

BrokerCheck Report

HYBRID TRADING & RESOURCES, LLC

CRD# 133030

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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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Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org



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)



HYBRID TRADING & RESOURCES, LLC

CRD# 133030

SEC# 8-66673

Main Office Location

111 W JACKSON
SUITE #1146
CHICAGO, IL 60604

Mailing Address

111 W JACKSON BLVD
SUITE 1146
CHICAGO, IL 60604

Business Telephone Number

312-427-1585

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 Florida on 09/09/2004.
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 brokerage firm is no longer registered with FINRA or a national securities exchange.

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	11

The number of disclosures from non-registered control affiliates is 1

Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.



Date firm ceased business: 06/25/2018

Does this brokerage firm owe any money or securities to any customer or brokerage firm? No



Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Florida on 09/09/2004.

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.

HYBRID TRADING & RESOURCES, LLC

Doing business as HYBRID TRADING & RESOURCES, LLC

CRD# 133030

SEC# 8-66673

Main Office Location

111 W JACKSON
SUITE #1146
CHICAGO, IL 60604

Mailing Address

111 W JACKSON BLVD
SUITE 1146
CHICAGO, IL 60604

Business Telephone Number

312-427-1585



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): CROMPTON, JAMES SR
57381

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

Position MEMBER/CHIEF COMPLIANCE OFFICER

Position Start Date 09/2004

Percentage of Ownership 25% but less than 50%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): RICHARD J CICHY, INC

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

Position MEMBER

Position Start Date 02/2011

Percentage of Ownership 25% but less than 50%

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

Is this a public reporting company? No

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

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

Position MEMBER

Position Start Date 02/2011

Percentage of Ownership 25% but less than 50%

Firm Profile



Direct Owners and Executive Officers (continued)

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

Is this a public reporting company? No

Legal Name & CRD# (if any): CAFFRAY, MARK LANKESTER

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

Position MANAGER/CHIEF EXECUTIVE OFFICER

Position Start Date 06/2011

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): SKWERES, DENISE PAREJKO
5332253

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

Position FINOP

Position Start Date 03/2016

Percentage of Ownership Less than 5%

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

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):	CAFFRAY, MARK LANKESTER 2339443
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	VAJRA, LLC
Relationship to Direct Owner	OWNER
Relationship Established	02/2011
Percentage of Ownership	25% but less than 50%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	CICHY, RICHARD JAY 1136747
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	RICHARD J CICHY, INC
Relationship to Direct Owner	OWNER
Relationship Established	02/2011
Percentage of Ownership	25% but less than 50%
Does this owner direct the management or policies of the firm?	Yes
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 no longer registered.

The firm's registration was from 03/22/2004 to 06/25/2018.



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 3 types of businesses.

Types of Business

Exchange member engaged in exchange commission business other than floor activities

Exchange member engaged in floor activities

Other - APPLICANT WILL ENGAGE IN FLOOR BROKER BUSINESS FOR BROKER DEALERS AND NON BROKER DEALERS.

Other Types of Business

This firm does effect transactions in commodities, commodity futures, or commodity options.

This firm does engage in other non-securities business.

Non-Securities Business Description: APPLICANT IS AN INTRODUCING BROKER REGISTERED WITH NFA, AND WILL BE ACCEPTING ORDERS FROM BROKER DEALERS AND NON BROKER DEALERS TO BUY/SELL FUTURES AND OPTIONS ON FUTURES.

Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does not refer or introduce customers to other brokers and dealers.

Firm Operations

Industry Arrangements



This firm does not have books or records maintained by a third party.

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

Name:	DASH FINANCIAL TECHNOLOGIES LLC
CRD #:	104031
Business Address:	311 S. WACKER DRIVE SUITE 1000 CHICAGO, IL 60606
Effective Date:	04/21/2017
Description:	DASH WILL CLEAR APPLICANTS' TRADES AND HOLD APPLICANTS' FUNDS

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

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

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.

PTR, INC. is under common control with the firm.

CRD #:	31559
Business Address:	1900 MARKET ST PHILADELPHIA, PA 19103
Effective Date:	09/09/2004
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	THE 4 OWNERS OF APPLICANT ARE ALL OFFICERS OF PTR, INC.

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	11	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 11

Reporting Source: Regulator

Current Status: Final



Allegations:	HYBRID TRADING & RESOURCES, LLC ("HYBRID"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$4,000 FOR THE FOLLOWING CONDUCT. HYBRID: (I) 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; (II) ON NUMEROUS OCCASIONS, TRADED THROUGH THE NBBO; AND (III) FAILED TO ADEQUATELY SUPERVISE ITS ASSOCIATED PERSONS TO ASSURE COMPLIANCE WITH EXCHANGE RULES. (EXCHANGE RULES 4.2 - ADHERENCE TO LAW, 6.45 - ORDER AND QUOTE PRIORITY AND ALLOCATION, 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, 6.73 - RESPONSIBILITIES OF FLOOR BROKERS AND 6.81 - ORDER PROTECTION)
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	01/27/2017
Docket/Case Number:	17-0009/ 20150439273 20150467056 AND 20170528113
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:	09/13/2017
Sanctions Ordered:	Censure Monetary/Fine \$4,000.00
Other Sanctions Ordered:	
Sanction Details:	A \$4,000 FINE AND A CENSURE.
<hr/>	
Reporting Source:	Firm
Current Status:	Final
Allegations:	FROM IN OR ABOUT 01/2009 THROUGH ON OR ABOUT 06/30/2017, THE FIRM, 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 PRICE AVAILABLE. FROM ON OR ABOUT 07/01/2016 THROUGH ON OR ABOUT 06/30/2017, THE FIRM, ON NUMEROUS OCCASIONS, EFFECTED NUMEROUS NBBO TRADE-THROUGH TRANSACTIONS. FROM IN OR ABOUT 01/2009 THROUGH ON OR ABOUT 06/30/2017 THE FIRM FAILED TO SUPERVISE ITS AP'S TO ASSURE COMPLIANCE WITH EXCHANGE RULES IN CONNECTION WITH THE AFOREMENTIONED CONDUCT.

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE, INC.

Date Initiated: 01/27/2017

Docket/Case Number: FILE 17-0009, STAR MATTER 20150439273, 20150467056, 20170528113

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 09/13/2017

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

Other Sanctions Ordered:

Sanction Details: \$4,000 FINE LEVIED AGAINST THE FIRM ON 09/13/2017.

