

BrokerCheck Report

BNP PARIBAS SECURITIES CORP.

CRD# 15794

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our [investor alert](#) on imposters.

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:

- o 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
- o 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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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)



BNP PARIBAS SECURITIES CORP.

CRD# 15794

SEC# 8-32682

Main Office Location

787 SEVENTH AVENUE
NEW YORK, NY 10019
Regulated by FINRA New York Office

Mailing Address

525 WASHINGTON BOULEVARD
JERSEY CITY, NJ 07310

Business Telephone Number

212.841.2000

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 corporation.

This firm was formed in Delaware on 09/07/1984.

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
- 23 Self-Regulatory Organizations
- 52 U.S. states and territories

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

This firm conducts 14 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm does not have 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	87
Arbitration	1
Bond	1



Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 09/07/1984.

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.

BNP PARIBAS SECURITIES CORP.

Doing business as BNP PARIBAS SECURITIES CORP.

CRD# 15794

SEC# 8-32682

Main Office Location

787 SEVENTH AVENUE
NEW YORK, NY 10019

Regulated by FINRA New York Office

Mailing Address

525 WASHINGTON BOULEVARD
JERSEY CITY, NJ 07310

Business Telephone Number

212.841.2000



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):	BNP PARIBAS US WHOLESALE HOLDINGS, CORP
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	OWNER
Position Start Date	12/1984
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):	ALTER, ANDREW WILLIAM 4183449
Is this a domestic or foreign entity or an individual?	Individual
Position	GENERAL COUNSEL
Position Start Date	10/2008
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

Legal Name & CRD# (if any):	CASTILLO, SUSANNA BEATRIZ 4992387
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF CONDUCT AND CONTROL OFFICER
Position Start Date	04/2020



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? No

Is this a public reporting company? No

Legal Name & CRD# (if any): DE LAMBILLY, HUBERT CHARLES
6948081

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

Position CHIEF EXECUTIVE OFFICER

Position Start Date 10/2018

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): FARRELL, MICHAEL F
2562352

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

Position CHIEF FINANCIAL OFFICER, FINOP

Position Start Date 12/2017

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

Legal Name & CRD# (if any): HAWLEY, ROBERT WILLIAM JR

Firm Profile



Direct Owners and Executive Officers (continued)

828024

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

Position CHAIRMAN

Position Start Date 09/2017

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): HAWLEY, ROBERT WILLIAM JR
828024

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

Position DIRECTOR

Position Start Date 04/2014

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): HUTCHINSON, KATE ALEXANDRA MS
4424271

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

Position CHIEF OPERATIONS OFFICER

Position Start Date 06/2020

Percentage of Ownership Less than 5%

Firm Profile



Direct Owners and Executive Officers (continued)

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

Is this a public reporting company? No

Legal Name & CRD# (if any): MCCLOSKEY, THERESA ANN
1525735

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

Position CHIEF COMPLIANCE OFFICER

Position Start Date 05/2019

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

Legal Name & CRD# (if any): NUNN, GEORGE ALVARO
2405499

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

Position CHIEF OPERATING OFFICER

Position Start Date 04/2019

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): PLENTY, LLOYD SAMUEL
4679805

Firm Profile



Direct Owners and Executive Officers (continued)

Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR
Position Start Date	06/2018
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): RICARD, PHILIPPE RAYMOND
6986968

Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR
Position Start Date	06/2018
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



Firm Profile

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

Indirect Owners

Legal Name & CRD# (if any):	BNP PARIBAS
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	BNP PARIBAS USA, INC.
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	05/2000
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):	BNP PARIBAS USA, INC.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	BNP PARIBAS US WHOLESALE HOLDINGS, CORP
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	12/1984
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 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, 23 SROs and 52 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	10/11/1984

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

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	12/27/1984
BOX Exchange LLC	Approved	05/07/2012
Cboe BYX Exchange, Inc.	Approved	09/15/2010
Cboe BZX Exchange, Inc.	Approved	08/18/2008
Cboe C2 Exchange, Inc.	Approved	10/15/2010
Cboe EDGA Exchange, Inc.	Approved	05/25/2010
Cboe EDGX Exchange, Inc.	Approved	05/27/2010
Cboe Exchange, Inc.	Approved	05/13/1997
Investors' Exchange LLC	Approved	09/10/2020
Long-Term Stock Exchange, Inc.	Approved	08/20/2020
MEMX LLC	Approved	08/20/2020
MIAX PEARL, LLC	Approved	12/07/2020
Miami International Securities Exchange, LLC	Approved	04/21/2014
NYSE American LLC	Approved	01/03/2005
NYSE Arca, Inc.	Approved	12/15/2004

NYSE Chicago, Inc.	Approved	05/11/2006
NYSE National, Inc.	Approved	08/24/2020
Nasdaq BX, Inc.	Approved	01/12/2009
Nasdaq GEMX, LLC	Approved	02/24/2014
Nasdaq ISE, LLC	Approved	11/13/2001
Nasdaq PHLX LLC	Approved	12/02/2008
Nasdaq Stock Market	Approved	07/12/2006
New York Stock Exchange	Approved	01/03/2005



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	09/20/2004
Alaska	Approved	02/23/2004
Arizona	Approved	05/21/2004
Arkansas	Approved	08/06/2004
California	Approved	12/02/1997
Colorado	Approved	03/16/1989
Connecticut	Approved	07/02/2004
Delaware	Approved	03/11/1988
District of Columbia	Approved	07/30/1986
Florida	Approved	07/26/1988
Georgia	Approved	08/25/2004
Hawaii	Approved	03/29/2004
Idaho	Approved	02/18/2004
Illinois	Approved	03/31/1986
Indiana	Approved	03/01/2004
Iowa	Approved	04/16/2004
Kansas	Approved	03/11/2004
Kentucky	Approved	02/23/2004
Louisiana	Approved	09/08/2004
Maine	Approved	09/22/2004
Maryland	Approved	05/05/2004
Massachusetts	Approved	05/13/1988
Michigan	Approved	04/01/1986
Minnesota	Approved	02/18/2004
Mississippi	Approved	02/24/2004
Missouri	Approved	06/30/2004
Montana	Approved	02/26/2004
Nebraska	Approved	08/17/2004
Nevada	Approved	02/19/2004
New Hampshire	Approved	09/10/2004
New Jersey	Approved	06/16/2004
New Mexico	Approved	08/19/2004
New York	Approved	04/02/1985

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	02/18/2004
North Dakota	Approved	05/25/2004
Ohio	Approved	05/19/1998
Oklahoma	Approved	02/18/2004
Oregon	Approved	03/10/2004
Pennsylvania	Approved	08/05/1986
Puerto Rico	Approved	08/20/2004
Rhode Island	Approved	05/19/2004
South Carolina	Approved	04/01/2004
South Dakota	Approved	02/17/2004
Tennessee	Approved	07/02/1986
Texas	Approved	01/06/1999
Utah	Approved	02/13/2004
Vermont	Approved	08/13/2004
Virginia	Approved	02/13/2004
Washington	Approved	08/11/1986
West Virginia	Approved	02/17/2004
Wisconsin	Approved	09/30/2004
Wyoming	Approved	03/24/2004



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 14 types of businesses.

Types of Business

Exchange member engaged in exchange commission business other than floor activities

Broker or dealer making inter-dealer markets in corporation securities over-the-counter

Broker or dealer retailing corporate equity securities over-the-counter

Broker or dealer selling corporate debt securities

Underwriter or selling group participant (corporate securities other than mutual funds)

U S. government securities dealer

U S. government securities broker

Municipal securities dealer

Put and call broker or dealer or option writer

Broker or dealer selling tax shelters or limited partnerships in primary distributions

Broker or dealer selling tax shelters or limited partnerships in the secondary market

Trading securities for own account

Private placements of securities

Other - 1.FUTURES COMMISSION MERCHANT ("FCM")

2.PRIME BROKERAGE BUSINESS

3.BNP PARIBAS SEC CORP AND BNP PARIBAS ASSET MANAGEMENT USA, INC, AN AFFILIATE AND REGISTERED INVESTMENT ADVISER, ARE PARTIES TO A SOLICITATION AGREEMENT, UNDER WHICH SEC CORP MAY REFER INTERESTED CLIENTS TO BNPP AM AND RECEIVE REFERRAL FEES EQUAL TO A PERCENTAGE OF INVESTMENT MANAGEMENT FEES EARNED BY BNPP AM OVER A PERIOD OF TIME IN RESPECT OF REFERRED CLIENTS THAT ENTER ADVISORY MANDATES.

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: FOR THE ACCOUNT OF PARIBAS AND ITS AFFILIATES, REGISTRANT ARRANGES TRANSACTIONS IN A BROAD RANGE OF DERIVATIVE INSTRUMENTS WHICH INCLUDES BUT IS NOT LIMITED TO (1)CREDIT DERIVATIVES, (2) CURRENCY & INTEREST RATE SWAPS, (3) EMERGING MARKET LOANS AND OTHER INSTRUMENTS, AND BANK ASSETS AND SYNDICATED LOAN POSITIONS.
BNP PARIBAS IS AN "FCM" FUTURES COMMISSION MERCHANT.

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 not refer or introduce customers to other brokers and dealers.

Firm Operations

Industry Arrangements



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

Name: UNITED INFORMATION SERVICES, INC (AN EXELA TECHNOLOGIES COMPANY)

Business Address: 2701 E. GRAUWYLER ROAD
IRVING, TX 75061

Effective Date: 09/01/2018

Description: PROVIDES WORM STORAGE AND ACTS AS THIRD PARTY PROVIDER TO STORE ELECTRONIC RECORDS.

Name: FIS EPROCESS INTELLIGENCE LLC

Business Address: 70 SOUTH ORANGE AVE
LIVINGSTON, NJ 07039

Effective Date: 12/23/2003

Description: PROVIDES STORQM PLUS SOFTWARE AND ACTS AS THIRD PARTY PROVIDER TO STORE ELECTRONIC RECORDS. SUNGARD EPROCESS INTELLIGENCE INC.(NAME CHANGED TO FIS EPROCESS INTELLIGENCE LLC)

Name: BROADRIDGE INVESTOR COMMUNICATIONS SOLUTIONS, INC.

Business Address: 1155 LONG ISLAND AVENUE
EDGEWOOD, NY 11717

Effective Date: 01/16/2001

Description: THIRD PARTY ELECTRONIC STORAGE - PROXY RELATED RECORDS. RECONCILIATION REVEALED SERVICE SINCE 1/16/2001. GATEWAY ONLY GOESS BACK TO 2003.

Name: MICRO FOCUS INTERNATIONAL PLC

Business Address: ONE MARKET PLAZA
SPEAR TOWER, 19TH FLOOR
SAN FRANCISCO, CA 94105

Effective Date: 09/24/2012

Description: THIRD PARTY ELECTRONIC STORAGE - HEWLETT PACKARD ENTERPRISE (NAME CHANGED TO MICRO FOCUS INTERNATIONAL PLC) - AUTONOMY(NAME CHANGED TO HEWLETT PACKARD ENTERPRISE) E-MAIL APPLICATION BECAME THE RECORD AND REPLACED ASSENTOR/CAMM ON 9/24/2012

Firm Operations



Industry Arrangements (continued)

Name: PATRINA CORPORATION
Business Address: 2 WALL STREET
NEW YORK, NY 10005
Effective Date: 08/06/2012
Description: ACTS AS THIRD PARTY PROVIDER TO ACCESS AND DOWNLOAD ELECTRONICALLY STORED RECORDS.

Name: OMGEO
Business Address: 55 WATER STREET
NEW YORK, NY 10041
Effective Date: 12/02/2010
Description: OMGEO IS ACTING AS A THIRD PARTY RECORD KEEPER FOR TRADESUITE CONFIRMATIONS.

Name: IRON MOUNTAIN
Business Address: 317 MADISON AVENUE
SUITE 900
NEW YORK, NY 10017
Effective Date: 02/17/1999
Description: 1. MAINTAINS STORAGE OF PHYSICAL RECORDS.
2. ACTS AS THIRD PARTY PROVIDER TO ACCESS AND DOWNLOAD ELECTRONICALLY STORED RECORDS.

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

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.

INNOCAP INVESTMENT MANAGEMENT INC. is under common control with the firm.

CRD #:	150564
Business Address:	1155 RUE METCALFE 2ND FLOOR MONTREAL, CANADA H3B 5G2
Effective Date:	08/23/2011
Foreign Entity:	Yes
Country:	CANADA
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	DIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS PRIME BROKERAGE INTERNATIONAL is under common control with the firm.

Business Address:	25-28 ADELAIDE RD. 4TH FLOOR DUBLIN 2, IRELAND
Effective Date:	11/07/2014
Foreign Entity:	Yes
Country:	IRELAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	DIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS (CANADA) VALEURS MOBILIERES INC. is under common control with the firm.

Firm Operations



Organization Affiliates (continued)

Business Address: 1981 MCGILL COLLEGE AVENUE
SUITE 300
MONTREAL, QC, CANADA H3A2W8

Effective Date: 03/02/2006

Foreign Entity: Yes

Country: CANADA

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

EXANE LIMITED is under common control with the firm.

Business Address: 20 ST. JAMES'S STREET
LONDON, ENGLAND SW1A 1ES

Effective Date: 04/08/2004

Foreign Entity: Yes

Country: UK

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

EXANE is under common control with the firm.

Business Address: 16, AVENUE MATIGNON
PARIS, FRANCE 75008

Effective Date: 04/08/2004

Foreign Entity: Yes

Country: FRANCE

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

Firm Operations**Organization Affiliates (continued)**

IMPAX ASSET MANAGEMENT GROUP, PLC is under common control with the firm.

Business Address: MEZZANINE FLOOR PEGASUS HOUSE
37-43 SACKVILLE STREET
LONDON, ENGLAND W1S 3 EH

Effective Date: 01/07/2008

Foreign Entity: Yes

Country: ENGLAND

Securities Activities: No

Investment Advisory Activities: Yes

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS.

BISHOP STREET CAPITAL MANAGMENT CORPORATION is under common control with the firm.

Business Address: FIRST HAWAIIAN CENTER
999 BISHOP STREET, SUITE 2806
HONOLULU, HI 96813

Effective Date: 02/17/2000

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS.

FISCHER FRANCIS TREES & WATTS, INC. is under common control with the firm.

Business Address: 200 PARK AVENUE
46TH FLOOR
NEW YORK, NY 10166

Effective Date: 08/31/1999

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Yes

Firm Operations



Organization Affiliates (continued)

Activities:

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

FISCHER FRANCIS TREES & WATTS SINGAPORE PTE LTD. is under common control with the firm.

Business Address: 50 RAFFLES PLACE #22-01
SINGAPORE LAND TOWER
SINGAPORE, SINGAPORE 048623

Effective Date: 08/31/1999

Foreign Entity: Yes

Country: SINGAPORE

Securities Activities: No

Investment Advisory Activities: Yes

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

FISCHER FRANCIS TREES & WATTS KABUSHIKI KAISHA is under common control with the firm.

Business Address: FUKOKU SEIMEI BUILDING 21 F,
2-2, UCHISAIWAICHO 2 CHOME
TOKYO, JAPAN 100

Effective Date: 08/31/1999

Foreign Entity: Yes

Country: JAPAN

Securities Activities: No

Investment Advisory Activities: Yes

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

FISCHER FRANCIS TREES & WATTS is under common control with the firm.

Business Address: 2 ROYAL EXCHANGE
LONDON, UK EC3V 3RA

Effective Date: 08/31/1999

Foreign Entity: Yes

Country: UK

Firm Operations



Organization Affiliates (continued)

Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

UNION DE GESTION FINANCIERE is under common control with the firm.

Business Address:	3 RUE JENNER PLACE D'AFRIQUE TUNIS BELVEDERE, TUNISIA 1002
Effective Date:	12/09/2004
Foreign Entity:	Yes
Country:	TUNISIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

UNION BANCAIRE POUR LE COMMERCE ET L'INDUS. is under common control with the firm.

Business Address:	139 AE DE LA LIBERTE TUNIS, TUNISIA 1002
Effective Date:	12/09/2004
Foreign Entity:	Yes
Country:	TUNISIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

PT BNP PARIBAS PEREGRINE is under common control with the firm.

Business Address:	PLAZA BAPINDO-BANK MANDIRI TOWER, 16TH FLOOR JL. JENDRAL SUDIRMAN KAV. 54-55 JAKARTA, INDONESIA
Effective Date:	12/09/2004

Firm Operations**Organization Affiliates (continued)**

Foreign Entity:	Yes
Country:	INDONESIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

PT BANK BNP PARIBAS INDONESIA is under common control with the firm.

Business Address:	MENARA BATAVIA, 20TH FLOOR JL K H MAS MANSYUR KAV 126 JAKARTA, INDONESIA 10220
Effective Date:	12/09/2004
Foreign Entity:	Yes
Country:	INDONESIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

EUROPHENIX MANAGEMENT COMPANY SA is under common control with the firm.

Business Address:	5 RUE JEAN TONNET L-2952 LUXEMBOURG GRAND DUCH OF LUXEMBOURG, LUXEMBOURG
Effective Date:	12/09/2004
Foreign Entity:	Yes
Country:	LUXEMBOURG
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

CHANGJIANG BNPP PEREGRINE SECURITIES is under common control with the firm.

Business Address:	ROOM 4901 JINMAO TOWER
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Firm Operations



Organization Affiliates (continued)

	PUDONG SHANGHAI, CHINA 200121
Effective Date:	12/09/2004
Foreign Entity:	Yes
Country:	CHINA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS REUNION is under common control with the firm.

Business Address:	67 JULIETTE DODU SAINT DENIS, FRANCE 97400
Effective Date:	12/09/2004
Foreign Entity:	Yes
Country:	FRANCE
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS PRIVATE BANK SWITZERLAND is under common control with the firm.

Business Address:	2 PLACE DE HOLLANDE GENEVA, SWITZERLAND CH-1204
Effective Date:	12/09/2004
Foreign Entity:	Yes
Country:	SWITZERLAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS PRIVATE BANK is under common control with the firm.

Firm Operations**Organization Affiliates (continued)**

Business Address: 10 BOULEVARD MALESHERBES
PARIS, FRANCE 75008

Effective Date: 12/09/2004

Foreign Entity: Yes

Country: FRANCE

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS PEREGRINE SECURITIES PTE LTD is under common control with the firm.

Business Address: 20 COLLYER QUAY
#08-01 TUNG CENTRE,
SINGAPORE, SINGAPORE 049319

Effective Date: 12/09/2004

Foreign Entity: Yes

Country: SINGAPORE

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS PEREGRINE SECURITIES KOREA CO. is under common control with the firm.

Business Address: 7/F ORIENTAL CHEMICAL BUILDING, 50
SO-KONG-DONG, CHOONG-KU
SEOUL, KOREA 100D18

Effective Date: 12/09/2004

Foreign Entity: Yes

Country: KOREA

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

Firm Operations**Organization Affiliates (continued)****BNP PARIBAS PEREGRINE SECURITIES INC. is under common control with the firm.**

Business Address: 30/F PHILAM LIFE TOWER
8767 PASEO DE ROXAS
MAKATA CITY, PHILLIPINES

Effective Date: 12/09/2004

Foreign Entity: Yes

Country: PHILLIPINES

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS CAPITAL (MALAYSIA) SDN BHD is under common control with the firm.

Business Address: VISTA TOWER, LEVEL 48C
THE INTERMARK, 348 JALAN TUN RAZAK,
KUALA LUMPUR, MALAYSIA 50400

Effective Date: 12/09/2004

Foreign Entity: Yes

Country: MALAYSIA

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS PEREGRINE FUTURES LIMITED is under common control with the firm.

Business Address: 36/F ASIA PACIFIC TOWER
CITIBANK P3 GARDEN ROAD
HONG KONG, HONG KONG

Effective Date: 12/09/2004

Foreign Entity: Yes

Country: HONG KONG

Securities Activities: Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS HUNGARIA BANK RT is under common control with the firm.

Business Address: H-1055 BUDAPEST,
HONVED U. 20
REPUBLIC OF HUNGARY, HUNGARY

Effective Date: 12/09/2004

Foreign Entity: Yes

Country: HUNGARY

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS FUTURES (HONG-KONG) LIMITED is under common control with the firm.

Business Address: 35/F, ASIA PACIFIC FINANCE TOWER
3 GARDEN ROAD
CENTRAL, HONG KONG

Effective Date: 12/09/2004

Foreign Entity: Yes

Country: HONG KONG

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS EQUITY STRATEGIES is under common control with the firm.

Business Address: 3 RUE D'ANTIN
PARIS CEDEX 02, FRANCE 75078

Effective Date: 12/09/2004

Foreign Entity: Yes

Firm Operations**Organization Affiliates (continued)**

Country: FRANCE

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS BANK POLSKA SA is under common control with the firm.

Business Address: UL ZIELNA 41/43
WARSZAWA(WARSAW), POLSKA (POLAND) 00-108

Effective Date: 12/09/2004

Foreign Entity: Yes

Country: POLAND

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS BANK NV is under common control with the firm.

Business Address: HERENGRACHT 477
AMSTERDAM, THE NETHERLANDS 1017 BS

Effective Date: 12/09/2004

Foreign Entity: Yes

Country: THE NETHERLANDS

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS ARBITRAGE ISSUANCE B.V. is under common control with the firm.

