVEILLANCE REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. FOR THESE REASONS, THE FIRM VIOLATED MIAX EMERALD RULES 300, 301, AND 500.

Initiated By:

MIAX EMERALD, LLC



Date Initiated: 06/22/2022

Docket/Case Number: 2018060117909

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 06/22/2022

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$5,210.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED A TOTAL OF \$125,000, OF WHICH \$5,210 IS PAYABLE TO MIAx EMERALD. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO NYSE AMERICAN, LLC, NYSE ARCA, LLC, NASDAQ PHLX, LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ MRX, LLC, NASDAQ ISE, LLC, NASDAQ GEMX, LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, MIAx PEARL, LLC, AND BOX EXCHANGE, LLC FOR SIMILAR VIOLATIONS.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN ADEQUATE ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES FOR OPTIONS IN VIOLATION OF SEC RULES 15C3-5(B), 15C3-5(C)(1)(II), AND 15C3-5(C)(2)(IV) AND MIAx EMERALD RULES 300, 301, AND 500 DURING THE PERIOD OCTOBER 2018 THROUGH MARCH 2022.



Initiated By:	MIAX EMERALD, LLC
Date Initiated:	06/22/2022
Docket/Case Number:	2018060117909
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	06/22/2022
Sanctions Ordered:	Censure Monetary/Fine \$5,210.00
Other Sanctions Ordered:	
Sanction Details:	DASH PAID THE \$5,2100 FINE ON JUNE 28, 2022.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS. THE FINDINGS STATED THAT THE FIRM HAD IN PLACE VARIOUS PRE-TRADE ERRONEOUS ORDER CONTROLS THAT WOULD REJECT LIMIT ORDERS THAT EXCEEDED PRICE PARAMETERS. THE FIRM DID NOT, HOWEVER, APPLY THESE OR ANY OTHER PRE-TRADE PRICE CONTROL TO MARKET ORDERS FOR OPTIONS, AND THE FIRM'S WSPS DID NOT REFERENCE SUCH A CONTROL. THUS, ALTHOUGH THE ALGORITHM CONVERTED THE CUSTOMER'S MARKET ORDERS TO LIMIT ORDERS, THE FIRM CREATED AND ROUTED LIMIT ORDERS AT CONTINUOUSLY



INCREASING PRICES TO FILL THE CLIENT MARKET ORDERS, WHICH LED TO AN ERRONEOUS ORDER EVENT AND RESULTED IN A CATASTROPHIC ERROR REVIEW AND RELATED TRADE ADJUSTMENTS. THE FIRM LATER IMPLEMENTED AN INBOUND MARKET ORDER CONTROL THAT APPLIES A SYNTHETIC LIMIT TO MARKET ORDERS BASED ON THE NBB/NBO AT THE TIME THE ORDER IS RECEIVED. THIS SYNTHETIC LIMIT IS THEN USED AS AN ABSOLUTE LIMIT FOR THE PRICES THAT THE FIRM'S ALGORITHMS CAN USE WHEN EXTERNALLY ROUTING ORDERS FOR EXECUTION. ALTHOUGH THIS CONTROL WAS IN PLACE AT THE TIME OF A SECOND ERRONEOUS ORDER EVENT, ITS PARAMETERS WERE SET SUCH THAT IT APPLIED AN OFFSET OF \$0.50 TO ALL ORDERS PRICED UP TO \$2.00 AND WAS THEREFORE NOT SUFFICIENTLY TAILORED FOR ORDERS IN LOW-PRICED OPTIONS. THUS, THIS CONTROL DID NOT PREVENT THE ORDERS FROM BEING ROUTED BECAUSE THE PRICE OF THOSE OPTIONS WAS UNDER \$0.50. THE FIRM SUBSEQUENTLY UPDATED THIS CONTROL AS OF TO USE NINE PRICING TIERS, WITH OFFSETS RANGING FROM \$0.15 TO \$4.00. THE FIRM DID NOT, HOWEVER, INCLUDE A DESCRIPTION OF ITS INBOUND MARKET ORDER CONTROL IN ITS WRITTEN SUPERVISORY PROCEDURES (WSPS). AS A RESULT, THE FIRM VIOLATED RULES 15C3-5(B) AND 15C3-5(C)(1)(II) OF THE SECURITIES EXCHANGE ACT OF 1934. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ASSURE THAT APPROPRIATE SURVEILLANCE PERSONNEL RECEIVED IMMEDIATE POST-TRADE EXECUTION REPORTS THAT RESULTED FROM ITS MARKET ACCESS. THE FIRM LACKED, AND ITS WSPS DID NOT REFERENCE, A POST-TRADE EXECUTION REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. AS A RESULT, DASH DID NOT LEARN OF EITHER ERRONEOUS ORDER EVENTS UNTIL IT WAS CONTACTED BY THE RESPECTIVE CLIENTS. ACCORDINGLY, THE FIRM VIOLATED RULES 15C3-5(B) AND 15C3-5(C)(2)(IV) OF THE EXCHANGE ACT. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WSPS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND EXCHANGE RULES RELATING TO ITS RULE 15C3-5 ERRONEOUS ORDER CONTROLS FOR OPTIONS MARKET ORDERS. THE FIRM'S WSPS DID NOT REFERENCE ITS INBOUND MARKET ORDER CONTROL, OR ANY OTHER CONTROL DESIGNED TO PREVENT THE ERRONEOUSLY PRICED ORDERS DISCUSSED ABOVE. THE FIRM'S WSPS ALSO DID NOT REFERENCE ANY POST-TRADE SURVEILLANCE REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. FOR THESE REASONS, THE FIRM VIOLATED MIAX RULES 300, 301, AND 500.

Initiated By: MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC

Date Initiated: 06/22/2022



Docket/Case Number: 2018060117907

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 06/22/2022

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$10,890.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED A TOTAL OF \$125,000, OF WHICH \$10,890 IS PAYABLE TO MIAX. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO NYSE AMERICAN, LLC, NYSE ARCA, LLC, NASDAQ PHLX, LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ MRX, LLC, NASDAQ ISE, LLC, NASDAQ GEMX, LLC, NASDAQ BX, INC., MIAMI EMERALD, LLC, MIAX PEARL, LLC, AND BOX EXCHANGE, LLC FOR SIMILAR VIOLATIONS.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN ADEQUATE ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES FOR OPTIONS IN VIOLATION OF SEC RULES 15C3-5(B), 15C3-5(C)(1)(II), AND 15C3-5(C)(2)(IV) AND MIAX RULES 300, 301, AND 500 DURING THE PERIOD OCTOBER 2018 THROUGH MARCH 2022.

Initiated By: MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC

Date Initiated: 06/22/2022

Docket/Case Number: 2018060117907



Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	06/22/2022
Sanctions Ordered:	Censure Monetary/Fine \$10,890.00
Other Sanctions Ordered:	
Sanction Details:	DASH PAID THE \$10,890 FINE ON JUNE 30, 2022.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS. THE FINDINGS STATED THAT THE FIRM HAD IN PLACE VARIOUS PRE-TRADE ERRONEOUS ORDER CONTROLS THAT WOULD REJECT LIMIT ORDERS THAT EXCEEDED PRICE PARAMETERS. THE FIRM DID NOT, HOWEVER, APPLY THESE OR ANY OTHER PRE-TRADE PRICE CONTROL TO MARKET ORDERS FOR OPTIONS, AND THE FIRM'S WSPS DID NOT REFERENCE SUCH A CONTROL. THUS, ALTHOUGH THE ALGORITHM CONVERTED THE CUSTOMER'S MARKET ORDERS TO LIMIT ORDERS, THE FIRM CREATED AND ROUTED LIMIT ORDERS AT CONTINUOUSLY INCREASING PRICES TO FILL THE CLIENT MARKET ORDERS, WHICH LED TO AN ERRONEOUS ORDER EVENT AND RESULTED IN A CATASTROPHIC ERROR REVIEW AND RELATED TRADE ADJUSTMENTS. THE FIRM LATER IMPLEMENTED AN INBOUND MARKET ORDER CONTROL THAT APPLIES A



SYNTHETIC LIMIT TO MARKET ORDERS BASED ON THE NBB/NBO AT THE TIME THE ORDER IS RECEIVED. THIS SYNTHETIC LIMIT IS THEN USED AS AN ABSOLUTE LIMIT FOR THE PRICES THAT THE FIRM'S ALGORITHMS CAN USE WHEN EXTERNALLY ROUTING ORDERS FOR EXECUTION. ALTHOUGH THIS CONTROL WAS IN PLACE AT THE TIME OF A SECOND ERRONEOUS ORDER EVENT, ITS PARAMETERS WERE SET SUCH THAT IT APPLIED AN OFFSET OF \$0.50 TO ALL ORDERS PRICED UP TO \$2.00 AND WAS THEREFORE NOT SUFFICIENTLY TAILORED FOR ORDERS IN LOW-PRICED OPTIONS. THUS, THIS CONTROL DID NOT PREVENT THE ORDERS FROM BEING ROUTED BECAUSE THE PRICE OF THOSE OPTIONS WAS UNDER \$0.50. THE FIRM SUBSEQUENTLY UPDATED THIS CONTROL AS OF TO USE NINE PRICING TIERS, WITH OFFSETS RANGING FROM \$0.15 TO \$4.00. THE FIRM DID NOT, HOWEVER, INCLUDE A DESCRIPTION OF ITS INBOUND MARKET ORDER CONTROL IN ITS WRITTEN SUPERVISORY PROCEDURES (WSPS). AS A RESULT, THE FIRM VIOLATED RULES 15C3-5(B) AND 15C3-5(C)(1)(II) OF THE SECURITIES EXCHANGE ACT OF 1934. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ASSURE THAT APPROPRIATE SURVEILLANCE PERSONNEL RECEIVED IMMEDIATE POST-TRADE EXECUTION REPORTS THAT RESULTED FROM ITS MARKET ACCESS. THE FIRM LACKED, AND ITS WSPS DID NOT REFERENCE, A POST-TRADE EXECUTION REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. AS A RESULT, DASH DID NOT LEARN OF EITHER ERRONEOUS ORDER EVENTS UNTIL IT WAS CONTACTED BY THE RESPECTIVE CLIENTS. ACCORDINGLY, THE FIRM VIOLATED RULES 15C3-5(B) AND 15C3-5(C)(2)(IV) OF THE EXCHANGE ACT. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WSPS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND EXCHANGE RULES RELATING TO ITS RULE 15C3-5 ERRONEOUS ORDER CONTROLS FOR OPTIONS MARKET ORDERS. THE FIRM'S WSPS DID NOT REFERENCE ITS INBOUND MARKET ORDER CONTROL, OR ANY OTHER CONTROL DESIGNED TO PREVENT THE ERRONEOUSLY PRICED ORDERS DISCUSSED ABOVE. THE FIRM'S WSPS ALSO DID NOT REFERENCE ANY POST-TRADE SURVEILLANCE REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. FOR THESE REASONS, THE FIRM VIOLATED MIAX PEARL RULES 300, 301, AND 500.

Initiated By: MIAX PEARL, LLC
Date Initiated: 06/22/2022
Docket/Case Number: 2018060117908
Principal Product Type: Options

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Consent**Resolution Date:** 06/22/2022**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No**Sanctions Ordered:** Censure
Monetary/Fine \$10,890.00**Other Sanctions Ordered:****Sanction Details:** THE FIRM WAS CENSURED AND FINED A TOTAL OF \$125,000, OF WHICH \$10,890 IS PAYABLE TO MIAX PEARL. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO NYSE AMERICAN, LLC, NYSE ARCA, LLC, NASDAQ PHLX, LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ MRX, LLC, NASDAQ ISE, LLC, NASDAQ GEMX, LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, MIAX EMERALD, LLC, AND BOX EXCHANGE, LLC FOR SIMILAR VIOLATIONS.**Reporting Source:** Firm**Current Status:** Final**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN ADEQUATE ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES FOR OPTIONS IN VIOLATION OF SEC RULES 15C3-5(B), 15C3-5(C)(1)(II), AND 15C3-5(C)(2)(IV) AND MIAX PEARL RULES 300, 301, AND 500 DURING THE PERIOD OCTOBER 2018 THROUGH MARCH 2022.**Initiated By:** MIAX PEARL, LLC**Date Initiated:** 06/22/2022**Docket/Case Number:** 2018060117908



Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	06/22/2022
Sanctions Ordered:	Censure Monetary/Fine \$10,890.00
Other Sanctions Ordered:	
Sanction Details:	DASH PAID THE \$10,890 FINE ON JUNE 28, 2022.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

Disclosure 16 of 68

Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT MARKED ORDERS WITH THE INCORRECT ORIGIN CODE. THE FINDINGS STATED THAT ON MARCH 1, 2017, THE FIRM ACQUIRED A THIRD-PARTY PLATFORM FROM ANOTHER BROKER-DEALER. FROM MARCH 1, 2017 THROUGH NOVEMBER 8, 2017, THE FIRM ROUTED TO NINE OPTIONS EXCHANGES, INCLUDING MIAx PEARL, APPROXIMATELY 60,277 OPTIONS ORDERS, TOTALING APPROXIMATELY 271,658 CONTRACTS, FROM A BROKER-DEALER CLIENT THAT HAD BEEN INCORRECTLY ON-BOARDED IN THE THIRD-PARTY PLATFORM AS "CUSTOMER" INSTEAD OF "BROKER-DEALER". THE FIRM LEARNED OF THE ISSUE IN OR ABOUT EARLY OCTOBER 2017, AND BY NOVEMBER 8, 2017, FIRM TECHNOLOGY PERSONNEL COMPLETED IMPLEMENTING CORRECTIVE CHANGES. EACH INSTANCE IN WHICH THE FIRM ROUTED AN ORDER WITH AN INCORRECT ORIGIN CODE POTENTIALLY HAD ADVERSE CONSEQUENCES, SUCH AS INADVERTENTLY IMPACTING THE PRIORITY OF ORDER EXECUTION, CREATING AN INACCURATE AUDIT TRAIL AND INACCURATE ORDER RECORDS,



REPORTING TRADES TO THE OPTIONS CLEARING CORPORATION WITH INACCURATE TRADE DETAILS, AND IMPEDING MIAX PEARL'S ABILITY TO SURVEIL FOR AND DETECT POTENTIAL VIOLATIONS OF ITS RULES AND FEDERAL SECURITIES LAWS. BY MARKING ORDERS WITH INCORRECT ORIGIN CODES, THE FIRM VIOLATED SECTION 17(A)(1) OF THE SECURITIES EXCHANGE ACT OF 1934 (THE "EXCHANGE ACT") AND RULE 17A-3(A)(6) THEREUNDER; CHAPTER VIII OF MIAX PEARL RULES, WHICH INCORPORATE BY REFERENCE MIAX RULE 800; MIAX PEARL RULE 513; CHAPTER III OF MIAX PEARL RULES, WHICH INCORPORATE BY REFERENCE MIAX RULE 301; AND CHAPTER III OF MIAX PEARL RULES, WHICH INCORPORATE BY REFERENCE MIAX RULE 300.

Initiated By: MIAX PEARL, LLC

Date Initiated: 06/22/2022

Docket/Case Number: 2019061184302

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 06/22/2022

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$2,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$2,500. THIS SETTLEMENT RELATES TO OTHER SETTLEMENTS THE FIRM REACHED WITH MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, NYSE ARCA, INC., AND NYSE AMERICAN LLC.

Reporting Source: Firm



Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH MIAX PEARL, LLC RULES GOVERNING THE USE OF ORIGIN CODES DURING THE PERIOD MARCH 1, 2017 THROUGH NOVEMBER 8, 2017, IN VIOLATION OF CHAPTERS II AND VII OF THE MIAX PEARL RULES, MIAX PEARL RULES 300, 301, 513 AND 800, AND SECTION 17(A)(1) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3(A)(6) THEREUNDER.
Initiated By:	MIAX PEARL, LLC
Date Initiated:	06/22/2022
Docket/Case Number:	2019061184302
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	06/22/2022
Sanctions Ordered:	Censure Monetary/Fine \$2,500.00
Other Sanctions Ordered:	
Sanction Details:	THE \$2,500 FINE WAS PAID ON JUNE 28, 2022.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS THAT IT FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN ERRONEOUS ORDER CONTROLS AND SUPERVISORY



PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS. THE FINDINGS STATED THAT THE FIRM HAD IN PLACE VARIOUS PRE-TRADE ERRONEOUS ORDER CONTROLS THAT WOULD REJECT LIMIT ORDERS THAT EXCEEDED PRICE PARAMETERS. THE FIRM DID NOT, HOWEVER, APPLY THESE OR ANY OTHER PRE-TRADE PRICE CONTROL TO MARKET ORDERS FOR OPTIONS, AND THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) DID NOT REFERENCE SUCH A CONTROL. THUS, ALTHOUGH THE ALGORITHM CONVERTED THE CUSTOMER'S MARKET ORDERS TO LIMIT ORDERS, THE FIRM CREATED AND ROUTED LIMIT ORDERS AT CONTINUOUSLY INCREASING PRICES TO FILL THE CLIENT MARKET ORDERS, WHICH LED TO AN ERRONEOUS ORDER EVENT AND RESULTED IN A CATASTROPHIC ERROR REVIEW AND RELATED TRADE ADJUSTMENTS. THE FIRM LATER IMPLEMENTED AN "INBOUND MARKET ORDER CONTROL" THAT APPLIES A SYNTHETIC LIMIT (I.E., AN OFFSET) TO MARKET ORDERS BASED ON THE NBB/NBO AT THE TIME THE ORDER IS RECEIVED. THIS SYNTHETIC LIMIT IS THEN USED AS AN ABSOLUTE LIMIT FOR THE PRICES THAT THE FIRM'S ALGORITHMS CAN USE WHEN EXTERNALLY ROUTING ORDERS FOR EXECUTION. ALTHOUGH THIS CONTROL WAS IN PLACE AT THE TIME OF A SECOND ERRONEOUS ORDER EVENT, ITS PARAMETERS WERE SET SUCH THAT IT APPLIED AN OFFSET OF \$0.50 TO ALL ORDERS PRICED UP TO \$2.00 AND WAS THEREFORE NOT SUFFICIENTLY TAILORED FOR ORDERS IN LOW-PRICED OPTIONS. THE FIRM SUBSEQUENTLY UPDATED THIS CONTROL TO USE NINE PRICING TIERS, WITH OFFSETS RANGING FROM \$0.15 TO \$4.00. THE FIRM, HOWEVER, INCLUDE A DESCRIPTION OF ITS INBOUND MARKET ORDER CONTROL IN ITS WSPS. AS A RESULT, THE FIRM VIOLATED RULES 15C3-5(B) AND 15C3-5(C)(1)(II) OF THE SECURITIES EXCHANGE ACT OF 1934. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ASSURE THAT APPROPRIATE SURVEILLANCE PERSONNEL RECEIVED IMMEDIATE POST-TRADE EXECUTION REPORTS THAT RESULTED FROM ITS MARKET ACCESS. THE FIRM LACKED, AND ITS WSPS DID NOT REFERENCE, A POST-TRADE EXECUTION REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. AS A RESULT, THE FIRM DID NOT LEARN OF EITHER ERRONEOUS ORDER EVENTS UNTIL IT WAS CONTACTED BY THE RESPECTIVE CLIENTS. THEREFORE, THE FIRM VIOLATED RULES 15C3-5(B) AND 15C3-5(C)(2)(IV) OF THE EXCHANGE ACT. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WSPS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND EXCHANGE RULES RELATING TO ITS RULE 15C3-5 ERRONEOUS ORDER CONTROLS FOR OPTIONS MARKET ORDERS. THE FIRM'S WSPS DID NOT REFERENCE ITS INBOUND MARKET ORDER CONTROL, OR ANY OTHER CONTROL DESIGNED TO PREVENT THE ERRONEOUSLY PRICED ORDERS DISCUSSED ABOVE. THE FIRM'S WSPS



ALSO DID NOT REFERENCE ANY POST-TRADE SURVEILLANCE REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. ACCORDINGLY, THE FIRM VIOLATED BOX RULE 3070.

Initiated By: BOX EXCHANGE LLC

Date Initiated: 05/23/2022

Docket/Case Number: 2018060117911

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 05/23/2022

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$10,890.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$125,000, OF WHICH \$10,890 IS PAYABLE TO BOX. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO NYSE AMERICAN, LLC, NYSE ARCA INC., NASDAQ PHLX, LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ MRX, LLC, NASDAQ ISE, LLC, NASDAQ GEMX, LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIAx PEARL, LLC FOR SIMILAR VIOLATIONS.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN ADEQUATE ERRONEOUS ORDER CONTROLS AND



SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS IN VIOLATION OF SEC RULES 15C3-5(B), 15C3-5(C)(1)(II), AND 15C3-5(C)(2)(IV) AND BOX RULE 3070 DURING THE PERIOD OCTOBER 2018 THROUGH MARCH 2022.

Initiated By:	BOX EXCHANGE LLC
Date Initiated:	05/23/2022
Docket/Case Number:	2018060117911
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	05/23/2022
Sanctions Ordered:	Censure Monetary/Fine \$10,890.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$125,000, OF WHICH \$10,890 IS PAYABLE TO BOX. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO NYSE AMERICAN, LLC, NYSE ARCA INC., NASDAQ PHLX, LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ MRX, LLC, NASDAQ ISE, LLC, NASDAQ GEMX, LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIAx PEARL, LLC.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTling THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN ERRONEOUS ORDER CONTROLS



AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS. THE FINDINGS STATED THAT THE FIRM HAD IN PLACE VARIOUS PRE-TRADE ERRONEOUS ORDER CONTROLS THAT WOULD REJECT LIMIT ORDERS THAT EXCEEDED PRICE PARAMETERS. THE FIRM DID NOT, HOWEVER, APPLY THESE OR ANY OTHER PRE-TRADE PRICE CONTROL TO MARKET ORDERS FOR OPTIONS, AND THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) DID NOT REFERENCE SUCH A CONTROL. THUS, ALTHOUGH THE ALGORITHM CONVERTED THE CUSTOMER'S MARKET ORDERS TO CHILD LIMIT ORDERS FOR EXECUTION, THE FIRM CREATED AND ROUTED THOSE CHILD LIMIT ORDERS AT CONTINUOUSLY INCREASING PRICES TO FILL THE CLIENT MARKET ORDERS IN A MANNER NOT SUBJECT TO ANY ERRONEOUS ORDER PRICE CONTROL, WHICH LED TO AN ERRONEOUS ORDER EVENT AND RESULTED IN A CATASTROPHIC ERROR REVIEW AND RELATED TRADE ADJUSTMENTS. THE FIRM LATER IMPLEMENTED AN "INBOUND MARKET ORDER CONTROL" THAT APPLIES A SYNTHETIC LIMIT TO MARKET ORDERS BASED ON THE NBB/NBO AT THE TIME THE ORDER IS RECEIVED. THIS SYNTHETIC LIMIT IS THEN USED AS AN ABSOLUTE LIMIT FOR THE PRICES THAT THE FIRM'S ALGORITHMS CAN USE WHEN EXTERNALLY ROUTING ORDERS FOR EXECUTION. ALTHOUGH THIS CONTROL WAS IN PLACE AT THE TIME OF A SECOND ERRONEOUS ORDER EVENT, ITS PARAMETERS WERE SET SUCH THAT IT APPLIED AN OFFSET OF \$0.50 TO ALL ORDERS PRICED UP TO \$2.00 AND WAS THEREFORE NOT REASONABLY TAILORED FOR ORDERS IN LOW-PRICED OPTIONS. THE FIRM SUBSEQUENTLY UPDATED THIS CONTROL TO USE NINE PRICING TIERS, WITH OFFSETS RANGING FROM \$0.15 TO \$4.00. THE FIRM DID NOT, HOWEVER, INCLUDE A DESCRIPTION OF ITS INBOUND MARKET ORDER CONTROL IN ITS WSPS. AS A RESULT, THE FIRM VIOLATED RULES 15C3-5(B) AND 15C3-5(C)(1)(II) OF THE SECURITIES EXCHANGE ACT OF 1934. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ASSURE THAT APPROPRIATE SURVEILLANCE PERSONNEL RECEIVED IMMEDIATE POST-TRADE EXECUTION REPORTS THAT RESULTED FROM ITS MARKET ACCESS. THE FIRM LACKED, AND ITS WSPS DID NOT REFERENCE, A POST-TRADE EXECUTION REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. AS A RESULT, THE FIRM DID NOT LEARN OF EITHER ERRONEOUS ORDER EVENTS UNTIL IT WAS CONTACTED BY THE RESPECTIVE CUSTOMERS. AS A RESULT, THE FIRM VIOLATED RULES 15C3-5(B) AND 15C3-5(C)(2)(IV) OF THE EXCHANGE ACT. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WSPS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND EXCHANGE RULES RELATING TO ITS RULE 15C3-5 ERRONEOUS ORDER CONTROLS FOR OPTIONS MARKET ORDERS. THE FIRM'S WSPS DID NOT REFERENCE ITS INBOUND MARKET ORDER CONTROL, OR ANY OTHER CONTROL DESIGNED TO PREVENT THE



ERRONEOUSLY PRICED ORDERS DISCUSSED ABOVE. THE FIRM'S WSPS ALSO DID NOT REFERENCE ANY POST-TRADE SURVEILLANCE REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. ACCORDINGLY, THE FIRM VIOLATED NYSE AMERICAN RULE 320.