Firm Statement

THE STATEMENT OF CHARGES WAS ISSUED ON 01.27.2017. THE APPLICANT DISPUTES THE ALLEGATIONS SET FORTH THEREIN AND INTENDS TO VIGOROUSLY DEFEND THE CHARGES.

ON 09/13/2017 A DECISION ACCEPTING OFFER OF SETTLEMENT AND LETTER OF CONSENT WAS ISSUED BY THE BCC. THE SANCTION IMPOSED WAS A \$4,000 FINE AND CENSURE.

Disclosure 2 of 11

Reporting Source: Regulator

Current Status: Final

Allegations: IT IS ALLEGED THAT HTR, 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 THAT HTR FAILED TO ASSURE COMPLIANCE WITH EXCHANGE RULES 6.45A, 6.45B AND 6.73. (VIOLATIONS OF EXCHANGE RULES 4.2, 6.45A, 6.45B AND 6.73)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 12/23/2014

Docket/Case Number: FILE NOS. 14-0193/17-0009

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: 09/13/2017

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 \$4,000.00

Other Sanctions Ordered:

Sanction Details: A CENSURE AND A FINE OF \$4,000.

Reporting Source: Firm

Current Status: Pending

Allegations: IT IS ALLEGED THAT DURING THE APPROXIMATE PERIOD JANUARY 2009 THROUGH MAY 2013, HTR, FAILED TO GRANT PRIORITY TO THE HIGHEST BID AND/OR LOWEST OFFER WHEN SUCH BID OR OFFER WAS AVAILABLE AND FAILED TO USE DUE DILIGENCE TO EXECUTE ORDERS AT THE BEST PRICES AVAILABLE.

Initiated By: CBOE



Date Initiated: 12/23/2014

Docket/Case Number: FILE NO. 14-0198

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Disclosure 3 of 11

Reporting Source: Regulator

Current Status: Final

Allegations: HYBRID TRADING & RESOURCES, LLC ("HYBRID"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$20,000 FOR THE FOLLOWING CONDUCT. HYBRID: (I) FAILED TO PROPERLY QUALIFY AND REGISTER TWO ASSOCIATED PERSONS AS A PROPRIETARY TRADER PRINCIPAL (TP) IN WEBCRD BY NOVEMBER 5, 2011; (II) FAILED TO REGISTER ONE ASSOCIATED PERSON AS A PROPRIETARY TRADER (PT) WITH THE EXCHANGE IN WEBCRD BY NOVEMBER 5, 2011; AND (III) FAILED TO MAINTAIN AND PRODUCE TRADE RECORDS FOR TWO ERRORS. (EXCHANGE RULES 3.6A - QUALIFICATION AND REGISTRATION OF CERTAIN ASSOCIATED PERSONS, 4.2 - ADHERENCE TO LAW AND 15.1 - MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION; AND 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)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 01/29/2014

Docket/Case Number: 14-0001

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:** 05/23/2014**Sanctions Ordered:** Censure
Monetary/Fine \$20,000.00**Other Sanctions Ordered:****Sanction Details:** A \$20,000 FINE AND A CENSURE.
.....**Reporting Source:** Firm**Current Status:** Final**Allegations:** HYBRID TRADING WAS CENSURED AND FINED \$20,000 FOR FAILING TO PROPERLY QUALIFY AND REGISTER TWO ASSOCIATED PERSONS AS A PROPRIETARY TRADER PRINCIPAL, FAILING TO REGISTER ONE ASSOCIATED PERSON AS A PROPRIETARY TRADER AND FAILING TO MAINTAIN AND PRODUCE TRADE RECORDS FOR TWO ERRORS IN VIOLATION OF EXCHANGE RULES 3.61, 4.2 AND 15.1.**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE**Date Initiated:** 01/29/2014**Docket/Case Number:** 14-0001**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:** 05/23/2014**Sanctions Ordered:** Censure
Monetary/Fine \$20,000.00**Other Sanctions Ordered:****Sanction Details:** \$20,000 FIND AND A CENSURE

**Firm Statement**

HYBRID TRADING WAS CENSURED AND FINED \$20,000 FOR FAILING TO PROPERLY QUALIFY AND REGISTER TWO ASSOCIATED PERSONS AS A PROPRIETARY TRADER PRINCIPAL, FAILING TO REGISTER ONE ASSOCIATED PERSON AS A PROPRIETARY TRADER AND FAILING TO MAINTAIN AND PRODUCE TRADE RECORDS FOR TWO ERRORS IN VIOLATION OF EXCHANGE RULES 3.61, 4.2 AND 15.1.

Disclosure 4 of 11**Reporting Source:**

Regulator

Current Status:

Final

Allegations:

HYBRID TRADING & RESOURCES, LLC ("HYBRID"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$10,000 FOR THE FOLLOWING CONDUCT. HYBRID FAILED TO ENSURE THAT THE 2012 INDEPENDENT TEST OF ITS AML PROGRAM WAS CONDUCTED BY AN INDIVIDUAL THAT WAS INDEPENDENT OF THE AML PROGRAM. IN ADDITION, HYBRID FAILED TO NOTIFY THE EXCHANGE REGARDING THE CHANGE OF THE PERSON RESPONSIBLE FOR IMPLEMENTING AND MONITORING THE DAY-TO-DAY OPERATIONS AND INTERNAL CONTROLS OF HYBRID'S AML PROGRAM. (EXCHANGE RULE 4.20 - ANTI-MONEY LAUNDERING COMPLIANCE PROGRAM)

Initiated By:

CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated:

07/25/2013

Docket/Case Number:

13-0039

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:

12/11/2013

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: HYBRID FAILED TO ENSURE THAT THE 2012 INDEPENDENT TEST OF ITS AML PROGRAM WAS CONDUCTED BY AN INDIVIDUAL THAT WAS INDEPENDENT OF THE AML PROGRAM, AND FAILED TO NOTIFY THE EXCHANGE REGARDING THE CHANGE OF THE PERSON RESPONSIBLE FOR IMPLEMENTING AND MONITORING THE DAY-TO-DAY OPERATIONS AND INTERNAL CONTROLS OF HYBRID'S AML PROGRAM.

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 07/25/2013

Docket/Case Number: FILE NO. 13-0039

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 12/11/2013

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

Other Sanctions Ordered:

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

Firm Statement HYBRID FAILED TO ENSURE THAT THE 2012 INDEPENDENT TEST OF ITS AML PROGRAM WAS CONDUCTED BY AN INDIVIDUAL THAT WAS INDEPENDENT OF THE AML PROGRAM, AND FAILED TO NOTIFY THE EXCHANGE REGARDING THE CHANGE OF THE PERSON RESPONSIBLE FOR IMPLEMENTING AND MONITORING THE DAY-TO-DAY OPERATIONS AND INTERNAL CONTROLS OF HYBRID'S AML PROGRAM.