Business Address: HERENGRACHT 477
AMSTERDAM, THE NETHERLANDS 1017 BS

Effective Date: 12/09/2004

Foreign Entity: Yes

Firm Operations



Organization Affiliates (continued)

Country:	THE NETHERLANDS
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS controls the firm.

Business Address:	3 RUE D'ANTIN PARIS CEDEX 02, FRANCE 75078
Effective Date:	12/09/2004
Foreign Entity:	Yes
Country:	FRANCE
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNS APPLICANTS

BNP PAM EUROPE is under common control with the firm.

Business Address:	41 AVENUE DE L'OPERA PARIS, FRANCE 75002
Effective Date:	12/09/2004
Foreign Entity:	Yes
Country:	FRANCE
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BERLINER FREIVERKEHR (AKTIEN) AG is under common control with the firm.

Business Address:	KURFIRSTENDAMM RR9 BERLIN, GERMANY D-R07RR
Effective Date:	12/09/2004

Firm Operations



Organization Affiliates (continued)

Foreign Entity: Yes
Country: GERMANY
Securities Activities: Yes
Investment Advisory Activities: No
Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BANCO CNP PARIBAS BRASIL S/A is under common control with the firm.

Business Address: AV. JUSCELINO KUBITSCHEK, 510
SAO PAULO, S.P., BRAZIL 04534-000
Effective Date: 12/09/2004
Foreign Entity: Yes
Country: BRAZIL
Securities Activities: Yes
Investment Advisory Activities: No
Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BANCWEST INVESTMENT SERVICES, INC. is under common control with the firm.

CRD #: 29357
Business Address: 13505 CALFORNIA STREET
OMAHA, NE 68154
Effective Date: 11/10/2004
Foreign Entity: No
Country:
Securities Activities: Yes
Investment Advisory Activities: Yes
Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

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

CRD #: 41784

Firm Operations**Organization Affiliates (continued)**

Business Address: 527 MADISON AVENUE
26TH FLOOR
NEW YORK, NY 10022

Effective Date: 04/13/2004

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

CORTAL BANK is under common control with the firm.

Business Address: 5, AVENUE KLEBER
PARIS, FRANCE 75116

Effective Date: 05/23/2000

Foreign Entity: Yes

Country: FRANCE

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS EQUITIES ITALIA SIM S.P.A. is under common control with the firm.

Business Address: PIZZA SAN FEDELE 2
MILAN, ITALY 20121

Effective Date: 05/23/2000

Foreign Entity: Yes

Country: ITALY

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

Firm Operations



Organization Affiliates (continued)

BNP PARIBAS SECURITIES (ASIA) LTD is under common control with the firm.

Business Address:	59-63/F II INTERNATIONAL FINANCE CENTRE 8 FINANCE STREET, CENTRAL HONG KONG, HONG KONG
Effective Date:	05/23/2000
Foreign Entity:	Yes
Country:	HONG KONG
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS INVESTMENTS (PHILIPPINES) INC. is under common control with the firm.

Business Address:	30TH FLOOR, PHILAMLIFE TOWER - 8767 PASEO DE FUXAS P.O.BOX 2265 MCPO - 1262 MAKATI CITY MAKATI CITY, PHILIPPINES
Effective Date:	05/23/2000
Foreign Entity:	Yes
Country:	PHILIPPINES
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS SUISSE S.A. is under common control with the firm.

Business Address:	PLACE DE HOLLANDE 2 - CASE POSTALE 1211 GENEVA 11 GENEVA, SWITZERLAND
Effective Date:	05/23/2000
Foreign Entity:	Yes
Country:	SWITZERLAND
Securities Activities:	Yes
Investment Advisory	No

Firm Operations



Organization Affiliates (continued)

Activities:

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BANQUE INTERNATIONALE POUR LE COMMERCE ET L'INDUSTRIE DE LA COTE D'IVOIRE is under common control with the firm.

Business Address: AVENUE FRANCHET D'ESPEREY
01 BP 1298 ABIDIAN 01
ABIDJAN, CÔTE D'IVOIRE

Effective Date: 05/23/2000

Foreign Entity: Yes

Country: CÔTE D'IVOIRE

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BANQUE MAROCAINE POUR LE COMMERCE ET L'INDUSTRIE is under common control with the firm.

Business Address: 26, PLACE DES NATIONS-UNIES
CASABLANCA, MOROCCO

Effective Date: 05/23/2000

Foreign Entity: Yes

Country: MOROCCO

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BANQUE POUR LE COMMERCE ET L'INDUSTRIE-MER ROUGE is under common control with the firm.

Business Address: BP 2122 DJIBOUTI
DJIBOUTI, EAST AFRICA

Effective Date: 05/23/2000

Foreign Entity: Yes

Country: EAST AFRICA

Firm Operations



Organization Affiliates (continued)

Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BANQUE POUR L'INDUSTRIE ET LE COMMERCE-COMORES is under common control with the firm.

Business Address:	PLACE DE FRANCE - BP 175 ET 1009 MORONI/FEDERAL ISLAMIC REPUBLIC OF CORNORO ISLAND FEDERAL ISLAMIC REPUBLIC, CORNORO ISLAND
Effective Date:	05/23/2000
Foreign Entity:	Yes
Country:	CORNORO ISLAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BANQUE MALGACHE DE L'OCEAN INDIEN is under common control with the firm.

Business Address:	IMMEUBLE VOGUE PLACE DE L'INDEPENDANCE BP 25 BIS ANTANANARIVO 101, MADAGASCAR
Effective Date:	05/23/2000
Foreign Entity:	Yes
Country:	MADAGASCAR
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP INTERCONTINENTALE is under common control with the firm.

Business Address:	20, BOULEVARD DES ITALIENS PARIS, FRANCE 75009
Effective Date:	05/23/2000

Firm Operations**Organization Affiliates (continued)**

Foreign Entity:	Yes
Country:	FRANCE
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BANQUE DE BRETAGNE is under common control with the firm.

Business Address:	18, QUAI DUGUAY - TROUIN 35084 RENNES CEDEX CEDEX, FRANCE
Effective Date:	05/23/2000
Foreign Entity:	Yes
Country:	FRANCE
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS MARTINIQUE is under common control with the firm.

Business Address:	1 BOULEVARD HAUSSMANN, PARIS, FRANCE 75009
Effective Date:	05/23/2000
Foreign Entity:	Yes
Country:	FRANCE
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS GUADELOUPE is under common control with the firm.

Business Address:	1 BOULEVARD HAUSSMANN, PARIS, FRANCE 75009
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Firm Operations**Organization Affiliates (continued)**

Effective Date: 05/23/2000
Foreign Entity: Yes
Country: FRANCE
Securities Activities: Yes
Investment Advisory Activities: No
Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS GUYANE is under common control with the firm.

Business Address: 2, PLACE VICTOR SCHOELCHER
 9 7300 CAYENNE
 FRENCH GUIANA, FRANCE
Effective Date: 05/23/2000
Foreign Entity: Yes
Country: FRANCE
Securities Activities: Yes
Investment Advisory Activities: No
Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS NOUVELLE CALADONIE is under common control with the firm.

Business Address: 20 BOULEVARD DES ITALIENS,
 PARIS, FRANCE 75009
Effective Date: 05/23/2000
Foreign Entity: Yes
Country: FRANCE
Securities Activities: Yes
Investment Advisory Activities: No
Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

B*CAPITAL is under common control with the firm.

Business Address: 32, AVENUE DE L'OPERA

Firm Operations



Organization Affiliates (continued)

	PARIS, FRANCE 75002
Effective Date:	05/23/2000
Foreign Entity:	Yes
Country:	FRANCE
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS.

BNP PARIBAS PRIVATE BANK PLC is under common control with the firm.

Business Address:	20-21 ST. JAMES STREET LONDON, UNITED KINGDOM SW IA IES
Effective Date:	05/23/2002
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS PRIVATE BANK AND TRUST COMPANY (NASSAU) is under common control with the firm.

Business Address:	BEAUMONT HOUSE, 3RD FL. - BAY ST. P.O. BOX N-4883 NASSAU, BAHAMAS
Effective Date:	05/23/2000
Foreign Entity:	Yes
Country:	BAHAMAS
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS (LIECHTENSTEIN) AG is under common control with the firm.

Firm Operations



Organization Affiliates (continued)

Business Address: AUSTRASSE 27 - FL3490 VADUX - PRINCIPALITY OF LIEC
VADUX, LIECHTENSTEIN

Effective Date: 05/23/2000

Foreign Entity: Yes

Country: LIECHTENSTEIN

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS GUERNSEY LTD. is under common control with the firm.

Business Address: LA PLAIDERIE HOUSE/LA PLAIDERIE ST. PETER PORT
GUERNSEY, CHANNEL ISLANDS

Effective Date: 05/23/2000

Foreign Entity: Yes

Country: CHANNEL ISLANDS

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

UEB TRUST NASSAU is under common control with the firm.

Business Address: APSLEY HOUSE 75 FREDERICK STREET/P.O. BOX N-4915
NASSAU, BAHAMAS

Effective Date: 05/23/2000

Foreign Entity: Yes

Country: BAHAMAS

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

UEB LUXEMBOURG is under common control with the firm.

Firm Operations**Organization Affiliates (continued)**

Business Address: AVENUE DE LA PORTE-NEUVE 29 BOITE POSTALE 830
LUXEMBOURG, GERMANY

Effective Date: 05/23/2000

Foreign Entity: Yes

Country: GERMANY

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

UEB SWITZERLAND is under common control with the firm.

Business Address: 15-17, QUAI DES BERGUES CASE POSTALE 1211 GENEVA 1
GENEVA, SWITZERLAND

Effective Date: 05/23/2000

Foreign Entity: Yes

Country: SWITZERLAND

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS SECURITIES SERVICES S.A. is under common control with the firm.

Business Address: 66, RUE DE VICTOIRE
PARIS, FRANCE 75009

Effective Date: 05/23/2000

Foreign Entity: Yes

Country: FRANCE

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

Firm Operations



Organization Affiliates (continued)

BNP PARIBAS ESPANA is under common control with the firm.

Business Address: C/HERMANOS BECQUER, 3
MADRID, SPAIN 28006

Effective Date: 05/23/2000

Foreign Entity: Yes

Country: SPAIN

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

PAI MANAGEMENT is under common control with the firm.

Business Address: 43, AVENUE DE L'OPERA
PARIS, FRANCE 75002

Effective Date: 05/23/2000

Foreign Entity: Yes

Country: FRANCE

Securities Activities: No

Investment Advisory Activities: Yes

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PAM SINGAPORE LTD. is under common control with the firm.

Business Address: 80 RAFFLES PLACE, 52ND FLOOR
UOB PLAZA 1
SINGAPORE, SINGAPORE 048624

Effective Date: 05/23/2000

Foreign Entity: Yes

Country: SINGAPORE

Securities Activities: Yes

Investment Advisory Activities: No

Firm Operations



Organization Affiliates (continued)

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PAM MANAGEMENT ASIA LTD is under common control with the firm.

Business Address: 4-18/F, CENTRAL TOWER
28 QUEEN'S ROAD CENTRAL
HONG KONG, HONG KONG

Effective Date: 05/23/2000

Foreign Entity: Yes

Country: HONG KONG

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PAM ARGENTINA is under common control with the firm.

Business Address: AV. CORRIENTES 311
1002 BUENOS AIRES
BUENOS AIRES, ARGENTINA

Effective Date: 05/23/2000

Foreign Entity: Yes

Country: ARGENTINA

Securities Activities: No

Investment Advisory Activities: Yes

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PAM SGR SPA is under common control with the firm.

Business Address: PIAZZA SAN FEDELE 2
20121 MILAN
MILAN, ITALY

Effective Date: 05/23/2000

Foreign Entity: Yes

Country: ITALY

Firm Operations



Organization Affiliates (continued)

Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PAM BRAZIL is under common control with the firm.

Business Address:	AVE. JUSCELINO KUBITSCHEK, 510 04534000 SAO PAULO SAO PAULO, BRAZIL
Effective Date:	05/23/2000
Foreign Entity:	Yes
Country:	BRAZIL
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS ARBITRAGE SNC is under common control with the firm.

Business Address:	13, RUE LAFAYETTE 75009 PARIS PARIS, FRANCE
Effective Date:	05/23/2000
Foreign Entity:	Yes
Country:	FRANCE
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS EQUITIES SA is under common control with the firm.

Business Address:	16, BOULEVARD DES ITALIENS 75009 PARIS, FRANCE
Effective Date:	05/23/2000

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	Yes
Country:	FRANCE
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

CORTAL CONSORS is under common control with the firm.

Business Address:	131, AVENUE CHARLES DE GAULLE 92200 NEUILLY-SUR-SEINE PARIS, FRANCE
Effective Date:	05/23/2000
Foreign Entity:	Yes
Country:	FRANCE
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

PARIBAS NEDERLANDS, B.V. is under common control with the firm.

Business Address:	1000 AMSTERDAM AMSTERDAM, NETHERLANDS
Effective Date:	08/28/1999
Foreign Entity:	Yes
Country:	NETHERLANDS
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS ASIA LIMITED (UK) is under common control with the firm.

Business Address:	10 HAREWOOD AVENUE LONDON, UK NW1 6AA
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Firm Operations**Organization Affiliates (continued)**

Effective Date: 08/28/1999
Foreign Entity: Yes
Country: CHINA
Securities Activities: Yes
Investment Advisory Activities: No
Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS SECURITIES (JAPAN) LTD. is under common control with the firm.

Business Address: GRANTOKYO NORTH TOWER,
1-9-1 MARUNOUCHI, CHIYODA-KU
TOKYO, JAPAN 100-6740
Effective Date: 09/07/1984
Foreign Entity: Yes
Country: JAPAN
Securities Activities: Yes
Investment Advisory Activities: No
Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

PARIBAS (SUISSE) S.A. is under common control with the firm.

Business Address: 2 PLACE DE HOLLANDE
CH-1204 GENEVA
GENEVA, SWITZERLAND CH-1204
Effective Date: 09/07/1984
Foreign Entity: Yes
Country: SWITZERLAND
Securities Activities: Yes
Investment Advisory Activities: No
Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

PARIBAS ASSET MANAGEMENT JAPAN LTD is under common control with the firm.

Firm Operations



Organization Affiliates (continued)

Business Address: YURAKUCHO DENKI BUILDING, 14TH FLOOR NORTH
1-7-1 YURNKUCHO, CHIYODA-KU,
TOKYO, JAPAN 100

Effective Date: 09/07/1984

Foreign Entity: Yes

Country: JAPAN

Securities Activities: No

Investment Advisory Activities: Yes

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

PARIBAS ASSET MANAGEMENT MONACO is under common control with the firm.

Business Address: 6 AVENUE DE LA MADONE,
MONACO, MONACO 98000

Effective Date: 09/07/1984

Foreign Entity: Yes

Country: MONACO

Securities Activities: No

Investment Advisory Activities: Yes

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS ASSET MANAGEMENT SAS is under common control with the firm.

Business Address: 41, AVENUE DE L'OPERA
PARIS, FRANCE 75002

Effective Date: 09/07/1984

Foreign Entity: Yes

Country: FRANCE

Securities Activities: No

Investment Advisory Activities: Yes

Description: INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

Firm Operations



Organization Affiliates (continued)

BNP PARIBAS ASSET MANAGEMENT USA, INC. is under common control with the firm.

CRD #:	105455
Business Address:	200 PARK AVENUE NEW YORK, NY 10166
Effective Date:	09/07/1984
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

BNP PARIBAS (UK) LTD. is under common control with the firm.

Business Address:	10 HAREWOOD AVENUE LONDON, ENGLAND NW1 6AA
Effective Date:	09/07/1984
Foreign Entity:	Yes
Country:	ENGLAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY OWNED BY APPLICANT'S INDIRECT PARENT, BNP PARIBAS

This firm is 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

BNP PARIBAS is a Bank Holding Company and controls the firm.

Firm Operations



Organization Affiliates (continued)

Business Address:	3 RUE D'ANTIN PARIS, FRANCE 75002
Effective Date:	05/23/2000
Description:	PARENT



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	87	0
Arbitration	N/A	1	N/A
Bond	N/A	1	N/A



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:**
 - o 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:**
 - o 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:**
 - o 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.
 - o 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 87

Reporting Source: Firm
Current Status: Final



Allegations: A) DURING THE PERIOD FROM JANUARY 23, 2014 TO MAY 9, 2019, BNP CONTRAVENED ARTICLE 6366 A) (ARTICLE 3.4 FROM JANUARY 1, 2019) - "ACCESS TO ELECTRONIC TRADING" AND ARTICLE 7403 (ARTICLE 3.400 FROM JANUARY 1, 2019) - "APPLICATION FOR APPROVAL AS AN APPROVED PERSON" OF THE RULES (THE "RULES"), BY PROVIDING ACCESS TO TWENTY-FOUR (24) OF ITS EMPLOYEES, FOR VARIOUS PERIODS VARYING BETWEEN 1 DAY AND 1,066 DAYS, TO THE ELECTRONIC TRADING SYSTEM OF THE BOURSE WITHOUT HAVING OBTAINED THE PRIOR APPROVAL OF THE BOURSE;B) DURING THE PERIOD FROM JANUARY 23, 2014 TO OCTOBER 31, 2019, BNP CONTRAVENED ARTICLE 3011 (ARTICLE 3.100 FROM JANUARY 1, 2019) - "SURVEILLANCE AND COMPLIANCE" AS IT DID NOT ESTABLISH AND MAINTAIN A SYSTEM TO SUPERVISE THE ACTIVITIES OF EACH EMPLOYEE THAT IS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND POLICIES OF THE BOURSE, MORE SPECIFICALLY AS IT DID NOT ESTABLISH POLICIES AND PROCEDURES TO ENSURE THAT ONLY ITS DESIGNATED PERSONNEL APPROVED BY THE BOURSE, AND WHO HAS RECEIVED THE REQUIRED TRAINING, HAD ACCESS TO THE ELECTRONIC TRADING SYSTEM OF THE BOURSE

Initiated By: BOURSE DE MONTREAL INC.

Date Initiated: 08/31/2021

Docket/Case Number: CIRCULAR 156-21

Principal Product Type: Futures - Commodity

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: 08/31/2021

Sanctions Ordered: Monetary/Fine \$70,500.00

Other Sanctions Ordered:

Sanction Details: FOLLOWING A HEARING HELD ON JUNE 18, 2021, THE DISCIPLINARY COMMITTEE OF THE BOURSE APPROVED THE OFFER OF SETTLEMENT NEGOTIATED BETWEEN THE STAFF OF THE REGULATORY DIVISION OF THE BOURSE AND BNP, WHICH INCLUDES THE IMPOSITION OF A FINE TOTALING \$90,000 CAD (\$70,500 USD), AS WELL AS THE PAYMENT OF AN ADDITIONAL AMOUNT OF \$6,070



CAD (\$4,756 USD) FOR THE RELATED COSTS.