Initiated By: NYSE AMERICAN LLC

Date Initiated: 05/23/2022

Docket/Case Number: 2018060117910

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/23/2022

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$10,890.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$125,000, OF WHICH \$10,890 IS PAYABLE TO NYSE AMERICAN. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO NYSE ARCA, INC., NASDAQ PHLX, LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ MRX, LLC, NASDAQ ISE, LLC, NASDAQ GEMX, LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, MIAx PEARL, LLC, AND BOX EXCHANGE, LLC FOR SIMILAR VIOLATIONS.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, DOCUMENT,



AND MAINTAIN ADEQUATE ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS IN VIOLATION OF SEC RULES 15C3-5(B), 15C3-5(C)(1)(II), AND 15C3-5(C)(2)(IV) AND NYSE AMERICAN RULE 320 DURING THE PERIOD OCTOBER 2018 THROUGH MARCH 2022.

Initiated By: NYSE AMERICAN LLC

Date Initiated: 05/23/2022

Docket/Case Number: 2018060117910

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/23/2022

Sanctions Ordered: Censure
Monetary/Fine \$10,890.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$125,000, OF WHICH \$10,890 IS PAYABLE TO NYSE AMERICAN AND WAS PAID ON 5/26/2022. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO BOX EXCHANGE, INC., NYSE ARCA INC., NASDAQ PHLX, LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ MRX, LLC, NASDAQ ISE, LLC, NASDAQ GEMX, LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIAx PEARL, LLC.

Firm Statement THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED



TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS. THE FINDINGS STATED THAT THE FIRM HAD IN PLACE VARIOUS PRE-TRADE ERRONEOUS ORDER CONTROLS THAT WOULD REJECT LIMIT ORDERS THAT EXCEEDED PRICE PARAMETERS. THE FIRM DID NOT, HOWEVER, APPLY THESE OR ANY OTHER PRE-TRADE PRICE CONTROL TO MARKET ORDERS FOR OPTIONS, AND THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) DID NOT REFERENCE SUCH A CONTROL. THUS, ALTHOUGH THE ALGORITHM CONVERTED THE CUSTOMER'S MARKET ORDERS TO CHILD LIMIT ORDERS FOR EXECUTION, THE FIRM CREATED AND ROUTED THOSE CHILD LIMIT ORDERS AT CONTINUOUSLY INCREASING PRICES TO FILL THE CLIENT MARKET ORDERS IN A MANNER NOT SUBJECT TO ANY ERRONEOUS ORDER PRICE CONTROL, WHICH LED TO AN ERRONEOUS ORDER EVENT AND RESULTED IN A CATASTROPHIC ERROR REVIEW AND RELATED TRADE ADJUSTMENTS. THE FIRM LATER IMPLEMENTED AN "INBOUND MARKET ORDER CONTROL" THAT APPLIES A SYNTHETIC LIMIT TO MARKET ORDERS BASED ON THE NBB/NBO AT THE TIME THE ORDER IS RECEIVED. THIS SYNTHETIC LIMIT IS THEN USED AS AN ABSOLUTE LIMIT FOR THE PRICES THAT THE FIRM'S ALGORITHMS CAN USE WHEN EXTERNALLY ROUTING ORDERS FOR EXECUTION. ALTHOUGH THIS CONTROL WAS IN PLACE AT THE TIME OF A SECOND ERRONEOUS ORDER EVENT, ITS PARAMETERS WERE SET SUCH THAT IT APPLIED AN OFFSET OF \$0.50 TO ALL ORDERS PRICED UP TO \$2.00 AND WAS THEREFORE NOT REASONABLY TAILORED FOR ORDERS IN LOW-PRICED OPTIONS. THE FIRM SUBSEQUENTLY UPDATED THIS CONTROL TO USE NINE PRICING TIERS, WITH OFFSETS RANGING FROM \$0.15 TO \$4.00. THE FIRM DID NOT, HOWEVER, INCLUDE A DESCRIPTION OF ITS INBOUND MARKET ORDER CONTROL IN ITS WSPS. AS A RESULT, THE FIRM VIOLATED RULES 15C3-5(B) AND 15C3-5(C)(1)(II) OF THE SECURITIES EXCHANGE ACT OF 1934. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ASSURE THAT APPROPRIATE SURVEILLANCE PERSONNEL RECEIVED IMMEDIATE POST-TRADE EXECUTION REPORTS THAT RESULTED FROM ITS MARKET ACCESS. THE FIRM LACKED, AND ITS WSPS DID NOT REFERENCE, A POST-TRADE EXECUTION REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. AS A RESULT, THE FIRM DID NOT LEARN OF EITHER ERRONEOUS ORDER EVENTS UNTIL IT WAS CONTACTED BY THE RESPECTIVE CUSTOMERS. AS A RESULT, THE FIRM VIOLATED RULES 15C3-5(B) AND 15C3-5(C)(2)(IV) OF THE EXCHANGE ACT. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WSPS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND EXCHANGE RULES RELATING TO ITS RULE 15C3-5 ERRONEOUS ORDER CONTROLS FOR OPTIONS MARKET ORDERS.



THE FIRM'S WSPS DID NOT REFERENCE ITS INBOUND MARKET ORDER CONTROL, OR ANY OTHER CONTROL DESIGNED TO PREVENT THE ERRONEOUSLY PRICED ORDERS DISCUSSED ABOVE. THE FIRM'S WSPS ALSO DID NOT REFERENCE ANY POST-TRADE SURVEILLANCE REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. ACCORDINGLY, THE FIRM VIOLATED NYSE ARCA RULE 11.18.

Initiated By: NYSE ARCA, INC.

Date Initiated: 05/23/2022

Docket/Case Number: 2018060117912

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/23/2022

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$10,890.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$125,000, OF WHICH \$10,890 IS PAYABLE TO NYSE ARCA. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO NYSE AMERICAN, LLC, NASDAQ PHLX, LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ MRX, LLC, NASDAQ ISE, LLC, NASDAQ GEMX, LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, MIAx PEARL, LLC, AND BOX EXCHANGE, LLC FOR SIMILAR VIOLATIONS.

Reporting Source: Firm



Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN ADEQUATE ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS IN VIOLATION OF SEC RULES 15C3-5(B), 15C3-5(C)(1)(II), AND 15C3-5(C)(2)(IV) AND NYSE ARCA RULE 11.18 DURING THE PERIOD OCTOBER 2018 THROUGH MARCH 2022.
Initiated By:	NYSE ARCA, INC.
Date Initiated:	05/23/2022
Docket/Case Number:	2018060117912
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/23/2022
Sanctions Ordered:	Censure Monetary/Fine \$10,890.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$125,000, OF WHICH \$10,890 IS PAYABLE TO NYSE ARCA AND WAS PAID ON 5/26/2022. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO BOX EXCHANGE, INC., NYSE AMERICAN, LLC, NASDAQ PHLX, LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ MRX, LLC, NASDAQ ISE, LLC, NASDAQ GEMX, LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIAx PEARL, LLC.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.



Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT ROUTED TO FOUR OPTIONS EXCHANGES, INCLUDING BX, APPROXIMATELY 14,348 OPTIONS ORDERS FOR SIX BROKER-DEALER CLIENTS, TOTALING APPROXIMATELY 362,409 CONTRACTS, WITH AN INCORRECT ORIGIN CODE. THE FINDINGS STATED THAT THE FIRM ACQUIRED A THIRD-PARTY PLATFORM FROM ANOTHER BROKER-DEALER THAT, DUE TO A CONFIGURATION ERROR, CONVERTED THE ORIGIN CODE FROM "BROKER-DEALER" TO "CUSTOMER" ON THE FIRM'S OUTBOUND FIX MESSAGES. DURING A ROUTINE REVIEW OF ORDERS, THE FIRM DISCOVERED THE MAPPING ERROR AND IMPLEMENTED CORRECTIVE LOGIC CHANGES. EACH INSTANCE IN WHICH THE FIRM ROUTED AN ORDER WITH AN INCORRECT ORIGIN CODE POTENTIALLY HAD ADVERSE CONSEQUENCES, SUCH AS INADVERTENTLY IMPACTING THE PRIORITY OF ORDER EXECUTION, CREATING AN INACCURATE AUDIT TRAIL AND INACCURATE ORDER RECORDS, REPORTING TRADES TO THE OPTIONS CLEARING CORPORATION WITH INACCURATE TRADE DETAILS, AND IMPEDING BX'S ABILITY TO SURVEIL FOR AND DETECT POTENTIAL VIOLATIONS OF ITS RULES AND FEDERAL SECURITIES LAWS. BY MARKING ORDERS WITH INCORRECT ORDER CODES, THE FIRM VIOLATED SECTION 17(A)(1) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3(A)(6) THEREUNDER, CHAPTER IX, SECTION 1 OF THE BX RULES, AND CHAPTER V, SECTION 7(A) OF THE BX RULES, BX RULE 2110, CHAPTER III, SECTION 1 OF THE BX RULES, AND CHAPTER III, SECTION 2 OF THE BX RULES.</p>
Initiated By:	NASDAQ BX, INC.
Date Initiated:	05/19/2022
Docket/Case Number:	2018059128001
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/19/2022



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$4,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$4,500. THIS SETTLEMENT RELATES TO OTHER SETTLEMENTS THE FIRM REACHED WITH NYSE ARCA, INC., NYSE AMERICAN, LLC, NASDAQ OPTIONS MARKET LLC, MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIAx PEARL, LLC.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT FROM MARCH 2017 THROUGH JUNE 2017 DASH ROUTED APPROXIMATELY 14,348 OPTION ORDERS TO FOUR EXCHANGES, INCLUDING THE BX, THAT CONTAINED INCORRECT ORIGIN CODE INFORMATION, IN VIOLATION OF SECTION 17(A)(1) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3(A)(6) THEREUNDER, CHAPTER III, SECTIONS 1 AND 2, CHAPTER IX, SECTION 1, AND CHAPTER V, SECTION 7(A) OF THE BX RULES, AND BX RULE 2110.

Initiated By: NASDAQ BX, INC.

Date Initiated: 05/19/2022

Docket/Case Number: 2018059128001

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/19/2022

Sanctions Ordered: Censure



Monetary/Fine \$4,500.00

Other Sanctions Ordered:

Sanction Details:

DASH WILL PAY THE \$4,500 FINE WHEN INVOICED. THIS SETTLEMENT RELATES TO SIMILAR SETTLEMENTS REACHED WITH NYSE ARCA, INC., NYSE AMERICAN LLC, NASDAQ OPTIONS MARKET LLC, MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIX PEARL, LLC.

Firm Statement

THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTling THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source:

Regulator

Current Status:

Final

Allegations:

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT ROUTED TO FOUR OPTIONS EXCHANGES, INCLUDING NOM, APPROXIMATELY 14,348 OPTIONS ORDERS FOR SIX BROKER-DEALER CLIENTS, TOTALING APPROXIMATELY 362,409 CONTRACTS, WITH AN INCORRECT ORIGIN CODE. THE FINDINGS STATED THAT THE FIRM ACQUIRED A THIRD-PARTY PLATFORM FROM ANOTHER BROKER-DEALER THAT, DUE TO A CONFIGURATION ERROR, CONVERTED THE ORIGIN CODE FROM "BROKER-DEALER" TO "CUSTOMER" ON THE FIRM'S OUTBOUND FIX MESSAGES. DURING A ROUTINE REVIEW OF ORDERS, THE FIRM DISCOVERED THE MAPPING ERROR AND IMPLEMENTED CORRECTIVE LOGIC CHANGES. EACH INSTANCE IN WHICH THE FIRM ROUTED AN ORDER WITH AN INCORRECT ORIGIN CODE POTENTIALLY HAD ADVERSE CONSEQUENCES, SUCH AS INADVERTENTLY IMPACTING THE PRIORITY OF ORDER EXECUTION, CREATING AN INACCURATE AUDIT TRAIL AND INACCURATE ORDER RECORDS, REPORTING TRADES TO THE OPTIONS CLEARING CORPORATION WITH INACCURATE TRADE DETAILS, AND IMPEDING NOM'S ABILITY TO SURVEIL FOR AND DETECT POTENTIAL VIOLATIONS OF ITS RULES AND FEDERAL SECURITIES LAWS. BY MARKING ORDERS WITH INCORRECT ORDER CODES, THE FIRM VIOLATED SECTION 17(A)(1) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3(A)(6) THEREUNDER, CHAPTER IX, SECTION 1 OF THE NOM RULES, CHAPTER V, SECTION 7(A) OF THE NOM RULES, NASDAQ RULE 2010A, CHAPTER III, SECTION 1 OF THE NOM RULES, AND CHAPTER III, SECTION 2 OF THE NOM RULES.

Initiated By:

THE NASDAQ OPTIONS MARKET LLC



Date Initiated: 05/19/2022

Docket/Case Number: 2018059128002

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/19/2022

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$28,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$28,000. THIS SETTLEMENT RELATES TO OTHER SETTLEMENTS THE FIRM REACHED WITH NYSE ARCA, INC., NYSE AMERICAN, LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIAX PEARL, LLC.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT FROM MARCH 2017 THROUGH JUNE 2017 DASH ROUTED APPROXIMATELY 14,348 OPTION ORDERS TO FOUR EXCHANGES, INCLUDING NOM, THAT CONTAINED INCORRECT ORIGIN CODE INFORMATION, IN VIOLATION OF SECTION 17(A)(1) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3(A)(6) THEREUNDER, CHAPTER III, SECTIONS 1 AND 2, CHAPTER IX, SECTION 1, AND CHAPTER V, SECTION 7(A) OF THE NOM RULES, AND NOM RULE 2010A.

Initiated By: NASDAQ OPTIONS MARKET LLC

Date Initiated: 05/19/2022



Docket/Case Number:	2018059128002
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/19/2022
Sanctions Ordered:	Censure Monetary/Fine \$28,000.00
Other Sanctions Ordered:	
Sanction Details:	DASH WILL PAY THE \$28,000 FINE WHEN INVOICED. THIS SETTLEMENT RELATES TO SIMILAR SETTLEMENTS REACHED WITH NYSE ARCA, INC., NYSE AMERICAN LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIX PEARL, LLC.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

Disclosure 22 of 68

Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT VIOLATED RULE 15C3-5 OF THE SECURITIES EXCHANGE ACT OF 1934 ("MARKET ACCESS RULE") BY FAILING TO ESTABLISH, DOCUMENT, AND MAINTAIN ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS. THE FINDINGS STATED THAT THE FIRM HAD IN PLACE VARIOUS PRE-TRADE ERRONEOUS ORDER CONTROLS THAT WOULD REJECT LIMIT ORDERS THAT EXCEEDED PRICE PARAMETERS. THE FIRM DID NOT, HOWEVER, APPLY THESE OR ANY OTHER PRE-TRADE PRICE CONTROL TO MARKET ORDERS FOR OPTIONS, AND ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) DID NOT REFERENCE SUCH A CONTROL. THUS, ALTHOUGH THE ALGORITHM



CONVERTED THE CUSTOMER'S MARKET ORDERS TO LIMIT ORDERS, THE FIRM CREATED AND ROUTED LIMIT ORDERS AT CONTINUOUSLY INCREASING PRICES TO FILL THE CLIENT MARKET ORDERS, WHICH LED TO AN ERRONEOUS ORDER EVENT AND RESULTED IN A CATASTROPHIC ERROR REVIEW AND RELATED TRADE ADJUSTMENTS. THE FIRM IMPLEMENTED AN "INBOUND MARKET ORDER CONTROL" THAT APPLIES A SYNTHETIC LIMIT TO MARKET ORDERS BASED ON THE NBB/NBO AT THE TIME THE ORDER IS RECEIVED. THIS SYNTHETIC LIMIT IS THEN USED AS AN ABSOLUTE LIMIT FOR THE PRICES THAT THE FIRM'S ALGORITHMS CAN USE WHEN EXTERNALLY ROUTING ORDERS FOR EXECUTION. ALTHOUGH THIS CONTROL WAS IN PLACE AT THE TIME OF A SECOND ERRONEOUS ORDER EVENT, ITS PARAMETERS WERE SET SUCH THAT IT APPLIED AN OFFSET OF \$0.50 TO ALL ORDERS PRICED UP TO \$2.00 AND WAS THEREFORE NOT SUFFICIENTLY TAILORED FOR ORDERS IN LOW-PRICED OPTIONS. THUS, THIS CONTROL DID NOT PREVENT THE ORDERS AT ISSUE ON FEBRUARY 21, 2020 FROM BEING ROUTED BECAUSE THE PRICE OF THOSE OPTIONS WAS UNDER \$0.50. THE FIRM'S INBOUND MARKET ORDER CONTROL WAS THEREFORE NOT REASONABLY DESIGNED AS IT DID NOT REASONABLY CONSIDER THE PRICE OF THE SECURITY. THE FIRM SUBSEQUENTLY UPDATED THIS CONTROL TO USE NINE PRICING TIERS, WITH OFFSETS RANGING FROM \$0.15 TO \$4.00. THE FIRM DID NOT, HOWEVER, INCLUDE A DESCRIPTION OF ITS INBOUND MARKET ORDER CONTROL IN ITS WSPS. THE FINDINGS ALSO STATED THAT THE FIRM VIOLATED THE MARKET ACCESS RULE BY FAILING TO ASSURE THAT APPROPRIATE SURVEILLANCE PERSONNEL RECEIVE IMMEDIATE POST-TRADE EXECUTION REPORTS. THE FIRM LACKED, AND ITS WSPS DID NOT REFERENCE, A POST-TRADE EXECUTION REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. AS A RESULT, THE FIRM DID NOT LEARN OF EITHER OF THE ERRONEOUS ORDER EVENTS UNTIL IT WAS CONTACTED BY THE RESPECTIVE CUSTOMERS. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN WSPS AND A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE MARKET ACCESS RULE IN CONNECTION WITH THE SAME. THE FIRM'S WSPS DID NOT REFERENCE ITS INBOUND MARKET ORDER CONTROL, OR ANY OTHER CONTROL DESIGNED TO PREVENT THE ERRONEOUSLY PRICED ORDERS. THE FIRM'S WSPS ALSO DID NOT REFERENCE ANY POST-TRADE SURVEILLANCE REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS.

Initiated By: NASDAQ PHLX LLC

Date Initiated: 05/11/2022

Docket/Case Number: 2018060117905

Principal Product Type: Options

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Acceptance, Waiver & Consent(AWC)**Resolution Date:** 05/11/2022**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No**Sanctions Ordered:** Censure
Monetary/Fine \$10,890.00**Other Sanctions Ordered:****Sanction Details:** THE FIRM WAS CENSURED AND FINED A TOTAL OF \$125,000, OF WHICH \$10,890 IS PAYABLE TO PHLX. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO NYSE AMERICAN, LLC, NYSE ARCA, INC., NASDAQ OPTIONS MARKET, LLC, NASDAQ MRX, LLC, NASDAQ ISE, LLC, NASDAQ GEMX, LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, MIAX PEARL, LLC, AND BOX EXCHANGE, LLC FOR SIMILAR VIOLATIONS.**Reporting Source:** Firm**Current Status:** Final**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN ADEQUATE ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS IN VIOLATION OF SEC RULES 15C3-5(B), 15C3-5(C)(1)(II), AND 15C3-5(C)(2)(IV) AND PHLX RULES 707 AND 748 AND GENERAL 9, SECTION 1(C) AND 20 OF THE PHLX BY-LAWS DURING THE PERIOD OCTOBER 2018 THROUGH MARCH 2022.**Initiated By:** NASDAQ PHLX LLC**Date Initiated:** 05/11/2022**Docket/Case Number:** 2018060117905



Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/11/2022
Sanctions Ordered:	Censure Monetary/Fine \$10,890.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$125,000, OF WHICH \$10,890 IS PAYABLE TO NASDAQ PHLX LLC AND WILL BE PAID WHEN INVOICED. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO BOX EXCHANGE, INC., NYSE AMERICAN, LLC, NYSE ARCA, INC., LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ MRX, LLC, NASDAQ ISE, LLC, NASDAQ GEMX, LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIAX PEARL, LLC.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

Disclosure 23 of 68

Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT VIOLATED RULE 15C3-5 OF THE SECURITIES EXCHANGE ACT OF 1934 ("MARKET ACCESS RULE") BY FAILING TO ESTABLISH, DOCUMENT, AND MAINTAIN ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS. THE FINDINGS STATED THAT THE FIRM HAD IN PLACE VARIOUS PRE-TRADE ERRONEOUS ORDER CONTROLS THAT WOULD REJECT LIMIT ORDERS THAT EXCEEDED PRICE PARAMETERS. THE FIRM DID NOT, HOWEVER, APPLY THESE OR ANY OTHER PRE-TRADE PRICE CONTROL TO MARKET ORDERS FOR OPTIONS, AND ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) DID NOT



REFERENCE SUCH A CONTROL. THUS, ALTHOUGH THE ALGORITHM CONVERTED THE CUSTOMER'S MARKET ORDERS TO LIMIT ORDERS, THE FIRM CREATED AND ROUTED LIMIT ORDERS AT CONTINUOUSLY INCREASING PRICES TO FILL THE CLIENT MARKET ORDERS, WHICH LED TO THE A SECOND ERRONEOUS ORDER EVENT AND RESULTED IN A CATASTROPHIC ERROR REVIEW AND RELATED TRADE ADJUSTMENTS. THE FIRM IMPLEMENTED AN "INBOUND MARKET ORDER CONTROL" THAT APPLIES A SYNTHETIC LIMIT TO MARKET ORDERS BASED ON THE NBB/NBO AT THE TIME THE ORDER IS RECEIVED. THIS SYNTHETIC LIMIT IS THEN USED AS AN ABSOLUTE LIMIT FOR THE PRICES THAT THE FIRM'S ALGORITHMS CAN USE WHEN EXTERNALLY ROUTING ORDERS FOR EXECUTION. ALTHOUGH THIS CONTROL WAS IN PLACE AT THE TIME OF THE THE SECOND ERRONEOUS ORDER EVENT, ITS PARAMETERS WERE SET SUCH THAT IT APPLIED AN OFFSET OF \$0.50 TO ALL ORDERS PRICED UP TO \$2.00 AND WAS THEREFORE NOT SUFFICIENTLY TAILORED FOR ORDERS IN LOW-PRICED OPTIONS. THUS, THIS CONTROL DID NOT PREVENT THE ORDERS AT ISSUE ON FEBRUARY 21, 2020 FROM BEING ROUTED BECAUSE THE PRICE OF THOSE OPTIONS WAS UNDER \$0.50. THE FIRM'S INBOUND MARKET ORDER CONTROL WAS THEREFORE NOT REASONABLY DESIGNED AS IT DID NOT REASONABLY CONSIDER THE PRICE OF THE SECURITY. THE FIRM SUBSEQUENTLY UPDATED THIS CONTROL TO USE NINE PRICING TIERS, WITH OFFSETS RANGING FROM \$0.15 TO \$4.00. THE FIRM DID NOT, HOWEVER, INCLUDE A DESCRIPTION OF ITS INBOUND MARKET ORDER CONTROL IN ITS WSPS. THE FINDINGS ALSO STATED THAT THE FIRM VIOLATED THE MARKET ACCESS RULE BY FAILING TO ASSURE THAT APPROPRIATE SURVEILLANCE PERSONNEL RECEIVE IMMEDIATE POST-TRADE EXECUTION REPORTS. THE FIRM LACKED, AND ITS WSPS DID NOT REFERENCE, A POST-TRADE EXECUTION REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. AS A RESULT, THE FIRM DID NOT LEARN OF EITHER OF THE ERRONEOUS ORDER EVENTS UNTIL IT WAS CONTACTED BY THE RESPECTIVE CUSTOMERS. THE FINDINGS ALSO INCLUDED THAT THE FIRM VIOLATED BX RULES CHAPTER III, SECTIONS 1 AND 2, 3010, AND 2110, BY FAILING TO ESTABLISH AND MAINTAIN WSPS AND A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE MARKET ACCESS RULE IN CONNECTION WITH THE SAME. THE FIRM'S WSPS DID NOT REFERENCE ITS INBOUND MARKET ORDER CONTROL, OR ANY OTHER CONTROL DESIGNED TO PREVENT THE ERRONEOUSLY PRICED ORDERS. THE FIRM'S WSPS ALSO DID NOT REFERENCE ANY POST-TRADE SURVEILLANCE REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS.