Disclosure 5 of 11

Reporting Source: Firm

Current Status: Final



Allegations:	IT IS ALLEGED THAT HYBRID TRADING & RESOURCES FAILED TO ENSURE ITS 2012 AML PROGRAM INDEPENDENT REVIEW WAS CONDUCTED BY AN INDIVIDUAL INDEPENDENT OF THE PROGRAM AS REQUIRED BY EXCHANGE RULE 4.20 AND FAILED TO NOTIFY THE EXCHANGE OF THE FIRM'S CHANGE OF AML COMPLIANCE OFFICER AS REQUIRED BY EXCHANGE RULE 4.20
Initiated By:	CHICAGO BOARD OPTION EXCHANGE
Date Initiated:	04/30/2013
Docket/Case Number:	PENDING
Principal Product Type:	Other
Other Product Type(s):	PROCEDURES
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	SANCTIONS ARE UNKNOWN AS THE MATTER IS PENDING
Resolution:	Other
Resolution Date:	03/31/2014
Sanctions Ordered:	
Other Sanctions Ordered:	LETTER OF CAUTION ISSUED
Sanction Details:	LETTER OF CAUTION ISSUED
Firm Statement	A LETTER OF CAUTION WAS ISSUED.

Disclosure 6 of 11

Reporting Source:	Regulator
Current Status:	Final
Allegations:	HYBRID FAILED TO REGISTER AND QUALIFY THE MINIMUM NUMBER OF INDIVIDUALS REQUIRED TO REGISTER AS A PROPRIETARY TRADER PRINCIPAL (TP) IN WEBCRD BY NOVEMBER 5, 2011. IN FACT, HYBRID FAILED TO REGISTER AND QUALIFY ANY INDIVIDUALS AS PROPRIETARY TRADING PRINCIPALS BY NOVEMBER 5, 2011. IN ADDITION, HYBRID DID NOT CONDUCT ADEQUATE SUPERVISION IN THAT IT FAILED TO REGISTER AND QUALIFY THE MINIMUM NUMBER OF INDIVIDUALS REQUIRED TO REGISTER AS A PROPRIETARY TRADER PRINCIPAL (TP) IN WEBCRD BY NOVEMBER 5, 2011. (VIOLATION OF EXCHANGE RULES 3.6A AND 4.2)
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE



Date Initiated: 12/31/2012

Docket/Case Number: 12-0110

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: 06/26/2013

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

Other Sanctions Ordered: A \$20,000 FINE, A CENSURE AND AN UNDERTAKING TO IMPLEMENT WRITTEN SUPERVISORY PROCEDURES RELATING TO REGISTRATION AND QUALIFICATION OF ITS ASSOCIATED PERSONS (AND PROVIDE A COPY OF THOSE PROCEDURES TO THE EXCHANGE WITHIN 60 DAYS OF THE ISSUANCE OF THE DECISION IN THIS MATTER).

Sanction Details: A \$20,000 FINE, A CENSURE AND AN UNDERTAKING TO IMPLEMENT WRITTEN SUPERVISORY PROCEDURES RELATING TO REGISTRATION AND QUALIFICATION OF ITS ASSOCIATED PERSONS (AND PROVIDE A COPY OF THOSE PROCEDURES TO THE EXCHANGE WITHIN 60 DAYS OF THE ISSUANCE OF THE DECISION IN THIS MATTER).

Reporting Source: Firm

Current Status: Final

Allegations: HYBRID TRADING FAILED TO REGISTER AND QUALIFY THE MINIMUM NUMBER OF INDIVIDUALS REQUIRED TO REGISTER AS A PROPRIETARY TRADER PRINCIPAL (TP) IN WEBCRD BY NOV. 5, 2011 IN VIOLATION OF CBOE RULES 3.6A AND 4.2

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 12/31/2012

Docket/Case Number: 12-0110

Principal Product Type: Other

Other Product Type(s): REGISTRATIONS



Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	FINE OF \$20,000, A CENSURE AND AN UNDERTAKING TO IMPLEMENT WSPS
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	07/03/2013
Sanctions Ordered:	Censure Monetary/Fine \$20,000.00
Other Sanctions Ordered:	AN UNDERTAKING TO IMPLEMENT WRITTEN SUPERVISORY PROCEDURES RELATING TO REGISTRATION AND QUALIFICATION OF ITS ASSOCIATED PERSONS
Sanction Details:	AN UNDERTAKING TO IMPLEMENT WRITTEN SUPERVISORY PROCEDURES RELATING TO REGISTRATION AND QUALIFICATION OF ITS ASSOCIATED PERSONS
Firm Statement	HYBRID TRADING FAILED TO REGISTER AND QUALIFY THE MINIMUM NUMBER OF INDIVIDUALS REQUIRED TO REGISTER AS A PROPRIETARY TRADER PRINCIPAL (TP) IN WEBCRD BY NOV. 5, 2011 IN VIOLATION OF CBOE RULES 3.6A AND 4.2

Disclosure 7 of 11

Reporting Source:	Regulator
Current Status:	Final
Allegations:	(I) HYBRID FAILED TO ADEQUATELY SUPERVISE THE COMPLIANCE OF FIVE (5) PERSONAL TRADING ACCOUNTS THAT CAFFRAY EITHER MAINTAINED DISCRETIONARY AUTHORITY OVER OR MAINTAINED AN OWNERSHIP INTEREST; (II) HYBRID FAILED TO MAINTAIN PROPER RECORDS OF PERSONAL TRADING ACCOUNTS THAT CAFFRAY EITHER MAINTAINED DISCRETIONARY AUTHORITY OVER OR MAINTAINED AN OWNERSHIP INTEREST. IN ADDITION, HYBRID FAILED TO REVIEW 69 OF 85 ACCOUNT STATEMENTS FOR ACCOUNTS THAT CAFFRAY EITHER MAINTAINED DISCRETIONARY AUTHORITY OVER OR MAINTAINED AN OWNERSHIP INTEREST; (III) CAFFRAY MADE A MATERIAL MISSTATEMENT ON SEVERAL NEW ACCOUNT FORMS WHEN OPENING AN INDIVIDUAL RETIREMENT ACCOUNT IN THAT CAFFRAY INDICATED THAT HE WAS NOT AFFILIATED WITH A BROKER-DEALER, WHEN CAFFRAY WAS AN ASSOCIATED PERSON OF HYBRID AND PTR; AND (IV) CAFFRAY FAILED TO IDENTIFY FIVE (5) PERSONAL ACCOUNTS THAT HE EITHER MAINTAINED DISCRETIONARY AUTHORITY OVER OR MAINTAINED AN OWNERSHIP INTEREST TO PTR AND HYBRID WITH WHICH CAFFRAY IS AFFILIATED AS AN ASSOCIATED