Disclosure 2 of 87

Reporting Source: Firm

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 A SYSTEM OF RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES REASONABLY DESIGNED TO MANAGE THE FINANCIAL RISKS OF ITS MARKET ACCESS BUSINESS ACTIVITY. THE FINDINGS STATED THAT THE FIRM DID NOT ESTABLISH AGGREGATE CREDIT THRESHOLDS FOR MARKET ACCESS CUSTOMERS. THE FIRM ESTABLISHED ONLY A SINGLE-ORDER QUANTITY LIMIT AND SINGLE-ORDER NOTIONAL VALUE LIMIT FOR EACH MARKET ACCESS CUSTOMER. UPON LATER ESTABLISHING AN AGGREGATE CREDIT THRESHOLD, THE FIRM INITIALLY APPLIED THE CONTROL TO ELECTRONIC INTERFACE ORDERS ONLY. THE FIRM LATER APPLIED THE CONTROL TO NON-ELECTRONIC INTERFACE ORDERS FOR SPECIFIC MARKET ACCESS CUSTOMERS. THE FIRM EVENTUALLY APPLIED THE CREDIT CONTROL TO NON-ELECTRONIC INTERFACE ORDERS ENTERED BY ALL MARKET ACCESS CUSTOMERS. ADDITIONALLY, THE FIRM'S WRITTEN PROCEDURES HAVE NOT REASONABLY GUIDED SUPERVISORS IN DETERMINING APPROPRIATE CREDIT THRESHOLDS FOR CUSTOMERS. THE FINDINGS ALSO STATED THAT THE FIRM'S FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES FOR ITS MARKET ACCESS BUSINESS WERE NOT REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS. THE FIRM GENERALLY SET THE SINGLE-ORDER QUANTITY LIMIT AND SINGLE-ORDER NOTIONAL VALUE LIMIT FOR EACH CUSTOMER AT SUCH HIGH LEVELS THAT THE CONTROLS WERE NOT REASONABLY DESIGNED TO PREVENT ERRONEOUS ORDERS, ABSENT ADDITIONAL REASONABLY DESIGNED CONTROLS, SUCH AS AN AVERAGE DAILY TRADING VOLUME CONTROL. ADDITIONALLY, THE FIRM'S THRESHOLDS FOR THE PRICE AWAY CONTROL WERE SET SUBSTANTIALLY HIGHER THAN THE NUMERICAL GUIDELINES FOR CLEARLY ERRONEOUS TRANSACTIONS UNDER FINRA RULES, EXCHANGE RULES, AND THE FIRM'S OWN PROCEDURES. LIKEWISE, THE FIRM'S DUPLICATIVE ORDER CONTROL WAS TOO NARROW TO BE CONSIDERED REASONABLY DESIGNED TO PREVENT THE ENTRY OF POTENTIALLY DUPLICATIVE ORDERS BECAUSE IT REJECTED ONLY ORDERS CONTAINING THE SAME ORDER ID AS A PRIOR ORDER. FIRM TRADING PERSONNEL COULD REQUEST TEMPORARY CHANGES TO FINANCIAL RISK MANAGEMENT CONTROL LIMITS, WITHOUT A SUPERVISORY REVIEW PROCESS BEFORE BEING EFFECTED. THE FIRM DID NOT HAVE ANY CONTROL FOR MARKET



ACCESS CUSTOMER ORDERS TO PREVENT AN UNINTENDED VOLUME OF ORDERS ARISING FROM MALFUNCTIONING ALGORITHMS, SOFTWARE PROGRAMS OR TRADING SYSTEMS, SUCH AS A THROTTLE CONTROL. THE FIRM'S AVERAGE DAILY TRADING VOLUME CONTROLS, AFTER BEING ESTABLISHED, HAD THRESHOLDS SET TOO HIGH TO BE REASONABLY DESIGNED TO PREVENT ERRONEOUS ORDERS. THE FIRM ALSO FAILED TO PREVENT THE TRANSMISSION OF ERRONEOUS ORDERS TO THE MARKETS. THE FINDINGS ALSO INCLUDED THAT THE FIRM OPERATED WITHOUT REASONABLY DESIGNED CREDIT AND ERRONEOUS ORDER CONTROLS FOR ITS MARKET ACCESS BUSINESS FOR YEARS AFTER IT BECAME AWARE OF GAPS IN THOSE CONTROLS. ADDITIONALLY, THE FIRM'S WRITTEN PROCEDURES ESTABLISHED TWO PROCESSES FOR REVIEWING ITS COMPLIANCE WITH THE MARKET ACCESS RULE, INCLUDING A QUARTERLY REVIEW OF ITS RISK MANAGEMENT CONTROLS AND SYSTEMS, AND ANNUAL COMPLIANCE TESTING. HOWEVER, THE FIRM DID NOT ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN SUPERVISORY PROCEDURES, THAT WAS REASONABLY DESIGNED TO PROMPTLY ADDRESS ISSUES IDENTIFIED AS A RESULT OF ITS QUARTERLY AND ANNUAL REVIEWS.

Initiated By: FINRA

Date Initiated: 07/30/2020

Docket/Case Number: [2013037641201](#)

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: 07/30/2020

Sanctions Ordered: Censure
Monetary/Fine \$260,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED, FINED A TOTAL OF \$650,000, OF WHICH \$260,000 IS PAYABLE TO FINRA, AND REQUIRED TO CERTIFY TO FINRA THAT THE FIRM HAS REVIEWED ITS FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES AND THAT THOSE CONTROLS AND PROCEDURES ARE REASONABLY DESIGNED TO ACHIEVE



COMPLIANCE WITH THE SEC MARKET ACCESS RULE. FINES PAID IN FULL
ON AUGUST 13, 2020.

Disclosure 3 of 87

Reporting Source: Firm

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 TIMELY REPORT TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES TO TRACE. THE FINDINGS STATED THAT THE MAJORITY OF THE UNTIMELY REPORTING VIOLATIONS WERE CAUSED BY LATENCIES ASSOCIATED WITH THE MANUAL HANDLING OF ORDERS BY TRADERS AND SALESPERSONS, INCLUDING UNTIMELY AMENDMENTS AND CORRECTIONS TO TRANSACTION TERMS. THE FINDINGS ALSO STATED THAT THE FIRM REPORTED TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES WITH AN INACCURATE CONTRA-PARTY IDENTIFIER TO TRACE. THE FIRM'S FAILURES TO REPORT THE CORRECT CONTRA-PARTY IDENTIFIER LARGELY RESULTED FROM LIMITATIONS WITHIN THE FIRM'S TRACE REPORTING SYSTEM THAT COULD NOT ACCOMMODATE CONTRA-PARTY FIRMS WITH MULTIPLE MPIDS. THE FINDINGS ALSO INCLUDED THAT THE FIRM'S SUPERVISORY SYSTEM WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE FIRM'S TRANSACTION REPORTING OBLIGATIONS FOR TRACE-ELIGIBLE SECURITIES. THE FIRM'S REVIEWS OF ITS TRADER/SALESPERSON CONDUCT TO DETERMINE WHETHER REPORTS WERE TIMELY SUBMITTED TO TRACE FAILED TO INCLUDE TRADERS AND SALESPERSONS ON NON-U.S. DESKS. AS A RESULT, ITS REVIEW FAILED TO IDENTIFY ALL OF ITS UNTIMELY REPORTING TO TRACE THAT WAS ATTRIBUTABLE TO TRADER/SALESPERSON CONDUCT. THE FIRM TOOK CORRECTIVE ACTION.

Initiated By: FINRA

Date Initiated: 07/27/2020

Docket/Case Number: [2016049876001](#)

Principal Product Type: Debt - Corporate

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/27/2020

Sanctions Ordered: Censure
Monetary/Fine \$200,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$200,000. FINES PAID IN FULL ON AUGUST 13, 2020.

Disclosure 4 of 87

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT PROVIDED DIRECT MARKET ACCESS TO CUSTOMERS THROUGH ITS GLOBAL EXECUTION SERVICES DESK (THE "GES DESK"). THE FIRM FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN A SYSTEM OF RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES REASONABLY DESIGNED TO MANAGE THE FINANCIAL RISKS OF ITS MARKET ACCESS BUSINESS ACTIVITY. SPECIFICALLY, THE FIRM'S CONTROLS AND SUPERVISORY SYSTEM WERE NOT REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS. THE FIRM WAS AWARE INTERNALLY OF POTENTIAL GAPS IN ITS FINANCIAL RISK MANAGEMENT CONTROLS FOR THE GES DESK. NEVERTHELESS, IN SEVERAL INSTANCES, IT TOOK THE FIRM YEARS TO FIX THE IDENTIFIED GAPS IN ITS CONTROLS. BECAUSE OF ITS UNREASONABLE FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY SYSTEM, THE FIRM FAILED TO PREVENT THE TRANSMISSION OF AN ERRONEOUS ORDER TO NYSE.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 08/24/2020

Docket/Case Number: 2013037641203

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:	08/24/2020
Sanctions Ordered:	Censure Monetary/Fine \$130,000.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	THE FIRM WAS CENSURED, FINED A TOTAL OF \$650,000, OF WHICH \$130,000 SHALL BE PAID TO NYSE AND REQUIRED TO SUBMIT A WRITTEN CERTIFICATION TO FINRA WITHIN 90 DAYS OF THE ISSUANCE OF THIS AWC, CERTIFYING THAT IT HAS COMPLETED A REVIEW OF ITS FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES AND ITS FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SEC RULE 15C3-5(C)(1). ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF SIMILAR SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND EACH OF THE FOLLOWING SELF-REGULATORY ORGANIZATIONS: FINRA;; CBOE BYX EXCHANGE, INC.; AND NYSE ARCA, INC.

Disclosure 5 of 87

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 PROVIDED DIRECT MARKET ACCESS TO CUSTOMERS THROUGH ITS GLOBAL EXECUTION SERVICES DESK (THE "GES DESK"). THE FIRM FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN A SYSTEM OF RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES REASONABLY DESIGNED TO MANAGE THE FINANCIAL RISKS OF ITS MARKET ACCESS BUSINESS ACTIVITY. SPECIFICALLY, THE FIRM'S CONTROLS AND SUPERVISORY SYSTEM WERE NOT REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS. THE FIRM WAS AWARE INTERNALLY OF POTENTIAL GAPS IN ITS FINANCIAL RISK MANAGEMENT CONTROLS FOR THE GES DESK. NEVERTHELESS, IN SEVERAL INSTANCES, IT TOOK THE FIRM YEARS TO FIX THE IDENTIFIED GAPS IN ITS CONTROLS. BECAUSE OF ITS UNREASONABLE FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY SYSTEM, THE FIRM FAILED TO PREVENT THE TRANSMISSION OF AN ERRONEOUS ORDER TO NYSE.
Initiated By:	NEW YORK STOCK EXCHANGE
Date Initiated:	08/24/2020



Docket/Case Number: 2013037641203

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: 08/24/2020

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 \$130,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED A TOTAL OF \$650,000, OF WHICH \$130,000 SHALL BE PAID TO NYSE AND REQUIRED TO SUBMIT A WRITTEN CERTIFICATION TO FINRA WITHIN 90 DAYS OF THE ISSUANCE OF THIS AWC, CERTIFYING THAT IT HAS COMPLETED A REVIEW OF ITS FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES AND ITS FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SEC RULE 15C3-5(C)(1). ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF SIMILAR SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND EACH OF THE FOLLOWING SELF-REGULATORY ORGANIZATIONS: FINRA;; CBOE BYX EXCHANGE, INC.; AND NYSE ARCA, INC.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT PROVIDED DIRECT MARKET ACCESS TO CUSTOMERS THROUGH ITS GLOBAL EXECUTION SERVICES DESK (THE "GES DESK"). THE FIRM FAILED TO



ESTABLISH, DOCUMENT, AND MAINTAIN A SYSTEM OF RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES REASONABLY DESIGNED TO MANAGE THE FINANCIAL RISKS OF ITS MARKET ACCESS BUSINESS ACTIVITY. SPECIFICALLY, THE FIRM'S CONTROLS AND SUPERVISORY SYSTEM WERE NOT REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS. THE FIRM WAS AWARE INTERNALLY OF POTENTIAL GAPS IN ITS FINANCIAL RISK MANAGEMENT CONTROLS FOR THE GES DESK. NEVERTHELESS, IN SEVERAL INSTANCES, IT TOOK THE FIRM YEARS TO FIX THE IDENTIFIED GAPS IN ITS CONTROLS. BECAUSE OF ITS UNREASONABLE FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY SYSTEM, THE FIRM FAILED TO PREVENT THE TRANSMISSION OF AN ERRONEOUS ORDER TO NYSE.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 08/24/2020

Docket/Case Number: 2013037641203

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: 08/24/2020

Sanctions Ordered: Censure
Monetary/Fine \$130,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED A TOTAL OF \$650,000, OF WHICH \$130,000 SHALL BE PAID TO NYSE AND REQUIRED TO SUBMIT A WRITTEN CERTIFICATION TO FINRA WITHIN 90 DAYS OF THE ISSUANCE OF THIS AWC, CERTIFYING THAT IT HAS COMPLETED A REVIEW OF ITS FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES AND ITS FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SEC RULE 15C3-5(C)(1). ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF SIMILAR SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND EACH OF THE FOLLOWING SELF-REGULATORY ORGANIZATIONS: FINRA;; CBOE BYX EXCHANGE, INC.; AND NYSE ARCA, INC.



Disclosure 6 of 87

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 PROVIDED DIRECT MARKET ACCESS TO CUSTOMERS THROUGH ITS GLOBAL EXECUTION SERVICES DESK (THE "GES DESK"). THE FIRM FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN A SYSTEM OF RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES REASONABLY DESIGNED TO MANAGE THE FINANCIAL RISKS OF ITS MARKET ACCESS BUSINESS ACTIVITY. SPECIFICALLY, THE FIRM'S CONTROLS AND SUPERVISORY SYSTEM WERE NOT REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS. THE FIRM WAS AWARE INTERNALLY OF POTENTIAL GAPS IN ITS FINANCIAL RISK MANAGEMENT CONTROLS FOR THE GES DESK. NEVERTHELESS, IN SEVERAL INSTANCES, IT TOOK THE FIRM YEARS TO FIX THE IDENTIFIED GAPS IN ITS CONTROLS. BECAUSE OF ITS UNREASONABLE FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY SYSTEM, THE FIRM FAILED TO PREVENT THE TRANSMISSION OF AN ERRONEOUS ORDER TO NYSE ARCA.</p>
Initiated By:	NYSE ARCA, INC.
Date Initiated:	08/24/2020
Docket/Case Number:	2013037641202
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:	08/24/2020
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 \$130,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED A TOTAL OF \$650,000, OF WHICH \$130,000 SHALL BE PAID TO NYSE ARCA AND REQUIRED TO SUBMIT A WRITTEN CERTIFICATION TO FINRA WITHIN 90 DAYS OF THE ISSUANCE OF THIS AWC CERTIFYING THAT IT HAS COMPLETED A REVIEW OF ITS FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES AND THAT ITS FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SEC RULE 15C3-5(C)(1). ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF SIMILAR SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND EACH OF THE FOLLOWING SELF-REGULATORY ORGANIZATIONS: FINRA; CBOE BYX EXCHANGE, INC.; AND THE NEW YORK STOCK EXCHANGE LLC.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT PROVIDED DIRECT MARKET ACCESS TO CUSTOMERS THROUGH ITS GLOBAL EXECUTION SERVICES DESK (THE "GES DESK"). THE FIRM FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN A SYSTEM OF RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES REASONABLY DESIGNED TO MANAGE THE FINANCIAL RISKS OF ITS MARKET ACCESS BUSINESS ACTIVITY. SPECIFICALLY, THE FIRM'S CONTROLS AND SUPERVISORY SYSTEM WERE NOT REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS. THE FIRM WAS AWARE INTERNALLY OF POTENTIAL GAPS IN ITS FINANCIAL RISK MANAGEMENT CONTROLS FOR THE GES DESK. NEVERTHELESS, IN SEVERAL INSTANCES, IT TOOK THE FIRM YEARS TO FIX THE IDENTIFIED GAPS IN ITS CONTROLS. BECAUSE OF ITS UNREASONABLE FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY SYSTEM, THE FIRM FAILED TO PREVENT THE TRANSMISSION OF AN ERRONEOUS ORDER TO NYSE ARCA.

Initiated By: NYSE ARCA, INC.

Date Initiated: 08/24/2020

Docket/Case Number: 2013037641202

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: 08/24/2020

Sanctions Ordered: Censure
Monetary/Fine \$130,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED A TOTAL OF \$650,000, OF WHICH \$130,000 SHALL BE PAID TO NYSE ARCA AND REQUIRED TO SUBMIT A WRITTEN CERTIFICATION TO FINRA WITHIN 90 DAYS OF THE ISSUANCE OF THIS AWC CERTIFYING THAT IT HAS COMPLETED A REVIEW OF ITS FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES AND THAT ITS FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SEC RULE 15C3-5(C)(1). ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF SIMILAR SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND EACH OF THE FOLLOWING SELF-REGULATORY ORGANIZATIONS: FINRA; CBOE BYX EXCHANGE, INC.; AND THE NEW YORK STOCK EXCHANGE LLC.

Disclosure 7 of 87

Reporting Source: Regulator

Current Status: Final

Allegations: VIOLATIVE CONDUCT: BNP PARIBAS SECURITIES CORP.'S ERRONEOUS ORDER MARKET ACCESS CONTROLS AND SUPERVISORY PROCEDURES ARE UNREASONABLY DESIGNED; BNP PARIBAS WAS AWARE OF GAPS IN ITS FINANCIAL RISK MANAGEMENT CONTROLS; BNP PARIBAS FAILED TO ESTABLISH A REASONABLY DESIGNED SUPERVISORY SYSTEM AND PROCEDURES.

VIOLATION OF BYX RULES 3.1 AND 5.1; RULE 15C3-5 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

SANCTION: A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$130,000.

Initiated By: CBOE BYX EXCHANGE, INC.



Date Initiated: 07/15/2020
Docket/Case Number: STAR NO. 20130376412-04 / FILE NO. USRI-4239
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: 07/24/2020
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 \$130,000.00
Other Sanctions Ordered:
Sanction Details: A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$130,000.

Reporting Source: Firm
Current Status: Final
Allegations: VIOLATIVE CONDUCT: BNP PARIBAS SECURITIES CORP.'S ERRONEOUS ORDER MARKET ACCESS CONTROLS AND SUPERVISORY PROCEDURES ARE UNREASONABLY DESIGNED; BNP PARIBAS WAS AWARE OF GAPS IN ITS FINANCIAL RISK MANAGEMENT CONTROLS; BNP PARIBAS FAILED TO ESTABLISH A REASONABLY DESIGNED SUPERVISORY SYSTEM AND PROCEDURES. VIOLATION OF BYX RULES 3.1 AND 5.1; RULE 15C3-5 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SANCTION: A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$130,000.
Initiated By: CBOE BYX EXCHANGE, INC.
Date Initiated: 07/15/2020
Docket/Case Number: STAR NO. 20130376412-04 / FILE NO. USRI-4239



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:	07/24/2020
Sanctions Ordered:	Censure Monetary/Fine \$130,000.00
Other Sanctions Ordered:	
Sanction Details:	A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$130,000

Disclosure 8 of 87

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 FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN A SYSTEM OF RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES REASONABLY DESIGNED TO MANAGE THE FINANCIAL RISKS OF ITS MARKET ACCESS BUSINESS ACTIVITY. THE FINDINGS STATED THAT THE FIRM DID NOT ESTABLISH AGGREGATE CREDIT THRESHOLDS FOR MARKET ACCESS CUSTOMERS. THE FIRM ESTABLISHED ONLY A SINGLE-ORDER QUANTITY LIMIT AND SINGLE-ORDER NOTIONAL VALUE LIMIT FOR EACH MARKET ACCESS CUSTOMER. UPON LATER ESTABLISHING AN AGGREGATE CREDIT THRESHOLD, THE FIRM INITIALLY APPLIED THE CONTROL TO ELECTRONIC INTERFACE ORDERS ONLY. THE FIRM LATER APPLIED THE CONTROL TO NON-ELECTRONIC INTERFACE ORDERS FOR SPECIFIC MARKET ACCESS CUSTOMERS. THE FIRM EVENTUALLY APPLIED THE CREDIT CONTROL TO NON-ELECTRONIC INTERFACE ORDERS ENTERED BY ALL MARKET ACCESS CUSTOMERS. ADDITIONALLY, THE FIRM'S WRITTEN PROCEDURES HAVE NOT REASONABLY GUIDED SUPERVISORS IN DETERMINING APPROPRIATE CREDIT THRESHOLDS FOR CUSTOMERS. THE FINDINGS ALSO STATED THAT THE FIRM'S FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES FOR ITS MARKET ACCESS BUSINESS WERE NOT REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS. THE FIRM GENERALLY SET THE SINGLE-ORDER</p>



QUANTITY LIMIT AND SINGLE-ORDER NOTIONAL VALUE LIMIT FOR EACH CUSTOMER AT SUCH HIGH LEVELS THAT THE CONTROLS WERE NOT REASONABLY DESIGNED TO PREVENT ERRONEOUS ORDERS, ABSENT ADDITIONAL REASONABLY DESIGNED CONTROLS, SUCH AS AN AVERAGE DAILY TRADING VOLUME CONTROL. ADDITIONALLY, THE FIRM'S THRESHOLDS FOR THE PRICE AWAY CONTROL WERE SET SUBSTANTIALLY HIGHER THAN THE NUMERICAL GUIDELINES FOR CLEARLY ERRONEOUS TRANSACTIONS UNDER FINRA RULES, EXCHANGE RULES, AND THE FIRM'S OWN PROCEDURES. LIKEWISE, THE FIRM'S DUPLICATIVE ORDER CONTROL WAS TOO NARROW TO BE CONSIDERED REASONABLY DESIGNED TO PREVENT THE ENTRY OF POTENTIALLY DUPLICATIVE ORDERS BECAUSE IT REJECTED ONLY ORDERS CONTAINING THE SAME ORDER ID AS A PRIOR ORDER. FIRM TRADING PERSONNEL COULD REQUEST TEMPORARY CHANGES TO FINANCIAL RISK MANAGEMENT CONTROL LIMITS, WITHOUT A SUPERVISORY REVIEW PROCESS BEFORE BEING EFFECTED. THE FIRM DID NOT HAVE ANY CONTROL FOR MARKET ACCESS CUSTOMER ORDERS TO PREVENT AN UNINTENDED VOLUME OF ORDERS ARISING FROM MALFUNCTIONING ALGORITHMS, SOFTWARE PROGRAMS OR TRADING SYSTEMS, SUCH AS A THROTTLE CONTROL. THE FIRM'S AVERAGE DAILY TRADING VOLUME CONTROLS, AFTER BEING ESTABLISHED, HAD THRESHOLDS SET TOO HIGH TO BE REASONABLY DESIGNED TO PREVENT ERRONEOUS ORDERS. THE FIRM ALSO FAILED TO PREVENT THE TRANSMISSION OF ERRONEOUS ORDERS TO THE MARKETS. THE FINDINGS ALSO INCLUDED THAT THE FIRM OPERATED WITHOUT REASONABLY DESIGNED CREDIT AND ERRONEOUS ORDER CONTROLS FOR ITS MARKET ACCESS BUSINESS FOR YEARS AFTER IT BECAME AWARE OF GAPS IN THOSE CONTROLS. ADDITIONALLY, THE FIRM'S WRITTEN PROCEDURES ESTABLISHED TWO PROCESSES FOR REVIEWING ITS COMPLIANCE WITH THE MARKET ACCESS RULE, INCLUDING A QUARTERLY REVIEW OF ITS RISK MANAGEMENT CONTROLS AND SYSTEMS, AND ANNUAL COMPLIANCE TESTING. HOWEVER, THE FIRM DID NOT ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN SUPERVISORY PROCEDURES, THAT WAS REASONABLY DESIGNED TO PROMPTLY ADDRESS ISSUES IDENTIFIED AS A RESULT OF ITS QUARTERLY AND ANNUAL REVIEWS.