Initiated By: NASDAQ BX, INC.

Date Initiated: 05/11/2022



Docket/Case Number:	2018060117902
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/11/2022
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$10,890.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED A TOTAL OF \$125,000 OF WHICH \$10,890 IS PAYABLE TO BX. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO NYSE AMERICAN, LLC, NYSE ARCA, LLC, NASDAQ PHLX, LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ MRX, LLC, NASDAQ ISE, LLC, NASDAQ GEMX, LLC, MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, MIAX EMERALD, LLC, MIAX PEARL, LLC, AND BOX EXCHANGE, LLC FOR SIMILAR VIOLATIONS.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN ADEQUATE ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS IN VIOLATION OF SEC RULES 15C3-5(B), 15C3-5(C)(1)(II), AND 15C3-5(C)(2)(IV) AND BX RULES CHAPTER III, SECTIONS 1 AND 2, 3010 AND 2110 DURING THE PERIOD OCTOBER 2018 THROUGH MARCH 2022.
Initiated By:	NASDAQ BX, INC.



Date Initiated:	05/11/2022
Docket/Case Number:	2018060117902
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/11/2022
Sanctions Ordered:	Censure Monetary/Fine \$10,890.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$125,000, OF WHICH \$10,890 IS PAYABLE TO NASDAQ BX, INC AND WILL BE PAID WHEN INVOICED. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO BOX EXCHANGE, INC., NYSE AMERICAN, LLC, NYSE ARCA, INC., LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ MRX, LLC, NASDAQ ISE, LLC, NASDAQ GEMX, LLC, NASDAQ PHLX, LLC, MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIAX PEARL, LLC.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

Disclosure 24 of 68

Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT VIOLATED RULE 15C3-5 OF THE SECURITIES EXCHANGE ACT OF 1934 ("MARKET ACCESS RULE") BY FAILING TO ESTABLISH, DOCUMENT, AND MAINTAIN ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS. THE FINDINGS STATED THAT THE FIRM HAD IN PLACE VARIOUS PRE-TRADE ERRONEOUS ORDER CONTROLS THAT WOULD REJECT LIMIT ORDERS THAT EXCEEDED PRICE



PARAMETERS. THE FIRM DID NOT, HOWEVER, APPLY THESE OR ANY OTHER PRE-TRADE PRICE CONTROL TO MARKET ORDERS FOR OPTIONS, AND ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) DID NOT REFERENCE SUCH A CONTROL. THUS, ALTHOUGH THE ALGORITHM CONVERTED THE CUSTOMER'S MARKET ORDERS TO LIMIT ORDERS, THE FIRM CREATED AND ROUTED LIMIT ORDERS AT CONTINUOUSLY INCREASING PRICES TO FILL THE CLIENT MARKET ORDERS, WHICH LED TO AN ERRONEOUS ORDER EVENT AND RESULTED IN A CATASTROPHIC ERROR REVIEW AND RELATED TRADE ADJUSTMENTS. THE FIRM IMPLEMENTED AN "INBOUND MARKET ORDER CONTROL" THAT APPLIES A SYNTHETIC LIMIT TO MARKET ORDERS BASED ON THE NBB/NBO AT THE TIME THE ORDER IS RECEIVED. THIS SYNTHETIC LIMIT IS THEN USED AS AN ABSOLUTE LIMIT FOR THE PRICES THAT THE FIRM'S ALGORITHMS CAN USE WHEN EXTERNALLY ROUTING ORDERS FOR EXECUTION. ALTHOUGH THIS CONTROL WAS IN PLACE AT THE TIME OF A SECOND ERRONEOUS ORDER EVENT, ITS PARAMETERS WERE SET SUCH THAT IT APPLIED AN OFFSET OF \$0.50 TO ALL ORDERS PRICED UP TO \$2.00 AND WAS THEREFORE NOT SUFFICIENTLY TAILORED FOR ORDERS IN LOW-PRICED OPTIONS. THUS, THIS CONTROL DID NOT PREVENT THE ORDERS AT ISSUE ON FEBRUARY 21, 2020 FROM BEING ROUTED BECAUSE THE PRICE OF THOSE OPTIONS WAS UNDER \$0.50. THE FIRM'S INBOUND MARKET ORDER CONTROL WAS THEREFORE NOT REASONABLY DESIGNED AS IT DID NOT REASONABLY CONSIDER THE PRICE OF THE SECURITY. THE FIRM SUBSEQUENTLY UPDATED THIS CONTROL TO USE NINE PRICING TIERS, WITH OFFSETS RANGING FROM \$0.15 TO \$4.00. THE FIRM DID NOT, HOWEVER, INCLUDE A DESCRIPTION OF ITS INBOUND MARKET ORDER CONTROL IN ITS WSPS. THE FINDINGS ALSO STATED THAT THE FIRM VIOLATED THE MARKET ACCESS RULE BY FAILING TO ASSURE THAT APPROPRIATE SURVEILLANCE PERSONNEL RECEIVE IMMEDIATE POST-TRADE EXECUTION REPORTS. THE FIRM LACKED, AND ITS WSPS DID NOT REFERENCE, A POST-TRADE EXECUTION REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. AS A RESULT, THE FIRM DID NOT LEARN OF EITHER OF THE ERRONEOUS ORDER EVENTS UNTIL IT WAS CONTACTED BY THE RESPECTIVE CUSTOMERS. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN WSPS AND A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE MARKET ACCESS RULE IN CONNECTION WITH THE SAME. THE FIRM'S WSPS DID NOT REFERENCE ITS INBOUND MARKET ORDER CONTROL, OR ANY OTHER CONTROL DESIGNED TO PREVENT THE ERRONEOUSLY PRICED ORDERS. THE FIRM'S WSPS ALSO DID NOT REFERENCE ANY POST-TRADE SURVEILLANCE REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS.

Initiated By: NASDAQ GEMX, LLC



Date Initiated: 05/11/2022

Docket/Case Number: 2018060117904

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/11/2022

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$10,890.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED A TOTAL OF \$125,000, OF WHICH \$10,890 IS PAYABLE TO GEMX. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO NYSE AMERICAN, LLC, NYSE ARCA, LLC, NASDAQ PHLX, LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ MRX, LLC, NASDAQ ISE, LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, MIAx EMERALD, LLC, MIAx PEARL, LLC, AND BOX EXCHANGE, LLC FOR SIMILAR VIOLATIONS.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN ADEQUATE ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS IN VIOLATION OF SEC RULES 15C3-5(B), 15C3-5(C)(1)(II), AND 15C3-5(C)(2)(IV) AND GEMX BY-LAWS OPTIONS 9, SECTIONS 1 AND 2 AND GEMX RULES 400 AND 401 DURING THE PERIOD OCTOBER 2018 THROUGH MARCH 2022.



Initiated By:	NASDAQ GEMX LLC
Date Initiated:	05/11/2022
Docket/Case Number:	2018060117904
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/11/2022
Sanctions Ordered:	Censure Monetary/Fine \$10,890.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$125,000, OF WHICH \$10,890 IS PAYABLE TO NASDAQ GEMX LLC AND WILL BE PAID WHEN INVOICED. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO BOX EXCHANGE, INC., NYSE AMERICAN, LLC, NYSE ARCA, INC., LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ MRX, LLC, NASDAQ ISE, LLC, NASDAQ BX, INC, NASDAQ PHLX, LLC, MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIAx PEARL, LLC.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

Disclosure 25 of 68

Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT VIOLATED RULE 15C3-5 OF THE SECURITIES EXCHANGE ACT OF 1934 ("MARKET ACCESS RULE") BY FAILING TO ESTABLISH, DOCUMENT, AND MAINTAIN ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS. THE FINDINGS STATED



THAT THE FIRM HAD IN PLACE VARIOUS PRE-TRADE ERRONEOUS ORDER CONTROLS THAT WOULD REJECT LIMIT ORDERS THAT EXCEEDED PRICE PARAMETERS. THE FIRM DID NOT, HOWEVER, APPLY THESE OR ANY OTHER PRE-TRADE PRICE CONTROL TO MARKET ORDERS FOR OPTIONS, AND ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) DID NOT REFERENCE SUCH A CONTROL. THUS, ALTHOUGH THE ALGORITHM CONVERTED THE CUSTOMER'S MARKET ORDERS TO LIMIT ORDERS, THE FIRM CREATED AND ROUTED LIMIT ORDERS AT CONTINUOUSLY INCREASING PRICES TO FILL THE CLIENT MARKET ORDERS, WHICH LED TO A SECOND ERRONEOUS ORDER EVENT AND RESULTED IN A CATASTROPHIC ERROR REVIEW AND RELATED TRADE ADJUSTMENTS. THE FIRM IMPLEMENTED AN "INBOUND MARKET ORDER CONTROL" THAT APPLIES A SYNTHETIC LIMIT TO MARKET ORDERS BASED ON THE NBB/NBO AT THE TIME THE ORDER IS RECEIVED. THIS SYNTHETIC LIMIT IS THEN USED AS AN ABSOLUTE LIMIT FOR THE PRICES THAT THE FIRM'S ALGORITHMS CAN USE WHEN EXTERNALLY ROUTING ORDERS FOR EXECUTION. ALTHOUGH THIS CONTROL WAS IN PLACE AT THE TIME OF THE SECOND ERRONEOUS ORDER EVENT, ITS PARAMETERS WERE SET SUCH THAT IT APPLIED AN OFFSET OF \$0.50 TO ALL ORDERS PRICED UP TO \$2.00 AND WAS THEREFORE NOT SUFFICIENTLY TAILORED FOR ORDERS IN LOW-PRICED OPTIONS. THUS, THIS CONTROL DID NOT PREVENT THE ORDERS AT ISSUE ON FEBRUARY 21, 2020 FROM BEING ROUTED BECAUSE THE PRICE OF THOSE OPTIONS WAS UNDER \$0.50. THE FIRM'S INBOUND MARKET ORDER CONTROL WAS THEREFORE NOT REASONABLY DESIGNED AS IT DID NOT REASONABLY CONSIDER THE PRICE OF THE SECURITY. THE FIRM SUBSEQUENTLY UPDATED THIS CONTROL TO USE NINE PRICING TIERS, WITH OFFSETS RANGING FROM \$0.15 TO \$4.00. THE FIRM DID NOT, HOWEVER, INCLUDE A DESCRIPTION OF ITS INBOUND MARKET ORDER CONTROL IN ITS WSPS. THE FINDINGS ALSO STATED THAT THE FIRM VIOLATED THE MARKET ACCESS RULE BY FAILING TO ASSURE THAT APPROPRIATE SURVEILLANCE PERSONNEL RECEIVE IMMEDIATE POST-TRADE EXECUTION REPORTS. THE FIRM LACKED, AND ITS WSPS DID NOT REFERENCE, A POST-TRADE EXECUTION REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. AS A RESULT, THE FIRM DID NOT LEARN OF EITHER OF THE ERRONEOUS ORDER EVENTS UNTIL IT WAS CONTACTED BY THE RESPECTIVE CUSTOMERS. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN WSPS AND A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE MARKET ACCESS RULE IN CONNECTION WITH THE SAME. THE FIRM'S WSPS DID NOT REFERENCE ITS INBOUND MARKET ORDER CONTROL, OR ANY OTHER CONTROL DESIGNED TO PREVENT THE ERRONEOUSLY PRICED ORDERS. THE FIRM'S WSPS ALSO DID NOT REFERENCE ANY POST-TRADE SURVEILLANCE REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS



RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS.

Initiated By: NASDAQ MRX, LLC

Date Initiated: 05/11/2022

Docket/Case Number: 2018060117906

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/11/2022

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$10,890.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED A TOTAL OF \$125,000 OF WHICH \$10,890 IS PAYABLE TO MRX. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO NYSE AMERICAN, LLC, NYSE ARCA, LLC, NASDAQ PHLX, LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ ISE, LLC, NASDAQ GEMX, LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, MIAX EMERALD, LLC, MIAX PEARL, LLC, AND BOX EXCHANGE, LLC FOR SIMILAR VIOLATIONS.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN ADEQUATE ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS IN VIOLATION OF SEC RULES 15C3-5(B), 15C3-5(C)(1)(II), AND



15C3-5(C)(2)(IV) AND MRX BY-LAWS OPTIONS 9, SECTIONS 1 AND 2 AND MRX RULES 400 AND 401 DURING THE PERIOD OCTOBER 2018 THROUGH MARCH 2022.

Initiated By:	NASDAQ MRX LLC
Date Initiated:	05/11/2022
Docket/Case Number:	2018060117906
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/11/2022
Sanctions Ordered:	Censure Monetary/Fine \$10,890.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$125,000, OF WHICH \$10,890 IS PAYABLE TO NASDAQ MRX LLC AND WILL BE PAID WHEN INVOICED. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO BOX EXCHANGE, INC., NYSE AMERICAN, LLC, NYSE ARCA, INC., LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ GEMX, LLC, NASDAQ ISE, LLC, NASDAQ BX, INC, NASDAQ PHLX, LLC, MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIAx PEARL, LLC.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTling THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT VIOLATED RULE 15C3-5 OF THE SECURITIES EXCHANGE ACT OF 1934 ("MARKET



ACCESS RULE") BY FAILING TO ESTABLISH, DOCUMENT, AND MAINTAIN ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS. THE FINDINGS STATED THAT THE FIRM HAD IN PLACE VARIOUS PRE-TRADE ERRONEOUS ORDER CONTROLS THAT WOULD REJECT LIMIT ORDERS THAT EXCEEDED PRICE PARAMETERS. THE FIRM DID NOT, HOWEVER, APPLY THESE OR ANY OTHER PRE-TRADE PRICE CONTROL TO MARKET ORDERS FOR OPTIONS, AND ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) DID NOT REFERENCE SUCH A CONTROL. THUS, ALTHOUGH THE ALGORITHM CONVERTED THE CUSTOMER'S MARKET ORDERS TO LIMIT ORDERS, THE FIRM CREATED AND ROUTED LIMIT ORDERS AT CONTINUOUSLY INCREASING PRICES TO FILL THE CLIENT MARKET ORDERS, WHICH LED TO AN ERRONEOUS ORDER EVENT AND RESULTED IN A CATASTROPHIC ERROR REVIEW AND RELATED TRADE ADJUSTMENTS. THE FIRM IMPLEMENTED AN "INBOUND MARKET ORDER CONTROL" THAT APPLIES A SYNTHETIC LIMIT TO MARKET ORDERS BASED ON THE NBB/NBO AT THE TIME THE ORDER IS RECEIVED. THIS SYNTHETIC LIMIT IS THEN USED AS AN ABSOLUTE LIMIT FOR THE PRICES THAT THE FIRM'S ALGORITHMS CAN USE WHEN EXTERNALLY ROUTING ORDERS FOR EXECUTION. ALTHOUGH THIS CONTROL WAS IN PLACE AT THE TIME OF A SECOND ERRONEOUS ORDER EVENT, ITS PARAMETERS WERE SET SUCH THAT IT APPLIED AN OFFSET OF \$0.50 TO ALL ORDERS PRICED UP TO \$2.00 AND WAS THEREFORE NOT SUFFICIENTLY TAILORED FOR ORDERS IN LOW-PRICED OPTIONS. THUS, THIS CONTROL DID NOT PREVENT THE ORDERS AT ISSUE ON FEBRUARY 21, 2020 FROM BEING ROUTED BECAUSE THE PRICE OF THOSE OPTIONS WAS UNDER \$0.50. THE FIRM'S INBOUND MARKET ORDER CONTROL WAS THEREFORE NOT REASONABLY DESIGNED AS IT DID NOT REASONABLY CONSIDER THE PRICE OF THE SECURITY. THE FIRM SUBSEQUENTLY UPDATED THIS CONTROL TO USE NINE PRICING TIERS, WITH OFFSETS RANGING FROM \$0.15 TO \$4.00. THE FIRM DID NOT, HOWEVER, INCLUDE A DESCRIPTION OF ITS INBOUND MARKET ORDER CONTROL IN ITS WSPS. THE FINDINGS ALSO STATED THAT THE FIRM VIOLATED THE MARKET ACCESS RULE BY FAILING TO ASSURE THAT APPROPRIATE SURVEILLANCE PERSONNEL RECEIVE IMMEDIATE POST-TRADE EXECUTION REPORTS. THE FIRM LACKED, AND ITS WSPS DID NOT REFERENCE, A POST-TRADE EXECUTION REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. AS A RESULT, THE FIRM DID NOT LEARN OF EITHER OF THE ERRONEOUS ORDER EVENTS UNTIL IT WAS CONTACTED BY THE RESPECTIVE CUSTOMERS. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN WSPS AND A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE MARKET ACCESS RULE IN CONNECTION WITH THE SAME. THE FIRM'S WSPS DID NOT REFERENCE ITS INBOUND MARKET ORDER CONTROL, OR ANY OTHER CONTROL DESIGNED TO PREVENT THE ERRONEOUSLY PRICED



ORDERS. THE FIRM'S WSPS ALSO DID NOT REFERENCE ANY POST-TRADE SURVEILLANCE REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS.

Initiated By: NASDAQ OPTIONS MARKET LLC

Date Initiated: 05/11/2022

Docket/Case Number: 2018060117901

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/11/2022

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$10,890.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED A TOTAL OF \$125,000 OF WHICH \$10,890 IS PAYABLE TO NOM. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO NYSE AMERICAN, LLC, NYSE ARCA, LLC, NASDAQ PHLX, LLC, NASDAQ MRX, LLC, NASDAQ ISE, LLC, NASDAQ GEMX, LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, MIAX EMERALD, LLC, MIAX PEARL, LLC, AND BOX EXCHANGE, LLC FOR SIMILAR VIOLATIONS.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN ADEQUATE ERRONEOUS ORDER CONTROLS AND



SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS IN VIOLATION OF SEC RULES 15C3-5(B), 15C3-5(C)(1)(II), AND 15C3-5(C)(2)(IV) AND NOM RULE CHAPTER III, SECTIONS 1 AND 2, NOM OPTIONS 9, SECTION 2(A) AND 2(B), NOM GENERAL 9, SECTION 20, AND NOM RULE 3010 DURING THE PERIOD OCTOBER 2018 THROUGH MARCH 2022.

Initiated By:	NASDAQ OPTIONS MARKET LLC
Date Initiated:	05/11/2022
Docket/Case Number:	2018060117901
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/11/2022
Sanctions Ordered:	Censure Monetary/Fine \$10,890.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$125,000, OF WHICH \$10,890 IS PAYABLE TO NASDAQ OPTIONS MARKET, LLC AND WILL BE PAID WHEN INVOICED. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO BOX EXCHANGE, INC., NYSE AMERICAN, LLC, NYSE ARCA, INC., LLC, NASDAQ MRX, LLC, NASDAQ GEMX, LLC, NASDAQ ISE, LLC, NASDAQ BX, INC, NASDAQ PHLX, LLC, MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIAx PEARL, LLC.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source:	Regulator
Current Status:	Final

**Allegations:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT VIOLATED RULE 15C3-5 OF THE SECURITIES EXCHANGE ACT OF 1934 ("MARKET ACCESS RULE") BY FAILING TO ESTABLISH, DOCUMENT, AND MAINTAIN ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS. THE FINDINGS STATED THAT THE FIRM HAD IN PLACE VARIOUS PRE-TRADE ERRONEOUS ORDER CONTROLS THAT WOULD REJECT LIMIT ORDERS THAT EXCEEDED PRICE PARAMETERS. THE FIRM DID NOT, HOWEVER, APPLY THESE OR ANY OTHER PRE-TRADE PRICE CONTROL TO MARKET ORDERS FOR OPTIONS, AND ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) DID NOT REFERENCE SUCH A CONTROL. THUS, ALTHOUGH THE ALGORITHM CONVERTED THE CUSTOMER'S MARKET ORDERS TO LIMIT ORDERS, THE FIRM CREATED AND ROUTED LIMIT ORDERS AT CONTINUOUSLY INCREASING PRICES TO FILL THE CLIENT MARKET ORDERS, WHICH LED TO THE AN ERRONEOUS ORDER EVENT AND RESULTED IN A CATASTROPHIC ERROR REVIEW AND RELATED TRADE ADJUSTMENTS. THE FIRM IMPLEMENTED AN "INBOUND MARKET ORDER CONTROL" THAT APPLIES A SYNTHETIC LIMIT TO MARKET ORDERS BASED ON THE NBB/NBO AT THE TIME THE ORDER IS RECEIVED. THIS SYNTHETIC LIMIT IS THEN USED AS AN ABSOLUTE LIMIT FOR THE PRICES THAT THE FIRM'S ALGORITHMS CAN USE WHEN EXTERNALLY ROUTING ORDERS FOR EXECUTION. ALTHOUGH THIS CONTROL WAS IN PLACE AT THE TIME OF A SECOND ERRONEOUS ORDER EVENT, ITS PARAMETERS WERE SET SUCH THAT IT APPLIED AN OFFSET OF \$0.50 TO ALL ORDERS PRICED UP TO \$2.00 AND WAS THEREFORE NOT SUFFICIENTLY TAILORED FOR ORDERS IN LOW-PRICED OPTIONS. THUS, THIS CONTROL DID NOT PREVENT THE ORDERS AT ISSUE ON FEBRUARY 21, 2020 FROM BEING ROUTED BECAUSE THE PRICE OF THOSE OPTIONS WAS UNDER \$0.50. THE FIRM'S INBOUND MARKET ORDER CONTROL WAS THEREFORE NOT REASONABLY DESIGNED AS IT DID NOT REASONABLY CONSIDER THE PRICE OF THE SECURITY. THE FIRM SUBSEQUENTLY UPDATED THIS CONTROL TO USE NINE PRICING TIERS, WITH OFFSETS RANGING FROM \$0.15 TO \$4.00. THE FIRM DID NOT, HOWEVER, INCLUDE A DESCRIPTION OF ITS INBOUND MARKET ORDER CONTROL IN ITS WSPS. THE FINDINGS ALSO STATED THAT THE FIRM VIOLATED THE MARKET ACCESS RULE BY FAILING TO ASSURE THAT APPROPRIATE SURVEILLANCE PERSONNEL RECEIVE IMMEDIATE POST-TRADE EXECUTION REPORTS. THE FIRM LACKED, AND ITS WSPS DID NOT REFERENCE, A POST-TRADE EXECUTION REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS. AS A RESULT, THE FIRM DID NOT LEARN OF EITHER OF THE ERRONEOUS ORDER EVENTS UNTIL IT WAS CONTACTED BY THE RESPECTIVE CUSTOMERS. THE FINDINGS ALSO INCLUDED THAT THE FIRM VIOLATED ISE RULES 400 AND 401 BY FAILING TO ESTABLISH AND MAINTAIN WSPS AND A SUPERVISORY SYSTEM



REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE MARKET ACCESS RULE IN CONNECTION WITH THE SAME. THE FIRM'S WSPS DID NOT REFERENCE ITS INBOUND MARKET ORDER CONTROL, OR ANY OTHER CONTROL DESIGNED TO PREVENT THE ERRONEOUSLY PRICED ORDERS. THE FIRM'S WSPS ALSO DID NOT REFERENCE ANY POST-TRADE SURVEILLANCE REPORT THAT WOULD DETECT SUBSTANTIAL PRICE MOVEMENTS RESULTING FROM ORDERS ROUTED BY ITS CUSTOMERS.

Initiated By: NASDAQ ISE, LLC

Date Initiated: 05/11/2022

Docket/Case Number: 2018060117903

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/11/2022

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$10,890.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED A TOTAL OF \$125,000 OF WHICH \$10,890 IS PAYABLE TO ISE. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO NYSE AMERICAN, LLC, NYSE ARCA, LLC, NASDAQ PHLX, LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ MRX, LLC, NASDAQ GEMX, LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, MIAX EMERALD, LLC, MIAX PEARL, LLC, AND BOX EXCHANGE, LLC FOR SIMILAR VIOLATIONS.