PERSON, AND THEREFORE, PREVENTED PTR AND HYBRID FROM DISCLOSING THOSE ACCOUNTS TO THE EXCHANGE UPON THE EXCHANGE'S REQUEST. (VIOLATION OF EXCHANGE RULES 4.1, 4.2, 4.22, 15.1 AND 17.2; AND SECTION 17(A) OF THE ACT AND RULES 17A-3 AND 17A-4 THEREUNDER)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 02/27/2013

Docket/Case Number: 13-0012

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: 06/26/2013

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

Other Sanctions Ordered:

Sanction Details: RESPONDENTS ARE EACH CENSURED AND JOINTLY AND SEVERALLY FINED IN THE AMOUNT OF THIRTY THOUSAND DOLLARS (\$30,000).

Reporting Source: Firm

Current Status: Final

Allegations: MARK CAFFRAY FAILED TO DISCLOSE SEVERAL OUTSIDE BROKERAGE ACCOUNTS HE EITHER HAD OWNERSHIP INTEREST IN OR IN WHICH HE HAD DISCRETIONARY AUTHORITY OVER. HYBRID TRADING FAILED TO SUPERVISE BY NOT MONITORING MARK CAFFRAY'S OUTSIDE BROKERAGE ACCOUNTS AND THE ONE HE HAD DISCRETIONARY AUTHORITY OVER.

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 09/10/2012

Docket/Case Number: FILE NO. 13-0012

Principal Product Type: Options

**Other Product Type(s):**

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: A MONETARY FINE

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 07/03/2013

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

Other Sanctions Ordered:

Sanction Details: MARK CAFFRAY FAILED TO DISCLOSE SEVERAL OUTSIDE BROKERAGE ACCOUNTS HE EITHER HAD OWNERSHIP INTEREST IN OR IN WHICH HE HAD DISCRETIONARY AUTHORITY OVER. HYBRID TRADING FAILED TO SUPERVISE BY NOT MONITORING MARK CAFFRAY'S OUTSIDE BROKERAGE ACCOUNTS AND THE ONE HE HAD DISCRETIONARY AUTHORITY OVER.

Firm Statement MARK CAFFRAY FAILED TO DISCLOSE SEVERAL OUTSIDE BROKERAGE ACCOUNTS HE EITHER HAD OWNERSHIP INTEREST IN OR IN WHICH HE HAD DISCRETIONARY AUTHORITY OVER. HYBRID TRADING FAILED TO SUPERVISE BY NOT MONITORING MARK CAFFRAY'S OUTSIDE BROKERAGE ACCOUNTS AND THE ONE HE HAD DISCRETIONARY AUTHORITY OVER.

Disclosure 8 of 11

Reporting Source: Regulator

Current Status: Final

Allegations: HYBRID TRADING & RESOURCES, LLC ("HYBRID"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$10,000 FOR THE FOLLOWING CONDUCT. HYBRID FAILED TO NOTIFY THE SEC AND THE EXCHANGE, AS ITS DESIGNATED EXAMINING AUTHORITY, OF 9 SEPARATE CAPITAL WITHDRAWALS AS REQUIRED PURSUANT TO RULE 15C3-1(E) OF THE ACT. (EXCHANGE RULE 4.2 - ADHERENCE TO LAW; AND SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "ACT") AND RULE 15C3-1(E) - LIMITATION ON WITHDRAWAL OF EQUITY CAPITAL THEREUNDER)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 08/29/2012

Docket/Case Number: 12-0057



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: 01/28/2013

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 ON OR ABOUT MARCH 8, 2011 THROUGH ON OR ABOUT OCTOBER 25, 2011, HYBRID FAILED TO NOTIFY THE SEC AND THE EXCHANGE AS ITS DEA, OF 9 SEPARATE CAPITAL WITHDRAWALS AS REQUIRED PURSUANT TO RULE 15C3-1(E) OF THE ACT.

Initiated By: CHICAGO BOARD OPTION EXCHANGE

Date Initiated: 08/29/2012

Docket/Case Number: FILE NO. 12-0057

Principal Product Type: Other

Other Product Type(s): CAPITAL WITHDRAWALS

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 01/28/2013

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

**Other Sanctions Ordered:****Sanction Details:**

DURING THE APPROXIMATE PERIOD FROM ON OR ABOUT MARCH 8, 2011 THROUGH ON OR ABOUT OCTOBER 25, 2011, HYBRID FAILED TO NOTIFY THE SEC AND THE EXCHANGE AS ITS DEA, OF 9 SEPARATE CAPITAL WITHDRAWALS AS REQUIRED PURSUANT TO RULE 15C3-1(E) OF THE ACT.

Firm Statement

DURING THE APPROXIMATE PERIOD FROM ON OR ABOUT MARCH 8, 2011 THROUGH ON OR ABOUT OCTOBER 25, 2011, HYBRID FAILED TO NOTIFY THE SEC AND THE EXCHANGE AS ITS DEA, OF 9 SEPARATE CAPITAL WITHDRAWALS AS REQUIRED PURSUANT TO RULE 15C3-1(E) OF THE ACT.

Disclosure 9 of 11**Reporting Source:**

Regulator

Current Status:

Final

Allegations:

HYBRID TRADING & RESOURCES, LLC. ("HYBRID"), AN EXCHANGE TPH ORGANIZATION ASSOCIATED WITH A FLOOR BROKER AND A TPH ORGANIZATION APPROVED TO CONDUCT BUSINESS WITH THE PUBLIC, WAS CENSURED AND FINED \$30,000 FOR THE FOLLOWING CONDUCT. HYBRID FAILED TO SYSTEMATIZE NUMEROUS OPTION ORDERS PRIOR TO REPRESENTATION AND EXECUTION. (CBOE RULE 6.24 - REQUIRED TRADE INFORMATION.)

Initiated By:

CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated:

03/08/2010

Docket/Case Number:

10-0012

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:

08/17/2010

Sanctions Ordered:

Censure
Monetary/Fine \$30,000.00

Other Sanctions Ordered:**Sanction Details:**

A \$30,000 FINE AND A CENSURE.