Initiated By: FINRA
Date Initiated: 07/30/2020
Docket/Case Number: [2013037641201](#)
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: 07/30/2020

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 \$260,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED A TOTAL OF \$650,000, OF WHICH \$260,000 IS PAYABLE TO FINRA, AND REQUIRED TO CERTIFY TO FINRA THAT THE FIRM HAS REVIEWED ITS FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES AND THAT THOSE CONTROLS AND PROCEDURES ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE SEC MARKET ACCESS RULE. FINES PAID IN FULL ON AUGUST 13, 2020.

Reporting Source: Firm

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 A SYSTEM OF RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES REASONABLY DESIGNED TO MANAGE THE FINANCIAL RISKS OF ITS MARKET ACCESS BUSINESS ACTIVITY. THE FINDINGS STATED THAT THE FIRM DID NOT ESTABLISH AGGREGATE CREDIT THRESHOLDS FOR MARKET ACCESS CUSTOMERS. THE FIRM ESTABLISHED ONLY A SINGLE-ORDER QUANTITY LIMIT AND SINGLE-ORDER NOTIONAL VALUE LIMIT FOR EACH MARKET ACCESS CUSTOMER. UPON LATER ESTABLISHING AN AGGREGATE CREDIT THRESHOLD, THE FIRM INITIALLY APPLIED THE CONTROL TO ELECTRONIC INTERFACE ORDERS ONLY. THE FIRM LATER APPLIED THE CONTROL TO NON-ELECTRONIC INTERFACE ORDERS FOR SPECIFIC MARKET ACCESS CUSTOMERS. THE FIRM EVENTUALLY APPLIED THE CREDIT CONTROL TO NON-ELECTRONIC INTERFACE ORDERS ENTERED BY ALL MARKET ACCESS CUSTOMERS. ADDITIONALLY, THE FIRM'S WRITTEN PROCEDURES HAVE NOT REASONABLY GUIDED SUPERVISORS IN DETERMINING



APPROPRIATE CREDIT THRESHOLDS FOR CUSTOMERS. THE FINDINGS ALSO STATED THAT THE FIRM'S FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES FOR ITS MARKET ACCESS BUSINESS WERE NOT REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS. THE FIRM GENERALLY SET THE SINGLE-ORDER QUANTITY LIMIT AND SINGLE-ORDER NOTIONAL VALUE LIMIT FOR EACH CUSTOMER AT SUCH HIGH LEVELS THAT THE CONTROLS WERE NOT REASONABLY DESIGNED TO PREVENT ERRONEOUS ORDERS, ABSENT ADDITIONAL REASONABLY DESIGNED CONTROLS, SUCH AS AN AVERAGE DAILY TRADING VOLUME CONTROL. ADDITIONALLY, THE FIRM'S THRESHOLDS FOR THE PRICE AWAY CONTROL WERE SET SUBSTANTIALLY HIGHER THAN THE NUMERICAL GUIDELINES FOR CLEARLY ERRONEOUS TRANSACTIONS UNDER FINRA RULES, EXCHANGE RULES, AND THE FIRM'S OWN PROCEDURES. LIKEWISE, THE FIRM'S DUPLICATIVE ORDER CONTROL WAS TOO NARROW TO BE CONSIDERED REASONABLY DESIGNED TO PREVENT THE ENTRY OF POTENTIALLY DUPLICATIVE ORDERS BECAUSE IT REJECTED ONLY ORDERS CONTAINING THE SAME ORDER ID AS A PRIOR ORDER. FIRM TRADING PERSONNEL COULD REQUEST TEMPORARY CHANGES TO FINANCIAL RISK MANAGEMENT CONTROL LIMITS, WITHOUT A SUPERVISORY REVIEW PROCESS BEFORE BEING EFFECTED. THE FIRM DID NOT HAVE ANY CONTROL FOR MARKET ACCESS CUSTOMER ORDERS TO PREVENT AN UNINTENDED VOLUME OF ORDERS ARISING FROM MALFUNCTIONING ALGORITHMS, SOFTWARE PROGRAMS OR TRADING SYSTEMS, SUCH AS A THROTTLE CONTROL. THE FIRM'S AVERAGE DAILY TRADING VOLUME CONTROLS, AFTER BEING ESTABLISHED, HAD THRESHOLDS SET TOO HIGH TO BE REASONABLY DESIGNED TO PREVENT ERRONEOUS ORDERS. THE FIRM ALSO FAILED TO PREVENT THE TRANSMISSION OF ERRONEOUS ORDERS TO THE MARKETS. THE FINDINGS ALSO INCLUDED THAT THE FIRM OPERATED WITHOUT REASONABLY DESIGNED CREDIT AND ERRONEOUS ORDER CONTROLS FOR ITS MARKET ACCESS BUSINESS FOR YEARS AFTER IT BECAME AWARE OF GAPS IN THOSE CONTROLS. ADDITIONALLY, THE FIRM'S WRITTEN PROCEDURES ESTABLISHED TWO PROCESSES FOR REVIEWING ITS COMPLIANCE WITH THE MARKET ACCESS RULE, INCLUDING A QUARTERLY REVIEW OF ITS RISK MANAGEMENT CONTROLS AND SYSTEMS, AND ANNUAL COMPLIANCE TESTING. HOWEVER, THE FIRM DID NOT ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN SUPERVISORY PROCEDURES, THAT WAS REASONABLY DESIGNED TO PROMPTLY ADDRESS ISSUES IDENTIFIED AS A RESULT OF ITS QUARTERLY AND ANNUAL REVIEWS.

Initiated By: FINRA
Date Initiated: 07/30/2020
Docket/Case Number: [2013037641201](#)



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:	07/30/2020
Sanctions Ordered:	Censure Monetary/Fine \$260,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED, FINED A TOTAL OF \$650,000, OF WHICH \$260,000 IS PAYABLE TO FINRA, AND REQUIRED TO CERTIFY TO FINRA THAT THE FIRM HAS REVIEWED ITS FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES AND THAT THOSE CONTROLS AND PROCEDURES ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE SEC MARKET ACCESS RULE.

Disclosure 9 of 87

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 TIMELY REPORT TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES TO TRACE. THE FINDINGS STATED THAT THE MAJORITY OF THE UNTIMELY REPORTING VIOLATIONS WERE CAUSED BY LATENCIES ASSOCIATED WITH THE MANUAL HANDLING OF ORDERS BY TRADERS AND SALESPERSONS, INCLUDING UNTIMELY AMENDMENTS AND CORRECTIONS TO TRANSACTION TERMS. THE FINDINGS ALSO STATED THAT THE FIRM REPORTED TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES WITH AN INACCURATE CONTRA-PARTY IDENTIFIER TO TRACE. THE FIRM'S FAILURES TO REPORT THE CORRECT CONTRA-PARTY IDENTIFIER LARGELY RESULTED FROM LIMITATIONS WITHIN THE FIRM'S TRACE REPORTING SYSTEM THAT COULD NOT ACCOMMODATE CONTRA-PARTY FIRMS WITH MULTIPLE MPIDS. THE FINDINGS ALSO INCLUDED THAT THE FIRM'S SUPERVISORY SYSTEM WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE FIRM'S TRANSACTION REPORTING OBLIGATIONS FOR TRACE-ELIGIBLE SECURITIES. THE FIRM'S REVIEWS OF ITS TRADER/SALESPERSON



CONDUCT TO DETERMINE WHETHER REPORTS WERE TIMELY SUBMITTED TO TRACE FAILED TO INCLUDE TRADERS AND SALESPERSONS ON NON-U.S. DESKS. AS A RESULT, ITS REVIEW FAILED TO IDENTIFY ALL OF ITS UNTIMELY REPORTING TO TRACE THAT WAS ATTRIBUTABLE TO TRADER/SALESPERSON CONDUCT. THE FIRM TOOK CORRECTIVE ACTION.

Initiated By: FINRA

Date Initiated: 07/27/2020

Docket/Case Number: [2016049876001](#)

Principal Product Type: Debt - Corporate

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/27/2020

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 \$200,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$200,000. FINES PAID IN FULL ON AUGUST 13, 2020.

Reporting Source: Firm

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 TIMELY REPORT TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES TO TRACE. THE FINDINGS STATED THAT THE MAJORITY OF THE UNTIMELY REPORTING VIOLATIONS WERE CAUSED BY LATENCIES ASSOCIATED WITH THE MANUAL HANDLING OF ORDERS BY TRADERS AND

SALESPERSONS, INCLUDING UNTIMELY AMENDMENTS AND CORRECTIONS TO TRANSACTION TERMS. THE FINDINGS ALSO STATED THAT THE FIRM REPORTED TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES WITH AN INACCURATE CONTRA-PARTY IDENTIFIER TO TRACE. THE FIRM'S FAILURES TO REPORT THE CORRECT CONTRA-PARTY IDENTIFIER LARGELY RESULTED FROM LIMITATIONS WITHIN THE FIRM'S TRACE REPORTING SYSTEM THAT COULD NOT ACCOMMODATE CONTRA-PARTY FIRMS WITH MULTIPLE MPIDS. THE FINDINGS ALSO INCLUDED THAT THE FIRM'S SUPERVISORY SYSTEM WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE FIRM'S TRANSACTION REPORTING OBLIGATIONS FOR TRACE-ELIGIBLE SECURITIES. THE FIRM'S REVIEWS OF ITS TRADER/SALESPERSON CONDUCT TO DETERMINE WHETHER REPORTS WERE TIMELY SUBMITTED TO TRACE FAILED TO INCLUDE TRADERS AND SALESPERSONS ON NON-U.S. DESKS. AS A RESULT, ITS REVIEW FAILED TO IDENTIFY ALL OF ITS UNTIMELY REPORTING TO TRACE THAT WAS ATTRIBUTABLE TO TRADER/SALESPERSON CONDUCT. THE FIRM TOOK CORRECTIVE ACTION.

Initiated By: FINRA

Date Initiated: 07/27/2020

Docket/Case Number: [2016049876001](#)

Principal Product Type: Debt - Corporate

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/27/2020

Sanctions Ordered: Censure
Monetary/Fine \$200,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$200,000.

Disclosure 10 of 87

Reporting Source: Regulator

Current Status: Final

**Allegations:**

THE SECURITIES AND EXCHANGE COMMISSION ("SEC") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 AGAINST BNP PARIBAS SECURITIES CORP. ("BNPP").

THE SEC FINDS THAT THIS MATTER CONCERNS BNPP'S VIOLATIONS OF RULE 203(A)(1) OF REGULATION SHO, WHICH PROHIBITS LENDING SHARES TO SETTLE SALE ORDERS MARKED AS "LONG." FROM APRIL 2016 THROUGH JULY 2016, BNPP ROUTINELY LOANED A HEDGE FUND PRIME BROKERAGE CUSTOMER (THE "HEDGE FUND") SECURITIES ON SETTLEMENT DATE TO SETTLE PURPORTED "LONG" SALES. THESE SALE ORDERS WERE ALL EXECUTED AWAY FROM BNPP AT ANOTHER BROKER-DEALER ("BROKER-DEALER A") ON BEHALF OF THE HEDGE FUND.

ON 35 OCCASIONS OVER A FOUR-MONTH PERIOD, THE HEDGE FUND SUBMITTED TO BROKER-DEALER A SALE ORDERS MARKED "LONG" FOR EXECUTION, AND THOSE SALE ORDERS SUBSEQUENTLY WERE SUBMITTED TO BNPP FOR CLEARING. BUT FOR EACH OF THOSE "LONG" SALES, ON THE MORNING OF SETTLEMENT, THE HEDGE FUND DID NOT HAVE SUFFICIENT SHARES OF THE SECURITIES IN ITS ACCOUNT AT BNPP TO SUFFICIENTLY COVER THE SALE ORDER. BNPP SERVED AS THE CLEARING BROKER FOR EACH OF THESE TRANSACTIONS AND WAS ROUTINELY ALERTED ON THE MORNING FOLLOWING THE TRADE DATE THAT THE HEDGE FUND LACKED SUFFICIENT SHARES IN ITS BNPP ACCOUNT TO COVER THE ORDERS. NONETHELESS, WHEN THE SETTLEMENT DATE FOR EACH OF THOSE SALE ORDERS ARRIVED AND THE HEDGE FUND HAD NOT DELIVERED SUFFICIENT SHARES TO ITS ACCOUNT AT BNPP TO COVER THE SALE, BNPP LOANED THE HEDGE FUND SHARES TO SETTLE THE SALE. IN TOTAL, BNPP LOANED THE HEDGE FUND MORE THAN EIGHT MILLION SHARES IN THE SECURITIES OF THREE DIFFERENT ISSUERS TO SETTLE PURPORTED "LONG" SALES THAT HAD BEEN SUBMITTED TO BNPP FOR CLEARING.

AT THE TIME OF THE HEDGE FUND'S "LONG" SALE ORDERS, BNPP DID NOT TAKE STEPS NECESSARY TO REASONABLY ASCERTAIN THAT THE HEDGE FUND OWNED THE SECURITIES, NOR DID THE HEDGE FUND'S ASSURANCES TO BNPP REASONABLY INFORM BNPP THAT THE HEDGE FUND WOULD DELIVER THE SECURITIES TO ITS BNPP ACCOUNT PRIOR TO THE SCHEDULED SETTLEMENT DATE. FURTHER, ALTHOUGH THE HEDGE FUND ROUTINELY MADE ASSURANCES TO BNPP THAT ITS ORDERS WERE PROPERLY MARKED AS "LONG" AND THAT IT WOULD DELIVER THE SECURITIES TO ITS BNPP ACCOUNT PRIOR TO SETTLEMENT DATE, IT WAS NOT REASONABLE FOR BNPP TO RELY ON SUCH REPRESENTATIONS



BECAUSE BNPP WAS ON NOTICE OF THE HEDGE FUND'S REPEATED FAILURES TO DELIVER THE SECURITIES TO ITS BNPP ACCOUNT BY SETTLEMENT DATE. INSTEAD, BNPP AUTOMATICALLY LOANED THE SHARES TO SETTLE THESE "LONG" SALES AND DID NOT CONDUCT ANY ANALYSIS OR CONSIDER THE KNOWN FACTS AND CIRCUMSTANCES, INCLUDING THE HEDGE FUND'S HISTORY OF FAILING TO DELIVER ENOUGH SHARES TO ITS BNPP ACCOUNT PRIOR TO SCHEDULED SETTLEMENT, TO DETERMINE WHETHER IT WOULD BE REASONABLE TO CONCLUDE THAT THE HEDGE FUND IN FACT OWNED THE SECURITIES OR WOULD DELIVER THEM TO ITS BNPP ACCOUNT PRIOR TO SETTLEMENT.

IN APRIL 2016, BNPP LOANED THE HEDGE FUND SHARES TO SETTLE "LONG" SALE ORDERS IN ONE SECURITY ON EIGHT CONSECUTIVE TRADING DAYS. IN JUNE AND JULY 2016, BNPP LOANED THE HEDGE FUND SHARES TO SETTLE "LONG" SALE ORDERS IN ANOTHER SECURITY ON 16 CONSECUTIVE TRADING DAYS. ON 19 OCCASIONS, BNPP LOANED SECURITIES TO THE HEDGE FUND TO SETTLE "LONG" SALE ORDERS WHILE THE HEDGE FUND HAD OUTSTANDING LOANS OF THE SAME SECURITIES, WHICH IT HAD BORROWED TO SETTLE PRIOR "LONG" SALES THAT PREVIOUSLY HAD BEEN SUBMITTED TO BNPP FOR CLEARING. IN LIGHT OF THE HEDGE FUND'S CONDUCT, IT WAS UNREASONABLE FOR BNPP TO RELY ON THE HEDGE FUND'S STATEMENTS THAT THE HEDGE FUND'S ORDERS WERE PROPERLY MARKED "LONG" AND THAT THE HEDGE FUND WOULD DELIVER THE SECURITIES TO ITS BNPP ACCOUNT PRIOR TO SCHEDULED SETTLEMENT. ACCORDINGLY, BNPP COULD NOT AVAIL ITSELF OF ANY EXCEPTION TO RULE 203(A)(1).

BNPP VIOLATED RULE 203(A)(1) ON AT LEAST 35 OCCASIONS WHEN IT LOANED THE HEDGE FUND SECURITIES TO SETTLE SALE ORDERS MARKED AS "LONG."

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 06/29/2020

Docket/Case Number: 3-19839

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought:

Resolution: Order



Resolution Date:	06/29/2020
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes
Sanctions Ordered:	Censure Monetary/Fine \$250,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	BNPP IS CENSURED, ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULE 203(A)(1) OF REGULATION SHO, PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AND SHALL PAY A CIVIL MONEY PENALTY OF \$250,000 TO THE SEC.
Regulator Statement	BNPP HAS SUBMITTED AN OFFER OF SETTLEMENT, WHICH THE SEC HAS DETERMINED TO ACCEPT. THE SEC FINDS THAT BNPP WILLFULLY VIOLATED RULE 203(A)(1) OF REGULATION SHO PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934. ACCORDINGLY, IT IS HEREBY ORDERED THAT BNPP CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULE 203(A)(1) OF REGULATION SHO, PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934. BNPP IS CENSURED. BNPP SHALL PAY A CIVIL MONEY PENALTY OF \$250,000 TO THE SEC.
<hr/>	
Reporting Source:	Firm
Current Status:	Final
Allegations:	THE SECURITIES AND EXCHANGE COMMISSION ("SEC") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 AGAINST BNP PARIBAS SECURITIES CORP. ("BNPP"). THE SEC FINDS THAT THIS MATTER CONCERNS BNPP'S VIOLATIONS OF RULE 203(A)(1) OF REGULATION SHO, WHICH PROHIBITS LENDING SHARES TO SETTLE SALE ORDERS MARKED AS "LONG." FROM APRIL 2016 THROUGH JULY 2016, BNPP ROUTINELY LOANED A HEDGE FUND PRIME BROKERAGE CUSTOMER (THE "HEDGE FUND") SECURITIES ON SETTLEMENT DATE TO SETTLE PURPORTED "LONG" SALES. THESE SALE ORDERS WERE ALL EXECUTED AWAY FROM BNPP AT ANOTHER



BROKER-DEALER ("BROKER-DEALER A") ON BEHALF OF THE HEDGE FUND. ON 35 OCCASIONS OVER A FOUR-MONTH PERIOD, THE HEDGE FUND SUBMITTED TO BROKER-DEALER A SALE ORDERS MARKED "LONG" FOR EXECUTION, AND THOSE SALE ORDERS SUBSEQUENTLY WERE SUBMITTED TO BNPP FOR CLEARING. BUT FOR EACH OF THOSE "LONG" SALES, ON THE MORNING OF SETTLEMENT, THE HEDGE FUND DID NOT HAVE SUFFICIENT SHARES OF THE SECURITIES IN ITS ACCOUNT AT BNPP TO SUFFICIENTLY COVER THE SALE ORDER. BNPP SERVED AS THE CLEARING BROKER FOR EACH OF THESE TRANSACTIONS AND WAS ROUTINELY ALERTED ON THE MORNING FOLLOWING THE TRADE DATE THAT THE HEDGE FUND LACKED SUFFICIENT SHARES IN ITS BNPP ACCOUNT TO COVER THE ORDERS. NONETHELESS, WHEN THE SETTLEMENT DATE FOR EACH OF THOSE SALE ORDERS ARRIVED AND THE HEDGE FUND HAD NOT DELIVERED SUFFICIENT SHARES TO ITS ACCOUNT AT BNPP TO COVER THE SALE, BNPP LOANED THE HEDGE FUND SHARES TO SETTLE THE SALE. IN TOTAL, BNPP LOANED THE HEDGE FUND MORE THAN EIGHT MILLION SHARES IN THE SECURITIES OF THREE DIFFERENT ISSUERS TO SETTLE PURPORTED "LONG" SALES THAT HAD BEEN SUBMITTED TO BNPP FOR CLEARING. AT THE TIME OF THE HEDGE FUND'S "LONG" SALE ORDERS, BNPP DID NOT TAKE STEPS NECESSARY TO REASONABLY ASCERTAIN THAT THE HEDGE FUND OWNED THE SECURITIES, NOR DID THE HEDGE FUND'S ASSURANCES TO BNPP REASONABLY INFORM BNPP THAT THE HEDGE FUND WOULD DELIVER THE SECURITIES TO ITS BNPP ACCOUNT PRIOR TO THE SCHEDULED SETTLEMENT DATE. FURTHER, ALTHOUGH THE HEDGE FUND ROUTINELY MADE ASSURANCES TO BNPP THAT ITS ORDERS WERE PROPERLY MARKED AS "LONG" AND THAT IT WOULD DELIVER THE SECURITIES TO ITS BNPP ACCOUNT PRIOR TO SETTLEMENT DATE, IT WAS NOT REASONABLE FOR BNPP TO RELY ON SUCH REPRESENTATIONS BECAUSE BNPP WAS ON NOTICE OF THE HEDGE FUND'S REPEATED FAILURES TO DELIVER THE SECURITIES TO ITS BNPP ACCOUNT BY SETTLEMENT DATE. INSTEAD, BNPP AUTOMATICALLY LOANED THE SHARES TO SETTLE THESE "LONG" SALES AND DID NOT CONDUCT ANY ANALYSIS OR CONSIDER THE KNOWN FACTS AND CIRCUMSTANCES, INCLUDING THE HEDGE FUND'S HISTORY OF FAILING TO DELIVER ENOUGH SHARES TO ITS BNPP ACCOUNT PRIOR TO SCHEDULED SETTLEMENT, TO DETERMINE WHETHER IT WOULD BE REASONABLE TO CONCLUDE THAT THE HEDGE FUND IN FACT OWNED THE SECURITIES OR WOULD DELIVER THEM TO ITS BNPP ACCOUNT PRIOR TO SETTLEMENT. IN APRIL 2016, BNPP LOANED THE HEDGE FUND SHARES TO SETTLE "LONG" SALE ORDERS IN ONE SECURITY ON EIGHT CONSECUTIVE TRADING DAYS. IN JUNE AND JULY 2016, BNPP LOANED THE HEDGE FUND SHARES TO SETTLE "LONG" SALE ORDERS IN ANOTHER SECURITY ON 16 CONSECUTIVE TRADING DAYS. ON 19 OCCASIONS, BNPP LOANED SECURITIES TO THE HEDGE FUND TO SETTLE "LONG" SALE ORDERS WHILE THE HEDGE FUND HAD OUTSTANDING LOANS OF THE SAME



SECURITIES, WHICH IT HAD BORROWED TO SETTLE PRIOR "LONG" SALES THAT PREVIOUSLY HAD BEEN SUBMITTED TO BNPP FOR CLEARING. IN LIGHT OF THE HEDGE FUND'S CONDUCT, IT WAS UNREASONABLE FOR BNPP TO RELY ON THE HEDGE FUND'S STATEMENTS THAT THE HEDGE FUND'S ORDERS WERE PROPERLY MARKED "LONG" AND THAT THE HEDGE FUND WOULD DELIVER THE SECURITIES TO ITS BNPP ACCOUNT PRIOR TO SCHEDULED SETTLEMENT. ACCORDINGLY, BNPP COULD NOT AVAIL ITSELF OF ANY EXCEPTION TO RULE 203(A)(1). BNPP VIOLATED RULE 203(A)(1) ON AT LEAST 35 OCCASIONS WHEN IT LOANED THE HEDGE FUND SECURITIES TO SETTLE SALE ORDERS MARKED AS "LONG."