Reporting Source: Firm



Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN ADEQUATE ERRONEOUS ORDER CONTROLS AND SUPERVISORY PROCEDURES APPLICABLE TO MARKET ORDERS FOR OPTIONS IN VIOLATION OF SEC RULES 15C3-5(B), 15C3-5(C)(1)(II), AND 15C3-5(C)(2)(IV) AND ISE BY-LAWS OPTIONS 9, SECTIONS 1 AND 2 AND ISE RULES 400 AND 401 DURING THE PERIOD OCTOBER 2018 THROUGH MARCH 2022.
Initiated By:	NASDAQ ISE, LLC
Date Initiated:	05/11/2022
Docket/Case Number:	2018060117903
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/11/2022
Sanctions Ordered:	Censure Monetary/Fine \$10,890.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$125,000, OF WHICH \$10,890 IS PAYABLE TO NASDAQ ISE, LLC AND WILL BE PAID WHEN INVOICED. THE REMAINDER OF THE FINE SHALL BE ALLOCATED TO BOX EXCHANGE, INC., NYSE AMERICAN, LLC, NYSE ARCA, INC., LLC, NASDAQ MRX, LLC, NASDAQ GEMX, LLC, NASDAQ OPTIONS MARKET, LLC, NASDAQ BX, INC, NASDAQ PHLX, LLC, MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIAx PEARL, LLC.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.



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Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT VIOLATED SECTION 17(A)(1) OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT) AND RULE 17A-3(A)(6)(I) THEREUNDER, AND NYSE ARCA RULES 6.68-O(A)(8), 6.69-O, AND 11.16(A) BY ROUTING TO NYSE ARCA OPTIONS ORDERS TOTALING APPROXIMATELY 67,642 CONTRACTS WITH AN INACCURATE ORIGIN CODE. THE FINDINGS STATED THAT THE FIRM ACQUIRED A THIRD-PARTY PLATFORM FROM ANOTHER BROKER-DEALER. THE FIRM ROUTED TO NINE OPTIONS EXCHANGES, INCLUDING NYSE ARCA, APPROXIMATELY 60,277 OPTIONS ORDERS, TOTALING APPROXIMATELY 271,658 CONTRACTS, FROM A BROKER-DEALER CLIENT THAT HAD BEEN INCORRECTLY ON-BOARDED IN THE THIRD-PARTY AS "CUSTOMER" INSTEAD OF "BROKER-DEALER". THE FIRM LEARNED OF THE ISSUE AND FIRM TECHNOLOGY PERSONNEL COMPLETED IMPLEMENTING CORRECTIVE CHANGES. EACH INSTANCE IN WHICH THE FIRM ROUTED AN ORDER WITH AN INCORRECT ORIGIN CODE POTENTIALLY HAD SEVERAL CONSEQUENCES, SUCH AS INADVERTENTLY IMPACTING THE PRIORITY OF ORDER EXECUTION, CREATING AN INACCURATE AUDIT TRAIL AND INACCURATE ORDER RECORDS, REPORTING TRADES TO THE OPTIONS CLEARING CORPORATION WITH INACCURATE TRADE DETAILS, ALLOWING THE FIRM TO AVOID CERTAIN EXCHANGE FEES THAT IT OTHERWISE SHOULD HAVE INCURRED, AND IMPEDING NYSE ARCA'S ABILITY TO SURVEIL FOR AND DETECT POTENTIAL VIOLATIONS OF ITS RULES AND FEDERAL SECURITIES LAWS. THE FINDINGS ALSO STATED THAT THE FIRM VIOLATED NYSE ARCA RULE 11.18 BY FAILING TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES, AND A SYSTEM FOR APPLYING SUCH PROCEDURES, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RULES REQUIRING THE USE OF ACCURATE ORIGIN CODES, NOTWITHSTANDING THE SUPERVISORY REPORTS AND PROCESSES THAT THE FIRM HAD ESTABLISHED. FOR AT LEAST SEVEN MONTHS AFTER ACQUIRING THE THIRD-PARTY, THE FIRM DID NOT CONDUCT ANY REVIEWS TO ENSURE THAT THE CLIENT ACCOUNTS IT TOOK OVER WHEN IT ACQUIRED THE THIRD-PARTY HAD BEEN ON-BOARDED WITH A CORRECT ORIGIN CODE.

Initiated By: NYSE ARCA, INC.

Date Initiated: 05/09/2022

Docket/Case Number: 2019061184304



Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/09/2022
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$40,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$40,000. THIS SETTLEMENT RELATES TO OTHER SETTLEMENTS THE FIRM REACHED WITH NYSE AMERICAN LLC, THE NASDAQ OPTIONS MARKET LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIAx PEARL, LLC.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT FROM MARCH 2017 THROUGH NOVEMBER 2017 DASH ROUTED APPROXIMATELY 60,277 OPTION ORDERS TO NINE EXCHANGES, INCLUDING ARCA, THAT CONTAINED INCORRECT ORIGIN CODE INFORMATION, IN VIOLATION OF SECTION 17(A)(1) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3(A)(6) THEREUNDER, NYSE ARCA RULES 6.68-O(A)(8), 6.69-O, AND 11.16(A) AND FAILED TO SUPERVISE ITS USE OF ORIGIN CODES, IN VIOLATION OF NYSE ARCA RULE 11.18.
Initiated By:	NYSE ARCA, INC.
Date Initiated:	05/09/2022
Docket/Case Number:	2019061184304



Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/09/2022
Sanctions Ordered:	Censure Monetary/Fine \$40,000.00
Other Sanctions Ordered:	
Sanction Details:	THIS SETTLEMENT RELATES TO SIMILAR SETTLEMENTS REACHED WITH NYSE AMERICAN LLC, THE NASDAQ OPTIONS MARKET LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIX PEARL, LLC.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT VIOLATED SECTION 17(A)(1) OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT) AND RULE 17A-3(A)(6)(I) THEREUNDER, AND NYSE AMERICAN RULES 324, 956NY, 957NY AND 964NY BY ROUTING TO NYSE AMERICAN OPTIONS ORDERS TOTALING APPROXIMATELY 4,999 CONTRACTS WITH AN INACCURATE ORIGIN CODE. THE FINDINGS STATED THAT THE FIRM ACQUIRED A THIRD-PARTY PLATFORM FROM ANOTHER BROKER-DEALER. THE FIRM ROUTED TO NINE OPTIONS EXCHANGES, INCLUDING NYSE AMERICAN, APPROXIMATELY 60,277 OPTIONS ORDERS, TOTALING APPROXIMATELY 271,658 CONTRACTS, FROM A BROKER-DEALER CLIENT THAT HAD BEEN INCORRECTLY ON-BOARDED IN THE THIRD-PARTY AS "CUSTOMER" INSTEAD OF "BROKER-DEALER". THE FIRM



LEARNED OF THE ISSUE AND FIRM TECHNOLOGY PERSONNEL COMPLETED IMPLEMENTING CORRECTIVE CHANGES. EACH INSTANCE IN WHICH THE FIRM ROUTED AN ORDER WITH AN INCORRECT ORIGIN CODE POTENTIALLY HAD SEVERAL CONSEQUENCES, SUCH AS INADVERTENTLY IMPACTING THE PRIORITY OF ORDER EXECUTION, CREATING AN INACCURATE AUDIT TRAIL AND INACCURATE ORDER RECORDS, REPORTING TRADES TO THE OPTIONS CLEARING CORPORATION WITH INACCURATE TRADE DETAILS, ALLOWING THE FIRM TO AVOID CERTAIN EXCHANGE FEES THAT IT OTHERWISE SHOULD HAVE INCURRED, AND IMPEDING NYSE AMERICAN'S ABILITY TO SURVEIL FOR AND DETECT POTENTIAL VIOLATIONS OF ITS RULES AND FEDERAL SECURITIES LAWS. THE FINDINGS ALSO STATED THAT THE FIRM VIOLATED NYSE AMERICAN RULE 320 BY FAILING TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES, AND A SYSTEM FOR APPLYING SUCH PROCEDURES, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RULES REQUIRING THE USE OF ACCURATE ORIGIN CODES, NOTWITHSTANDING THE SUPERVISORY REPORTS AND PROCESSES THAT THE FIRM HAD ESTABLISHED. FOR AT LEAST SEVEN MONTHS AFTER ACQUIRING THE THIRD-PARTY, THE FIRM DID NOT CONDUCT ANY REVIEWS TO ENSURE THAT THE CLIENT ACCOUNTS IT TOOK OVER WHEN IT ACQUIRED THE THIRD-PARTY HAD BEEN ON-BOARDED WITH A CORRECT ORIGIN CODE.

Initiated By: NYSE AMERICAN LLC

Date Initiated: 05/09/2022

Docket/Case Number: 2019061184303

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/09/2022

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No



Sanctions Ordered: Censure
Monetary/Fine \$7,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$7,500. THIS SETTLEMENT RELATES TO OTHER SETTLEMENTS THE FIRM REACHED WITH NYSE ARCA, INC., NASDAQ OPTIONS MARKET LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIAx PEARL, LLC.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT FROM MARCH 2017 THROUGH NOVEMBER 2017 DASH ROUTED APPROXIMATELY 60,277 OPTION ORDERS TO NINE EXCHANGES, INCLUDING NYSE AMERICAN, THAT CONTAINED INCORRECT ORIGIN CODE INFORMATION, IN VIOLATION OF SECTION 17(A)(1) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3(A)(6) THEREUNDER, NYSE AMERICAN RULES 324, 956NY, 957NY, AND 964NY AND FAILED TO SUPERVISE ITS USE OF ORIGIN CODES, IN VIOLATION OF NYSE AMERICAN RULE 320.

Initiated By: NYSE AMERICAN LLC

Date Initiated: 05/09/2022

Docket/Case Number: 2019061184303

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/09/2022

Sanctions Ordered: Censure
Monetary/Fine \$7,500.00

Other Sanctions Ordered:

Sanction Details: DASH PAID THE \$7,500 FINE ON MAY 26, 2022. THIS SETTLEMENT RELATES TO SIMILAR SETTLEMENTS REACHED WITH NYSE ARCA, INC., THE



NASDAQ OPTIONS MARKET LLC, NASDAQ BX, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, AND MIX PEARL, LLC.

Firm Statement

THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT THE FIRM VIOLATED SEC RULE 15C3-5 AND CBOE RULE 4.2 BY FAILING TO IMPLEMENT REASONABLY DESIGNED RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES TO PREVENT THE ENTRY OF POTENTIALLY ERRONEOUS ORDERS.

Initiated By: CBOE EXCHANGE, INC

Date Initiated: 12/22/2021

Docket/Case Number: FILE NO. USRI-8452-01

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 12/22/2021

Sanctions Ordered: Censure
Monetary/Fine \$12,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM PAID THE \$12,500 FINE ON DECEMBER 31, 2021.

Firm Statement

THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS



REFERRED TO THEREIN.

Disclosure 31 of 68

Reporting Source:	Regulator
Current Status:	Final
Allegations:	DASH FINANCIAL TECHNOLOGIES LLC VIOLATED RULE 15C3-5 AND BZX RULE 3.2 IN THAT THE FIRM FAILED TO IMPLEMENT REASONABLY DESIGNED RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES, REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS, BY REJECTING ORDERS THAT EXCEED APPROPRIATE PRICE OR SIZE PARAMETERS, ON AN ORDER-BY-ORDER BASIS OR OVER A SHORT PERIOD OF TIME.
Initiated By:	CBOE BZX EXCHANGE, INC.
Date Initiated:	12/22/2021
Docket/Case Number:	FILE NO. USRI-8452-03
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	12/22/2021
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$12,500.00
Other Sanctions Ordered:	
Sanction Details:	A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$12,500.



Reporting Source:	Firm
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT THE FIRM VIOLATED SEC RULE 15C3-5 AND BZX RULE 3.2 BY FAILING TO IMPLEMENT REASONABLY DESIGNED RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES TO PREVENT THE ENTRY OF POTENTIALLY ERRONEOUS ORDERS.
Initiated By:	CBOE BZX EXCHANGE, INC
Date Initiated:	12/22/2021
Docket/Case Number:	FILE NO. USRI-8452-03
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	12/22/2021
Sanctions Ordered:	Censure Monetary/Fine \$12,500.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM PAID THE \$12,500 FINE ON DECEMBER 31, 2021.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	DASH FINANCIAL TECHNOLOGIES LLC VIOLATED RULE 15C3-5 AND EDGX RULE 3.2 IN THAT THE FIRM FAILED TO IMPLEMENT REASONABLY DESIGNED RISK MANAGEMENT CONTROLS AND SUPERVISORY



PROCEDURES, REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS, BY REJECTING ORDERS THAT EXCEED APPROPRIATE PRICE OR SIZE PARAMETERS, ON AN ORDER-BY-ORDER BASIS OR OVER A SHORT PERIOD OF TIME.

Initiated By: CBOE EDGX EXCHANGE, INC.

Date Initiated: 12/22/2021

Docket/Case Number: FILE NO. USRI-8452-04

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 12/22/2021

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$12,500.00

Other Sanctions Ordered:

Sanction Details: A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$12,500.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT THE FIRM VIOLATED SEC RULE 15C3-5 AND EDGX RULE 3.2 BY FAILING TO IMPLEMENT REASONABLY DESIGNED RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES TO PREVENT THE ENTRY OF POTENTIALLY ERRONEOUS ORDERS.

Initiated By: CBOE EDGX EXCHANGE, INC

Date Initiated: 12/22/2021



Docket/Case Number:	FILE NO. USRI-8452-04
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	12/22/2021
Sanctions Ordered:	Censure Monetary/Fine \$12,500.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM PAID THE \$12,500 FINE ON DECEMBER 31, 2021.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTling THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

Disclosure 33 of 68

Reporting Source:	Regulator
Current Status:	Final
Allegations:	DASH FINANCIAL TECHNOLOGIES LLC VIOLATED RULE 15C3-5 AND C2 RULE 4.2 IN THAT THE FIRM FAILED TO IMPLEMENT REASONABLY DESIGNED RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES, REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS, BY REJECTING ORDERS THAT EXCEED APPROPRIATE PRICE OR SIZE PARAMETERS, ON AN ORDER-BY-ORDER BASIS OR OVER A SHORT PERIOD OF TIME.
Initiated By:	CBOE C2 EXCHANGE, INC.
Date Initiated:	12/22/2021
Docket/Case Number:	FILE NO. USRI-8452-02
Principal Product Type:	Options

**Other Product Type(s):**

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 12/22/2021

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$12,500.00

Other Sanctions Ordered:

Sanction Details: A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$12,500.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT THE FIRM VIOLATED SEC RULE 15C3-5 AND C2 RULE 4.2 BY FAILING TO IMPLEMENT REASONABLY DESIGNED RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES TO PREVENT THE ENTRY OF POTENTIALLY ERRONEOUS ORDERS.

Initiated By: CBOE C2 EXCHANGE, INC.

Date Initiated: 12/22/2021

Docket/Case Number: FILE NO. USRI-8452-02

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:



Resolution:	Consent
Resolution Date:	12/22/2021
Sanctions Ordered:	Censure Monetary/Fine \$12,500.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM PAID THE \$12,500 FINE ON DECEMBER 31, 2021.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTling THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	DASH FINANCIAL TECHNOLOGIES, LLC VIOLATED EDGX RULE 21.19 IN THAT DASH ELECTRONICALLY SUBMITTED AN AGENCY ORDER AGAINST PRINCIPAL INTEREST OR A SOLICITED ORDER FOR THE ACCOUNT OF ITS MARKET-MAKER CUSTOMER, AN OPTIONS MARKET-MAKER REGISTERED IN THE APPLICABLE SERIES ON THE EXCHANGE; VIOLATED EDGX RULE 5.1 IN THAT THE FIRM FAILED TO PROPERLY ENFORCE WSPS.
Initiated By:	CBOE EDGX EXCHANGE, INC.
Date Initiated:	04/21/2021
Docket/Case Number:	FILE NO. USRI-8929-04
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	05/04/2021



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$20,000.00
Other Sanctions Ordered:	
Sanction Details:	A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$20,000.
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Reporting Source:	Firm
Current Status:	Final
Appealed To and Date Appeal Filed:	N/A
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT DURING THE PERIOD OCTOBER 2019 THROUGH IN OR ABOUT DECEMBER 2019 IT VIOLATED CBOE EDGX EXCHANGE, INC. ("EDGX") RULE 21.19 BY ROUTING ORDERS ON BEHALF OF A MARKET-MAKER CUSTOMER AT A TIME WHEN THAT MARKET-MAKER CUSTOMER HELD AN APPOINTMENT IN THE RELEVANT OPTION CLASSES ON THE MATCHED ORDER AND EDGX RULE 5.1 BY FAILING TO REASONABLY ENFORCE ITS WSPS AGAINST VIOLATIONS OF EDGX RULE 21.19.
Initiated By:	CBOE EDGX EXCHANGE, INC
Date Initiated:	04/21/2021
Docket/Case Number:	FILE NO. USRI-8929-04
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	04/21/2021



Sanctions Ordered:	Censure Monetary/Fine \$20,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM PAID THE \$20,000 FINE ON MAY 12, 2021.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	DURING THE PERIOD MARCH 1, 2017 THROUGH NOVEMBER 8, 2017, THE FIRM VIOLATED CHAPTER III, SECTION 1; CHAPTER III, SECTION 2; CHAPTER V, SECTION 7(A); CHAPTER IX, SECTION 1; AND RULE 2010A OF THE NASDAQ OPTIONS MARKET (NOM) RULES. THESE VIOLATIONS CONCERN COMPLIANCE WITH NOM RULES AND POLICIES GOVERNING THE USE OF ORIGIN CODES.
Initiated By:	THE NASDAQ OPTIONS MARKET LLC
Date Initiated:	03/12/2021
Docket/Case Number:	2019.02.0023
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/12/2021
Sanctions Ordered:	Censure Monetary/Fine \$16,500.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM CONSENTED TO THE IMPOSITION OF A CENSURE AND A FINE IN



THE AMOUNT OF \$16,500 FOR THE VIOLATION OF CHAPTER III, SECTION 1;
CHAPTER III, SECTION 2; CHAPTER V, SECTION 7(A); CHAPTER IX, SECTION
1; AND RULE 2010A OF THE NOM RULES.

Reporting Source:	Firm
Current Status:	Final
Appealed To and Date Appeal Filed:	N/A
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH NASDAQ OPTIONS MARKET (NOM) RULES GOVERNING THE USE OF ORIGIN CODES DURING THE PERIOD MARCH 1, 2017 THROUGH NOVEMBER 8, 2017, IN VIOLATION OF CHAPTER III, SECTION 1, CHAPTER III, SECTION 2, CHAPTER V, SECTION 7(A), CHAPTER IX, SECTION 1, AND RULE 2010A OF THE NOM.
Initiated By:	THE NASDAQ OPTIONS MARKET LLC
Date Initiated:	03/12/2021
Docket/Case Number:	2019.02.0023
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/12/2021
Sanctions Ordered:	Censure Monetary/Fine \$16,500.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WILL PAY THE \$16,500 FINE WHEN INVOICED.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.



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Reporting Source:	Regulator
Current Status:	Final
Allegations:	DURING THE PERIOD MARCH 1, 2017 THROUGH NOVEMBER 8, 2017, THE FIRM VIOLATED CHAPTER III, SECTION 1; CHAPTER III, SECTION 2; CHAPTER V, SECTION 7(A), CHAPTER IX, SECTION 1; AND RULE 21105 OF THE BX RULES. THESE VIOLATIONS CONCERN COMPLIANCE WITH BX RULES AND POLICIES GOVERNING THE USE OF ORIGIN CODES.
Initiated By:	NASDAQ BX, INC.
Date Initiated:	03/12/2021
Docket/Case Number:	2019.02.0023
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/12/2021
Sanctions Ordered:	Censure Monetary/Fine \$820.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM CONSENTED TO THE IMPOSITION OF A CENSURE AND A FINE IN THE AMOUNT OF \$820 FOR THE VIOLATION OF CHAPTER III, SECTION 1, CHAPTER III,SECTION 2, CHAPTER V, SECTION 7(A), CHAPTER IX, SECTION 1, AND RULE 2110 OF THE BXRULES.

Reporting Source:	Firm
Current Status:	Final
Appealed To and Date Appeal Filed:	N/A
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED



TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH NASDAQ BX, INC (BX) RULES GOVERNING THE USE OF ORIGIN CODES DURING THE PERIOD MARCH 1, 2017 THROUGH NOVEMBER 8, 2017, IN VIOLATION OF CHAPTER III, SECTION 1, CHAPTER III, SECTION 2, CHAPTER V, SECTION 7(A), CHAPTER IX, SECTION 1, AND RULE 2110 OF THE BX.

Initiated By: NASDAQ BX, INC

Date Initiated: 03/12/2021

Docket/Case Number: 2019.02.0023

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/12/2021

Sanctions Ordered: Censure
Monetary/Fine \$820.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WILL PAY THE \$820 FINE WHEN INVOICED.

Firm Statement THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTling THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source: Regulator

Current Status: Final

Allegations: DURING THE PERIOD MARCH 1, 2017 THROUGH NOVEMBER 8, 2017, THE FIRM VIOLATED GEMX RULES 400, 401, 1400(A), 712(A), AND 713(C). THESE VIOLATIONS CONCERN COMPLIANCE WITH GEMX RULES AND POLICIES GOVERNING THE USE OF ORIGIN CODES.

Initiated By: NASDAQ GEMX, LLC



Date Initiated: 03/12/2021

Docket/Case Number: 2019.02.0023

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/12/2021

Sanctions Ordered: Censure
Monetary/Fine \$7,100.00

Other Sanctions Ordered:

Sanction Details: THE FIRM CONSENTED TO THE IMPOSITION OF A CENSURE AND A FINE IN THE AMOUNT OF \$7,100 FOR THE VIOLATION OF RULE 400, RULE 401, RULE 1400(A), AND RULES 712(A) AND 713(C) OF THE GEMX RULES.

Reporting Source: Firm

Current Status: Final

Appealed To and Date Appeal Filed: N/A

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH NASDAQ GEMX, LLC (GEMX) RULES GOVERNING THE USE OF ORIGIN CODES DURING THE PERIOD MARCH 1, 2017 THROUGH NOVEMBER 8, 2017, IN VIOLATION OF RULE 400, RULE 401, RULE 1400(A), AND RULES 712(A) AND 713(C) OF THE GEMX.

Initiated By: NASDAQ GEMX, LLC

Date Initiated: 03/12/2021

Docket/Case Number: 2019.02.0023

Principal Product Type: Options

Other Product Type(s):



Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/12/2021
Sanctions Ordered:	Censure Monetary/Fine \$7,100.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WILL PAY THE \$7,100 FINE WHEN INVOICED.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	DURING THE PERIOD MARCH 1, 2017 THROUGH NOVEMBER 8, 2017, THE FIRM VIOLATED ISE RULES 400, 401, 1400(A), 712(A), AND 713(C). THESE VIOLATIONS CONCERN COMPLIANCE WITH ISE RULES AND POLICIES GOVERNING THE USE OF ORIGIN CODES.
Initiated By:	NASDAQ ISE, LLC
Date Initiated:	03/12/2021
Docket/Case Number:	2019.02.0023
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)



Resolution Date: 03/12/2021

Sanctions Ordered: Censure
Monetary/Fine \$3,720.00

Other Sanctions Ordered:

Sanction Details: THE FIRM CONSENTED TO THE IMPOSITION OF A CENSURE AND A FINE IN THE AMOUNT OF \$3,720 FOR THE VIOLATION OF RULE 400, RULE 401, RULE 1400(A), AND RULES 712(A) AND 713(C) OF THE ISE RULES.

Reporting Source: Firm

Current Status: Final

Appealed To and Date Appeal Filed: N/A

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH NASDAQ ISE, LLC (ISE) RULES GOVERNING THE USE OF ORIGIN CODES DURING THE PERIOD MARCH 1, 2017 THROUGH NOVEMBER 8, 2017, IN VIOLATION OF RULE 400, RULE 401, RULE 1400(A), AND RULES 712(A) AND 713(C) OF THE ISE.

Initiated By: NASDAQ ISE, LLC

Date Initiated: 03/12/2021

Docket/Case Number: 2019.02.0023

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/12/2021

Sanctions Ordered: Censure
Monetary/Fine \$3,720.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WILL PAY THE \$3,720 FINE WHEN INVOICED.