Reporting Source:	Firm
Current Status:	Final
Allegations:	DURING THE APPROXIMATE PERIOD FROM ON OR ABOUT JANUARY 1, 2009 THROUGH JUNE 30, 2010, HYBRID TRADING AND RESOURCES, LLC FAILED TO SYSTEMATIZE NUMEROUS OPTION ORDERS PRIOR TO REPRESENTATION AND EXECUTION
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	11/06/2009
Docket/Case Number:	10-0012
Principal Product Type:	Derivative(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	\$30,000 FINE
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	08/17/2010
Sanctions Ordered:	Censure Monetary/Fine \$30,000.00
Other Sanctions Ordered:	
Sanction Details:	HYBRID TRADING AND RESOURCES, LLC (THE "APPLICANT") HAS BEEN CENSURED AND FINED THIRTY THOUSAND DOLLARS (\$30,000).
Firm Statement	DURING THE APPROXIMATE PERIOD FROM ON OR ABOUT JANUARY 1, 2009 THROUGH JUNE 30, 2010, HYBRID TRADING AND RESOURCES, LLC (THE "APPLICANT") FAILED TO SYSTEMATIZE NUMEROUS OPTION ORDERS PRIOR TO REPRESENTATION AND EXECUTION. IN ORDER TO AVOID THE TIME, EXPENSE, AND UNCERTAINTY OF A FORMAL DISCIPLINARY PROCEEDING, HYBRID TRADING AND RESOURCES, LLC SUBMITTED AN OFFER OF SETTLEMENT ON 08.17.2010, CONSENTING TO THE FOLLOWING SANCTIONS: \$30,000.00 FINE AND CENSURE. HYBRID TRADING AND RESOURCES, LLC NEITHER ADMITS NOR DENIES THE ALLEGATIONS OF THE STATEMENT OF CHARGES FOR FILE NO. 10-0012.



Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEE SUMMARY
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	09/11/2006
Docket/Case Number:	06-0021 AND 06-0007 (CONSOLIDATED)
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:	10/19/2006
Sanctions Ordered:	Censure Monetary/Fine \$50,000.00
Other Sanctions Ordered:	HYBRID TRADING & RESOURCES, LLC, SEAN MCKEOUGH AND MARK CAFFRAY SHALL BE AND HEREBY ARE CENSURED AND JOINTLY AND SEVERALLY FINED IN THE AMOUNT OF FIFTY THOUSAND DOLLARS (\$50,000). IN ADDITION, THE COMMITTEE FURTHER ORDERS AN UNDERTAKING TO IMMEDIATELY ENSURE THAT HTR AND ITS NOMINEES ARE COATS COMPLIANT AND IF NECESSARY TO RETAIN ADDITIONAL STAFF TO ENSURE COATS COMPLIANCE.
Sanction Details:	HYBRID TRADING & RESOURCES, LLC, SEAN MCKEOUGH AND MARK CAFFRAY SHALL BE AND HEREBY ARE CENSURED AND JOINTLY AND SEVERALLY FINED IN THE AMOUNT OF FIFTY THOUSAND DOLLARS (\$50,000). IN ADDITION, THE COMMITTEE FURTHER ORDERS AN UNDERTAKING TO IMMEDIATELY ENSURE THAT HTR AND ITS NOMINEES ARE COATS COMPLIANT AND IF NECESSARY TO RETAIN ADDITIONAL STAFF TO ENSURE COATS COMPLIANCE.
Regulator Statement	HYBRID TRADING & RESOURCES, LLC ("HTR"), AN EXCHANGE MEMBER ORGANIZATION REGISTERED WITH A FLOOR BROKER; SEAN MCKEOUGH ("MCKEOUGH"), AN EXCHANGE MEMBER REGISTERED AS A FLOOR BROKER AND NOMINEE OF HTR; AND MARK CAFFRAY ("CAFFRAY"), AN ASSOCIATED PERSON OF HTR AND MANAGING MEMBER WITH SUPERVISORY RESPONSIBILITIES OF HTR, WERE EACH CENSURED, JOINTLY AND SEVERALLY FINED IN THE AMOUNT OF \$50,000, AND



FURTHER ORDERED AN UNDERTAKING TO IMMEDIATELY ENSURE THAT HTR AND ITS NOMINEES ARE COATS COMPLIANT AND IF NECESSARY TO RETAIN ADDITIONAL STAFF TO ENSURE COATS COMPLIANCE. MCKEOUGH FAILED TO SYSTEMATIZE NUMEROUS ORDERS PRIOR TO REPRESENTATION AND EXECUTION, HTR AND CAFFRAY FAILED TO KEEP COMPLETE AND ACCURATE RECORDS OF HTR FLOOR BROKER ACTIVITY, INCLUDING BUT NOT LIMITED TO: "CANCELS", "CANCEL/REPLACES", AND "NOTHING DONES", AND HTR AND CAFFRAY FAILED TO ESTABLISH REASONABLE SUPERVISORY PROCEDURES AND CONTROLS TO ENSURE THAT ALL ORDERS ARE PROPERLY SYSTEMATIZED. (CBOE RULES 4.1 JUST AND EQUITABLE PRINCIPLES OF LAW; 4.2 ADHERENCE TO LAW; 6.24(A) REQUIRED TRADE INFORMATION; 15.1 - MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION; AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED AND RULES 17A-3-RECORDS TO BE MADE BY CERTAIN BROKER DEALERS AND 17A-4 RECORDS TO BE PRESERVED BY CERTAIN BROKER DEALERS.)

Reporting Source:	Firm
Current Status:	Final
Allegations:	VIOlation OF EXCHANGE RULES 4.1 (JUST AND EQUITABLE PRINCIPLES OF LAW), 4.2 (ADHERENCE TO LAW), 6.24A (REQUIRED TRADE INFORMATION), 15.1 (MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION) AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND RULES 17-A-3 (RECORDS TO BE MADE BY CERTAIN BROKER DEALERS) AND 17-A-4 (RECORDS TO BE PRESERVED BY CERTAIN BROKER-DEALERS)
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	09/11/2006
Docket/Case Number:	06-0021
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:	10/19/2006