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 06/29/2020

Docket/Case Number: 3-19839

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought: SANCTIONS/RELIEF SOUGHT

Resolution: Order

Resolution Date: 06/29/2020

Sanctions Ordered: Censure
Monetary/Fine \$250,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: BNPP IS CENSURED, ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULE 203(A)(1) OF REGULATION SHO, PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AND SHALL PAY A CIVIL MONEY PENALTY OF \$250,000 TO THE SEC. PENALTY PAID ON JULY 1, 2020

Firm Statement BNPP HAS SUBMITTED AN OFFER OF SETTLEMENT, WHICH THE SEC HAS DETERMINED TO ACCEPT. THE SEC FINDS THAT BNPP WILLFULLY VIOLATED RULE 203(A)(1) OF REGULATION SHO PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934. ACCORDINGLY, IT IS HEREBY ORDERED THAT BNPP CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULE 203(A)(1) OF REGULATION SHO, PROMULGATED UNDER THE SECURITIES



EXCHANGE ACT OF 1934. BNPP IS CENSURED. BNPP SHALL PAY A CIVIL MONEY PENALTY OF \$250,000 TO THE SEC.

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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 SUBMITTED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED INFORMATION TO OATS. THE FINDINGS STATED THAT THE IMPROPERLY FORMATTED INFORMATION FAILED TO CONTAIN THE NOT HELD SPECIAL HANDLING CODE FOR AN ORDER THAT ORIGINATED WITH A FOREIGN AFFILIATE OF THE FIRM. THE FIRM IDENTIFIED A SOFTWARE ERROR THAT AFFECTED ONLY ORDERS RECEIVED ELECTRONICALLY FROM THAT FOREIGN AFFILIATE. THAT SOFTWARE ERROR CAUSED ALL BUT ONE OF THE FIRM'S FAILURES TO REPORT THE NOT HELD SPECIAL HANDLING CODE, THE ONE OTHER INSTANCE RESULTED FROM HUMAN ERROR. THE FIRM LEARNED ABOUT THE ISSUE THROUGH A REGULATORY INQUIRY FROM FINRA, AND IT SUBSEQUENTLY FIXED THE SOFTWARE ERROR. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO MAKE PUBLICLY AVAILABLE ALL INFORMATION REQUIRED IN ORDER TO COMPLY WITH RULE 606 OF REGULATION NMS. THE FIRM FAILED TO REPORT THE MATERIAL ASPECTS OF ITS RELATIONSHIP WITH CERTAIN VENUES TO WHICH IT ROUTED NON-DIRECTED ORDERS FOR EXECUTION, INCLUDING ANY ARRANGEMENTS FOR PAYMENT FOR ORDER FLOW AND ANY PROFIT-SHARING RELATIONSHIP. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WSPS, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA RULES CONCERNING THE ACCURACY OF ITS OATS REPORTING. FINRA FOUND THAT THE FIRM'S WSPS IN SEVERAL AREAS WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA AND THE SEC'S RULES.

Initiated By: FINRA

Date Initiated: 02/05/2020

Docket/Case Number: [2015044231302](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other



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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/05/2020

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. 3/6/2020 FINE PAID IN FULL.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT SUBMITTED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED INFORMATION TO OATS. THE FINDINGS STATED THAT THE IMPROPERLY FORMATTED INFORMATION FAILED TO CONTAIN THE NOT HELD SPECIAL HANDLING CODE FOR AN ORDER THAT ORIGINATED WITH A FOREIGN AFFILIATE OF THE FIRM. THE FIRM IDENTIFIED A SOFTWARE ERROR THAT AFFECTED ONLY ORDERS RECEIVED ELECTRONICALLY FROM THAT FOREIGN AFFILIATE. THAT SOFTWARE ERROR CAUSED ALL BUT ONE OF THE FIRM'S FAILURES TO REPORT THE NOT HELD SPECIAL HANDLING CODE, THE ONE OTHER INSTANCE RESULTED FROM HUMAN ERROR. THE FIRM LEARNED ABOUT THE ISSUE THROUGH A REGULATORY INQUIRY FROM FINRA, AND IT SUBSEQUENTLY FIXED THE SOFTWARE ERROR. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO MAKE PUBLICLY AVAILABLE ALL INFORMATION REQUIRED IN ORDER TO COMPLY WITH RULE 606 OF REGULATION NMS. THE FIRM FAILED TO REPORT THE MATERIAL ASPECTS OF ITS RELATIONSHIP WITH CERTAIN VENUES TO WHICH IT ROUTED NON-DIRECTED ORDERS FOR EXECUTION, INCLUDING ANY ARRANGEMENTS FOR PAYMENT FOR ORDER FLOW AND ANY PROFIT-SHARING RELATIONSHIP. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WSPS, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA RULES



CONCERNING THE ACCURACY OF ITS OATS REPORTING. FINRA FOUND THAT THE FIRM'S WSPS IN SEVERAL AREAS WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA AND THE SEC'S RULES.

Initiated By: FINRA

Date Initiated: 02/05/2020

Docket/Case Number: [2015044231302](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/05/2020

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$90,000. 3/6/2020 FINE PAID IN FULL.

Disclosure 12 of 87

Reporting Source: Regulator

Current Status: Final

Allegations: BNP PARIBAS SECURITIES CORP. FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES, INCLUDING A SUPERVISORY SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH APPLICABLE FEDERAL SECURITIES LAWS AND BZX RULES.

VIOLETION OF BZX RULES 3.1, 5.1, AND 5.3; SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED AND EXCHANGE ACT RULE 17A-3, THEREUNDER

SANCTION: A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$3,500

Initiated By: CBOE BZX EXCHANGE, INC.



Date Initiated: 12/03/2019
Docket/Case Number: STAR NO. 20170531296 / FILE NO. USE-1784
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: 12/10/2019
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 \$3,500.00
Other Sanctions Ordered:
Sanction Details: A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$3,500

Reporting Source: Firm
Current Status: Final
Allegations: BNP PARIBAS SECURITIES CORP. FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES, INCLUDING A SUPERVISORY SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH APPLICABLE FEDERAL SECURITIES LAWS AND BZX RULES. VIOLATION OF BZX RULES 3.1, 5.1, AND 5.3; SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED AND EXCHANGE ACT RULE 17A-3, THEREUNDER SANCTION: A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$3,500
Initiated By: CBOE BZX EXCHANGE, INC.
Date Initiated: 12/03/2019
Docket/Case Number: STAR NO. 20170531296 / FILE NO. USE-1784



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:	12/10/2019
Sanctions Ordered:	Censure Monetary/Fine \$3,500.00
Other Sanctions Ordered:	
Sanction Details:	A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$3,500

Disclosure 13 of 87

Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES (WSPS) AND A SUPERVISORY SYSTEM APPLICABLE TO THE FIRM'S GLOBAL EQUITIES SECURITIES DESK (THE "DESK") THAT WERE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH THE RECORDKEEPING PROVISIONS OF THE FEDERAL SECURITIES LAWS AND THE EXCHANGE RULES THAT REQUIRE THE ACCURATE DOCUMENTATION OF THE ORDER RECEIPT AND TRANSMISSION TIMES OF OPTIONS ORDERS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE A REQUIREMENT FOR SUPERVISORS TO REVIEW ANY ELECTRONICALLY RECEIVED OPTIONS ORDERS.</p> <p>THE FINDINGS STATED THAT THE FIRM DID NOT HAVE ANY PROCEDURES IN PLACE TO PERIODICALLY TEST TO ASSURE THAT ITS SYSTEMS WERE EFFECTIVELY INTERACTING WITH ATHENA DATA WAREHOUSE ("ATHENA"), THE FIRM'S CENTRAL REPOSITORY FOR TRANSACTION DATA. AS A RESULT, SYSTEMIC FLAWS ASSOCIATED WITH ATHENA CAUSED BOOKS AND RECORDS INACCURACIES THAT WERE NOT PROMPTLY IDENTIFIED. AS A RESULT, TRADE INFORMATION WAS NOT ACCURATELY PROCESSED AND/OR TRANSFERRED FROM THE FIRM'S DATA AND ORDER</p>



MANAGEMENT SYSTEMS TO ATHENA, IMPACTING THE FIRM'S ABILITY TO MAINTAIN ACCURATE BOOKS AND RECORDS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE PROCEDURES TO SUPERVISE THE AUTOMATED ORDER TICKET AND TRANSACTION DATA REVIEW CONDUCTED BY ATHENA.

Initiated By: NYSE ARCA, INC.

Date Initiated: 01/07/2020

Docket/Case Number: 2017053129607

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: 01/07/2020

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 \$3,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED A TOTAL OF \$97,500, OF WHICH \$3,500 IS PAYABLE TO THE EXCHANGE. THE BALANCE OF THE SANCTION WILL BE PAID TO OTHER SELF-REGULATORY ORGANIZATIONS. ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF SIMILAR SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE OTHER SELF-REGULATORY ORGANIZATIONS.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS



SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES (WSPS) AND A SUPERVISORY SYSTEM APPLICABLE TO THE FIRM'S GLOBAL EQUITIES SECURITIES DESK (THE "DESK") THAT WERE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH THE RECORDKEEPING PROVISIONS OF THE FEDERAL SECURITIES LAWS AND THE EXCHANGE RULES THAT REQUIRE THE ACCURATE DOCUMENTATION OF THE ORDER RECEIPT AND TRANSMISSION TIMES OF OPTIONS ORDERS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE A REQUIREMENT FOR SUPERVISORS TO REVIEW ANY ELECTRONICALLY RECEIVED OPTIONS ORDERS. THE FINDINGS STATED THAT THE FIRM DID NOT HAVE ANY PROCEDURES IN PLACE TO PERIODICALLY TEST TO ASSURE THAT ITS SYSTEMS WERE EFFECTIVELY INTERACTING WITH ATHENA DATA WAREHOUSE ("ATHENA"), THE FIRM'S CENTRAL REPOSITORY FOR TRANSACTION DATA. AS A RESULT, SYSTEMIC FLAWS ASSOCIATED WITH ATHENA CAUSED BOOKS AND RECORDS INACCURACIES THAT WERE NOT PROMPTLY IDENTIFIED. AS A RESULT, TRADE INFORMATION WAS NOT ACCURATELY PROCESSED AND/OR TRANSFERRED FROM THE FIRM'S DATA AND ORDER MANAGEMENT SYSTEMS TO ATHENA, IMPACTING THE FIRM'S ABILITY TO MAINTAIN ACCURATE BOOKS AND RECORDS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE PROCEDURES TO SUPERVISE THE AUTOMATED ORDER TICKET AND TRANSACTION DATA REVIEW CONDUCTED BY ATHENA.

Initiated By: NYSE ARCA, INC.

Date Initiated: 01/07/2020

Docket/Case Number: 2017053129607

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: 01/07/2020

Sanctions Ordered: Censure
Monetary/Fine \$3,500.00

Other Sanctions Ordered:

**Sanction Details:**

THE FIRM WAS CENSURED AND FINED A TOTAL OF \$97,500, OF WHICH \$3,500 IS PAYABLE TO THE EXCHANGE. THE BALANCE OF THE SANCTION WILL BE PAID TO OTHER SELF-REGULATORY ORGANIZATIONS. ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF SIMILAR SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE OTHER SELF-REGULATORY ORGANIZATIONS.

Disclosure 14 of 87**Reporting Source:**

Regulator

Current Status:

Final

Allegations:

WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES (WSPS) AND A SUPERVISORY SYSTEM APPLICABLE TO THE FIRM'S GLOBAL EQUITIES SECURITIES DESK (THE "DESK") THAT WERE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH THE RECORDKEEPING PROVISIONS OF THE FEDERAL SECURITIES LAWS AND THE EXCHANGE RULES THAT REQUIRE THE ACCURATE DOCUMENTATION OF THE ORDER RECEIPT AND TRANSMISSION TIMES OF OPTIONS ORDERS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE A REQUIREMENT FOR SUPERVISORS TO REVIEW ANY ELECTRONICALLY RECEIVED OPTIONS ORDERS.

THE FINDINGS STATED THAT THE FIRM DID NOT HAVE ANY PROCEDURES IN PLACE TO PERIODICALLY TEST TO ASSURE THAT ITS SYSTEMS WERE EFFECTIVELY INTERACTING WITH ATHENA DATA WAREHOUSE ("ATHENA"), THE FIRM'S CENTRAL REPOSITORY FOR TRANSACTION DATA. AS A RESULT, SYSTEMIC FLAWS ASSOCIATED WITH ATHENA CAUSED BOOKS AND RECORDS INACCURACIES THAT WERE NOT PROMPTLY IDENTIFIED. AS A RESULT, TRADE INFORMATION WAS NOT ACCURATELY PROCESSED AND/OR TRANSFERRED FROM THE FIRM'S DATA AND ORDER MANAGEMENT SYSTEMS TO ATHENA, IMPACTING THE FIRM'S ABILITY TO MAINTAIN ACCURATE BOOKS AND RECORDS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE PROCEDURES TO SUPERVISE THE AUTOMATED ORDER TICKET AND TRANSACTION DATA REVIEW CONDUCTED BY ATHENA.

Initiated By:

NASDAQ ISE, LLC

Date Initiated:

01/07/2020

Docket/Case Number:

2017053129605



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:	01/07/2020
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 \$3,500.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED A TOTAL OF \$97,500, OF WHICH \$3,500 IS PAYABLE TO THE EXCHANGE. THE BALANCE OF THE SANCTION WILL BE PAID TO OTHER SELF-REGULATORY ORGANIZATIONS. ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF SIMILAR SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE OTHER SELF-REGULATORY ORGANIZATIONS.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES (WSPS) AND A SUPERVISORY SYSTEM APPLICABLE TO THE FIRM'S GLOBAL EQUITIES SECURITIES DESK (THE "DESK") THAT WERE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH THE RECORDKEEPING PROVISIONS OF THE FEDERAL SECURITIES LAWS AND THE EXCHANGE RULES THAT REQUIRE THE ACCURATE DOCUMENTATION OF THE ORDER RECEIPT AND TRANSMISSION TIMES OF OPTIONS ORDERS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE A REQUIREMENT FOR SUPERVISORS TO



REVIEW ANY ELECTRONICALLY RECEIVED OPTIONS ORDERS. THE FINDINGS STATED THAT THE FIRM DID NOT HAVE ANY PROCEDURES IN PLACE TO PERIODICALLY TEST TO ASSURE THAT ITS SYSTEMS WERE EFFECTIVELY INTERACTING WITH ATHENA DATA WAREHOUSE ("ATHENA"), THE FIRM'S CENTRAL REPOSITORY FOR TRANSACTION DATA. AS A RESULT, SYSTEMIC FLAWS ASSOCIATED WITH ATHENA CAUSED BOOKS AND RECORDS INACCURACIES THAT WERE NOT PROMPTLY IDENTIFIED. AS A RESULT, TRADE INFORMATION WAS NOT ACCURATELY PROCESSED AND/OR TRANSFERRED FROM THE FIRM'S DATA AND ORDER MANAGEMENT SYSTEMS TO ATHENA, IMPACTING THE FIRM'S ABILITY TO MAINTAIN ACCURATE BOOKS AND RECORDS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE PROCEDURES TO SUPERVISE THE AUTOMATED ORDER TICKET AND TRANSACTION DATA REVIEW CONDUCTED BY ATHENA.

Initiated By: NASDAQ ISE, LLC

Date Initiated: 01/07/2020

Docket/Case Number: 2017053129605

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: 01/07/2020

Sanctions Ordered: Censure
Monetary/Fine \$3,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED A TOTAL OF \$97,500, OF WHICH \$3,500 IS PAYABLE TO THE EXCHANGE. THE BALANCE OF THE SANCTION WILL BE PAID TO OTHER SELF-REGULATORY ORGANIZATIONS. ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF SIMILAR SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE OTHER SELF-REGULATORY ORGANIZATIONS.

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Reporting Source: Regulator



Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES (WSPS) AND A SUPERVISORY SYSTEM APPLICABLE TO THE FIRM'S GLOBAL EQUITIES SECURITIES DESK (THE "DESK") THAT WERE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH THE RECORDKEEPING PROVISIONS OF THE FEDERAL SECURITIES LAWS AND THE EXCHANGE RULES THAT REQUIRE THE ACCURATE DOCUMENTATION OF THE ORDER RECEIPT AND TRANSMISSION TIMES OF OPTIONS ORDERS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE A REQUIREMENT FOR SUPERVISORS TO REVIEW ANY ELECTRONICALLY RECEIVED OPTIONS ORDERS.

THE FINDINGS STATED THAT THE FIRM DID NOT HAVE ANY PROCEDURES IN PLACE TO PERIODICALLY TEST TO ASSURE THAT ITS SYSTEMS WERE EFFECTIVELY INTERACTING WITH ATHENA DATA WAREHOUSE ("ATHENA"), THE FIRM'S CENTRAL REPOSITORY FOR TRANSACTION DATA. AS A RESULT, SYSTEMIC FLAWS ASSOCIATED WITH ATHENA CAUSED BOOKS AND RECORDS INACCURACIES THAT WERE NOT PROMPTLY IDENTIFIED. AS A RESULT, TRADE INFORMATION WAS NOT ACCURATELY PROCESSED AND/OR TRANSFERRED FROM THE FIRM'S DATA AND ORDER MANAGEMENT SYSTEMS TO ATHENA, IMPACTING THE FIRM'S ABILITY TO MAINTAIN ACCURATE BOOKS AND RECORDS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE PROCEDURES TO SUPERVISE THE AUTOMATED ORDER TICKET AND TRANSACTION DATA REVIEW CONDUCTED BY ATHENA.

Initiated By: NASDAQ PHLX LLC

Date Initiated: 01/07/2020

Docket/Case Number: 2017053129604

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: 01/07/2020



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 \$43,500.00

Other Sanctions Ordered:

Sanction Details:

THE FIRM WAS CENSURED AND FINED A TOTAL OF \$97,500, OF WHICH \$43,500 IS PAYABLE TO THE EXCHANGE. THE BALANCE OF THE SANCTION WILL BE PAID TO OTHER SELF-REGULATORY ORGANIZATIONS. ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF SIMILAR SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE OTHER SELF-REGULATORY ORGANIZATIONS.