**Firm Statement**

THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTling THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source: Regulator

Current Status: Final

Allegations: DURING THE PERIOD MARCH 1, 2017 THROUGH NOVEMBER 8, 2017, THE FIRM VIOLATED MRX RULES 400, 401, 1400(A), 712(A), AND 713(C). THESE VIOLATIONS CONCERN COMPLIANCE WITH MRX RULES AND POLICIES GOVERNING THE USE OF ORIGIN CODES.

Initiated By: NASDAQ MRX, LLC

Date Initiated: 03/12/2021

Docket/Case Number: 2019.02.0023

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/12/2021

Sanctions Ordered: Censure
Monetary/Fine \$325.00

Other Sanctions Ordered:

Sanction Details: THE FIRM CONSENTED TO THE IMPOSITION OF A CENSURE AND A FINE IN THE AMOUNT OF \$325, FOR THE VIOLATION OF RULE 400, RULE 401, RULE 1400(A), AND RULES 712(A) AND 713(C) OF THE MRX RULES.

Reporting Source: Firm

Current Status: Final

Appealed To and Date Appeal N/A



Filed:	
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH NASDAQ MRX, LLC (MRX) RULES GOVERNING THE USE OF ORIGIN CODES DURING THE PERIOD MARCH 1, 2017 THROUGH NOVEMBER 8, 2017, IN VIOLATION OF RULE 400, RULE 401, RULE 1400(A), AND RULES 712(A) AND 713(C) OF THE MRX.
Initiated By:	NASDAQ MRX, LLC
Date Initiated:	03/12/2021
Docket/Case Number:	2019.02.0023
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/12/2021
Sanctions Ordered:	Censure Monetary/Fine \$325.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WILL PAY THE \$325 FINE WHEN INVOICED.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	DURING THE PERIOD MARCH 1, 2017 THROUGH NOVEMBER 8, 2017, THE FIRM VIOLATED PHLX RULES 760, 785(C), 1053, 707, AND 708. THESE VIOLATIONS CONCERN COMPLIANCE WITH PHLX RULES AND POLICIES GOVERNING THE USE OF ORIGIN CODES.



Initiated By: NASDAQ PHLX LLC
Date Initiated: 03/12/2021
Docket/Case Number: 2019.02.0023
Principal Product Type: Equity Listed (Common & Preferred Stock)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 03/12/2021
Sanctions Ordered: Censure
 Monetary/Fine \$14,060.00
Other Sanctions Ordered:
Sanction Details: THE FIRM CONSENTED TO THE IMPOSITION OF A CENSURE AND A FINE IN THE AMOUNT OF \$14,060 FOR THE VIOLATION OF RULE 760, RULE 785(C), RULE 1053, RULE 707, AND RULE 708 OF THE PHLX RULES.

Reporting Source: Firm
Current Status: Final
Appealed To and Date Appeal Filed: N/A
Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH NASDAQ PHLX LLC (PHLX) RULES GOVERNING THE USE OF ORIGIN CODES DURING THE PERIOD MARCH 1, 2017 THROUGH NOVEMBER 8, 2017, IN VIOLATION OF RULE 760, RULE 785(C), RULE 1053, RULE 707, AND RULE 708 OF THE PHLX.

Initiated By: NASDAQ PHLX LLC
Date Initiated: 03/12/2021
Docket/Case Number: 2019.02.0023
Principal Product Type: Options
Other Product Type(s):



Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/12/2021
Sanctions Ordered:	Censure Monetary/Fine \$14,060.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WILL PAY THE \$14,060 FINE WHEN INVOICED.
Firm Statement	THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>DASH FINANCIAL TECHNOLOGIES LLC: (I) FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT THE ISOS IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN SEC RULE 600(B)(30) OF REGULATION NMS; (II) FAILED TO ESTABLISH PROCEDURES REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH REGULATION NMS RULE 611(C) AND BYX RULE 11.9(D) TO ENSURE THAT, WHEN HANDLING ISOS IN EQUITY SECURITIES, IT SIMULTANEOUSLY ROUTED ISOS TO TRADE AGAINST THE FULL DISPLAYED SIZE OF ALL PROTECTED QUOTES.</p> <p>VIOLATION OF BYX RULES 11.9, 5.1, 3.1, AND 3.2; SECURITIES AND EXCHANGE COMMISSION RULE 611 OF REGULATION NMS</p> <p>SANCTION: A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$22,500.</p>
Initiated By:	CBOE BYX EXCHANGE, INC.
Date Initiated:	12/06/2019
Docket/Case Number:	STAR NO. 20170546411 / FILE NO. USRI-4714



Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	12/10/2019
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$22,500.00
Other Sanctions Ordered:	
Sanction Details:	A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$22,500
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Reporting Source:	Firm
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO ENTRY OF FINDINGS THAT DURING THE PERIOD OCTOBER 27, 2016 TO FEBRUARY 23, 2018, (A) THE FIRM PARCELED MIXED LOT ORDERS INTO ROUND LOTS AND ODD LOTS DUE TO A FAULTY LOGIC IN 1,052 INSTANCES AND (B) IN CONNECTION WITH 993 ISOS, THE FIRM HAD FAULTY FUNCTIONALITY THAT RESULTED IN A FAILURE TO ROUTE ISOS TO ALL MARKETS WITH QUOTATIONS SUPERIOR TO THE LIMIT PRICE. AS A RESULT, THE FIRM FAILED TO EXECUTE AGAINST FULL DISPLAYED SIZE OF CERTAIN PROTECTED QUOTATIONS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH PROCEDURES REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH REG NMS RULE 611(C) AND BYX RULE 11.9(D) IN CONNECTION WITH ABOVE VIOLATIONS.
Initiated By:	CBOE BYX EXCHANGE, INC.
Date Initiated:	12/10/2019
Docket/Case Number:	20170546411/FILE NO. USRI-4714



Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	01/10/2020
Sanctions Ordered:	Censure Monetary/Fine \$22,500.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$22,500. THE FIRM PAID ITS FINE, IN FULL, ON JANUARY 10, 2020.
Firm Statement	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM AGREED TO THE SANCTIONS NOTED ABOVE.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT TRANSMITTED TO OATS OVER ONE BILLION INACCURATE ROES, PRIMARILY DUE TO THE FAILURE TO APPEND THE DIRECTED SPECIAL HANDLING CODE TO DIRECTED ORDERS. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES, CONCERNING OATS. THE FIRM'S SUPERVISORY SYSTEM FOCUSED ON CORRECTING OATS ISSUES THAT EITHER IMPACTED THE ABILITY TO SUBMIT OATS ROES OR WERE IDENTIFIED BY FINRA, BUT WAS NOT REASONABLY DESIGNED TO IDENTIFY SITUATIONS IN WHICH ROES CONTAINED INACCURATE INFORMATION THAT WOULD NOT RESULT IN REJECTS, MISMATCHES, OUT-OF-SEQUENCE EVENTS, ETC. IN THIS REGARD, WHILE THE FIRM REVIEWED A SMALL NUMBER OF ORDERS ON A MONTHLY AND SEMI-ANNUAL BASIS TO ENSURE THE ROES SUBMITTED FOR THOSE ORDERS WERE ACCURATE, THE NUMBER OF ORDERS REVIEWED WAS UNREASONABLY SMALL AND NOT TAILORED TO ITS BUSINESS ACTIVITY.



AS A RESULT OF ITS SUPERVISORY FAILURES, THE FIRM WAS UNAWARE OF ITS INACCURATE OATS SUBMISSIONS UNTIL NOTIFIED BY FINRA.

Initiated By: FINRA

Date Initiated: 01/02/2020

Docket/Case Number: [2016051474801](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/02/2020

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$90,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$90,000. FINE PAID IN FULL ON 1/15/2020.

Reporting Source: Firm

Current Status: Final

Appealed To and Date Appeal Filed: N/A

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT TRANSMITTED TO OATS OVER ONE BILLION INACCURATE ROES, PRIMARILY DUE TO THE FAILURE TO APPEND THE DIRECTED SPECIAL HANDLING CODE TO DIRECTED ORDERS. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM WAS NOT REASONABLY DESIGNED TO



ACHIEVE COMPLIANCE WITH RESPECT TO APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES, CONCERNING OATS.

Initiated By:	THE FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.
Date Initiated:	01/02/2020
Docket/Case Number:	20160514748-01
Principal Product Type:	Other
Other Product Type(s):	N/A
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	MONETARY FINE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	01/02/2020
Sanctions Ordered:	Censure Monetary/Fine \$90,000.00
Other Sanctions Ordered:	N/A
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$90,000. THE FIRM PAID ITS FINE, IN FULL, ON JANUARY 15, 2020.
Firm Statement	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM AGREED TO THE SANCTIONS NOTED ABOVE.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE STAFF OF FINRA'S DEPARTMENT OF MARKET REGULATION CONDUCTED A TRADING AND FINANCIAL COMPLIANCE EXAMINATION, WHICH INCLUDED THE FIRM'S TRADING ACTIVITY ON TRADE DATES FROM FEBRUARY 12, 2016 THROUGH FEBRUARY 26, 2016, AND WAS THEREAFTER EXPANDED TO INCLUDE TRADE DATES IN JANUARY AND FEBRUARY 2016. THE FINDINGS STATED THAT DURING THE REVIEW PERIOD, THE FIRM MARKED TWO PARENT ORDERS AS LONG WHEN THEY SHOULD HAVE BEEN MARKED AS SHORT, WHICH RESULTED IN 276 CHILD ORDERS THAT WERE SUBMITTED TO BZX WITHOUT A SHORT SALE INDICATOR. THE CONDUCT DESCRIBED IN PARAGRAPH ONE CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS



OF THE SECURITIES EXCHANGE ACT OF 1934 RULE 200(G) OF
REGULATION SHO, AND BZX RULE 11.19.

Initiated By: BATS BZX EXCHANGE, INC.

Date Initiated: 12/27/2017

Docket/Case Number: 2016048615403

Principal Product Type: Other

Other Product Type(s): SHORT SALES

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/25/2018

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$5,000.00.

Regulator Statement THE FIRM WAS CENSURED AND FINED IN THE AMOUNT OF \$5,000. THIS SETTLEMENT WILL BECOME THE FINAL DECISION IN THIS MATTER 20 BUSINESS DAYS AFTER THE ISSUANCE OF THIS DECISION. ACCORDINGLY, THIS MATTER BECAME FINAL ON JANUARY 25, 2018.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, DASH FINANCIAL TECHNOLOGIES LLC (F/K/A DASH FINANCIAL LLC) ("DASH" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE STAFF OF THE FINRA DEPARTMENT OF MARKET REGULATION CONDUCTED A TRADING AND FINANCIAL COMPLIANCE EXAMINATION OF



DASH DURING THE PERIOD OF FEBRUARY 12-26, 2016. THIS EXAMINATION WAS THEREAFTER EXPANDED TO INCLUDE TRADE DATES IN JANUARY AND FEBRUARY 2016 (COLLECTIVELY, THE "REVIEW PERIOD"). DURING THE REVIEW PERIOD, THE FIRM MARKED TWO PARENT ORDERS AS LONG SALES WHEN THEY SHOULD HAVE BEEN MARKED AS SHORT SALES. THIS RESULTED IN 276 CHILD ORDERS THAT WERE SUBMITTED TO BZX WITHOUT A SHORT SALE INDICATOR. THE CONDUCT DESCRIBED CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF THE SECURITIES EXCHANGE ACT OF 1934 RULE 200(G) OF REGULATION SHO, AND BZX RULE 11.19.

Initiated By:	CBOE BZX EXCHANGE, INC. (F/K/A BATS BZX EXCHANGE, INC.)
Date Initiated:	06/05/2017
Docket/Case Number:	STAR NO. 20160486154
Principal Product Type:	Other
Other Product Type(s):	SHORT SALES
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/08/2017
Sanctions Ordered:	Censure Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS FINED IN THE AMOUNT OF \$5,000 BY CBOE BZX EXCHANGE, INC. THE FIRM WILL REMIT PAYMENT OF THIS MONETARY FINE TO CBOE BZX EXCHANGE, INC. IN JANUARY 2018.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE STAFF OF FINRA'S DEPARTMENT OF MARKET REGULATION CONDUCTED A TRADING AND FINANCIAL COMPLIANCE EXAMINATION, WHICH INCLUDED THE FIRM'S TRADING ACTIVITY ON TRADE DATES FROM FEBRUARY 12, 2016



THROUGH FEBRUARY 26, 2016, AND WAS THEREAFTER EXPANDED TO INCLUDE TRADE DATES IN JANUARY AND FEBRUARY 2016. THE FINDINGS STATED THAT DURING THE REVIEW PERIOD, THE FIRM MARKED TWO PARENT ORDERS AS LONG WHEN THEY SHOULD HAVE BEEN MARKED AS SHORT, WHICH RESULTED IN 120 CHILD ORDERS THAT WERE SUBMITTED TO EDGX WITHOUT A SHORT SALE INDICATOR. THE CONDUCT DESCRIBED IN PARAGRAPH ONE CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF THE SECURITIES EXCHANGE ACT OF 1934 RULE 200(G) OF REGULATION SHO, AND EDGX RULE 11.10(A)(5).

Initiated By: BATS EDGX EXCHANGE, INC.

Date Initiated: 12/27/2017

Docket/Case Number: 2016048615405

Principal Product Type: Other

Other Product Type(s): SHORT SALES

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/25/2018

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED IN THE AMOUNT OF \$5,000. THIS SETTLEMENT BECAME THE FINAL DECISION IN THIS MATTER 20 BUSINESS DAYS AFTER THE ISSUANCE OF THIS DECISION. ACCORDINGLY THIS MATTER BECAME FINAL ON JANUARY 25, 2018.

Reporting Source: Firm

Current Status: Final



Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, DASH FINANCIAL TECHNOLOGIES LLC (F/K/A DASH FINANCIAL LLC) ("DASH" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND THE ENTRY OF FINDINGS THAT THE FINRA DEPARTMENT OF MARKET REGULATION CONDUCTED AN EXAMINATION OF TRADING ACTIVITY BY DASH DURING THE PERIOD OF FEBRUARY 12 - 26, 2016. THIS EXAMINATION WAS THEREAFTER EXPANDED TO INCLUDE TRADE DATES IN JANUARY AND FEBRUARY 2016 (COLLECTIVELY, THE "REVIEW PERIOD"). DURING THE REVIEW PERIOD, THE FIRM MARKED TWO PARENT ORDERS AS LONG SALES WHEN THEY SHOULD HAVE BEEN MARKED AS SHORT SALES. THIS RESULTED IN 120 CHILD ORDERS ROUTED TO EDGX WITHOUT A SHORT SALE INDICATOR. THE IMPROPER MARKING OF THESE TWO PARENT ORDERS CONSTITUTED A VIOLATION OF THE SECURITIES EXCHANGE ACT OF 1934 RULE 200(G) OF REGULATION SHO AND EDGX RULE 11.10(A)(5).
Initiated By:	CBOE EDGX EXCHANGE, INC. (F/K/A BATS EDGX EXCHANGE, INC.)
Date Initiated:	06/05/2017
Docket/Case Number:	STAR NO. 20160486154
Principal Product Type:	Other
Other Product Type(s):	SHORT SALES
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/08/2017
Sanctions Ordered:	Censure Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS FINED IN THE AMOUNT OF \$5,000 BY CBOE EDGX EXCHANGE INC. THE FIRM WILL REMIT PAYMENT FOR THIS MONETARY FINE TO CBOE EDGX EXCHANGE INC. IN JANUARY 2018.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED



TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE STAFF OF FINRA'S DEPARTMENT OF MARKET REGULATION CONDUCTED A TRADING AND FINANCIAL COMPLIANCE EXAMINATION, WHICH INCLUDED THE FIRM'S TRADING ACTIVITY FROM FEBRUARY 12, 2016 THROUGH FEBRUARY 26, 2016, AND WAS THEREAFTER EXPANDED TO INCLUDE TRADE DATES IN JANUARY AND FEBRUARY 2016. THE FINDINGS STATED THAT DURING THE REVIEW PERIOD, THE FIRM MARKED TWO PARENT ORDERS AS LONG WHEN THEY SHOULD HAVE BEEN MARKED AS SHORT, WHICH RESULTED IN 163 CHILD ORDERS THAT WERE SUBMITTED TO NASDAQ WITHOUT A SHORT SALE INDICATOR. THE CONDUCT DESCRIBED IN PARAGRAPH ONE CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF THE SECURITIES EXCHANGE ACT OF 1934 RULE 200(G) OF REGULATION SHO, AND NASDAQ RULE 4702.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 12/27/2017

Docket/Case Number: 2016048615402

Principal Product Type: Other

Other Product Type(s): SHORT SALES

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/27/2017

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND A FINED IN THE AMOUNT OF \$5,000.

Reporting Source: Firm



Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, DASH FINANCIAL TECHNOLOGIES LLC (F/K/A DASH FINANCIAL LLC) ("DASH" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND THE ENTRY OF FINDINGS THAT THE FINRA DEPARTMENT OF MARKET REGULATION CONDUCTED AN EXAMINATION OF TRADING ACTIVITY BY DASH DURING THE PERIOD OF FEBRUARY 12 - 26, 2016. THIS EXAMINATION WAS THEREAFTER EXPANDED TO INCLUDE TRADE DATES IN JANUARY AND FEBRUARY 2016 (COLLECTIVELY, THE "REVIEW PERIOD"). DURING THE REVIEW PERIOD, THE FIRM MARKED TWO PARENT ORDERS AS LONG SALES WHEN THEY SHOULD HAVE BEEN MARKED AS SHORT SALES. THIS RESULTED IN 163 CHILD ORDERS THAT WERE SUBMITTED TO NASDAQ WITHOUT A SHORT SALE INDICATOR RESULTING A VIOLATION OF THE SECURITIES AND EXCHANGE ACT OF 1934 RULE 200(G) OF REGULATION SHO AND NASDAQ RULE 4702.
Initiated By:	THE NASDAQ STOCK MARKET LLC
Date Initiated:	06/05/2017
Docket/Case Number:	STAR NO. 20160486154
Principal Product Type:	Other
Other Product Type(s):	SHORT SALES
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/08/2017
Sanctions Ordered:	Censure Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS FINED IN THE AMOUNT OF \$5,000 BY THE NASDAQ STOCK MARKET LLC. THE FIRM WILL REMIT PAYMENT FOR THIS MONETARY FINE TO THE NASDAQ STOCK MARKET LLC IN JANUARY 2018.



Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE STAFF OF FINRA'S DEPARTMENT OF MARKET REGULATION CONDUCTED A TRADING AND FINANCIAL COMPLIANCE EXAMINATION, WHICH INCLUDED THE FIRM'S TRADING ACTIVITY ON TRADE DATES FROM FEBRUARY 12, 2016 THROUGH FEBRUARY 26, 2016, AND WAS THEREAFTER EXPANDED TO INCLUDE TRADE DATES IN JANUARY AND FEBRUARY 2016. THE FINDINGS STATED THAT DURING THE REVIEW PERIOD, THE FIRM MARKED TWO PARENT ORDERS AS LONG WHEN THEY SHOULD HAVE BEEN MARKED AS SHORT, WHICH RESULTED IN 101 CHILD ORDERS THAT WERE SUBMITTED TO EDGA WITHOUT A SHORT SALE INDICATOR. THE CONDUCT DESCRIBED IN PARAGRAPH ONE CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF THE SECURITIES EXCHANGE ACT OF 1934 RULE 200(G) OF REGULATION SHO, AND EDGA RULE 11 10(A)(5).
Initiated By:	BATS EDGA EXCHANGE, INC.
Date Initiated:	12/27/2017
Docket/Case Number:	2016048615404
Principal Product Type:	Other
Other Product Type(s):	SHORT SALES
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	01/25/2018
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM IS CENSURED AND FINED IN THE AMOUNT OF \$5,000. THE



DECISION BECAME FINAL 20 BUSINESS DAYS AFTER THE ISSUANCE OF THE DECISION. ACCORDINGLY, THIS MATTER BECAME FINAL ON JANUARY 25, 2018.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, DASH FINANCIAL TECHNOLOGIES LLC (F/K/A DASH FINANCIAL LLC) ("DASH" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND THE ENTRY OF FINDINGS THAT THE FINRA DEPARTMENT OF MARKET REGULATION CONDUCTED AN EXAMINATION OF TRADING ACTIVITY BY DASH DURING THE PERIOD OF FEBRUARY 12 - 26, 2016. THIS EXAMINATION WAS THEREAFTER EXPANDED TO INCLUDE TRADE DATES IN JANUARY AND FEBRUARY 2016 (COLLECTIVELY, THE "REVIEW PERIOD"). DURING THE REVIEW PERIOD, THE FIRM MARKED TWO PARENT ORDERS AS LONG SALES WHEN THEY SHOULD HAVE BEEN MARKED AS SHORT SALES. THIS RESULTED IN 101 CHILD ORDERS ROUTED TO EDGA WITHOUT A SHORT SALE INDICATOR. THE IMPROPER MARKING OF THESE TWO PARENT ORDERS CONSTITUTED A VIOLATION OF THE SECURITIES EXCHANGE ACT OF 1934 RULE 200(G) OF REGULATION SHO AND EDGA RULE 11.10(A)(5).

Initiated By: CBOE EDGA EXCHANGE, INC. (F/K/A BATS EDGA EXCHANGE, INC.)

Date Initiated: 06/05/2017

Docket/Case Number: STAR NO. 20160486154

Principal Product Type: Other

Other Product Type(s): SHORT SALES

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/08/2017

Sanctions Ordered: Censure
Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS FINED IN THE AMOUNT OF \$5,000 BY CBOE EDGA EXCHANGE, INC. THE FIRM WILL REMIT PAYMENT OF THIS MONETARY FINE



TO CBOE EDGA EXCHANGE, INC. IN JANUARY 2018.

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Reporting Source: Regulator

Current Status: Final

Allegations: DECEMBER 20, 2017, DASH FINANCIAL LLC, N/K/A DASH FINANCIAL TECHNOLOGIES LLC AND NYSE ARCA, INC. ENTERED INTO AN OFFER OF SETTLEMENT AND CONSENT FOR THE SOLE PURPOSE OF SETTling THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO IN THE OFFER OF SETTLEMENT. THE HEARING OFFICER ACCEPTS THE OFFER OF SETTLEMENT AND CONSENT AND ISSUES THIS DECISION IN ACCORDANCE WITH NYSE ARCA RULES. ON BEHALF OF THE EXCHANGE, STAFF OF THE FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA) CONDUCTED A TRADING AND FINANCIAL COMPLIANCE EXAMINATION, WHICH INCLUDED THE FIRM'S TRADING ACTIVITY ON TRADE DATES FROM FEBRUARY 12, 2016 THROUGH FEBRUARY 26, 2016, AND THEREAFTER EXPANDED TO INCLUDE TRADE DATES IN JANUARY AND FEBRUARY 2016 (THE "REVIEW PERIOD"). IN A LETTER DATED FEBRUARY 9, 2017, WHICH THE FIRM RECEIVED, FINRA, ON BEHALF OF THE EXCHANGE, NOTIFIED THE FIRM THAT IT WAS INVESTIGATING WHETHER IT HAD MISMARKED ORDERS AND FAILED TO ENTER THE SHORT SALE INDICATOR ON ORDERS IN VIOLATION OF THE SECURITIES EXCHANGE ACT OF 1934 RULE 200(G) OF REGULATION SHO AND NYSE ARCA RULE 7.16.

THIS MATTER INVOLVES THE FIRM'S COMPLIANCE WITH ORDER MARKING REQUIREMENTS DURING THE REVIEW PERIOD. DURING THE REVIEW PERIOD, NYSE ARCA RULE 7.16 AND EXCHANGE ACT RULE 200(G) OF REGULATION SHO GENERALLY REQUIRED ALL SELL ORDERS BE APPROPRIATELY MARKED EITHER AS "LONG" OR "SHORT." DURING THE REVIEW PERIOD, THE FIRM MARKED TWO PARENT ORDERS AS LONG WHEN THEY SHOULD HAVE BEEN MARKED AS SHORT, WHICH RESULTED IN 223 CHILD ORDERS SUBMITTED TO THE NYSE ARCA MARKETPLACE WITHOUT A SHORT SALE INDICATOR. ACCORDINGLY, THE FIRM VIOLATED EXCHANGE ACT RULE 200(G) OF REGULATION SHO AND NYSE ARCA RULE 7.16 DURING THE REVIEW PERIOD.

Initiated By: NYSE ARCA, INC.