Sanctions Ordered:	Censure Monetary/Fine \$50,000.00
Other Sanctions Ordered:	A \$50,000 JOINT AND SEVERAL FINE, A CENSURE OF EACH RESPONDENT AND AN UNDERTAKING TO ENSURE THAT HYBRID TRADING AND RESOURCES LLC AND ITS NOMINEES ARE COATS COMPLIANT AND IF NECESSARY TO RETAIN ADDITIONAL STAFF TO ENSURE COATS COMPLIANCE.
Sanction Details:	HYBRID TRADING AND RESOURCES LLC, SEAN MCKEOUGH AND MARK CAFFRAY SHALL BE AND HEREBY ARE CENSURED, JOINTLY AND SEVERALLY FINED IN THE AMOUNT OF FIFTY THOUSAND DOLLARS (\$50,000.00). IN ADDITION THE COMMITTEE FURTHER ORDERS AN UNDERTAKING TO IMMEDIATELY ENSURE THAT HYBRID TRADING AND RESOURCES, LLC AND ITS NOMINEES ARE COATS COMPLIANT AND IF NECESSARY TO RETAIN ADDITIONAL STAFF TO ENSURE COATS COMPLIANCE.
Firm Statement	HYBRID TRADING AND RESOURCES, LLC ("HTR"), AN EXCHANGE MEMBER ORGANIZATION REGISTERED WITH A FLOOR BROKER; SEAN MCKEOUGH ("MCKEOUGH") AN EXCHANGE MEMBER REGISTERED AS A FLOOR BROKER AND NOMINEE OF HTR; AND MARK CAFFRAY ("CAFFRAY"), AN ASSOCIATED PERSON OF HTR AND MANAGING MEMBER WITH SUPERVISORY RESPONSIBILITIES OF HTR, WERE EACH CENSURED, JOINTLY AND SEVERALLY FINED IN THE AMOUNT OF \$50,000 AND FURTHER ORDERED AN UNDERTAKING TO IMMEDIATELY ENSURE THAT HTR AND ITS NOMINEES ARE COATS COMPLIANT, AND IF NECESSARY TO RETAIN ADDITIONAL STAFF TO ENSURE COATS COMPLIANCE. MCKEOUGH FAILED TO SYSTEMATIZE NUMEROUS ORDERS PRIOR TO REPRESENTATION AND EXECUTION, HTR AND CAFFRAY FAILED TO KEEP COMPLETE AND ACCURATE RECORDS OF HTR FLOOR BROKER ACTIVITY, INCLUDING BUT NOT LIMITED TO: "CANCELS", "CANCEL/REPLACES" AND "NOTHING DONES", AND HTR AND CAFFRAY FAILED TO ESTABLISH REASONABLE SUPERVISORY PROCEDURES AND CONTROLS TO ENSURE THAT ALL ORDERS ARE PROPERLY SYSTEMATIZED. [CBOE RULES 4.1 (JUST AND EQUITABLE PRINCIPLES OF LAW); 4.2 (ADHERENCE TO LAW); 6.24(A) (REQUIRED TRADE INFORMATION); 15.1 (MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION) AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND RULES 17-A-3 (RECORDS TO BE MADE BY CERTAIN BROKER DEALERS) AND 17-A-3 (RECORDS TO BE PRESERVED BY CERTAIN BROKER DEALERS)]

Reporting Source: Firm

Current Status: Final



Allegations:	VIOLETION OF EXCHANGE RULES 4.1 (JUST AND EQUITABLE PRINCIPLES OF LAW), 4.2 (ADHERENCE TO LAW), 6.24A (REQUIRED TRADE INFORMATION), 15.1 (MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION) AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND RULES 17-A-3 (RECORDS TO BE MADE BY CERTAIN BROKER DEALERS) AND 17-A-4 (RECORDS TO BE PRESERVED BY CERTAIN BROKER-DEALERS)
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	09/11/2006
Docket/Case Number:	06-0021
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:	10/19/2006
Sanctions Ordered:	Censure Monetary/Fine \$50,000.00
Other Sanctions Ordered:	A \$50,000 JOINT AND SEVERAL FINE, A CENSURE OF EACH RESPONDENT AND AN UNDERTAKING TO ENSURE THAT HYBRID TRADING AND RESOURCES LLC AND ITS NOMINEES ARE COATS COMPLIANT AND IF NECESSARY TO RETAIN ADDITIONAL STAFF TO ENSURE COATS COMPLIANCE.
Sanction Details:	HYBRID TRADING AND RESOURCES LLC, SEAN MCKEOUGH AND MARK CAFFRAY SHALL BE AND HEREBY ARE CENSURED, JOINTLY AND SEVERALLY FINED IN THE AMOUNT OF FIFTY THOUSAND DOLLARS (\$50,000.00). IN ADDITION THE COMMITTEE FURTHER ORDERS AN UNDERTAKING TO IMMEDIATELY ENSURE THAT HYBRID TRADING AND RESOURCES, LLC AND ITS NOMINEES ARE COATS COMPLIANT AND IF NECESSARY TO RETAIN ADDITIONAL STAFF TO ENSURE COATS COMPLIANCE.
Firm Statement	HYBRID TRADING AND RESOURCES, LLC ("HTR"), AN EXCHANGE MEMBER ORGANIZATION REGISTERED WITH A FLOOR BROKER; SEAN MCKEOUGH ("MCKEOUGH") AN EXCHANGE MEMBER REGISTERED AS A FLOOR BROKER AND NOMINEE OF HTR; AND MARK CAFFRAY ("CAFFRAY"), AN ASSOCIATED PERSON OF HTR AND MANAGING MEMBER WITH



SUPERVISORY RESPONSIBILITIES OF HTR, WERE EACH CENSURED, JOINTLY AND SEVERALLY FINED IN THE AMOUNT OF \$50,000 AND FURTHER ORDERED AN UNDERTAKING TO IMMEDIATELY ENSURE THAT HTR AND ITS NOMINEES ARE COATS COMPLIANT, AND IF NECESSARY TO RETAIN ADDITIONAL STAFF TO ENSURE COATS COMPLIANCE. MCKEOUGH FAILED TO SYSTEMATIZE NUMEROUS ORDERS PRIOR TO REPRESENTATION AND EXECUTION, HTR AND CAFFRAY FAILED TO KEEP COMPLETE AND ACCURATE RECORDS OF HTR FLOOR BROKER ACTIVITY, INCLUDING BUT NOT LIMITED TO: "CANCELS", "CANCEL/REPLACES" AND "NOTHING DONES", AND HTR AND CAFFRAY FAILED TO ESTABLISH REASONABLE SUPERVISORY PROCEDURES AND CONTROLS TO ENSURE THAT ALL ORDERS ARE PROPERLY SYSTEMATIZED. [CBOE RULES 4.1 (JUST AND EQUITABLE PRINCIPLES OF LAW); 4.2 (ADHERENCE TO LAW); 6.24(A) (REQUIRED TRADE INFORMATION); 15.1 (MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION) AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND RULES 17-A-3 (RECORDS TO BE MADE BY CERTAIN BROKER DEALERS) AND 17-A-3 (RECORDS TO BE PRESERVED BY CERTAIN BROKER DEALERS)]