Reporting Source:

Firm

Current Status:

Final

Allegations:

WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES (WSPS) AND A SUPERVISORY SYSTEM APPLICABLE TO THE FIRM'S GLOBAL EQUITIES SECURITIES DESK (THE "DESK") THAT WERE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH THE RECORDKEEPING PROVISIONS OF THE FEDERAL SECURITIES LAWS AND THE EXCHANGE RULES THAT REQUIRE THE ACCURATE DOCUMENTATION OF THE ORDER RECEIPT AND TRANSMISSION TIMES OF OPTIONS ORDERS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE A REQUIREMENT FOR SUPERVISORS TO REVIEW ANY ELECTRONICALLY RECEIVED OPTIONS ORDERS. THE FINDINGS STATED THAT THE FIRM DID NOT HAVE ANY PROCEDURES IN PLACE TO PERIODICALLY TEST TO ASSURE THAT ITS SYSTEMS WERE EFFECTIVELY INTERACTING WITH ATHENA DATA WAREHOUSE ("ATHENA"), THE FIRM'S CENTRAL REPOSITORY FOR TRANSACTION DATA. AS A RESULT, SYSTEMIC FLAWS ASSOCIATED WITH ATHENA CAUSED BOOKS AND RECORDS INACCURACIES THAT WERE NOT PROMPTLY IDENTIFIED. AS A RESULT, TRADE INFORMATION WAS NOT ACCURATELY PROCESSED AND/OR TRANSFERRED FROM THE FIRM'S DATA AND ORDER MANAGEMENT SYSTEMS TO ATHENA, IMPACTING THE FIRM'S ABILITY TO MAINTAIN ACCURATE BOOKS AND RECORDS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE PROCEDURES TO SUPERVISE THE AUTOMATED



ORDER TICKET AND TRANSACTION DATA REVIEW CONDUCTED BY ATHENA.

Initiated By: NASDAQ PHLX LLC

Date Initiated: 01/07/2020

Docket/Case Number: 2017053129604

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: 01/07/2020

Sanctions Ordered: Censure
Monetary/Fine \$43,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED A TOTAL OF \$97,500, OF WHICH \$43,500 IS PAYABLE TO THE EXCHANGE. THE BALANCE OF THE SANCTION WILL BE PAID TO OTHER SELF-REGULATORY ORGANIZATIONS. ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF SIMILAR SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE OTHER SELF-REGULATORY ORGANIZATIONS.

Disclosure 16 of 87

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES (WSPS) AND A SUPERVISORY SYSTEM APPLICABLE TO THE FIRM'S GLOBAL EQUITIES SECURITIES DESK (THE "DESK") THAT WERE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH THE RECORDKEEPING PROVISIONS OF THE FEDERAL SECURITIES LAWS AND THE EXCHANGE RULES THAT REQUIRE THE ACCURATE DOCUMENTATION OF THE ORDER RECEIPT AND TRANSMISSION TIMES OF OPTIONS ORDERS.



THE FIRM'S WSPS ALSO FAILED TO INCLUDE A REQUIREMENT FOR SUPERVISORS TO REVIEW ANY ELECTRONICALLY RECEIVED OPTIONS ORDERS.

THE FINDINGS STATED THAT THE FIRM DID NOT HAVE ANY PROCEDURES IN PLACE TO PERIODICALLY TEST TO ASSURE THAT ITS SYSTEMS WERE EFFECTIVELY INTERACTING WITH ATHENA DATA WAREHOUSE ("ATHENA"), THE FIRM'S CENTRAL REPOSITORY FOR TRANSACTION DATA. AS A RESULT, SYSTEMIC FLAWS ASSOCIATED WITH ATHENA CAUSED BOOKS AND RECORDS INACCURACIES THAT WERE NOT PROMPTLY IDENTIFIED. AS A RESULT, TRADE INFORMATION WAS NOT ACCURATELY PROCESSED AND/OR TRANSFERRED FROM THE FIRM'S DATA AND ORDER MANAGEMENT SYSTEMS TO ATHENA, IMPACTING THE FIRM'S ABILITY TO MAINTAIN ACCURATE BOOKS AND RECORDS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE PROCEDURES TO SUPERVISE THE AUTOMATED ORDER TICKET AND TRANSACTION DATA REVIEW CONDUCTED BY ATHENA.

Initiated By: NYSE AMERICAN LLC

Date Initiated: 01/07/2020

Docket/Case Number: 2017053129606

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: 01/07/2020

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 \$43,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED A TOTAL OF \$97,500, OF WHICH



\$43,500 IS PAYABLE TO THE EXCHANGE.
 THE BALANCE OF THE SANCTION WILL BE PAID TO OTHER SELF-REGULATORY ORGANIZATIONS. ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF SIMILAR SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE OTHER SELF-REGULATORY ORGANIZATIONS.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES (WSPS) AND A SUPERVISORY SYSTEM APPLICABLE TO THE FIRM'S GLOBAL EQUITIES SECURITIES DESK (THE "DESK") THAT WERE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH THE RECORDKEEPING PROVISIONS OF THE FEDERAL SECURITIES LAWS AND THE EXCHANGE RULES THAT REQUIRE THE ACCURATE DOCUMENTATION OF THE ORDER RECEIPT AND TRANSMISSION TIMES OF OPTIONS ORDERS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE A REQUIREMENT FOR SUPERVISORS TO REVIEW ANY ELECTRONICALLY RECEIVED OPTIONS ORDERS. THE FINDINGS STATED THAT THE FIRM DID NOT HAVE ANY PROCEDURES IN PLACE TO PERIODICALLY TEST TO ASSURE THAT ITS SYSTEMS WERE EFFECTIVELY INTERACTING WITH ATHENA DATA WAREHOUSE ("ATHENA"), THE FIRM'S CENTRAL REPOSITORY FOR TRANSACTION DATA. AS A RESULT, SYSTEMIC FLAWS ASSOCIATED WITH ATHENA CAUSED BOOKS AND RECORDS INACCURACIES THAT WERE NOT PROMPTLY IDENTIFIED. AS A RESULT, TRADE INFORMATION WAS NOT ACCURATELY PROCESSED AND/OR TRANSFERRED FROM THE FIRM'S DATA AND ORDER MANAGEMENT SYSTEMS TO ATHENA, IMPACTING THE FIRM'S ABILITY TO MAINTAIN ACCURATE BOOKS AND RECORDS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE PROCEDURES TO SUPERVISE THE AUTOMATED ORDER TICKET AND TRANSACTION DATA REVIEW CONDUCTED BY ATHENA.

Initiated By: NYSE AMERICAN LLC

Date Initiated: 01/07/2020

Docket/Case Number: 2017053129606

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:** 01/07/2020**Sanctions Ordered:** Censure
Monetary/Fine \$43,500.00**Other Sanctions Ordered:****Sanction Details:** THE FIRM WAS CENSURED AND FINED A TOTAL OF \$97,500, OF WHICH \$43,500 IS PAYABLE TO THE EXCHANGE. THE BALANCE OF THE SANCTION WILL BE PAID TO OTHER SELF-REGULATORY ORGANIZATIONS. ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF SIMILAR SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE OTHER SELF-REGULATORY ORGANIZATIONS.**Disclosure 17 of 87****Reporting Source:** Regulator**Current Status:** Final**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES (WSPS) AND A SUPERVISORY SYSTEM APPLICABLE TO THE FIRM'S GLOBAL EQUITIES SECURITIES DESK (THE "DESK") THAT WERE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH THE RECORDKEEPING PROVISIONS OF THE FEDERAL SECURITIES LAWS AND THE EXCHANGE RULES THAT REQUIRE THE ACCURATE DOCUMENTATION OF THE ORDER RECEIPT AND TRANSMISSION TIMES OF OPTIONS ORDERS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE A REQUIREMENT FOR SUPERVISORS TO REVIEW ANY ELECTRONICALLY RECEIVED OPTIONS ORDERS.

THE FINDINGS STATED THAT THE FIRM DID NOT HAVE ANY PROCEDURES IN PLACE TO PERIODICALLY TEST TO ASSURE THAT ITS SYSTEMS WERE EFFECTIVELY INTERACTING WITH ATHENA DATA WAREHOUSE ("ATHENA"), THE FIRM'S CENTRAL REPOSITORY FOR TRANSACTION DATA. AS A RESULT, SYSTEMIC FLAWS ASSOCIATED WITH ATHENA CAUSED BOOKS AND RECORDS INACCURACIES THAT WERE NOT PROMPTLY IDENTIFIED. AS A RESULT, TRADE INFORMATION WAS NOT ACCURATELY PROCESSED



AND/OR TRANSFERRED FROM THE FIRM'S DATA AND ORDER MANAGEMENT SYSTEMS TO ATHENA, IMPACTING THE FIRM'S ABILITY TO MAINTAIN ACCURATE BOOKS AND RECORDS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE PROCEDURES TO SUPERVISE THE AUTOMATED ORDER TICKET AND TRANSACTION DATA REVIEW CONDUCTED BY ATHENA.

Initiated By: THE NASDAQ OPTIONS MARKET LLC ("NOM")

Date Initiated: 01/07/2020

Docket/Case Number: 2017053129603

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: 01/07/2020

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 \$3,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED A TOTAL OF \$97,500, OF WHICH \$3,500 IS PAYABLE TO THE EXCHANGE. THE BALANCE OF THE SANCTION WILL BE PAID TO OTHER SELF-REGULATORY ORGANIZATIONS. ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF SIMILAR SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE OTHER SELF-REGULATORY ORGANIZATIONS.

Reporting Source: Firm

Current Status: Final



Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES (WSPS) AND A SUPERVISORY SYSTEM APPLICABLE TO THE FIRM'S GLOBAL EQUITIES SECURITIES DESK (THE "DESK") THAT WERE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH THE RECORDKEEPING PROVISIONS OF THE FEDERAL SECURITIES LAWS AND THE EXCHANGE RULES THAT REQUIRE THE ACCURATE DOCUMENTATION OF THE ORDER RECEIPT AND TRANSMISSION TIMES OF OPTIONS ORDERS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE A REQUIREMENT FOR SUPERVISORS TO REVIEW ANY ELECTRONICALLY RECEIVED OPTIONS ORDERS. THE FINDINGS STATED THAT THE FIRM DID NOT HAVE ANY PROCEDURES IN PLACE TO PERIODICALLY TEST TO ASSURE THAT ITS SYSTEMS WERE EFFECTIVELY INTERACTING WITH ATHENA DATA WAREHOUSE ("ATHENA"), THE FIRM'S CENTRAL REPOSITORY FOR TRANSACTION DATA. AS A RESULT, SYSTEMIC FLAWS ASSOCIATED WITH ATHENA CAUSED BOOKS AND RECORDS INACCURACIES THAT WERE NOT PROMPTLY IDENTIFIED. AS A RESULT, TRADE INFORMATION WAS NOT ACCURATELY PROCESSED AND/OR TRANSFERRED FROM THE FIRM'S DATA AND ORDER MANAGEMENT SYSTEMS TO ATHENA, IMPACTING THE FIRM'S ABILITY TO MAINTAIN ACCURATE BOOKS AND RECORDS. THE FIRM'S WSPS ALSO FAILED TO INCLUDE PROCEDURES TO SUPERVISE THE AUTOMATED ORDER TICKET AND TRANSACTION DATA REVIEW CONDUCTED BY ATHENA.

Initiated By: THE NASDAQ OPTIONS MARKET LLC ("NOM")

Date Initiated: 01/07/2020

Docket/Case Number: 2017053129603

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: 01/07/2020

Sanctions Ordered: Censure
Monetary/Fine \$3,500.00

Other Sanctions Ordered:



Sanction Details: THE FIRM WAS CENSURED AND FINED A TOTAL OF \$97,500, OF WHICH \$3,500 IS PAYABLE TO THE EXCHANGE. THE BALANCE OF THE SANCTION WILL BE PAID TO OTHER SELF-REGULATORY ORGANIZATIONS. ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF SIMILAR SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE OTHER SELF-REGULATORY ORGANIZATIONS.

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Reporting Source: Regulator

Current Status: Final

Allegations: BNP PARIBAS SECURITIES CORP.: (I) REGISTERED AND PROVIDED ACCESS TO THE EXCHANGE TO ONE ASSOCIATED PERSON AND AS A SERIES 7 GENERAL SECURITIES REPRESENTATIVE, EVEN THOUGH THE PERSON WAS NOT QUALIFIED TO ACT IN THAT CAPACITY; AND (II) FAILED TO REGISTER ANOTHER ASSOCIATED PERSON AS A SERIES 24 GENERAL SECURITIES PRINCIPAL WITH EDGX. THE ASSOCIATED PERSON HAD RESPONSIBILITY OVER SECURITIES TRADING ACTIVITIES ON EDGX, EVEN THOUGH THE PERSON HAD NOT PASSED THE SERIES 24 EXAMINATION AND THUS WAS NOT QUALIFIED TO ACT AS A SERIES 24 TRADER PRINCIPAL.

VIOLETION OF EDGX RULE 2.5, INTERPRETATIONS AND POLICIES .01(C) AND .01(D).

SANCTION: A CENSURE AND A FINE IN THE AMOUNT OF \$10,000.

Initiated By: CBOE EDGX EXCHANGE, INC.

Date Initiated: 06/28/2019

Docket/Case Number: STAR NO. 20160511052-07 / FILE NO. USE-2160

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: 08/30/2019



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 \$10,000.00

Other Sanctions Ordered:

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

Reporting Source: Firm

Current Status: Final

Allegations: BNP PARIBAS SECURITIES CORP.: (I) REGISTERED AND PROVIDED ACCESS TO THE EXCHANGE TO ONE ASSOCIATED PERSON AND AS A SERIES 7 GENERAL SECURITIES REPRESENTATIVE, EVEN THOUGH THE PERSON WAS NOT QUALIFIED TO ACT IN THAT CAPACITY; AND (II) FAILED TO REGISTER ANOTHER ASSOCIATED PERSON AS A SERIES 24 GENERAL SECURITIES PRINCIPAL WITH EDGX. THE ASSOCIATED PERSON HAD RESPONSIBILITY OVER SECURITIES TRADING ACTIVITIES ON EDGX, EVEN THOUGH THE PERSON HAD NOT PASSED THE SERIES 24 EXAMINATION AND THUS WAS NOT QUALIFIED TO ACT AS A SERIES 24 TRADER PRINCIPAL. VIOLATION OF EDGX RULE 2.5, INTERPRETATIONS AND POLICIES .01(C) AND .01(D). SANCTION: A CENSURE AND A FINE IN THE AMOUNT OF \$10,000.

Initiated By: CBOE EDGX EXCHANGE, INC.

Date Initiated: 06/28/2019

Docket/Case Number: STAR NO. 20160511052-07 / FILE NO. USE-2160

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: 08/30/2019



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

Other Sanctions Ordered:

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

Disclosure 19 of 87

Reporting Source: Regulator

Current Status: Final

Allegations: BNP PARIBAS SECURITIES CORP.: (I) REGISTERED AND PROVIDED ACCESS TO THE EXCHANGE TO ONE ASSOCIATED PERSON AS A SERIES 7 GENERAL SECURITIES REPRESENTATIVE, EVEN THOUGH THE PERSON WAS NOT QUALIFIED TO ACT IN THAT CAPACITY; AND (II) FAILED TO REGISTER ANOTHER ASSOCIATED PERSON AS A SERIES 24 GENERAL SECURITIES PRINCIPAL WITH EDGA. THE ASSOCIATED PERSON HAD RESPONSIBILITY OVER SECURITIES TRADING ACTIVITIES ON EDGA, EVEN THOUGH THE PERSON HAD NOT PASSED THE SERIES 24 EXAMINATION AND WAS THUS NOT QUALIFIED TO ACT AS A SERIES 24 TRADER PRINCIPAL.

VIOLATION OF EDGA RULE 2.5, INTERPRETATIONS AND POLICIES .01(C) AND .01(D).

SANCTION: A CENSURE AND A FINE IN THE AMOUNT OF \$10,000.

Initiated By: CBOE EDGA EXCHANGE, INC.

Date Initiated: 06/28/2019

Docket/Case Number: STAR NO. 20160511052-06 / FILE NO. USE-2160

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: 08/30/2019



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 \$10,000.00

Other Sanctions Ordered:

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

Reporting Source: Firm

Current Status: Final

Allegations: BNP PARIBAS SECURITIES CORP.: (I) REGISTERED AND PROVIDED ACCESS TO THE EXCHANGE TO ONE ASSOCIATED PERSON AS A SERIES 7 GENERAL SECURITIES REPRESENTATIVE, EVEN THOUGH THE PERSON WAS NOT QUALIFIED TO ACT IN THAT CAPACITY; AND (II) FAILED TO REGISTER ANOTHER ASSOCIATED PERSON AS A SERIES 24 GENERAL SECURITIES PRINCIPAL WITH EDGA. THE ASSOCIATED PERSON HAD RESPONSIBILITY OVER SECURITIES TRADING ACTIVITIES ON EDGA, EVEN THOUGH THE PERSON HAD NOT PASSED THE SERIES 24 EXAMINATION AND WAS THUS NOT QUALIFIED TO ACT AS A SERIES 24 TRADER PRINCIPAL. VIOLATION OF EDGA RULE 2.5, INTERPRETATIONS AND POLICIES .01(C) AND .01(D). SANCTION: A CENSURE AND A FINE IN THE AMOUNT OF \$10,000.

Initiated By: CBOE EDGA EXCHANGE, INC.

Date Initiated: 06/28/2019

Docket/Case Number: STAR NO. 20160511052-06 / FILE NO. USE-2160

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: 08/30/2019



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

Other Sanctions Ordered:

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

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Reporting Source: Regulator

Current Status: Final

Allegations: BNP PARIBAS SECURITIES CORP.: (I) REGISTERED AND PROVIDED ACCESS TO THE EXCHANGE TO ONE ASSOCIATED PERSON AND AS A SERIES 7 GENERAL SECURITIES REPRESENTATIVE, EVEN THOUGH THE PERSON WAS NOT QUALIFIED TO ACT IN THAT CAPACITY; AND (II) FAILED TO REGISTER ANOTHER ASSOCIATED PERSON AS A SERIES 24 GENERAL SECURITIES PRINCIPAL WITH BYX. THE ASSOCIATED PERSON HAD RESPONSIBILITY OVER SECURITIES TRADING ACTIVITIES ON BYX, EVEN THOUGH THE PERSON HAD NOT PASSED THE SERIES 24 EXAMINATION AND THUS WAS NOT QUALIFIED TO ACT AS A SERIES 24 TRADER PRINCIPAL.

VIOLATION OF BYX RULE 2.5, INTERPRETATIONS AND POLICIES .01(C) AND .01(D).

SANCTION: A CENSURE AND A FINE IN THE AMOUNT OF \$10,000.

Initiated By: CBOE BYX EXCHANGE, INC.

Date Initiated: 06/20/2019

Docket/Case Number: STAR NO. 20160511052-04 / FILE NO. USE-2160

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: 08/30/2019



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 \$10,000.00

Other Sanctions Ordered:

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

Reporting Source: Firm

Current Status: Final

Allegations: BNP PARIBAS SECURITIES CORP.: (I) REGISTERED AND PROVIDED ACCESS TO THE EXCHANGE TO ONE ASSOCIATED PERSON AND AS A SERIES 7 GENERAL SECURITIES REPRESENTATIVE, EVEN THOUGH THE PERSON WAS NOT QUALIFIED TO ACT IN THAT CAPACITY; AND (II) FAILED TO REGISTER ANOTHER ASSOCIATED PERSON AS A SERIES 24 GENERAL SECURITIES PRINCIPAL WITH BYX. THE ASSOCIATED PERSON HAD RESPONSIBILITY OVER SECURITIES TRADING ACTIVITIES ON BYX, EVEN THOUGH THE PERSON HAD NOT PASSED THE SERIES 24 EXAMINATION AND THUS WAS NOT QUALIFIED TO ACT AS A SERIES 24 TRADER PRINCIPAL. VIOLATION OF BYX RULE 2.5, INTERPRETATIONS AND POLICIES .01(C) AND .01(D). SANCTION: A CENSURE AND A FINE IN THE AMOUNT OF \$10,000.

Initiated By: CBOE BYX EXCHANGE, INC.

Date Initiated: 06/20/2019

Docket/Case Number: STAR NO. 20160511052-04 / FILE NO. USE-2160

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: 08/30/2019



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

Other Sanctions Ordered:

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

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Reporting Source: Regulator

Current Status: Final

Allegations: BNP PARIBAS SECURITIES CORP.: (I) REGISTERED AND PROVIDED ACCESS TO THE EXCHANGE TO ONE ASSOCIATED PERSON AS A SERIES 7 GENERAL SECURITIES REPRESENTATIVE, EVEN THOUGH THE PERSON WAS NOT QUALIFIED TO ACT IN THAT CAPACITY; AND (II) FAILED TO REGISTER ANOTHER ASSOCIATED PERSON AS A SERIES 24 GENERAL SECURITIES PRINCIPAL WITH BZX. THE ASSOCIATED PERSON HAD RESPONSIBILITY OVER SECURITIES TRADING ACTIVITIES ON BZX, EVEN THOUGH THE PERSON HAD NOT PASSED THE SERIES 24 EXAMINATION AND THUS WAS NOT QUALIFIED TO ACT AS A SERIES 24 TRADER PRINCIPAL.