Date Initiated: 12/20/2017

Docket/Case Number: 2016048615401



Principal Product Type:	Other
Other Product Type(s):	SHORT SALES
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	12/20/2017
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM IS CENSURED AND FINED \$5,000.
Regulator Statement	THE FIRM VIOLATED NYSE ARCA RULE 7.16 AND RULE 200(G) OF REGULATION SHO BY SUBMITTING 223 SHORT SALE ORDERS TO THE NYSE ARCA MARKETPLACE WITHOUT A SHORT SALE INDICATOR. ACCORDINGLY, THE FIRM IS CENSURED AND FINED \$5,000.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE FINRA DEPARTMENT OF MARKET REGULATION CONDUCTED AN EXAMINATION OF TRADING ACTIVITY BY DASH FINANCIAL LLC (N/K/A DASH FINANCIAL TECHNOLOGIES LLC)("DASH" OR THE "FIRM") DURING THE PERIOD OF FEBRUARY 12 - 26, 2016. THIS EXAMINATION WAS THEREAFTER EXPANDED TO INCLUDE TRADE DATES IN JANUARY AND FEBRUARY 2016 (COLLECTIVELY, THE "REVIEW PERIOD"). DURING THE REVIEW PERIOD, THE FIRM MARKED TWO PARENT ORDERS AS LONG SALES WHEN THEY SHOULD HAVE BEEN MARKED AS SHORT SALES. THIS RESULTED IN 223 CHILD ORDERS ROUTED TO THE NYSE ARCA MARKETPLACE WITHOUT A SHORT SALE INDICATOR. THE IMPROPER MARKING OF THESE TWO PARENT ORDERS CONSTITUTED A VIOLATION OF THE SECURITIES EXCHANGE ACT OF 1934 RULE 200(G) OF REGULATION SHO AND NYSE ARCA RULE 7.16.



Initiated By: NYSE ARCA, INC.
Date Initiated: 02/09/2017
Docket/Case Number: STAR NO. 20160486154
Principal Product Type: Equity Listed (Common & Preferred Stock)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought:
Resolution: Decision & Order of Offer of Settlement
Resolution Date: 12/08/2017
Sanctions Ordered: Censure
 Monetary/Fine \$5,000.00
Other Sanctions Ordered:
Sanction Details: THE FIRM WAS FINED IN THE AMOUNT OF \$5,000 BY NYSE ARCA, INC. THE FIRM WILL REMIT PAYMENT FOR THIS MONETARY FINE TO NYSE ARCA INC. IN DECEMBER 2017.

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Reporting Source: Regulator
Current Status: Final
Allegations: DASH FINANCIAL LLC, AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$5,000 FOR ENTERING NUMEROUS RESERVE ORDERS IN OPTIONS CLASSES FOR WHICH RESERVE ORDERS WERE NOT PERMITTED. (EXCHANGE RULE 6.53 - CERTAIN TYPES OF ORDERS DEFINED)
Initiated By: CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated: 02/09/2016
Docket/Case Number: 16-0004/ 20150459556
Principal Product Type: Options
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)


Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 04/11/2016

Sanctions Ordered: Censure
Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: A \$5,000 FINE AND A CENSURE.

Reporting Source: Firm

Current Status: Final

Allegations: DURING THE APPROXIMATE PERIOD FROM ON OR ABOUT OCTOBER 23, 2012 THROUGH ON OR ABOUT NOVEMBER 3, 2014, DASH FINANCIAL LLC (F/K/A ELECTRONIC BROKERAGE SYSTEMS LLC) ("DASH") ENTERED 798 RESERVE ORDERS IN OPTIONS CLASSES FOR WHICH RESERVE ORDERS WERE NOT PERMITTED, WHICH CONSTITUTED A VIOLATION OF EXCHANGE RULE 6.53.

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE (CBOE)

Date Initiated: 10/28/2015

Docket/Case Number: FILE NO. 16-0004 / STAR NO. 20150459556

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: MONETARY FINE IN THE AMOUNT OF \$5,000

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 04/11/2016

Sanctions Ordered: Censure
Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: THE CENSURE AND FINE IN THE AMOUNT OF \$5,000 WILL BE PAID ON 4/18/2016.



Firm Statement ON APRIL 11, 2016, THE BUSINESS CONDUCT COMMITTEE OF THE CBOE ISSUED A DECISION ACCEPTING DASH FINANCIAL LLC'S OFFER OF SETTLEMENT.

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Reporting Source: Regulator

Current Status: Final

Allegations: ELECTRONIC BROKERAGE SYSTEMS, LLC ("EBS"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$10,000 FOR THE FOLLOWING CONDUCT: (I) EBS, ON NUMEROUS OCCASIONS, FAILED TO GRANT PRIORITY TO THE HIGHEST BID AND/OR LOWEST OFFER WHEN SUCH BID OR OFFER WAS AVAILABLE AND, ON NUMEROUS OCCASIONS, FAILED TO USE DUE DILIGENCE TO EXECUTE ORDERS AT THE BEST PRICES AVAILABLE; AND (II) EBS FAILED TO ASSURE COMPLIANCE WITH EXCHANGE RULES 6.45A, 6.45B AND 6.73. (EXCHANGE RULES 4.2 - ADHERENCE TO LAW, RULE 6.45A - PRIORITY AND ALLOCATION OF EQUITY OPTION TRADES ON THE CBOE HYBRID SYSTEM, 6.45B - PRIORITY AND ALLOCATION OF TRADES IN INDEX OPTIONS AND OPTIONS ON ETFs ON THE CBOE HYBRID SYSTEM AND 6.73 - RESPONSIBILITIES OF FLOOR BROKERS)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 12/23/2014

Docket/Case Number: 14-0190

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 03/18/2015

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: A \$10,000 FINE AND A CENSURE.



Reporting Source:	Firm
Current Status:	Final
Allegations:	DURING THE APPROXIMATE PERIOD FROM IN OR ABOUT JANUARY 2009 THROUGH IN OR ABOUT MARCH 2011, ELECTRONIC BROKERAGE SYSTEM ("EBS") (N/K/A DASH FINANCIAL LLC), ON NUMEROUS OCCASIONS, FAILED TO GRANT PRIORITY TO THE HIGHEST BID AND/OR LOWEST OFFER WHEN SUCH BID OR OFFER WAS AVAILABLE AND, ON NUMEROUS OCCASIONS, FAILED TO USE DUE DILIGENCE TO EXECUTE ORDERS AT THE BEST PRICES AVAILABLE.
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	04/22/2014
Docket/Case Number:	14-0190
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CENSURE
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	04/27/2015
Sanctions Ordered:	Censure Monetary/Fine \$10,000.00
Other Sanctions Ordered:	
Sanction Details:	THE CENSURE AND FINE IN THE AMOUNT OF \$10,000 WAS PAID ON 3/23/2015.
Firm Statement	ON JANUARY 122, 2015, ELECTRONIC BROKERAGE SYSTEMS LLC (N/K/A DASH FINANCIAL LLC). ON MARCH 18, 2015, THE BUSINESS CONDUCT COMMITTEE OF THE CHICAGO BOARD OPTIONS EXCHANGE ISSUED A DECISION ACCEPTING THE OFFER OF SETTLEMENT.

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Reporting Source:	Regulator
Current Status:	Final



Allegations:	ELECTRONIC BROKERAGE SYSTEMS, LLC ("EBS"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$22,500 FOR THE FOLLOWING CONDUCT: (I) EBS FAILED TO REGISTER FOUR ASSOCIATED PERSONS AS A PROPRIETARY TRADER (PT) WITH THE EXCHANGE IN WEBCRD; (II) EBS FAILED TO REGISTER ITS CHIEF COMPLIANCE OFFICER AS A PROPRIETARY TRADER COMPLIANCE OFFICER (CT) WITH THE EXCHANGE IN WEBCRD; (III) EBS FAILED TO REGISTER TWO ASSOCIATED PERSONS AS A PROPRIETARY TRADER PRINCIPAL (TP) WITH THE EXCHANGE IN WEBCRD; AND (IV) EBS FAILED TO FINGERPRINT FOUR ASSOCIATED PERSONS AND SUBMIT FINGERPRINT CARDS TO THE CENTRAL REGISTRATION DEPOSITORY IN A TIMELY MANNER. (EXCHANGE RULES 3.6A - QUALIFICATION AND REGISTRATION OF CERTAIN ASSOCIATED PERSONS, 3.7- CERTAIN DOCUMENTS REQUIRED OF TRADING PERMIT HOLDERS, APPLICANTS, AND ASSOCIATED PERSONS, 4.2 - ADHERENCE TO LAW AND 15.1 - MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION; SECTION 17(A) OF THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED, (THE "ACT") AND RULES 17A-3 - RECORDS TO BE MADE BY CERTAIN EXCHANGE MEMBERS, BROKERS AND DEALERS AND 17A-4 - RECORDS TO BE PRESERVED BY CERTAIN EXCHANGE MEMBERS, BROKERS AND DEALERS THEREUNDER; AND SECTION 17(F) OF THE ACT AND RULE 17F-2 - FINGERPRINTING OF SECURITIES INDUSTRY PERSONNEL THEREUNDER)
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	09/05/2014
Docket/Case Number:	14-0136
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	02/12/2015
Sanctions Ordered:	Censure Monetary/Fine \$22,500.00
Other Sanctions Ordered:	
Sanction Details:	A \$22,500 FINE AND A CENSURE.



Reporting Source:	Firm
Current Status:	Final
Allegations:	IT IS ALLEGED THAT ELECTRONIC BROKERAGE SYSTEM ("EBS") (N/K/A DASH FINANCIAL LLC): (I) FAILED TO REGISTER FOUR ASSOCIATED PERSONS AS A PROPRIETARY TRADER (PT) WITH THE EXCHANGE IN WEBCRD; (II) FAILED TO REGISTER ITS CHIEF COMPLIANCE OFFICER AS A PROPRIETARY TRADER COMPLIANCE OFFICER (CT) WITH THE EXCHANGE IN WEBCRD; (III) FAILED TO REGISTER TWO ASSOCIATED PERSONS AS A PROPRIETARY TRADER PRINCIPAL (TP) WITH THE EXCHANGE IN WEBCRD; (IV) FAILED TO FINGERPRINT FOUR ASSOCIATED PERSONS AND SUBMIT FINGERPRINT CARDS TO THE CENTRAL REGISTRATION DEPOSITORY IN A TIMELY MANNER. (VIOLATION OF EXCHANGE RULE 3.6A, 3.7(C), 4.2 AND 15.1; SECTION 17(A) OF THE ACT AND RULES 17A-3 AND 17A-4 THEREUNDER; AND SECTION 17(F) OF THE ACT AND RULE 17F-2 THEREUNDER)
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	09/05/2014
Docket/Case Number:	14-0136
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	MONETARY FINE
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	04/27/2015
Sanctions Ordered:	Censure Monetary/Fine \$22,500.00
Other Sanctions Ordered:	
Sanction Details:	THE CENSURE AND FINE IN THE AMOUNT OF \$22,500 WAS PAID ON 2/23/2015.
Firm Statement	ON FEBRUARY 12, 2015, THE BUSINESS CONDUCT COMMITTEE OF THE CBOE ISSUED A DECISION ACCEPTING ELECTRONIC BROKERAGE SYSTEMS, LLC'S (N/K/A DASH FINANCIAL LLC) OFFER OF SETTLEMENT.



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Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM IMPROPERLY CANCELLED 420 MARKET-ON-CLOSE (MOC) ORDERS ON 67 DIFFERENT TRADE DATES, 63 OF WHICH WERE PRIOR TO THE TRANSACTION DATE, AND SIX LIMIT-ON-CLOSE (LOC) ORDERS ON FIVE DIFFERENT TRADE DATES, AFTER THE PRESCRIBED CUT-OFF TIME OF 3:45 P.M., BUT PRIOR TO 3:58 P.M., IN VIOLATION OF NYSE RULE 123C. ONE OR MORE OF THE MOC/LOC ORDERS DETAILED ABOVE, WHICH WERE SENT BY A DIRECT MARKET ACCESS CUSTOMER, OF THE FIRM, USING A THE FIRM MNEMONIC, WERE ENTERED IN THE GUISE OF ACTUAL ORDERS, WHEN IN FACT SUCH ORDERS WERE TEST MESSAGES THAT WERE ENTERED BY THE CUSTOMER TO TEST ITS TRADING STRATEGY AND ITS CONNECTIVITY OF ITS ELECTRONIC SYSTEMS TO THE NYSE'S SYSTEM. MOREOVER, SUCH PURPORTED ORDERS WERE NOT CLEARLY DENOTED AS TEST MESSAGES AS REQUIRED BY NYSE INFORMATION MEMO 02-48. AS A RESULT OF THE CONDUCT, THE FIRM FAILED TO OBSERVE HIGH STANDARDS OF COMMERCIAL HONOR AND JUST AND EQUITABLE PRINCIPLES OF TRADE IN THE CONDUCT OF ITS BUSINESS, IN VIOLATION OF NYSE RULE 2010. THE FIRM FAILED TO IMPLEMENT ADEQUATE SYSTEMS AND CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULE 123C, IN VIOLATION OF NYSE RULE 342.</p>
Initiated By:	NEW YORK STOCK EXCHANGE
Date Initiated:	07/10/2014
Docket/Case Number:	2013035466901
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	07/10/2014



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$35,000.00

Other Sanctions Ordered:

Sanction Details: SEE ABOVE

Reporting Source: Firm

Current Status: Final

Allegations: DURING THE PERIOD APRIL 2011 THROUGH NOVEMBER 2012 (THE "RELEVANT PERIOD"), THE FIRM VIOLATED NYSE RULE 123C BY IMPROPERLY CANCELLING A NUMBER OF MARKET-ON-CLOSE ("MOC") AND LIMIT-ON-CLOSE ("LOC") ORDERS AFTER THE PRESCRIBED CUT-OFF TIME: VIOLATED NYSE RULE 2010 BY ALLOWING ONE OR MORE OF THESE MOC/LOC ORDERS TO BE ENTERED IN THE GUISE OF ACTUAL ORDERS; AND VIOLATED NYSE RULE 342 BY FAILING TO IMPLEMENT ADEQUATE SYSTEMS AND CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULE 123C.

Initiated By: NYSE

Date Initiated: 07/10/2014

Docket/Case Number: 2013035466901

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought: FINE IN THE AMOUNT OF \$35,000

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/10/2014

Sanctions Ordered: Censure
Monetary/Fine \$35,000.00

**Other Sanctions Ordered:**

Sanction Details: THE FIRM CONSENTS TO A CENSURE AND FINE IN THE AMOUNT OF \$35,000.

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Reporting Source: Regulator

Current Status: Final

Allegations: ELECTRONIC BROKERAGE SYSTEMS, LLC ("EBS"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$5,000 FOR THE FOLLOWING CONDUCT: EBS FAILED TO REGISTER THE MINIMUM NUMBER OF INDIVIDUALS REQUIRED TO REGISTER AS A PROPRIETARY TRADER PRINCIPAL ("TP") IN WEBCRD BY NOVEMBER 5, 2011. (EXCHANGE RULE 3.6A - QUALIFICATION AND REGISTRATION OF TRADING PERMIT HOLDERS AND ASSOCIATED PERSONS)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 12/31/2012

Docket/Case Number: 12-0115

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 03/18/2013

Sanctions Ordered: Censure
Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: A \$5,000.00 FINE AND A CENSURE.

Reporting Source: Firm

Current Status: Final

Allegations: ELECTRONIC BROKERAGE SYSTEM VIOLATED CBOE EXCHANGE RULE



3.6A, IN THAT EBS FAILED TO REGISTER THE MINIMUM NUMBER OF INDIVIDUALS REQUIRED TO REGISTER AS A PROPRIETARY TRADER PRINCIPAL IN WEBCRD BY NOVEMBER 5, 2011.

Initiated By: CBOE

Date Initiated: 02/22/2012

Docket/Case Number: NO. 12-0115

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 03/18/2013

Sanctions Ordered: Censure
Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: THE MONETARY FINE OF \$5000 WAS PAID ON 04/02/2013.

Firm Statement THE OFFER OF SETTLEMENT WAS ACCEPTED ON 03/18/2013.

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Reporting Source: Regulator

Current Status: Final

Allegations: FINRA RULE 7450 - ELECTRONIC BROKERAGE SYSTEMS, LLC FAILED TO TRANSMIT 3,296,989 REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) ON 14 BUSINESS DAYS. THESE ROES REPRESENTED 99 PERCENT OF THE ROES THAT A MULTIPLE PARTICIPANT (MPID) OF THE FIRM WAS REQUIRED TO TRANSMIT TO OATS DURING THAT REVIEW PERIOD.

Initiated By: FINRA

Date Initiated: 08/01/2012

Docket/Case Number: 2010023284801

Principal Product Type: No Product



Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/01/2012

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$7,500.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$7,500. FINE PAID IN FULL ON 08/27/2012.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA RULE 7450 - FIRM FAILED TO TRANSMIT 3,296,989 REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) ON 14 BUSINESS DAYS. THESE ROES REPRESENTED 99 PERCENT OF THE ROES THAT A MULTIPLE PARTICIPANT (MPID) OF THE FIRM WAS REQUIRED TO TRANSMIT TO OATS DURING THAT REVIEW PERIOD.

Initiated By: FINRA'S DEPARTMENT OF MARKET REGULATION

Date Initiated: 06/14/2012

Docket/Case Number: STAR NO. 20100232848-01

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure



Other Sanction(s)/Relief Sought:	CENSURE AND FINE OF \$7,500
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/01/2012
Sanctions Ordered:	Censure Monetary/Fine \$7,500.00
Other Sanctions Ordered:	NONE
Sanction Details:	NONE
Firm Statement	FINRA ACCEPTED AWC ON 08/01/12, WHICH CONTAINED A CENSURE AND FINE OF \$7,500 FOR OATS REPORTING VIOLATIONS. PAYMENT WILL BE MADE VIA CHECK.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>**4/5/12** NYSE ARCA OFFER OF SETTLEMENT AND CONSENT FILED BY THE LEGAL SECTION OF THE MARKET REGULATION DEPARTMENT AT FINRA AND PENDING. :FOR THE SOLE PURPOSE OF SETTling THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED, ELECTRONIC BROKERAGE SYSTEMS, LLC STIPULATED THAT, DURING THE PERIOD OF FEBRUARY 2008 THROUGH JULY 2011, IT: 1.VIOLATED NYSE ARCA EQUITIES RULES 6.18(B) AND (C) DURING THE PERIOD BETWEEN APPROXIMATELY FEBRUARY 2008 THROUGH JULY 2011 BY FAILING TO REASONABLY SUPERVISE THE ACTIVITIES OF ITS ASSOCIATED PERSONS AND THE OPERATION OF ITS BUSINESS IN THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN ADEQUATE SUPERVISORY PROCEDURES, INCLUDING WRITTEN PROCEDURES, AND A REASONABLE SYSTEM OF FOLLOW-UP AND REVIEW, DESIGNED TO REASONABLY ENSURE COMPLIANCE WITH NYSE ARCA EQUITIES RULES 6.5, 6.15(B), AND 9.2, THE PROHIBITION AGAINST FRAUDULENT, DECEPTIVE AND MANIPULATIVE TRADING PRACTICES, INCLUDING SUCH ACTIVITY AT OR NEAR THE CLOSE OF THE MARKET (I.E., "MARKING THE CLOSE"), AND THE RULES AND ISSUES IDENTIFIED IN RBE-07-01, AND DURING THE PERIOD BETWEEN APPROXIMATELY OCTOBER 2009 THROUGH JULY 2011, WITH RESPECT TO THE PROHIBITION AGAINST FRAUDULENT, DECEPTIVE AND MANIPULATIVE WASH SALES AND MATCHED ORDERS. STIPULATED SANCTION: CENSURE AND FINE IN THE AMOUNT OF \$185,000 FOR NYSE ARCA.</p>



Initiated By: NYSE ARCA, INC.

Date Initiated: 04/05/2012

Docket/Case Number: ARCA

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 05/01/2012

Sanctions Ordered: Censure
Monetary/Fine \$185,000.00

Other Sanctions Ordered:

Sanction Details: **5/1/12** DECISION ISSUED BY NYSE ARCA, INC. NYSE-ARCA (12-ARCA-4) DURING THE PERIOD OF FEBRUARY 2008 THROUGH JULY 2011, ELECTRONIC BROKERAGE SYSTEMS, LLC VIOLATED NYSE ARCA EQUITIES RULES 6.18(B) AND (C) BY FAILING TO REASONABLY SUPERVISE THE ACTIVITIES OF ITS ASSOCIATED PERSONS AND THE OPERATION OF ITS BUSINESS IN THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN ADEQUATE SUPERVISORY PROCEDURES, INCLUDING WRITTEN PROCEDURES, AND A REASONABLE SYSTEM OF FOLLOW-UP AND REVIEW, DESIGNED TO REASONABLY ENSURE COMPLIANCE WITH NYSE ARCA EQUITIES RULES 6.5, 6.15(B), AND 9.2. CONSENT TO CENSURE AND \$185,000 FINE.

Regulator Statement **5/1/12** THIS DECISION IS FINAL AS OF THE DATE OF ISSUANCE OF THE DECISION.

Reporting Source: Firm

Current Status: Final

Allegations: **4/5/12** NYSE ARCA OFFER OF SETTLEMENT AND CONSENT FILED BY THE LEGAL SECTION OF THE MARKET REGULATION DEPARTMENT AT FINRA AND PENDING. :FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED, ELECTRONIC BROKERAGE SYSTEMS, LLC



STIPULATED THAT, DURING THE PERIOD OF FEBRUARY 2008 THROUGH JULY 2011, IT: 1.VIOLATED NYSE ARCA EQUITIES RULES 6.18(B) AND (C) DURING THE PERIOD BETWEEN APPROXIMATELY FEBRUARY 2008 THROUGH JULY 2011 BY FAILING TO REASONABLY SUPERVISE THE ACTIVITIES OF ITS ASSOCIATED PERSONS AND THE OPERATION OF ITS BUSINESS IN THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN ADEQUATE SUPERVISORY PROCEDURES, INCLUDING WRITTEN PROCEDURES, AND A REASONABLE SYSTEM OF FOLLOW-UP AND REVIEW, DESIGNED TO REASONABLY ENSURE COMPLIANCE WITH NYSE ARCA EQUITIES RULES 6.5, 6.15(B), AND 9.2, THE PROHIBITION AGAINST FRAUDULENT, DECEPTIVE AND MANIPULATIVE TRADING PRACTICES, INCLUDING SUCH ACTIVITY AT OR NEAR THE CLOSE OF THE MARKET (I.E., "MARKING THE CLOSE"), AND THE RULES AND ISSUES IDENTIFIED IN RBE-07-01, AND DURING THE PERIOD BETWEEN APPROXIMATELY OCTOBER 2009 THROUGH JULY 2011, WITH RESPECT TO THE PROHIBITION AGAINST FRAUDULENT, DECEPTIVE AND MANIPULATIVE WASH SALES AND MATCHED ORDERS. STIPULATED SANCTION: CENSURE AND FINE IN THE AMOUNT OF \$185,000 FOR NYSE ARCA.

Initiated By: NYSE ARCA, INC.

Date Initiated: 04/05/2012

Docket/Case Number: 12-ARCA-4

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 05/01/2012

Sanctions Ordered: Censure
Monetary/Fine \$185,000.00

Other Sanctions Ordered:

Sanction Details: **5/1/12** DECISION ISSUED BY NYSE ARCA, INC. NYSE-ARCA (12-ARCA-4) DURING THE PERIOD OF FEBRUARY 2008 THROUGH JULY 2011, ELECTRONIC BROKERAGE SYSTEMS, LLC VIOLATED NYSE ARCA EQUITIES RULES 6.18(B) AND (C) BY FAILING TO REASONABLY SUPERVISE THE ACTIVITIES OF ITS ASSOCIATED PERSONS AND THE OPERATION OF ITS BUSINESS IN THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN



ADEQUATE SUPERVISORY PROCEDURES, INCLUDING WRITTEN PROCEDURES, AND A REASONABLE SYSTEM OF FOLLOW-UP AND REVIEW, DESIGNED TO REASONABLY ENSURE COMPLIANCE WITH NYSE ARCA EQUITIES RULES 6.5, 6.15(B), AND 9.2. CONSENT TO CENSURE AND \$185,000 FINE.