Disclosure 11 of 11

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEE SUMMARY
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	06/02/2006
Docket/Case Number:	06-0007 AND 06-0021 (CONSOLIDATED)
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:	10/19/2006
Sanctions Ordered:	Censure Monetary/Fine \$50,000.00



Other Sanctions Ordered:	HYBRID TRADING & RESOURCES, LLC, SEAN MCKEOUGH AND MARK CAFFRAY SHALL BE AND HEREBY ARE CENSURED AND JOINTLY AND SEVERALLY FINED IN THE AMOUNT OF FIFTY THOUSAND DOLLARS (\$50,000). IN ADDITION, THE COMMITTEE FURTHER ORDERS AN UNDERTAKING TO IMMEDIATELY ENSURE THAT HTR AND ITS NOMINEES ARE COATS COMPLIANT AND IF NECESSARY TO RETAIN ADDITIONAL STAFF TO ENSURE COATS COMPLIANCE.
Sanction Details:	HYBRID TRADING & RESOURCES, LLC, SEAN MCKEOUGH AND MARK CAFFRAY SHALL BE AND HEREBY ARE CENSURED AND JOINTLY AND SEVERALLY FINED IN THE AMOUNT OF FIFTY THOUSAND DOLLARS (\$50,000). IN ADDITION, THE COMMITTEE FURTHER ORDERS AN UNDERTAKING TO IMMEDIATELY ENSURE THAT HTR AND ITS NOMINEES ARE COATS COMPLIANT AND IF NECESSARY TO RETAIN ADDITIONAL STAFF TO ENSURE COATS COMPLIANCE.
Regulator Statement	HYBRID TRADING & RESOURCES, LLC ("HTR"), AN EXCHANGE MEMBER ORGANIZATION REGISTERED WITH A FLOOR BROKER; SEAN MCKEOUGH ("MCKEOUGH"), AN EXCHANGE MEMBER REGISTERED AS A FLOOR BROKER AND NOMINEE OF HTR; AND MARK CAFFRAY ("CAFFRAY"), AN ASSOCIATED PERSON OF HTR AND MANAGING MEMBER WITH SUPERVISORY RESPONSIBILITIES OF HTR, WERE EACH CENSURED, JOINTLY AND SEVERALLY FINED IN THE AMOUNT OF \$50,000, AND FURTHER ORDERED AN UNDERTAKING TO IMMEDIATELY ENSURE THAT HTR AND ITS NOMINEES ARE COATS COMPLIANT AND IF NECESSARY TO RETAIN ADDITIONAL STAFF TO ENSURE COATS COMPLIANCE. MCKEOUGH FAILED TO SYSTEMATIZE NUMEROUS ORDERS PRIOR TO REPRESENTATION AND EXECUTION, HTR AND CAFFRAY FAILED TO KEEP COMPLETE AND ACCURATE RECORDS OF HTR FLOOR BROKER ACTIVITY, INCLUDING BUT NOT LIMITED TO: "CANCELS", "CANCEL/REPLACES", AND "NOTHING DONES", AND HTR AND CAFFRAY FAILED TO ESTABLISH REASONABLE SUPERVISORY PROCEDURES AND CONTROLS TO ENSURE THAT ALL ORDERS ARE PROPERLY SYSTEMATIZED. (CBOE RULES 4.1 JUST AND EQUITABLE PRINCIPLES OF LAW; 4.2 ADHERENCE TO LAW; 6.24(A) REQUIRED TRADE INFORMATION; 15.1 - MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION; AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED AND RULES 17A-3-RECORDS TO BE MADE BY CERTAIN BROKER DEALERS AND 17A-4 RECORDS TO BE PRESERVED BY CERTAIN BROKER DEALERS.)

Reporting Source:	Firm
Current Status:	Final
Allegations:	ALLEGED VIOLATION OF EXCHANGE RULES 4.1, 4.2, 6.24(A), 15.1, AND SEC SECTION 17(A).



Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	05/02/2005
Docket/Case Number:	06-0007 AND 06-0021 CONSOLIDATED
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:	10/19/2006
Sanctions Ordered:	Censure Monetary/Fine \$50,000.00
Other Sanctions Ordered:	HYBRID TRADING AND RESOURCES LLC, SEAN MCKEOUGH AND MARK CAFFRAY SHALL BE AND HEREBY ARE CENSURED, AND JOINTLY AND SEVERALLY FINED, IN THE AMOUNT OF FIFTY THOUSAND DOLLARS (\$50,000.00). IN ADDITION, THE COMMITTEE FURTHER ORDERS AN UNDERTAKING TO IMMEDIATELY ENSURE THAT HTR AND ITS NOMINEES ARE COATS COMPLIANT AND, IF NECESSARY, RETAIN ADDITIONAL STAFF TO ENSURE COATS COMPLIANCE.
Sanction Details:	HYBRID TRADING AND RESOURCES LLC, SEAN MCKEOUGH AND MARK CAFFRAY SHALL BE AND HEREBY ARE CENSURED, AND JOINTLY AND SEVERALLY FINED, IN THE AMOUNT OF FIFTY THOUSAND DOLLARS (\$50,000.00). IN ADDITION, THE COMMITTEE FURTHER ORDERS AN UNDERTAKING TO IMMEDIATELY ENSURE THAT HTR AND ITS NOMINEES ARE COATS COMPLIANT AND, IF NECESSARY, RETAIN ADDITIONAL STAFF TO ENSURE COATS COMPLIANCE.
Firm Statement	HYBRID TRADING AND RESOURCES, LLC ("HTR"), AN EXCHANGE MEMBER ORGANIZATION REGISTERED WITH A FLOOR BROKER; SEAN MCKEOUGH ("MCKEOUGH") AN EXCHANGE MEMBER REGISTERED AS A FLOOR BROKER AND NOMINEE OF HTR; AND MARK CAFFRAY ("CAFFRAY"), AN ASSOCIATED PERSON OF HTR AND MANAGING MEMBER WITH SUPERVISORY RESPONSIBILITIES OF HTR, WERE EACH CENSURED, JOINTLY AND SEVERALLY FINED IN THE AMOUNT OF \$50,000, AND FURTHER ORDERED AN UNDERTAKING TO IMMEDIATELY ENSURE THAT HTR AND ITS NOMINEES ARE COATS COMPLIANT, AND IF NECESSARY TO RETAIN ADDITIONAL STAFF TO ENSURE COATS COMPLIANCE. MCKEOUGH FAILED TO SYSTEMATIZE NUMEROUS ORDERS PRIOR TO