VIOLATION OF BZX RULE 2.5, INTERPRETATION AND POLICIES .01(C) AND .01(D).

SANCTION: A CENSURE AND A FINE IN THE AMOUNT OF \$10,000.

Initiated By: CBOE BZX EXCHANGE, INC.

Date Initiated: 06/28/2019

Docket/Case Number: STAR NO. 20160511052-05 / FILE NO. USE-2160

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: 08/30/2019



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 \$10,000.00

Other Sanctions Ordered:

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

Reporting Source: Firm

Current Status: Final

Allegations: BNP PARIBAS SECURITIES CORP.: (I) REGISTERED AND PROVIDED ACCESS TO THE EXCHANGE TO ONE ASSOCIATED PERSON AS A SERIES 7 GENERAL SECURITIES REPRESENTATIVE, EVEN THOUGH THE PERSON WAS NOT QUALIFIED TO ACT IN THAT CAPACITY; AND (II) FAILED TO REGISTER ANOTHER ASSOCIATED PERSON AS A SERIES 24 GENERAL SECURITIES PRINCIPAL WITH BZX. THE ASSOCIATED PERSON HAD RESPONSIBILITY OVER SECURITIES TRADING ACTIVITIES ON BZX, EVEN THOUGH THE PERSON HAD NOT PASSED THE SERIES 24 EXAMINATION AND THUS WAS NOT QUALIFIED TO ACT AS A SERIES 24 TRADER PRINCIPAL. VIOLATION OF BZX RULE 2.5, INTERPRETATION AND POLICIES .01(C) AND .01(D). SANCTION: A CENSURE AND A FINE IN THE AMOUNT OF \$10,000.

Initiated By: CBOE BZX EXCHANGE, INC.

Date Initiated: 06/28/2019

Docket/Case Number: STAR NO. 20160511052-05 / FILE NO. USE-2160

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: 08/30/2019



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

Other Sanctions Ordered:

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

Disclosure 22 of 87

Reporting Source: Regulator

Current Status: Final

Allegations: BNP PARIBAS SECURITIES CORP.: (I) FAILED TO RECORD ACCURATE ORDER RECEIPT TIMES FOR MANUAL CUSTOMER OPTIONS ORDERS THAT WERE ROUTED TO AND EXECUTED ON CBOE; (II) FAILED TO RECORD ACCURATE ORDER TRANSMISSION TIMES FOR FOR MANUAL CUSTOMER OPTIONS ORDERS THAT WERE ROUTED TO AND EXECUTED ON CBOE; AND (III) FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WSPS, AND A SYSTEM FOR APPLYING SUCH PROCEDURES, REASONABLY DESIGNED TO PREVENT AND DETECT VIOLATIONS OF CBOE RULE 15.1 AND SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-3 THEREUNDER.

Initiated By: CBOE EXCHANGE, INC.

Date Initiated: 12/03/2019

Docket/Case Number: STAR NO. 20170531296 / FILE NO. USE-1784

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: 12/10/2019

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 \$55,000.00

**Other Sanctions Ordered:**

Sanction Details: A CENSURE AND A FINE OF \$55,000

Reporting Source: Firm

Current Status: Final

Allegations: BNP PARIBAS SECURITIES CORP.: (I) FAILED TO RECORD ACCURATE ORDER RECEIPT TIMES FOR MANUAL CUSTOMER OPTIONS ORDERS THAT WERE ROUTED TO AND EXECUTED ON CBOE; (II) FAILED TO RECORD ACCURATE ORDER TRANSMISSION TIMES FOR FOR MANUAL CUSTOMER OPTIONS ORDERS THAT WERE ROUTED TO AND EXECUTED ON CBOE; AND (III) FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WSPS, AND A SYSTEM FOR APPLYING SUCH PROCEDURES, REASONABLY DESIGNED TO PREVENT AND DETECT VIOLATIONS OF CBOE RULE 15.1 AND SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-3 THEREUNDER.

Initiated By: CBOE EXCHANGE, INC.

Date Initiated: 12/03/2019

Docket/Case Number: STAR NO. 20170531296 / FILE NO. USE-1784

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: 12/10/2019

Sanctions Ordered: Censure
Monetary/Fine \$55,000.00

Other Sanctions Ordered:

Sanction Details: A CENSURE AND A FINE OF \$55,000

Disclosure 23 of 87

Reporting Source: Firm

Current Status: Final



Allegations:	BNP PARIBAS SECURITIES CORP (I) FAILED TO QUALIFY AND REGISTER ONE (1) ASSOCIATED PERSON AS A PROPRIETARY TRADER (PT) WITH THE EXCHANGE IN WEBCRD; (II) FAILED TO QUALIFY AND REGISTER ONE (A) ASSOCIATED PERSON AS A PROPRIETARY TRADER (PT) WITH THE EXCHANGE IN WEBCRD; AND (III) FAILED TO QUALIFY AND REGISTER ONE (1) ASSOCIATED PERSON AS A SECURITIES TRADER (TD) WITH THE EXCHANGE IN WEBCRD. VIOLATION OF EXCHANGE RULE 3.6A SANCTION: A CENSURE AND A TOTAL OF FINE OF \$90,000, OF WHICH \$20,000 IS PAYABLE TO CBOE.
Initiated By:	CBOE EXCHANGE, INC.
Date Initiated:	06/25/2019
Docket/Case Number:	STAR NOS. 20160511052 AND 20180585409 / FILE NO. USE-2160
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:	07/31/2019
Sanctions Ordered:	Censure Monetary/Fine \$20,000.00
Other Sanctions Ordered:	
Sanction Details:	A CENSURE AND A TOTAL FINE OF \$90,000, OF WHICH \$20,000 IS PAYABLE TO CBOE

Disclosure 24 of 87

Reporting Source:	Firm
Current Status:	Final
Allegations:	BNP PARIBAS SECURITIES CORP (I) FAILED TO QUALIFY AND REGISTER ONE (1) ASSOCIATED PERSON AS A PROPRIETARY TRADER (PT) WITH THE EXCHANGE IN WEBCRD; (II) FAILED TO QUALIFY AND REGISTER ONE (A) ASSOCIATED PERSON AS A PROPRIETARY TRADER (PT) WITH THE EXCHANGE IN WEBCRD; AND (III) FAILED TO QUALIFY AND REGISTER ONE (1) ASSOCIATED PERSON AS A SECURITIES TRADER (TD) WITH THE EXCHANGE IN WEBCRD. VIOLATION OF EXCHANGE RULE 3.6A SANCTION:



A CENSURE AND A TOTAL OF FINE OF \$90,000, OF WHICH \$20,000 IS PAYABLE TO CBOE.

Initiated By: CBOE EXCHANGE, INC.

Date Initiated: 06/25/2019

Docket/Case Number: FILE NO. USE-2160 / STAR NOS. 20160511052 AND 20180585409

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: 07/31/2019

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

Other Sanctions Ordered:

Sanction Details: A CENSURE AND A TOTAL FINE OF \$90,000, OF WHICH \$20,000 IS PAYABLE TO CBOE

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Reporting Source: Regulator

Current Status: Final

Allegations: BNP PARIBAS SECURITIES CORP. (I) FAILED TO QUALIFY AND REGISTER ONE (1) ASSOCIATED PERSON AS A PROPRIETARY TRADER PRINCIPAL (TP) WITH THE EXCHANGE IN WEBCRD; AND (II) FAILED TO QUALIFY AND REGISTER ONE (1) ASSOCIATED PERSON AS A SECURITIES TRADER (TD) WITH THE EXCHANGE IN WEBCRD.

Initiated By: CBOE C2 EXCHANGE, INC.

Date Initiated: 06/25/2019

Docket/Case Number: FILE NO. USE-2160 / STAR NOS. 20160511052 AND 20180585409

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: 07/31/2019

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 \$10,000.00

Other Sanctions Ordered:

Sanction Details: A CENSURE AND A TOTAL FINE OF \$90,000, OF WHICH \$10,000 IS PAYABLE TO C2

Reporting Source: Firm

Current Status: Final

Allegations: BNP PARIBAS SECURITIES CORP. (I) FAILED TO QUALIFY AND REGISTER ONE (1) ASSOCIATED PERSON AS A PROPRIETARY TRADER PRINCIPAL (TP) WITH THE EXCHANGE IN WEBCRD; AND (II) FAILED TO QUALIFY AND REGISTER ONE (1) ASSOCIATED PERSON AS A SECURITIES TRADER (TD) WITH THE EXCHANGE IN WEBCRD.

Initiated By: CBOE C2 EXCHANGE, INC.

Date Initiated: 06/25/2019

Docket/Case Number: FILE NO. USE-2160 / STAR NOS. 20160511052 AND 20180585409

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:	07/31/2019
Sanctions Ordered:	Censure Monetary/Fine \$10,000.00
Other Sanctions Ordered:	
Sanction Details:	CENSURE AND A TOTAL FINE OF \$90,000, OF WHICH \$10,000 IS PAYABLE TO C2

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM ALLOWED EMPLOYEES TO ACT IN A REGISTERED CAPACITY WITHOUT THE APPROPRIATE QUALIFICATION AND REGISTRATION.</p> <p>THE FINDINGS STATED THAT BNPS PROVIDED ANOTHER EMPLOYEE WITH ACCESS TO EXECUTE TRADES ON THE EXCHANGE WITHOUT THE REQUIRED SECURITIES TRADER QUALIFICATION AND REGISTRATION FOR 48 DAYS, AND ALLOWED ONE EMPLOYEE TO ACT AS A SUPERVISOR OF INDIVIDUALS WHO TRADED ON THE EXCHANGE WITHOUT THE REQUIRED PROPRIETARY TRADER PRINCIPAL QUALIFICATION AND REGISTRATION FOR 77 DAYS.</p>
Initiated By:	NYSE ARCA, INC.
Date Initiated:	11/15/2019
Docket/Case Number:	2016051105209
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:	11/15/2019



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 \$5,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$5,000.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM ALLOWED EMPLOYEES TO ACT IN A REGISTERED CAPACITY WITHOUT THE APPROPRIATE QUALIFICATION AND REGISTRATION. THE FINDINGS STATED THAT BNPS PROVIDED ANOTHER EMPLOYEE WITH ACCESS TO EXECUTE TRADES ON THE EXCHANGE WITHOUT THE REQUIRED SECURITIES TRADER QUALIFICATION AND REGISTRATION FOR 48 DAYS, AND ALLOWED ONE EMPLOYEE TO ACT AS A SUPERVISOR OF INDIVIDUALS WHO TRADED ON THE EXCHANGE WITHOUT THE REQUIRED PROPRIETARY TRADER PRINCIPAL QUALIFICATION AND REGISTRATION FOR 77 DAYS.

Initiated By: NYSE ARCA, INC.

Date Initiated: 11/15/2019

Docket/Case Number: 2016051105209

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: 11/15/2019

Sanctions Ordered: Censure



Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$5,000.

Disclosure 27 of 87

Reporting Source: Regulator

Current Status: Final

Allegations: BNP PARIBAS SECURITIES CORP (I) FAILED TO QUALIFY AND REGISTER ONE (1) ASSOCIATED PERSON AS A PROPRIETARY TRADER (PT) WITH THE EXCHANGE IN WEBCRD; (II) FAILED TO QUALIFY AND REGISTER ONE (A) ASSOCIATED PERSON AS A PROPRIETARY TRADER (PT) WITH THE EXCHANGE IN WEBCRD; AND (III) FAILED TO QUALIFY AND REGISTER ONE (1) ASSOCIATED PERSON AS A SECURITIES TRADER (TD) WITH THE EXCHANGE IN WEBCRD.
VIOLATION OF EXCHANGE RULE 3.6A
SANCTION: A CENSURE AND A TOTAL OF FINE OF \$90,000, OF WHICH \$20,000 IS PAYABLE TO CBOE.

Initiated By: CBOE EXCHANGE, INC.

Date Initiated: 06/25/2019

Docket/Case Number: STAR NOS. 20160511052 AND 20180585409 / FILE NO. USE-2160

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: 07/31/2019

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 \$20,000.00

**Other Sanctions Ordered:**

Sanction Details: A CENSURE AND A TOTAL FINE OF \$90,000, OF WHICH \$20,000 IS PAYABLE TO CBOE

Reporting Source: Firm

Current Status: Final

Allegations: BNP PARIBAS SECURITIES CORP (I) FAILED TO QUALIFY AND REGISTER ONE (1) ASSOCIATED PERSON AS A PROPRIETARY TRADER (PT) WITH THE EXCHANGE IN WEBCRD; (II) FAILED TO QUALIFY AND REGISTER ONE (A) ASSOCIATED PERSON AS A PROPRIETARY TRADER (PT) WITH THE EXCHANGE IN WEBCRD; AND (III) FAILED TO QUALIFY AND REGISTER ONE (1) ASSOCIATED PERSON AS A SECURITIES TRADER (TD) WITH THE EXCHANGE IN WEBCRD. VIOLATION OF EXCHANGE RULE 3.6A SANCTION: A CENSURE AND A TOTAL OF FINE OF \$90,000, OF WHICH \$20,000 IS PAYABLE TO CBOE.

Initiated By: CBOE EXCHANGE, INC.

Date Initiated: 06/25/2019

Docket/Case Number: USE-2160 / 20160511052 AND 20180585409

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 07/31/2019

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

Other Sanctions Ordered:

Sanction Details: A CENSURE AND A TOTAL FINE OF \$90,000, OF WHICH \$20,000 IS PAYABLE TO CBOE

Disclosure 28 of 87

Reporting Source: Regulator



Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM ALLOWED TWO EMPLOYEES TO ACT IN A REGISTERED CAPACITY WITHOUT THE APPROPRIATE QUALIFICATION AND REGISTRATION.

THE FINDINGS STATED THAT BNPS PROVIDED ONE ASSOCIATED PERSON WITH ACCESS TO THE EXCHANGE AS A SECURITIES TRADER WHEN HE WAS NOT QUALIFIED TO ACT IN THAT CAPACITY. BNPS ALSO ALLOWED ONE ASSOCIATED PERSON TO ACT AS A SUPERVISOR OF SECURITIES TRADERS WHEN HE WAS NOT QUALIFIED TO ACT IN THAT CAPACITY AND NOT REGISTERED WITH THE EXCHANGE.

Initiated By: NASDAQ ISE, LLC

Date Initiated: 11/15/2019

Docket/Case Number: 2016051105210

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: 11/15/2019

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 \$5,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$5,000.

Reporting Source: Firm



Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM ALLOWED TWO EMPLOYEES TO ACT IN A REGISTERED CAPACITY WITHOUT THE APPROPRIATE QUALIFICATION AND REGISTRATION. THE FINDINGS STATED THAT BNPS PROVIDED ONE ASSOCIATED PERSON WITH ACCESS TO THE EXCHANGE AS A SECURITIES TRADER WHEN HE WAS NOT QUALIFIED TO ACT IN THAT CAPACITY. BNPS ALSO ALLOWED ONE ASSOCIATED PERSON TO ACT AS A SUPERVISOR OF SECURITIES TRADERS WHEN HE WAS NOT QUALIFIED TO ACT IN THAT CAPACITY AND NOT REGISTERED WITH THE EXCHANGE.
Initiated By:	NASDAQ ISE, LLC
Date Initiated:	11/15/2019
Docket/Case Number:	2016051105210
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:	11/15/2019
Sanctions Ordered:	Censure Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$5,000.

Disclosure 29 of 87

Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM ALLOWED TWO EMPLOYEES TO ACT IN A REGISTERED CAPACITY WITHOUT THE



APPROPRIATE QUALIFICATION AND REGISTRATION.

THE FINDINGS STATED THAT BNPS PROVIDED ONE ASSOCIATED PERSON WITH ACCESS TO THE EXCHANGE AS A SECURITIES TRADER WHEN HE WAS NOT QUALIFIED TO ACT IN THAT CAPACITY. BNPS ALSO ALLOWED ONE ASSOCIATED PERSON TO ACT AS A SUPERVISOR OF SECURITIES TRADERS WHEN HE WAS NOT QUALIFIED TO ACT IN THAT CAPACITY AND NOT REGISTERED WITH THE EXCHANGE.

Initiated By: NASDAQ GEMX, LLC

Date Initiated: 11/15/2019

Docket/Case Number: 2016051105211

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: 11/15/2019

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 \$5,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$5,000.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM ALLOWED TWO EMPLOYEES TO ACT IN A REGISTERED CAPACITY WITHOUT THE



APPROPRIATE QUALIFICATION AND REGISTRATION. THE FINDINGS STATED THAT BNPS PROVIDED ONE ASSOCIATED PERSON WITH ACCESS TO THE EXCHANGE AS A SECURITIES TRADER WHEN HE WAS NOT QUALIFIED TO ACT IN THAT CAPACITY. BNPS ALSO ALLOWED ONE ASSOCIATED PERSON TO ACT AS A SUPERVISOR OF SECURITIES TRADERS WHEN HE WAS NOT QUALIFIED TO ACT IN THAT CAPACITY AND NOT REGISTERED WITH THE EXCHANGE.

Initiated By: NASDAQ GEMX, LLC

Date Initiated: 11/15/2019

Docket/Case Number: 2016051105211

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: 11/15/2019

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$5,000.

Disclosure 30 of 87

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM ALLOWED EMPLOYEES TO ACT IN A REGISTERED CAPACITY WITHOUT THE APPROPRIATE QUALIFICATION AND REGISTRATION.

THE FINDINGS STATED THAT BNPS ALLOWED ONE EMPLOYEE TO ACT AS A SUPERVISOR OF INDIVIDUALS WHO TRADED ON THE EXCHANGE WITHOUT THE REQUIRED PROPRIETARY TRADER PRINCIPAL QUALIFICATION AND REGISTRATION FOR 77 DAYS, AND PROVIDED



ANOTHER EMPLOYEE WITH ACCESS TO EXECUTE TRADES ON THE EXCHANGE WITHOUT THE REQUIRED SECURITIES TRADER QUALIFICATION AND REGISTRATION FOR 48 DAYS.

Initiated By: NYSE AMERICAN LLC

Date Initiated: 11/15/2019

Docket/Case Number: 2016051105208

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: 11/15/2019

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 \$5,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$5,000.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM ALLOWED EMPLOYEES TO ACT IN A REGISTERED CAPACITY WITHOUT THE APPROPRIATE QUALIFICATION AND REGISTRATION. THE FINDINGS STATED THAT BNPS ALLOWED ONE EMPLOYEE TO ACT AS A SUPERVISOR OF INDIVIDUALS WHO TRADED ON THE EXCHANGE WITHOUT THE REQUIRED PROPRIETARY TRADER PRINCIPAL QUALIFICATION AND REGISTRATION FOR 77 DAYS, AND PROVIDED ANOTHER EMPLOYEE WITH ACCESS TO



EXECUTE TRADES ON THE EXCHANGE WITHOUT THE REQUIRED
SECURITIES TRADER QUALIFICATION AND REGISTRATION FOR 48 DAYS

Initiated By: NYSE AMERICAN LLC

Date Initiated: 11/15/2019

Docket/Case Number: 2016051105208

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: 11/15/2019

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$5,000.