Firm Statement

DOCKET/CASE NUMBER 12-ARCA-4 RECEIVED FROM NYSE ARCA

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Reporting Source: Regulator

Current Status: Final

Allegations: **4/5/2012** STIPULATION OF FACTS AND CONSENT FILED BY THE LEGAL SECTION OF THE MARKET REGULATION DEPARTMENT AT FINRA AND PENDING.: FOR THE SOLE PURPOSE OF SETTling THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED, ELECTRONIC BROKERAGE SYSTEMS, LLC STIPULATED THAT, DURING THE PERIOD OF FEBRUARY 2008 THROUGH JULY 2011, IT:
1.VIOLATED SECTION 12(K)(4) OF THE SECURITIES AND EXCHANGE ACT OF 1934 BY EXECUTING 162 SHORT SALE ORDERS IN COVERED FINANCIAL INSTITUTIONS IN VIOLATION OF THE SECURITIES AND EXCHANGE COMMISSION'S SEPTEMBER 18, 2008 EMERGENCY ORDER (NYSE); 2. VIOLATED NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE CONTROLS, INCLUDING A REASONABLE SYSTEM OF FOLLOW-UP AND REVIEW, DESIGNED TO ACHIEVE COMPLIANCE WITH THE SECURITIES AND EXCHANGE COMMISSION'S SEPTEMBER 18, 2008 EMERGENCY ORDER (NYSE); AND 3. VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-4(B)(1) PROMULGATED THEREUNDER, AND NYSE RULE 440 BY FAILING TO PRESERVE FOR A PERIOD OF THREE YEARS, THE FIRST TWO IN AN ACCESSIBLE PLACE, THE MEMORANDA OF 32,270,280 BROKERAGE ORDERS, INCLUDING CANCELLATIONS THEREOF (NYSE). :CENSURE AND FINE IN THE AMOUNT OF \$65,000 FOR NYSE.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 04/05/2012

Docket/Case Number: 12-NYSE-4

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:



Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 05/29/2012

Sanctions Ordered: Censure
Monetary/Fine \$65,000.00

Other Sanctions Ordered:

Sanction Details: **5/1/12** DECISION ISSUED BY NYSE HEARING BOARD: 12-NYSE-4 DURING THE PERIOD SEPTEMBER 22, 2008 THROUGH OCTOBER 12, 2010, ELECTRONIC BROKERAGE SYSTEMS, LLC VIOLATED: (1) SECTION 12(K)(4) OF THE SECURITIES EXCHANGE ACT OF 1934 BY EXECUTING 162 SHORT SALE ORDERS IN COVERED FINANCIAL INSTITUTIONS IN VIOLATION OF THE SECURITIES AND EXCHANGE COMMISSION'S SEPTEMBER 18, 2008 EMERGENCY ORDER DURING THE PERIOD SEPTEMBER 22, 2008 THROUGH OCTOBER 8, 2008 ; (2) NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE CONTROLS, INCLUDING A REASONABLE SYSTEM OF FOLLOW-UP AND REVIEW, DESIGNED TO ACHIEVE COMPLIANCE WITH THE SECURITIES AND EXCHANGE COMMISSION'S SEPTEMBER 18, 2008 EMERGENCY ORDER DURING THE PERIOD SEPTEMBER 22, 2008 THROUGH OCTOBER 8, 2008; AND (3) SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, RULE 17A-4(B)(1) PROMULGATED THEREUNDER, AND NYSE RULE 440 BY FAILING TO PRESERVE FOR A PERIOD OF THREE YEARS, THE FIRST TWO YEARS TO BE IN AN ACCESSIBLE PLACE, THE MEMORANDA OF 32,270,280 BROKERAGE ORDERS, INCLUDING CANCELLATIONS THEREOF DURING THE PERIOD SEPTEMBER 1, 2010 THROUGH OCTOBER 12, 2010. CONSENT TO CENSURE AND \$65,000 FINE.

Regulator Statement

5/1/12 UNLESS A REVIEW HAS BEEN REQUESTED BY ANY PERSON OR BODY AUTHORIZED BY NYSE RULE 476(G), THIS DECISION WILL BECOME FINAL 25 CALENDAR DAYS AFTER NOTICE OF THE HEARING BOARD'S DETERMINATION HAS BEEN SERVED UPON THE RESPONDENTS.

6/4/12 SINCE A REVIEW OF THE DECISION OF THE HEARING BOARD WAS NOT REQUESTED, THAT DECISION BECAME FINAL AS OF THE CLOSE OF BUSINESS ON MAY 29, 2012.

Reporting Source: Firm

Current Status: Final

Allegations: **4/5/2012** STIPULATION OF FACTS AND CONSENT FILED BY THE LEGAL SECTION OF THE MARKET REGULATION DEPARTMENT AT FINRA AND



PENDING.: FOR THE SOLE PURPOSE OF SETTling THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED, ELECTRONIC BROKERAGE SYSTEMS, LLC STIPULATED THAT, DURING THE PERIOD OF FEBRUARY 2008 THROUGH JULY 2011, IT:

1.VIOLATED SECTION 12(K)(4) OF THE SECURITIES AND EXCHANGE ACT OF 1934 BY EXECUTING 162 SHORT SALE ORDERS IN COVERED FINANCIAL INSTITUTIONS IN VIOLATION OF THE SECURITIES AND EXCHANGE COMMISSION'S SEPTEMBER 18, 2008 EMERGENCY ORDER (NYSE); 2. VIOLATED NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE CONTROLS, INCLUDING A REASONABLE SYSTEM OF FOLLOW-UP AND REVIEW, DESIGNED TO ACHIEVE COMPLIANCE WITH THE SECURITIES AND EXCHANGE COMMISSION'S SEPTEMBER 18, 2008 EMERGENCY ORDER (NYSE); AND 3. VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-4(B)(1) PROMULGATED THEREUNDER, AND NYSE RULE 440 BY FAILING TO PRESERVE FOR A PERIOD OF THREE YEARS, THE FIRST TWO IN AN ACCESSIBLE PLACE, THE MEMORANDA OF 32,270,280 BROKERAGE ORDERS, INCLUDING CANCELLATIONS THEREOF (NYSE). :CENSURE AND FINE IN THE AMOUNT OF \$65,000 FOR NYSE.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 04/05/2012

Docket/Case Number: 12-NYSE-4

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 05/29/2012

Sanctions Ordered: Censure
Monetary/Fine \$65,000.00

Other Sanctions Ordered:

Sanction Details: **5/1/12** DECISION ISSUED BY NYSE HEARING BOARD: 12-NYSE-4 DURING THE PERIOD SEPTEMBER 22, 2008 THROUGH OCTOBER 12, 2010, ELECTRONIC BROKERAGE SYSTEMS, LLC VIOLATED: (1) SECTION 12(K)(4) OF THE SECURITIES EXCHANGE ACT OF 1934 BY EXECUTING 162 SHORT



SALE ORDERS IN COVERED FINANCIAL INSTITUTIONS IN VIOLATION OF THE SECURITIES AND EXCHANGE COMMISSION'S SEPTEMBER 18, 2008 EMERGENCY ORDER DURING THE PERIOD SEPTEMBER 22, 2008 THROUGH OCTOBER 8, 2008 ; (2) NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE CONTROLS, INCLUDING A REASONABLE SYSTEM OF FOLLOW-UP AND REVIEW, DESIGNED TO ACHIEVE COMPLIANCE WITH THE SECURITIES AND EXCHANGE COMMISSION'S SEPTEMBER 18, 2008 EMERGENCY ORDER DURING THE PERIOD SEPTEMBER 22, 2008 THROUGH OCTOBER 8, 2008; AND (3) SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, RULE 17A-4(B)(1) PROMULGATED THEREUNDER, AND NYSE RULE 440 BY FAILING TO PRESERVE FOR A PERIOD OF THREE YEARS, THE FIRST TWO YEARS TO BE IN AN ACCESSIBLE PLACE, THE MEMORANDA OF 32,270,280 BROKERAGE ORDERS, INCLUDING CANCELLATIONS THEREOF DURING THE PERIOD SEPTEMBER 1, 2010 THROUGH OCTOBER 12, 2010. CONSENT TO CENSURE AND \$65,000 FINE.

Firm Statement

****5/1/12**** UNLESS A REVIEW HAS BEEN REQUESTED BY ANY PERSON OR BODY AUTHORIZED BY NYSE RULE 476(G), THIS DECISION WILL BECOME FINAL 25 CALENDAR DAYS AFTER NOTICE OF THE HEARING BOARD'S DETERMINATION HAS BEEN SERVED UPON THE RESPONDENTS

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 3010, 6955 - ELECTRONIC BROKERAGE SYSTEMS, LLC FAILED TO TRANSMIT NUMEROUS REPORTABLE ORDER EVENTS (ROES)IT WAS REQUIRED TO TRANSMIT TO THE ORDER AUDIT TRAIL SYSTEM (OATS)ON MANY BUSINESS DAYS. THE FIRM FAILED TO PROVIDE DOCUMENTARY EVIDENCE THAT IT PERFORMED THE SUPERVISORY REVIEWS SET FORTH IN ITS WRITTEN SUPERVISORY PROCEDURES CONCERNING OATS REPORTING REQUIREMENTS.
Initiated By:	FINRA
Date Initiated:	09/20/2011
Docket/Case Number:	2009016990401
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	


Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/20/2011

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$17,500.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$17,500.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 2110, 3010, 6955 ELECTRONIC BROKERAGE SYSTEMS, LLC FAILED TO TRANSMIT NUMEROUS REPORTABLE ORDER EVENTS(ROES)IT WAS REQUIRED TO TRANSMIT TO THE ORDER AUDIT TRAIL SYSTEM (OATS). THE FAILED TO PROVIDE DOCUMENTARY EVIDENCE THAT IT PERFORMED THE SUPERVISORY REVIEWS SET FORTH IN ITS WRITTEN SUPERVISORY PROCEDURES CONCERNING OATS REPORTING REQUIREMENTS.

Initiated By: FINRA

Date Initiated: 09/20/2011

Docket/Case Number: 20090169904

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: A CENSURE AND FINE OF \$17,500.00 (COMPRISED OF \$12,500.00 FOR OATS AND \$5,000.00 FOR FOR FAILING TO PROVIDE EVIDENCE OF SUPERVISORY REVIEW)



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/20/2011

Sanctions Ordered: Censure
Monetary/Fine \$17,500.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$17,500.00

Disclosure 57 of 68

Reporting Source: Regulator

Current Status: Final

Allegations: ELECTRONIC BROKERAGE SYSTEMS, LLC ("EBS"), AN EXCHANGE MEMBER ORGANIZATION AND CBOE STOCK EXCHANGE ("CBSX") PERMIT HOLDER, AND ROBERT SHEEHAN ("SHEEHAN"), THE CHIEF EXECUTIVE OFFICER AND A CONTROL PERSON OF EBS, WERE JOINTLY AND SEVERALLY FINED \$100,000 AND EBS WAS CENSURED FOR THE FOLLOWING CONDUCT. EBS: (I) FAILED TO EXECUTE THE STOCK COMPONENT OF A QUALIFIED CONTINGENT TRADE ("QCT") AT OR NEAR THE SAME TIME AS RELATED TO THE OPTION COMPONENT TIME OF EXECUTION FOR AT LEAST 2,785 QCT ORDERS; (II) FAILED TO PROPERLY DOCUMENT ORDER TICKETS BY FAILING TO IDENTIFY THE OPTION COMPONENT AS PRESCRIBED BY THE EXCHANGE; AND (III) FAILED TO PRODUCE DOCUMENTS ON A TIMELY BASIS IN RESPONSE TO NUMEROUS EXCHANGE REQUESTS FOR SUCH DOCUMENTS. IN ADDITION, EBS AND SHEEHAN FAILED TO ESTABLISH AND MAINTAIN ADEQUATE SUPERVISORY PROCEDURES TO ENSURE THAT EBS PERSONNEL COMPLIED WITH THE CONDUCT AS DESCRIBED IN THE DECISION. (CBOE RULES 4.1 - JUST AND EQUITABLE PRINCIPLES OF TRADE, 4.2 - ADHERENCE TO LAW, 15.1 - MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION, 17.2(B) - REQUIREMENT TO FURNISH INFORMATION, 52.7 - SWEEPING AND TRADING THROUGH AWAY MARKETS; SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "ACT") AND RULE 17A-3 - RECORDS TO BE MADE BY CERTAIN EXCHANGE MEMBERS, BROKERS AND DEALERS THEREUNDER, AND REGULATION NMS UNDER THE ACT AND RULE 611(D) - EXEMPTIONS THEREUNDER)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 02/14/2011



Docket/Case Number: 11-0006

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 02/28/2011

Sanctions Ordered: Censure
Monetary/Fine \$100,000.00

Other Sanctions Ordered:

Sanction Details: A \$100,000 JOINT AND SEVERAL FINE AND A CENSURE OF EBS.

Reporting Source: Firm

Current Status: Final

Allegations:

IT IS ALLEGED THAT DURING THE PERIOD FROM IN OR ABOUT NOVEMBER 2009 THROUGH IN OR ABOUT MAY 2010, MARYANN TESINKSY ON BEHALF OF THE FIRM REPEATEDLY MISUSED THE QUALIFIED CONTINGENT TRADE ("QCT") EXEMPTION FROM THE TRADE THROUGH PROVISIONS OF REGULATION NMS RULE 611 IN THAT THE TESINSKY DID NOT EXECUTE THE STOCK COMPONENT OF A QUALIFIED CONTINGENT TRADE ("QCT") AT OR NEAR THE SAME TIME AS THE OPTIONS COMPONENTS FOR AT LEAST 2,716 ORDERS.

CBOE RULE 4.1 - JUST AND EQUITABLE PRINCIPLES OF TRADE
CBOE RULE 52.7 QUALIFIED CONTINGENT EXEMPTION
SEC RULE 611(D) REGULATION NMS EXEMPTION

2.IT IS ALLEGED THAT DURING THE PERIOD FROM IN OR ABOUT NOVEMBER 2009 THROUGH IN OR ABOUT MAY 2010, EBS FAILED TO PROPERLY DOCUMENT ORDER TICKETS AS PRESCRIBED BY THE EXCHANGE.

CBOE RULE 15.1 AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AS AMENDED AND RULE 17A3 - BOOK AND RECORDS
3.IT IS ALLEGED THAT DURING THE PERIOD FROM IN OR ABOUT



NOVEMBER 2009 THROUGH IN OR ABOUT MAY 2010, EBS FAILED TO ADEQUATELY SUPERVISE TESINSKY, GREENBERG AND WOLFE FOR THE ACTIVITY DESCRIBED IN PARAGRAPHS ONE AND TWO ABOVE.

CBOE RULE 4.2 - ADHERENCE TO LAW - SUPERVISION
4.IT IS ALLEGED THAT DURING THE PERIOD FROM IN OR ABOUT NOVEMBER 2009 THROUGH IN OR ABOUT MAY 2010, EBS IMPEDED AND DELAYED THE EXCHANGE'S INVESTIGATION IN THAT TESINSKY FAILED TO PRODUCE DOCUMENTS IN A TIMELY BASIS.

CBOE RULE 17.2(B) - FAILURE TO FURNISH INFORMATION

Initiated By:	CBOE
Date Initiated:	02/14/2011
Docket/Case Number:	11-0006
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Decision
Resolution Date:	02/28/2011
Sanctions Ordered:	Censure Monetary/Fine \$100,000.00
Other Sanctions Ordered:	
Sanction Details:	\$100,000 JOINT AND SEVERAL FINE AND A CENSURE OF THE FIRM

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULE 6955(A) - ELECTRONIC BROKERAGE SYSTEMS, LLC TRANSMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT THE OATS SYSTEM WAS UNABLE TO LINK TO THE CORRESPONDING NEW ORDER TRANSMITTED BY THE DESTINATION MEMBER FIRM DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA.



Initiated By: FINRA

Date Initiated: 04/06/2010

Docket/Case Number: [2007010368001](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/06/2010

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$12,500.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$12,500.

Reporting Source: Firm

Current Status: Final

Allegations: DURING THE REVIEW PERIOD THE FIRM TRANSMITTED TO OATS 134,930 ROUTE OR COMBINED ORDER ROUTE REPORTS TAHT THE OATS SYSTEM WAS UNABLE TO LINK TO TEH CORRESPONDING NEW ORDER TRANSMITTED BY THE DESTINATION MEMBER FIRM DUE TO INACCURATE, INCOMPLATE OR IMPROPERLY FORMATTED DATA.

Initiated By: FINRA

Date Initiated: 04/06/2010

Docket/Case Number: [2007010368001](#)



Principal Product Type: Other
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 04/06/2010
Sanctions Ordered: Censure
 Monetary/Fine \$12,500.00
Other Sanctions Ordered:
Sanction Details: FINE

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Reporting Source: Regulator
Current Status: Final
Allegations: ELECTRONIC BROKERAGE SYSTEMS, LLC ("EBS"), AN EXCHANGE MEMBER ORGANIZATION, WAS CENSURED AND FINED \$15,000 FOR THE FOLLOWING CONDUCT. EBS UNDER RESERVED ITS PAIB BANK ACCOUNT. (CBOE RULES 4.2, 15.1; SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, (THE "ACT") AND RULE 15C3-3 THEREUNDER, AND SECTION 17(A) OF THE ACT AND RULES 17A-3, 17A-4 AND 17A-5 THEREUNDER.)
Initiated By: CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated: 12/11/2009
Docket/Case Number: 09-0049
Principal Product Type: Options
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Decision & Order of Offer of Settlement



Resolution Date: 01/20/2010
Sanctions Ordered: Censure
Monetary/Fine \$15,000.00
Other Sanctions Ordered:
Sanction Details: A \$15,000 FINE AND A CENSURE.

Reporting Source: Firm
Current Status: Final
Allegations: DURING THE APPROXIMATE PERIOD FROM ON OR ABOUT FEBRUARY 13, 2009 THROUGH ON OR ABOUT APRIL 30, 2009, EBS UNDER RESERVED ITS PROPRIETARY ACCOUNT FOR INTRODUCING BROKERS ("PAIB") BANK ACCOUNT.
THE ACTS, PRACTICES AND CONDUCT DESCRIBED IN PARAGRAPH 4 ABOVE CONSTITUTE A VIOLATION OF RULES 4.2, 15.1, SECTION 15(C) OF THE ACT AND RULE 15C3-3 THEREUNDER, AND SECTION 17(A) OF THE ACT AND RULES 17A-3, 17A-4 AND 17A-5 THEREUNDER BY EBS, IN THAT EBS UNDER RESERVED ITS PAIB BANK ACCOUNT.
Initiated By: CBOE
Date Initiated: 12/11/2009
Docket/Case Number: 09-0049
Principal Product Type: Other
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Decision & Order of Offer of Settlement
Resolution Date: 01/20/2010
Sanctions Ordered: Censure
Monetary/Fine \$15,000.00
Other Sanctions Ordered:
Sanction Details: CENSURE



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Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>ELECTRONIC BROKERAGE SYSTEMS, LLC ("EBS"), AN EXCHANGE MEMBER ORGANIZATION, WAS REGISTERED TO TRANSACT BUSINESS ON THE EXCHANGE IN ACCORDANCE WITH EXCHANGE RULES AS A MARKET-MAKER, FLOOR BROKER AND AS A MEMBER APPROVED TO CONDUCT NON-MEMBER CUSTOMER BUSINESS WAS CENSURED AND FINED \$15,000. IN ADDITION, THE BCC HEREBY ORDERED AN UNDERTAKING BY EBS TO CONDUCT AN INTERNAL EVALUATION OF THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITHIN 60 DAYS FROM THE ISSUANCE OF THE DECISION IN THIS MATTER. A WRITTEN CONFIRMATION OF SUCH REVIEW AND ANY UPDATES TO THE FIRM'S PROCEDURES SHALL BE PROVIDED TO THE OFFICE OF ENFORCEMENT AND THE DEPARTMENT OF MEMBER FIRM REGULATION. EBS FAILED TO OBTAIN AND REVIEW PERSONAL BROKERAGE ACCOUNT STATEMENTS, AND FAILED TO OBTAIN INSIDER TRADING POLICY ATTESTATIONS. (EXCHANGE RULES 4.2 - ADHERENCE TO LAW; 4.18 - PREVENTION OF THE MISUSE OF MATERIAL, NONPUBLIC INFORMATION; 15.1 MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION;; SECTION 15(F) OF THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED (THE "ACT") - PREVENTION OF MISUSE OF MATERIAL NON-PUBLIC INFORMATION; SECTION 17(A) OF THE ACT AND RULE 17A-3 - RECORDS TO BE MADE BY CERTAIN EXCHANGE MEMBERS, BROKERS AND DEALERS AND RULE 17A-4 - RECORDS TO BE PRESERVED CERTAIN EXCHANGE MEMBERS, BROKERS AND DEALERS THEREUNDER)</p>
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	11/05/2008
Docket/Case Number:	08-0058
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	04/03/2009
Sanctions Ordered:	Censure



Monetary/Fine \$15,000.00

Other Sanctions Ordered:

COMMITTEE HEREBY ORDERED AN UNDERTAKING BY EBS TO CONDUCT AN INTERNAL EVALUATION OF THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITHIN 60 DAYS FROM THE ISSUANCE OF THE DECISION IN THIS MATTER. A WRITTEN CONFIRMATION OF SUCH REVIEW AND ANY UPDATES TO THE FIRM'S PROCEDURES SHALL BE PROVIDED TO THE OFFICE OF ENFORCEMENT AND THE DEPARTMENT OF MEMBER FIRM REGULATION.

Sanction Details:

ELECTRONIC BROKERAGE SYSTEMS, LLC SHALL BE AND HEREBY IS CENSURED AND FINED IN THE AMOUNT OF FIFTEEN THOUSAND DOLLARS (\$15,000). IN ADDITION, THE COMMITTEE HEREBY ORDERED AN UNDERTAKING BY EBS TO CONDUCT AN INTERNAL EVALUATION OF THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITHIN 60 DAYS FROM THE ISSUANCE OF THE DECISION IN THIS MATTER. A WRITTEN CONFIRMATION OF SUCH REVIEW AND ANY UPDATES TO THE FIRM'S PROCEDURES SHALL BE PROVIDED TO THE OFFICE OF ENFORCEMENT AND THE DEPARTMENT OF MEMBER FIRM REGULATION.

Reporting Source:

Firm

Current Status:

Final

Appealed To and Date Appeal Filed:

WITHOUT ADMITTING OR DENYING THE VIOLATIONS ALLEGED THE FIRM ENTERED INTO A SETTLEMENT AGREEMENT.

Allegations:

THE REVIEW OF THE FIRM'S INSIDER TRADING PROGRAM CONDUCTED BY THE CBOE AS A PART OF THE ROUTINE EXAMINATION REVEALED THAT THE FIRM FAILED TO OBTAIN AND REVIEW PERSONAL BROKERAGE STATEMENTS FROM SOME OF ITS ASSOCIATED PERSONS.

Initiated By:

CHICAGO BOARD OF OPTIONS EXCHANGE

Date Initiated:

11/05/2008

Docket/Case Number:

08-0058

Principal Product Type:

No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Civil and Administrative Penalties /Fine(s)

Other Sanction(s)/Relief Sought:

UNDERTAKING TO REVIEW THE APPLICANT'S WRITTEN SUPERVISORY PROCEDURES

Resolution:

Settled



Resolution Date: 04/03/2009

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

Other Sanctions Ordered: UNDERTAKING TO REVISE THE INSIDER TRADING POLICIES.

Sanction Details: FINE, CENSURE \$15,000

Disclosure 61 of 68

Reporting Source: Regulator

Current Status: Final

Allegations: ELECTRONIC BROKERAGE SYSTEMS, LLC, AN EXCHANGE MARKET-MAKER ORGANIZATION AND JAMES MCGUFFIN, AN EXCHANGE MARKET-MAKER, WERE EACH CENSURED AND JOINTLY AND SEVERALLY FINED \$20,000 FOR THE FOLLOWING CONDUCT. GUF, ON BEHALF OF EBS, CROSSED 267 TOL NOVEMBER 30 CALL OPTION CONTRACTS AT A PRICE OF \$.50 WITHOUT ANNOUNCING THE CROSS TO THE TRADING CROWD IN OPEN OUTCRY AND WHILE NOT PRESENT IN THE TRADING CROWD. (CBOE RULES 4.1 - JUST AND EQUITABLE PRINCIPLES OF TRADE; 6.20.04(I) - ADMISSION TO AND CONDUCT ON THE TRADING FLOOR; 6.43 - MANNER OF BIDDING AND OFFERING AND 6.74 - "CROSSING ORDERS")

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 05/01/2008

Docket/Case Number: 08-0035

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 09/23/2008

Sanctions Ordered: Censure
Monetary/Fine \$20,000.00

Other Sanctions Ordered:

Sanction Details: ELECTRONIC BROKERAGE SYSTEMS, LLC AND JAMES A. MCGUFFIN SHALL



BE AND HEREBY ARE EACH CENSURED AND JOINTLY AND SEVERALLY
FINED IN THE AMOUNT OF TWENTY THOUSAND DOLLARS (\$20,000).