REPRESENTATION AND EXECUTION, HTR AND CAFFRAY FAILED TO KEEP COMPLETE AND ACCURATE RECORDS OF HTR FLOOR BROKER ACTIVITY, INCLUDING BUT NOT LIMITED TO: "CANCELS", "CANCEL/REPLACES" AND "NOTHING DONES", AND HTR AND CAFFRAY FAILED TO ESTABLISH REASONABLE SUPERVISORY PROCEDURES AND CONTROLS TO ENSURE THAT ALL ORDERS ARE PROPERLY SYSTEMATIZED. [CBOE RULES 4.1 (JUST AND EQUITABLE PRINCIPLES OF LAW); 4.2 (ADHERENCE TO LAW); 6.24(A) (REQUIRED TRADE INFORMATION); 15.1 (MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION); AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND RULES 17-A-3 (RECORDS TO BE MADE BY CERTAIN BROKER DEALERS) AND 17-A-3 (RECORDS TO BE PRESERVED BY CERTAIN BROKER DEALERS)]

Reporting Source:	Firm
Current Status:	Final
Allegations:	ALLEGED VIOLATION OF EXCHANGE RULES 4.1, 4.2, 6.24(A), 15.1, AND SEC SECTION 17(A).
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	05/02/2005
Docket/Case Number:	06-0007 AND 06-0021 CONSOLIDATED
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:	10/19/2006
Sanctions Ordered:	Censure Monetary/Fine \$50,000.00
Other Sanctions Ordered:	HYBRID TRADING AND RESOURCES LLC, SEAN MCKEOUGH AND MARK CAFFRAY SHALL BE AND HEREBY ARE CENSURED, AND JOINTLY AND SEVERALLY FINED, IN THE AMOUNT OF FIFTY THOUSAND DOLLARS (\$50,000.00). IN ADDITION, THE COMMITTEE FURTHER ORDERS AN UNDERTAKING TO IMMEDIATELY ENSURE THAT HTR AND ITS NOMINEES ARE COATS COMPLIANT AND, IF NECESSARY, RETAIN ADDITIONAL STAFF



TO ENSURE COATS COMPLIANCE.

Sanction Details:

HYBRID TRADING AND RESOURCES LLC, SEAN MCKEOUGH AND MARK CAFFRAY SHALL BE AND HEREBY ARE CENSURED, AND JOINTLY AND SEVERALLY FINED, IN THE AMOUNT OF FIFTY THOUSAND DOLLARS (\$50,000.00). IN ADDITION, THE COMMITTEE FURTHER ORDERS AN UNDERTAKING TO IMMEDIATELY ENSURE THAT HTR AND ITS NOMINEES ARE COATS COMPLIANT AND, IF NECESSARY, RETAIN ADDITIONAL STAFF TO ENSURE COATS COMPLIANCE.

Firm Statement

HYBRID TRADING AND RESOURCES, LLC ("HTR"), AN EXCHANGE MEMBER ORGANIZATION REGISTERED WITH A FLOOR BROKER; SEAN MCKEOUGH ("MCKEOUGH") AN EXCHANGE MEMBER REGISTERED AS A FLOOR BROKER AND NOMINEE OF HTR; AND MARK CAFFRAY ("CAFFRAY"), AN ASSOCIATED PERSON OF HTR AND MANAGING MEMBER WITH SUPERVISORY RESPONSIBILITIES OF HTR, WERE EACH CENSURED, JOINTLY AND SEVERALLY FINED IN THE AMOUNT OF \$50,000, AND FURTHER ORDERED AN UNDERTAKING TO IMMEDIATELY ENSURE THAT HTR AND ITS NOMINEES ARE COATS COMPLIANT, AND IF NECESSARY TO RETAIN ADDITIONAL STAFF TO ENSURE COATS COMPLIANCE. MCKEOUGH FAILED TO SYSTEMATIZE NUMEROUS ORDERS PRIOR TO REPRESENTATION AND EXECUTION, HTR AND CAFFRAY FAILED TO KEEP COMPLETE AND ACCURATE RECORDS OF HTR FLOOR BROKER ACTIVITY, INCLUDING BUT NOT LIMITED TO: "CANCELS", "CANCEL/REPLACES" AND "NOTHING DONES", AND HTR AND CAFFRAY FAILED TO ESTABLISH REASONABLE SUPERVISORY PROCEDURES AND CONTROLS TO ENSURE THAT ALL ORDERS ARE PROPERLY SYSTEMATIZED. [CBOE RULES 4.1 (JUST AND EQUITABLE PRINCIPLES OF LAW); 4.2 (ADHERENCE TO LAW); 6.24(A) (REQUIRED TRADE INFORMATION); 15.1 (MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION); AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND RULES 17-A-3 (RECORDS TO BE MADE BY CERTAIN BROKER DEALERS) AND 17-A-3 (RECORDS TO BE PRESERVED BY CERTAIN BROKER DEALERS)]

Disclosure Events for Non-Registered Control Affiliates



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	1	0



Disclosure Event Details

Regulatory - Final	
Disclosure 1 of 1	
Reporting Source:	Firm
Affiliate:	MCKEOUGH, SEAN PATRICK
Current Status:	Final
Allegations:	CROSSED ORDER WITHOUT ANNOUCING IT TO THE CROWD.
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	02/09/1999
Docket/Case Number:	00-0019
Principal Product Type:	Derivative(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CENSURE
Resolution:	Order
Resolution Date:	11/21/2000
Sanctions Ordered:	Censure Monetary/Fine \$25,000.00
Other Sanctions Ordered:	
Sanction Details:	SEAN MCKEOUGH FINED \$12,500.00 / PTR, INC. FINED \$12,500.00 / BOTH CENSURED.
Firm Statement	ON 2/9/1999, MCKEOUGH RECEIVED A CUSTOMER SPREAD ORDER FROM A BD TO BUY 4,000 SPX 1200 PUT. MCKEOUGH CROSSED 1,500 CONTRACTS OF THE CUSTOMER SPREAD ORDER WITH THE BD FIRM ACCOUNT WITHOUT ANNOUNCING THE CROSS TO THE CROWD IN OPEN OUTCRY.

End of Report



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