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE STATEMENT OF CHARGES ALLEGES THE FIRM ALLEGEDLY EXECUTED CERTAIN ORDERS BY CROSSING SUCH ORDERS WITHOUT ANNOUNCING THE CROSS TO THE TRADING CROWD IN THE OPEN OUTCRY AND WHILE NOT PRESENT IN THE TRADING CROWD; AND THAT IT FAILED TO FOLLOW THE DETERMIANTION OF THE FLOOR OFFICIAL.
Initiated By:	CHICAGO BOARD OF OPTIONS EXCHANGE
Date Initiated:	01/25/2007
Docket/Case Number:	08-0035
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	09/23/2008
Sanctions Ordered:	Monetary/Fine \$20,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUG ADMITTING OR DENYING ALLEGED VIOLATIONS THE FIRM ENTERED INTO A SETTLEMENT AGREEMENT

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC RULE 203(B)(1) OF REGULATION SHO, NASD RULES 2110, 3010, 6130(D) - ELECTRONIC BROKERAGE SYSTEMS, LLC ACCEPTED SHORT SALE ORDERS IN EQUITY SECURITIES FROM ANOTHER PERSON, OR EFFECTED A SHORT SALE IN AN EQUITY SECURITY FOR ITS OWN ACCOUNT WITHOUT BORROWING THE SECURITY OR ENTERING INTO A BONA FIDE



ARRANGEMENT TO BORROW THE SECURITY; OR HAVING REASONABLE GROUNDS TO BELIEVE THAT THE SECURITY CAN BE BORROWED SO THAT IT CAN BE DELIVERED ON THE DATE DELIVERY IS DUE; AND WITHOUT DOCUMENTING COMPLIANCE WITH SEC RULE 203(B)(1) OF REGULATION SHO. THE FIRM FAILED TO REPORT TO THE TRADE REPORTING FACILITY THE CORRECT SYMBOL INDICATING WHETHER TRANSACTIONS WERE A BUY, SELL, SELL SHORT, SELL SHORT EXEMPT OR CROSS FOR TRANSACTIONS IN REPORTABLE SECURITIES. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING SEC RULES 203(A) (LONG SALES), 203(B)(1) (LOCATE REQUIREMENTS) AND 203(B)(3) (THRESHOLD SECURITIES), NASD RULE 5100 AND NASDAQ RULE 3350. THE FIRM FAILED TO PROVIDE DOCUMENTARY EVIDENCE THAT IT PERFORMED THE SUPERVISORY REVIEWS SET FORTH IN ITS WRITTEN SUPERVISORY PROCEDURES CONCERNING THE REQUIREMENTS OF SEC RULE 200(G) (ORDER MARKING) AND NASD RULE 6130(D)(6).

Initiated By: FINRA

Date Initiated: 03/18/2008

Docket/Case Number: [2006005994801](#)

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s): REPORTABLE SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/18/2008

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$22,500.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED



TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS;
THEREFORE, THE FIRM IS CENSURED, FINED \$22,500 AND REQUIRED TO
REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING SEC
RULES 203(A) (LONG SALES), 203(B)(1) (LOCATE REQUIREMENTS) AND
203(B)(3) (THRESHOLD SECURITIES), NASD RULE 5100 AND NASDAQ RULE
3350 WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE
NAC.

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE FIRM ENTERED INTO AWC WITHOUT ADMITTING OR DENYING TEH FINDINGS RELATING TO POTENITAL VIOLATION OF SEC REGUALTION SHO BY ACCEPTING A SHORT SALE ORDER WITHOUT ENTERING INTO A BONA FIDE ARRANGEMENT TO BORROW THE UNDERLYING SECURITY
Initiated By:	FINRA
Date Initiated:	01/22/2007
Docket/Case Number:	20060059948-01
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	UNDERTAKING TO REVISE THE FIRM'S WSP
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/18/2008
Sanctions Ordered:	Monetary/Fine \$22,500.00
Other Sanctions Ordered:	
Sanction Details:	AWC RESULTING IN FINE AND UNDERTAKING TO REVISE THE FIRM'S WSP

Disclosure 63 of 68

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULE 6955(A) - ELECTRONIC BROKERAGE SYSTEM, LLC FAILED TO



ACCURATELY REPORT TO OATS ROUTE OR COMBINED ORDER/ROUTE REPORTS.

Initiated By: NASD

Date Initiated: 01/09/2007

Docket/Case Number: 20050013983-01

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/09/2007

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000.

Reporting Source: Firm

Current Status: Final

Allegations: NASD STAFF REVIEWED BELZ' COMPLIANCE WITH OATS RULES, DURING 1/1/05 AND 3/31/05. BELZ FAILED TO ACCURATELY REPORT OATS 27127 ROUTE OR COMBINED ORDER/ROUTE REPORTS.

Initiated By: NASD - MARKET REGULATION

Date Initiated: 01/01/2005

Docket/Case Number: 2005013983-01



Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/16/2006

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: \$5000 WAS THE FINE. EBS PAID THE FINE-VIA CHECK- THE DAY WE RECEIVED THE CERTIFIED LETTER- JANUARY 16, 2007.

Firm Statement ELECTRONIC BROKERAGE(EBS) RECEIVED THE LETTER ON JAN. 16, 2007 OF NASD ACCEPTANCE OF EBS'S AWC. EBS ISSUED THE CHECK IMMEDIATELY.

Disclosure 64 of 68

Reporting Source: Regulator

Current Status: Final

Allegations: SEE SUMMARY

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 11/23/2005

Docket/Case Number: 05-0049

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 05/03/2006

Sanctions Ordered: Censure



Monetary/Fine \$2,500.00

Other Sanctions Ordered:	ELECTRONIC BROKERAGE SYSTEMS, LLC SHALL BE AND HEREBY IS CENSURED AND FINED IN THE AMOUNT OF TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500).
Sanction Details:	ELECTRONIC BROKERAGE SYSTEMS, LLC SHALL BE AND HEREBY IS CENSURED AND FINED IN THE AMOUNT OF TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500).
Regulator Statement	ELECTRONIC BROKERAGE SYSTEMS, LLC ("EBS"), AN EXCHANGE ORGANIZATION REGISTERED AS A MARKET MAKER AND FLOOR BROKER AND APPROVED TO TRANSACT NON-MEMBER CUSTOMER BUSINESS WAS CENSURED AND FINED \$2,500 FOR THE FOLLOWING CONDUCT. ON JUNE 23, 2005, EBS FAILED TO FILE ITS MAY 2005 FOCUS REPORT WITH THE EXCHANGE WITHIN 17 BUSINESS DAYS OF ITS MONTH-END. (CBOE RULES 4.2 - ADHERENCE TO LAW, 15.5 FINANCIAL REPORTS; AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "ACT") AND RULE 17A-5 REPORTS TO BE MADE BY CERTAIN BROKERS AND DEALERS.)

Reporting Source:	Firm
Current Status:	Final
Allegations:	SEE SUMMARY
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	11/23/2005
Docket/Case Number:	05-0049
Principal Product Type:	Other
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	05/03/2006
Sanctions Ordered:	Censure Monetary/Fine \$2,500.00
Other Sanctions Ordered:	ELECTRONIC BROKERAGE SYSTEMS, LLC SHALL BE AND HEREBY IS



CENSURED AND FINED IN THE AMOUNT OF TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00).

Sanction Details:

ELECTRONIC BROKERAGE SYSTEMS, LLC SHALL BE AN HEREBY IS CENSURED AND FINED IN THE AMOUNT OF TWO THOUSAND FIVE HUNDRED DOLLARS (2,500).

Firm Statement

ELECTRONIC BROKERAGE SYSTEMS, LLC (EBS), AND EXCHANGE ORGANIZATION REGISTERED AS A MARKET MAKER AND FLOOR BROKER AND APPROVED TO TRANSACT NON-MEMBER CUSTOMER BUSINESS WAS CENSURED AND FINED \$2,500 FOR THE FOLLOWING CONDUCT. ON JUNE 23, 2005, EBS FAILED TO FILE ITS MAY 2005 FOCUS REPORT WITH THE EXCHANGE WITHIN 17 BUSINESS DAYS OF ITS MONTH-END. PROBLEM OCCURED DUE TO THE PROBLEMS WITH THE ANTIQUATED WINDJAMMER SOFTWARE, WHICH NO ONE AT THE CBOE SUPPORTS.

Disclosure 65 of 68

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEE SUMMARY
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	07/12/2005
Docket/Case Number:	05-0034
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	10/25/2005
Sanctions Ordered:	Censure Monetary/Fine \$10,000.00
Other Sanctions Ordered:	ELECTRONIC BROKERAGE SYSTEMS, LLC SHALL BE AND HEREBY IS CENSURED AND FINED IN THE AMOUNT OF TEN THOUSAND DOLLARS (\$10,000).
Sanction Details:	ELECTRONIC BROKERAGE SYSTEMS, LLC SHALL BE AND HEREBY IS



CENSURED AND FINED IN THE AMOUNT OF TEN THOUSAND DOLLARS (\$10,000).

Regulator Statement

ELECTRONIC BROKERAGE SYSTEMS, LLC ("EBS"), AN EXCHANGE MARKET-MAKER ORGANIZATION AND BROKER/DEALER, WAS CENSURED AND FINED \$10,000 FOR THE FOLLOWING CONDUCT. EBS FAILED TO: (I) MAINTAIN RECORDS TO EVIDENCE ITS AML TRAINING OF ALL APPROPRIATE EBS EMPLOYEES, (II) FILE A REPORT OF FOREIGN BANK AND FINANCIAL ACCOUNTS FORM ("FBAR") DISCLOSING EBS'S INTEREST IN A CANADIAN BROKERAGE ACCOUNT, (III) EVIDENCE IN ITS BOOKS AND RECORDS THAT ITS ELECTRONIC MAIL AND INSTANT MESSAGES WERE BEING RETAINED IN A NON-REWRITEABLE FORM, AND (IV) PROVIDE AN UNDERTAKING FROM THE THIRD-PARTY VENDOR THAT PROVIDES THE OFF-SITE STORAGE OF THE RETAINED ELECTRONIC MAIL AND INSTANT MESSAGES. (CBOE RULES 4.2 - ADHERENCE TO LAW; 4.20 ANTI-MONEY LAUNDERING COMPLIANCE PROGRAM; 15.1 MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION; SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED ("THE ACT") AND RULE 17A-4 RECORDS TO BE PRESERVED BY CERTAIN MEMBERS, BROKERS AND DEALER, THEREUNDER)

Reporting Source:

Firm

Current Status:

Final

Allegations:

IN OR ABOUT AUGUST 2004, THE FIRM FAILED TO MAINTAIN RECORDS TO EVIDENCE ITS AML TRAINING. IN OR ABOUT AUGUST 2004, THE FIRM FAILED TO FILE A FBAR REPORT FOR IT'S CANADIAN DOLLAR ACCOUNT. IN OR ABOUT AUGUST 2004, THE FIRM FAILED TO EVIDENCE ITS REVIEW OF THE ELECTRONIC MAIL AND INSTANT MESSAGES. IN OR ABOUT AUGUST 2004, THE FIRM FAILED TO PROVIDE AN UNDERTAKING FROM THE THIRD-PARTY VENDOR THAT PROVIDES OFF-SITE STORAGE OF THE E-MAILS AND IM'S.

Initiated By:

CHICAGO BOARD OPTIONS EXCHANGE, INC.

Date Initiated:

07/12/2005

Docket/Case Number:

05-0034

Principal Product Type:

Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Censure

Other Sanction(s)/Relief Sought:



Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	07/12/2005
Sanctions Ordered:	Censure Monetary/Fine \$10,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM HAS ISSUED A CHECK IN THE AMOUNT OF \$10,000 AND PAID TO THE CBOE.
Firm Statement	THE FIRM ISSUED A CHECK IN THE AMOUNT OF \$10,000 PAYABLE TO THE CBOE.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD MARKETPLACE RULE 6955(A), NASD CONDUCT RULE 2110 AND 3010-RESPONDENT FIRM FAILED TO TIMELY REPORT TO OATS 4,908 REPORTABLE ORDER EVENTS. THE FIRM ALSO SUBMITTED TO OATS 170 REPORTS WITH RESPECT TO EQUITY SECURITIES TRADED ON THE NASDAQ STOCK MARKET THAT WERE NOT IN THE ELECTRONIC FORM PRESCRIBED BY NASD AND WERE REPAIRABLE. THE SUBJECT REPORTS WERE REJECTED BY THE OATS SYSTEM AND NOTICE OF SUCH REJECTION WAS MADE AVAILABLE TO THE FIRM ON THE OATS WEBSITE. THE FIRM DID NOT CORRECT OR REPLACE THE SUBJECT REPORTS. THE FIRM ALSO FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES WHICH SPECIFIED THAT THE FIRM WOULD CONDUCT A WEEKLY REVIEW TO ENSURE THAT ALL REQUIRED REPORTABLE ORDER EVENTS WERE SUBMITTED TO OATS, AND A DAILY REVIEW TO ENSURE THAT REJECTED REPORTABLE ORDER EVENTS WERE REPAIRED. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD CONCERNING OATS.
Initiated By:	NASD
Date Initiated:	08/10/2005
Docket/Case Number:	2004200007701
Principal Product Type:	No Product
Other Product Type(s):	



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/10/2005

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$40,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$40,000.

Reporting Source: Firm

Current Status: Final

Allegations: DURING THE REVIEW PERIOD, JANUARY 1, 2003 TO MARCH 31, 2003, AND JULY 1, 2002 THRU FEBRUARY 12, 2003, THE FIRM FAILED TO TIMELY REPORT OATS 4,908 ROES. THESE LATE ROES REPRESENT 31% OF ALL ROCE SUBMITTED TO OATS DURING THE REVIEW PERIOD. ALSO DURING THE REVIEW PERIOD, THE FIRM SUBMITTED 170 REPORTS THAT WERE NOT IN THE PRESCRIBED FORMAT. DURING JULY 1, 2002 TO FEB 12, 2003, THE FIRM FAILED TO SUBMIT OATS ON 156 BUSINESS DAYS.

Initiated By: DEPARTMENT OF MARKET REGULATION - NASD

Date Initiated: 08/10/2005

Docket/Case Number: 2004200007701 AWC

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure



Other Sanction(s)/Relief Sought:	CENSURE AND A FINE OF \$ 40,000 (CONSISTING OF A \$30,000 FINE FOR THE OATS VIOLATION AND \$10,000 FOR THE SUPERVISION VIOLATION).
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/10/2005
Sanctions Ordered:	Censure Monetary/Fine \$40,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM HAS ISSUED A CHECK IN THE AMOUNT OF \$40,000 AND REMITTED PAYMENT TO THE NASD ON AUGUST 23, 2005.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 3010, 6955(A)- RESPONDENT MEMBER FAILED TO INCLUDE ALL REQUIRED INFORMATION IN ROUTE REPORTS TO SUPERMONTAGE AND AS A RESULT, OATS WAS NOT ABLE TO MATCH REPORTS TO THE RELATED ORDER IN SUPERMONTAGE; FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES WHICH SPECIFIED THAT IT WOULD MONITOR TO ENSURE THAT ROUTED ORDER ID NUMBERS WERE INCLUDED WHEN ROUTING ORDERS AWAY FROM THE FIRM.
Initiated By:	NASD
Date Initiated:	05/19/2005
Docket/Case Number:	CLG050061
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/19/2005



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$10,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, ELECTRONIC BROKERATE SYSTEMS LLC CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$10,000.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	OATS - VIOLATIONS. DURING THE REVIEW PERIOD BELZ FAILED TO INCLUDE ALL REQUIRED INFORMATION IN ROUTE REPORTS TO SUPERMONTAGE. SPECIFICALLY, REPORTS ROUTED TO SUPERMONTAGE OMITTED USER ORDER ID NUMBERS. AS A RESULT, OATS WAS NOT ABLE TO MATCH 11,829 REPORTS TO THE RELATED ORDER IN SUPERMONTAGE. DURING THE REVIEW PERIOD, THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES, WHICH SPECIFIED THAT IT WOULD MONITOR TO ENSURE THAT ROUTED ORDER ID NUMBERS WERE INCLUDED WHEN ROUTING ORDERS AWAY FROM THE FIRM.
Initiated By:	NASD DEPARTMENT OF MARKET REGULATION
Date Initiated:	07/30/2004
Docket/Case Number:	2005000037/CLG050061 AWC
Principal Product Type:	Equity - OTC
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)



Resolution Date:	05/19/2005
Sanctions Ordered:	Censure Monetary/Fine \$10,000.00
Other Sanctions Ordered:	05/17/2005
Sanction Details:	FIRM HAS ISSUED A CHECK IN THE ACCOUNT OF \$10,000 AND REMITTED PAYMENT TO THE NASD RECEIVED LETTER, MAY 19, 2005 FROM THOMAS R. GIRA EVP, MARKET REG - CLG050061 AWC. A CENSURE AND FINE OF \$1000 (CONSISTING OF \$5,000 FOR THE OATS VIOLATIONS AND \$ 5,000 FOR THE SUPERVISORY VIOLATIONS). THE SANCTION IMPOSED HEREIN SHALL BE EFFECTIVE ON A DATE SET BY NASD STAFF.
Firm Statement	FIRM HAS ISSUED A CHECK IN THE ACCOUNT OF \$10,000 AND REMITTED PAYMENT TO THE NASD RECEIVED LETTER, MAY 19, 2005 FROM THOMAS R. GIRA EVP, MARKET REG - CLG050061 AWC. A CENSURE AND FINE OF \$1000 (CONSISTING OF \$5,000 FOR THE OATS VIOLATIONS AND \$ 5,000 FOR THE SUPERVISORY VIOLATIONS). THE SANCTION IMPOSED HEREIN SHALL BE EFFECTIVE ON A DATE SET BY NASD STAFF.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>**5/16/07**STIPULATION OF FACTS AND CONSENT TO PENALTY FILED BY NYSE REGULATION'S DIVISION OF ENFORCEMENT AND PENDING.CONSENTED TO FINDINGS: 1. VIOLATED NYSE RULE 411(B)(1) BY INTRODUCING FOR EXECUTION ON THE NYSE CUSTOMER ODD-LOT ORDERS THAT AGGREGATE 100 SHARES OR MORE WITHOUT HAVING THOSE ORDERS CONSOLIDATED INTO ROUND LOTS AS FAR AS POSSIBLE;</p> <p>2. VIOLATED NYSE RULE 476(A)(6) BY ENGAGING IN CONDUCT INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE IN THAT IT INTRODUCED FOR EXECUTION ON THE NYSE ODD-LOT ORDERS THAT WERE INCONSISTENT WITH THE NYSE'S ODD-LOT RULES AND POLICIES;</p>



3. VIOLATED NYSE RULE 405(1) BY
FAILING TO LEARN THE ESSENTIAL FACTS RELATIVE TO CERTAIN OF ITS
CUSTOMERS AND THE CUSTOMERS' ORDERS IT INTRODUCED FOR
EXECUTION ON THE NYSE;

4. VIOLATED NYSE RULE 342 BY
FAILING TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE
CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND
REVIEW, REASONABLY
DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULES AND POLICIES
PERTAINING TO:

A. ELECTRONIC ORDER
ACTIVITY, INCLUDING ODD-LOT AND PROGRAM TRADING ACTIVITY, BEING
ROUTED TO THE NYSE THROUGH THE FIRM'S ELECTRONIC ORDER
ENTRY SYSTEM;

B. "KNOW YOUR CUSTOMER"
REQUIREMENTS; AND,

C. THE SUBMISSION OF DAILY
PROGRAM TRADING REPORTS;

5. VIOLATED NYSE RULE 80A(A) BY
INTRODUCING FOR EXECUTION ON THE NYSE INDEX ARBITRAGE SELL
ORDERS WITHOUT THE APPROPRIATE TICK RESTRICTION WHEN A NYSE
RULE 80A COLLAR WAS IN PLACE;
AND,

6. VIOLATING NYSE RULE 476(A)(10)
BY FAILING TO SUBMIT ACCURATE DAILY PROGRAM TRADE REPORTS TO
THE NYSE. STIPULATED SANCTION: CENSURE AND FINE IN THE AMOUNT OF
\$175,000.

Initiated By: NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT

Date Initiated: 05/16/2007

Docket/Case Number: HPD#07-91

Principal Product Type: Other

Other Product Type(s):

**Principal Sanction(s)/Relief
Sought:**



Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 07/17/2007

Sanctions Ordered: Censure
Monetary/Fine \$175,000.00

Other Sanctions Ordered:

Sanction Details: **6/18/07**DECISION NO. 07-91 ISSUED BY NYSE HEARING BOARD. DECISION:VIOLATED NYSE RULE 411(B)(1) BY INTRODUCING FOR EXECUTION ON THE NYSE CUSTOMER ODD-LOT ORDERS THAT AGGREGATE 100 SHARES OR MORE WITHOUT HAVING THOSE ORDERS CONSOLIDATED INTO ROUND LOTS AS FAR AS POSSIBLE; VIOLATED NYSE RULE 476(A)(6) BY INTRODUCING FOR EXECUTION ON THE NYSE ODD-LOT ORDERS THAT WERE INCONSISTENT WITH THE NYSE'S ODD-LOT RULES AND POLICIES; VIOLATED NYSE RULE 405(1) BY FAILING TO LEARN THE ESSENTIAL FACTS RELATIVE TO CUSTOMERS AND THE CUSTOMERS' ORDERS IT INTRODUCED FOR EXECUTION ON NYSE; VIOLATED NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE CONTROLS PERTAINING TO ELECTRONIC ORDER ACTIVITY, "KNOW YOUR CUSTOMER" REQUIREMENTS, AND SUBMISSION OF DAILY PROGRAM TRADING REPORTS; VIOLATED NYSE RULE 80A(A) BY INTRODUCING FOR EXECUTION INDEX ARBITRAGE SELL ORDERS WITHOUT THE APPROPRIATE TICK RESTRICTION WHEN A NYSE RULE 80A COLLAR WAS IN PLACE; AND, VIOLATED NYSE RULE 476(A)(10) BY FAILING TO SUBMIT ACCURATE DAILY PROGRAM TRADE REPORTS TO THE NYSE. CONSENT TO CENSURE AND \$175,000 FINE.

Regulator Statement **7/17/07**DECISION BECAME FINAL AS OF THE CLOSE OF BUSINESS ON JULY 13, 2007.
CONTACT: PEGGY GERMINO 212-656-8450

Reporting Source: Firm

Current Status: Final

Allegations: NYSE REVIEW IS FOCUSED ON WHETHER THE TRADING IN QUESTION WAS CONSISTENT WITH REGULATORY REQUIREMENTS GOVERNING ODD-LOT TRADING, NAMELY NYSE RULE 411(B)(1)RULE 405(1), AND RULES GOVERNING JUST AND EQUITABLE PRINCIPALS OF TRADE NYSE RULE



476(A)(6)AS WELL AS RULES GOVERNING SUPERVISION NYSE 342. IN ADDITION, THE ALLEGATIONS INCLUDED VIOLATIONS OF NYSE RULE 80A(A) BY INTRODUCING FOR EXECUTION SELL ORDERS WITHOUT THE APPROPRIATE RESTRICTIONS AND FAILURE TO SUBMIT DAILYPROGRAM TRADE REPORTS.

Initiated By: NYSE - DIVISION OF ENFORCEMENT, CASE NO. 0000117652, DOCKET HPD#07-91

Date Initiated: 05/16/2007

Docket/Case Number: HPD#07-91

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought: TEH FIRM SUBMITTED CONSENT TO CENSURE AND FINE

Resolution: Stipulation and Consent

Resolution Date: 07/17/2007

Sanctions Ordered: Censure
Monetary/Fine \$175,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM ENTERED INTO STIPULATION OF FACTS AND CONSENT TO PENALTY. THE HEARING OFFICER IMPOSED PENALTY CONSENTED TO BY THE FIRM OF A CENSURE AND \$175,000 FINE

End of Report



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