Disclosure 31 of 87

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPP" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM SUBMITTED MILLIONS OF TRANSACTIONS WITH DISCONTINUED ACCOUNT TYPE INDICATOR ("ATIS") FOR COMPARISON AND/OR SETTLEMENT. THE FINDINGS STATED THAT THE SUBMISSION OF ACCURATE ATIS IS IMPORTANT BECAUSE, AMONG OTHER REASONS, NYSE AND FINRA USE AUDIT TRAIL DATA IN THE SURVEILLANCE REVIEW PROCESS, AND INACCURACIES IN THAT DATA CAN HAMPER THE ABILITY TO DETECT POTENTIALLY VIOLATIVE CONDUCT OR CREATE FALSE POSITIVE ALERTS REQUIRING THE UNNECESSARY EXPENDITURE OF RESOURCES. THROUGH INFORMATION MEMO 02-59 (DECEMBER 17, 2002), NYSE PROVIDED TO MEMBER FIRMS A LIST OF ATIS THAT FIRMS WERE REQUIRED TO USE IN ORDER TO COMPLY WITH NYSE RULE 132. NYSE ISSUED UPDATED GUIDANCE ON THE USE OF ATIS IN, INTER ALIA, NYSE



INFORMATION MEMOS 12-25 (OCTOBER 9, 2012) AND 16-2 (FEBRUARY 29, 2016) ("IM 16- 2"). IM 16-2 SET FORTH "THE DEFINITIVE SOURCE FOR DEFINITIONS OF ACCOUNT TYPE INDICATORS FOR REPORTING REQUIREMENTS MANDATED UNDER EXCHANGE RULES." PURSUANT TO THE MEMO, THE NUMBER OF ACCEPTABLE ATIS WAS REDUCED TO FOUR, AND MEMBER FIRMS WERE REQUIRED TO DISCONTINUE THE USE OF ATIS "C" AND "Y" (AMONG OTHER DISCONTINUED ATIS) AS OF AUGUST 1, 2016. BNPP WAS AWARE OF THE CHANGES IM 16-2 REQUIRED AND EFFECTED CHANGES ON A NUMBER OF ITS TRADING DESKS TO ACHIEVE COMPLIANCE WITH NYSE RULE 132. HOWEVER, THE FIRM FAILED TO EFFECT THE SAME CHANGE ON ONE OF ITS EQUITY TRADING DESKS DUE TO GAPS IN OVERSIGHT. AS A RESULT, THE FIRM SUBMITTED APPROXIMATELY 147 MILLION ORDERS WITH THE ATI "C" OR "Y" IN VIOLATION OF NYSE RULES 132 AND 7.33. THE FINDINGS ALSO STATED THAT IN ADDITION, THE FIRM FAILED TO IMPLEMENT ADEQUATE SUPERVISORY SYSTEMS AND CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULE 132 AND 7.33, IN VIOLATION OF NYSE RULE 3110.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 11/08/2019

Docket/Case Number: 2019-01-00039

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: 11/08/2019

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 \$125,000.00

Other Sanctions Ordered:



Sanction Details: THE FIRM WAS CENSURED AND FINED \$125,000.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, BNP PARIBAS SECURITIES CORP. ("BNPP" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM SUBMITTED MILLIONS OF TRANSACTIONS WITH DISCONTINUED ACCOUNT TYPE INDICATOR ("ATIS") FOR COMPARISON AND/OR SETTLEMENT. THE FINDINGS STATED THAT THE SUBMISSION OF ACCURATE ATIS IS IMPORTANT BECAUSE, AMONG OTHER REASONS, NYSE AND FINRA USE AUDIT TRAIL DATA IN THE SURVEILLANCE REVIEW PROCESS, AND INACCURACIES IN THAT DATA CAN HAMPER THE ABILITY TO DETECT POTENTIALLY VIOLATIVE CONDUCT OR CREATE FALSE POSITIVE ALERTS REQUIRING THE UNNECESSARY EXPENDITURE OF RESOURCES. THROUGH INFORMATION MEMO 02-59 (DECEMBER 17, 2002), NYSE PROVIDED TO MEMBER FIRMS A LIST OF ATIS THAT FIRMS WERE REQUIRED TO USE IN ORDER TO COMPLY WITH NYSE RULE 132. NYSE ISSUED UPDATED GUIDANCE ON THE USE OF ATIS IN, INTER ALIA, NYSE INFORMATION MEMOS 12-25 (OCTOBER 9, 2012) AND 16-2 (FEBRUARY 29, 2016) ("IM 16- 2"). IM 16-2 SET FORTH "THE DEFINITIVE SOURCE FOR DEFINITIONS OF ACCOUNT TYPE INDICATORS FOR REPORTING REQUIREMENTS MANDATED UNDER EXCHANGE RULES." PURSUANT TO THE MEMO, THE NUMBER OF ACCEPTABLE ATIS WAS REDUCED TO FOUR, AND MEMBER FIRMS WERE REQUIRED TO DISCONTINUE THE USE OF ATIS "C" AND "Y" (AMONG OTHER DISCONTINUED ATIS) AS OF AUGUST 1, 2016. BNPP WAS AWARE OF THE CHANGES IM 16-2 REQUIRED AND EFFECTED CHANGES ON A NUMBER OF ITS TRADING DESKS TO ACHIEVE COMPLIANCE WITH NYSE RULE 132. HOWEVER, THE FIRM FAILED TO EFFECT THE SAME CHANGE ON ONE OF ITS EQUITY TRADING DESKS DUE TO GAPS IN OVERSIGHT. AS A RESULT, THE FIRM SUBMITTED APPROXIMATELY 147 MILLION ORDERS WITH THE ATI "C" OR "Y" IN VIOLATION OF NYSE RULES 132 AND 7.33. THE FINDINGS ALSO STATED THAT IN ADDITION, THE FIRM FAILED TO IMPLEMENT ADEQUATE SUPERVISORY SYSTEMS AND CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULE 132 AND 7.33, IN VIOLATION OF NYSE RULE 3110.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 11/08/2019

Docket/Case Number: 2019-01-00039



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: 11/08/2019

Sanctions Ordered: Censure
Monetary/Fine \$125,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$125,000.

Disclosure 32 of 87

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 BNP PARIBAS SECURITIES CORP. (BNP-SC) AND BNP PARIBAS PRIME BROKERAGE, INC. (PRIME), (COLLECTIVELY, BNP OR THE FIRMS), DID NOT DEVELOP AND IMPLEMENT A WRITTEN AML PROGRAM, INCLUDING POLICIES AND PROCEDURES TO DETECT AND CAUSE THE REPORTING OF POTENTIALLY SUSPICIOUS ACTIVITY. THE FINDINGS STATED THAT DURING TWO-AND-A-HALF YEARS WITHIN THE PERIOD OF FEBRUARY 25, 2013, TO MARCH 31, 2017, BNP ACCEPTED THE DEPOSIT OF NEARLY 31 BILLION SHARES OF MICRO-CAP AND LOW-PRICED SECURITIES ("PENNY STOCKS"), WITH A NOTIONAL VALUE OF APPROXIMATELY \$338 MILLION. BNP PROCESSED MORE THAN 70,000 WIRES WITH A TOTAL VALUE OF \$233 BILLION, AND AT LEAST 834 CUSTOMER ACCOUNTS ASSOCIATED WITH HIGH-RISK JURISDICTIONS OR FOREIGN CURRENCY-DENOMINATED WIRE TRANSFER ACTIVITY PURCHASED AND SOLD PENNY STOCKS. THESE TRANSACTIONS BY BNP'S CUSTOMERS, WHICH INCLUDED INTRODUCING BROKERS AND "TOXIC DEBT FINANCIERS" KNOWN FOR DEPOSITING AND RESELLING PENNY STOCKS, PRESENTED CERTAIN RISKS INCLUDING, AMONG OTHER THINGS, MONEY LAUNDERING, FRAUD AND LACK OF SEC REGISTRATION. DESPITE THE PENNY STOCK ACTIVITY CONDUCTED THROUGH THE FIRMS, BNP FAILED TO DEVELOP AND IMPLEMENT A WRITTEN AML PROGRAM, INCLUDING POLICIES AND PROCEDURES. THE AML PROGRAM WAS ALSO



UNDERSTAFFED, AND ITS PERSONNEL LACKED ACCESS TO INFORMATION CRITICAL TO DETERMINING WHETHER THE WIRE ACTIVITY THEY REVIEWED WAS SUSPICIOUS, SUCH AS THE CUSTOMER'S BACKGROUND AND HISTORICAL ACCOUNT ACTIVITY, OR RECEIPT OF PROCEEDS DERIVED FROM THE DEPOSIT OR LIQUIDATION OF PENNY STOCKS. BNP'S AML PROGRAM DID NOT INCLUDE PROCEDURES DESCRIBING HOW THE FIRMS' INVESTIGATORS OR SUPERVISORS WERE TO CONDUCT AND DOCUMENT THEIR REVIEW OF ALERTS GENERATED BY BNP'S WIRE SURVEILLANCE SYSTEM, A DEFICIENCY IDENTIFIED BY BNP'S AFFILIATED AUDITOR. BNP ALSO DID NOT HAVE ANY PROCEDURES TO TRANSMIT INFORMATION CONCERNING RED FLAGS IDENTIFIED IN AML SURVEILLANCE TO THE FIRMS' PERSONNEL TASKED WITH TRADE SURVEILLANCE OR RECEIVING CUSTOMER SECURITIES. ALTHOUGH BNP PERSONNEL FIRST IDENTIFIED DEFICIENCIES WITH THE AML PROGRAM AND PENNY STOCKS IN JANUARY 2014 AND REPEATEDLY ESCALATED CONCERNS REGARDING STAFFING AND SURVEILLANCE PARAMETERS, BNP DID NOT FULLY REVISE AND ENHANCE ITS AML PROGRAM TO INCLUDE ENHANCED SURVEILLANCE, OR ADDITIONAL STAFF, TRAINING AND TECHNOLOGY, UNTIL MARCH 2017. BECAUSE OF THESE DEFICIENCIES IN ITS AML PROGRAM, BNP DID NOT IDENTIFY RED FLAGS OF POTENTIALLY SUSPICIOUS ACTIVITY THAT MAY HAVE REQUIRED THE FILING OF A SUSPICIOUS ACTIVITY REPORT ("SAR"). THE FINDINGS ALSO STATED THAT BNP FACILITATED THE REMOVAL OF RESTRICTIVE LEGENDS FROM 33.5 MILLION SHARES OF SECURITIES, WITH A TOTAL NOTIONAL VALUE OF APPROXIMATELY \$12.5 MILLION, WITHOUT CONDUCTING ANY REVIEW TO DETERMINE WHETHER THE LEGENDS WERE ELIGIBLE FOR REMOVAL. BNP DID NOT ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WSPS, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE REGISTRATION REQUIREMENTS OF SECTION 5 OF THE SECURITIES ACT. THE FINDINGS ALSO INCLUDED THAT PRIME DID NOT TIMELY CLOSE-OUT FAIL-TO-DELIVER ("FTD") POSITIONS IN EQUITY SECURITIES EXECUTED BY A FOREIGN AFFILIATE ON OCCASIONS. DURING THE SAME PERIOD, BNP ROUTED ONE SHORT SALE ORDER WITHOUT HAVING FIRST BORROWED OR PRE-BORROWED SHARES OF THE EQUITY SECURITY.

Initiated By: FINRA
Date Initiated: 10/23/2019
Docket/Case Number: [2016051105201](#)
Principal Product Type: Penny Stock(s)
Other Product Type(s):
Principal Sanction(s)/Relief Sought:


Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/23/2019

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 \$15,000,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$15,000,000 AND REQUIRED TO SUBMIT, WITHIN 90 DAYS OF THE ISSUANCE OF THE NOTICE OF ACCEPTANCE OF THE AWC, A CERTIFICATION IN WRITING THAT, AS OF THE DATE OF THE CERTIFICATION, THE FIRM'S PROCEDURES ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE. FINES PAID IN FULL ON NOVEMBER 1, 2019.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE APPLICANT CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDING THAT, DURING THE PERIOD FEBRUARY 25, 2013 TO MARCH 31, 2017: (1) IT VIOLATED FINRA RULES 3310(A) AND 2010 IN CONNECTION WITH ITS AML PROGRAM: (A) BY NOT REASONABLY MONITORING (I) PENNY STOCK ACTIVITY; OR (II) WIRE OR FOREIGN CURRENCY TRANSFER ACTIVITY; (B) BY NOT IDENTIFYING RELATED RED FLAGS OF POTENTIALLY VIOLATIVE PENNY STOCK ACTIVITY; (C) BY NOT REASONABLY RESPONDING TO RELATED CONCERNS IDENTIFIED BY FIRM STAFF; AND (D) BY NOT DEVOTING SUFFICIENT RESOURCES TO ITS AML PROGRAM; (2) VIOLATED NASD RULES 3010(A) AND FINRA RULE 3110(A) DUE TO SUPERVISORY AND POLICY FAILURES RELATED TO SECTION 5 OF THE SECURITIES ACT OF 1933 IN CONNECTION WITH PENNY STOCK ACTIVITY; (3) AND VIOLATED RULES 204(A) AND (B) OF REGULATION SHO BY NOT TIMELY CLOSING OUT A FAIL TO DELIVER.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY

Date Initiated: 10/24/2019



Docket/Case Number:	2016051105201
Principal Product Type:	Penny Stock(s)
Other Product Type(s):	EQUITY LISTED
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	CIVIL AND ADMINISTRATIVE PENALTY/FINE UNDERTAKING
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	10/24/2019
Sanctions Ordered:	Censure Monetary/Fine \$15,000,000.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	THE FIRM WAS CENSURED, FINED \$15,000,000 AND REQUIRED TO SUBMIT, WITHIN 90 DAYS OF THE ISSUANCE OF THE NOTICE OF ACCEPTANCE OF THE AWC, A CERTIFICATION IN WRITING THAT, AS OF THE DATE OF THE CERTIFICATION, THE FIRM'S PROCEDURES ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE. FINES PAID IN FULL ON NOVEMBER 1, 2019.

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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 REPORT AND FAILED TO TIMELY REPORT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) TRANSACTIONS EFFECTED PURSUANT TO THE EXERCISE OF AN OVER-THE-COUNTER (OTC) OPTION THAT REQUIRED A SPECIAL TRADE REPORT MODIFIER (.RX). THE FINDINGS STATED THAT UPON SUBSEQUENTLY BEING ALERTED BY FINRA THAT THE FIRM FAILED TO REPORT THESE TRANSACTIONS, IT BEGAN REPORTING THE REQUIRED TRANSACTIONS, AND COMPLETED ITS REPORTING. ALTHOUGH, THEREAFTER THE FIRM DEPLOYED ANOTHER AUTOMATED SYSTEM TO REPORT ALL OF ITS .RX TRANSACTIONS, THIS SYSTEM EXPERIENCED SEVERAL ISSUES THAT RESULTED IN THE FAILURE TO TIMELY REPORT CERTAIN .RX TRANSACTIONS. THE FINDINGS ALSO STATED THAT THE FIRM DID NOT ESTABLISH AND MAINTAIN A REASONABLY DESIGNED SUPERVISORY SYSTEM TO ACHIEVE COMPLIANCE WITH THE APPLICABLE FINRA RULE. THE FIRM'S SUPERVISORY SYSTEM, INCLUDING ITS SURVEILLANCE REPORTS,



EXCLUDED A REVIEW OF OTC VANILLA OPTIONS. THE FIRM'S SUPERVISORY SYSTEM WAS LIMITED TO TIMELY AND COMPLETE REPORTING FOR OTC STRUCTURED OPTIONS. THE FIRM IMPLEMENTED A MANUAL PROCESS TO REPORT VANILLA OPTIONS. HOWEVER, THE FIRM'S SUPERVISORY SYSTEM DID NOT CALL FOR A REVIEW OF TRANSACTIONS REPORTED THROUGH THE MANUAL PROCESS TO ENSURE THAT BOTH VANILLA AND STRUCTURED OPTIONS WERE TIMELY REPORTED.

Initiated By: FINRA

Date Initiated: 07/11/2019

Docket/Case Number: [2013039188301](#)

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: 07/11/2019

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 \$100,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$100,000. FINES PAID IN FULL ON AUGUST 6, 2019.

Reporting Source: Firm

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 REPORT AND FAILED TO TIMELY REPORT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) TRANSACTIONS EFFECTED PURSUANT TO



THE EXERCISE OF AN OVER-THE-COUNTER (OTC) OPTION THAT REQUIRED A SPECIAL TRADE REPORT MODIFIER (.RX). THE FINDINGS STATED THAT UPON SUBSEQUENTLY BEING ALERTED BY FINRA THAT THE FIRM FAILED TO REPORT THESE TRANSACTIONS, IT BEGAN REPORTING THE REQUIRED TRANSACTIONS, AND COMPLETED ITS REPORTING. ALTHOUGH, THEREAFTER THE FIRM DEPLOYED ANOTHER AUTOMATED SYSTEM TO REPORT ALL OF ITS .RX TRANSACTIONS, THIS SYSTEM EXPERIENCED SEVERAL ISSUES THAT RESULTED IN THE FAILURE TO TIMELY REPORT CERTAIN .RX TRANSACTIONS. THE FINDINGS ALSO STATED THAT THE FIRM DID NOT ESTABLISH AND MAINTAIN A REASONABLY DESIGNED SUPERVISORY SYSTEM TO ACHIEVE COMPLIANCE WITH THE APPLICABLE FINRA RULE. THE FIRM'S SUPERVISORY SYSTEM, INCLUDING ITS SURVEILLANCE REPORTS, EXCLUDED A REVIEW OF OTC VANILLA OPTIONS. THE FIRM'S SUPERVISORY SYSTEM WAS LIMITED TO TIMELY AND COMPLETE REPORTING FOR OTC STRUCTURED OPTIONS. THE FIRM IMPLEMENTED A MANUAL PROCESS TO REPORT VANILLA OPTIONS. HOWEVER, THE FIRM'S SUPERVISORY SYSTEM DID NOT CALL FOR A REVIEW OF TRANSACTIONS REPORTED THROUGH THE MANUAL PROCESS TO ENSURE THAT BOTH VANILLA AND STRUCTURED OPTIONS WERE TIMELY REPORTED

Initiated By: FINRA

Date Initiated: 07/11/2019

Docket/Case Number: [2013039188301](#)

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: 07/11/2019

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$100,000.



Reporting Source: Regulator

Current Status: Final

Allegations: BNP: (I) BNP EXECUTED A PORTION OF ITS HEDGE IN ANTICIPATION OF THE FACILITATION OF ITS CUSTOMER ORDER IN ALPHABET INC. (GOOGL) FLEX OPTIONS PRIOR TO THE CUSTOMER ORDER BEING DISCLOSED TO THE CBOE TRADING CROWD; (II) FAILED TO COMPLY WITH THE REQUIREMENTS FOR A "TIED HEDGE" TRANSACTION SET FORTH IN INTERPRETATION AND POLICY .10 TO EXCHANGE RULE 6.74; AND (III) FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES, AND A SYSTEM FOR APPLYING SUCH PROCEDURES, REASONABLY DESIGNED TO PREVENT AND DETECT VIOLATIONS OF CBOE RULES 4.1, 6.9 AND 6.74.
 VIOLATION OF EXCHANGE RULES 4.1, 4.24, 6.9 AND 6.74.
 SANCTION: A \$50,000 FINE AND A CENSURE. IN ADDITION, WITHIN THIRTY (30) DAYS OF THE DATE THE DECISION IS ISSUED IN THIS MATTER, BNP MUST SUBMIT TO FINRA ENFORCEMENT STAFF ENHANCED WRITTEN SUPERVISORY PROCEDURES (AND A DESCRIPTION OF THE SYSTEM FOR APPLYING SUCH PROCEDURES), THAT ARE REASONABLY DESIGNED TO PREVENT AND DETECT VIOLATIONS OF CBOE RULES 4.1, 6.9 AND 6.74.

Initiated By: CBOE EXCHANGE, INC.

Date Initiated: 05/02/2019

Docket/Case Number: STAR NO. 20160513267 / FILE NO. USRI-8708

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: WITHIN THIRTY (30) DAYS OF THE DATE THE DECISION IS ISSUED IN THIS MATTER, BNP MUST SUBMIT TO FINRA ENFORCEMENT STAFF ENHANCED WRITTEN SUPERVISORY PROCEDURES (AND A DESCRIPTION OF THE SYSTEM FOR APPLYING SUCH PROCEDURES), THAT ARE REASONABLY DESIGNED TO PREVENT AND DETECT VIOLATIONS OF CBOE RULES 4.1, 6.9 AND 6.74.

Resolution: Consent

Resolution Date: 06/07/2019



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 \$50,000.00

Other Sanctions Ordered: WITHIN THIRTY (30) DAYS OF THE DATE THE DECISION IS ISSUED IN THIS MATTER, BNP MUST SUBMIT TO FINRA ENFORCEMENT STAFF ENHANCED WRITTEN SUPERVISORY PROCEDURES (AND A DESCRIPTION OF THE SYSTEM FOR APPLYING SUCH PROCEDURES), THAT ARE REASONABLY DESIGNED TO PREVENT AND DETECT VIOLATIONS OF CBOE RULES 4.1, 6.9 AND 6.74.

Sanction Details: A \$50,000 FINE AND A CENSURE. IN ADDITION, WITHIN THIRTY (30) DAYS OF THE DATE THE DECISION IS ISSUED IN THIS MATTER, BNP MUST SUBMIT TO FINRA ENFORCEMENT STAFF ENHANCED WRITTEN SUPERVISORY PROCEDURES (AND A DESCRIPTION OF THE SYSTEM FOR APPLYING SUCH PROCEDURES), THAT ARE REASONABLY DESIGNED TO PREVENT AND DETECT VIOLATIONS OF CBOE RULES 4.1, 6.9 AND 6.74.

Reporting Source: Firm

Current Status: Final

Allegations: BNP: (I) BNP EXECUTED A PORTION OF ITS HEDGE IN ANTICIPATION OF THE FACILITATION OF ITS CUSTOMER ORDER IN ALPHABET INC. (GOOGL) FLEX OPTIONS PRIOR TO THE CUSTOMER ORDER BEING DISCLOSED TO THE CBOE TRADING CROWD; (II) FAILED TO COMPLY WITH THE REQUIREMENTS FOR A "TIED HEDGE" TRANSACTION SET FORTH IN INTERPRETATION AND POLICY .10 TO EXCHANGE RULE 6.74; AND (III) FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES, AND A SYSTEM FOR APPLYING SUCH PROCEDURES, REASONABLY DESIGNED TO PREVENT AND DETECT VIOLATIONS OF CBOE RULES 4.1, 6.9 AND 6.74. VIOLATION OF EXCHANGE RULES 4.1, 4.24, 6.9 AND 6.74. SANCTION: A \$50,000 FINE AND A CENSURE. IN ADDITION, WITHIN THIRTY (30) DAYS OF THE DATE THE DECISION IS ISSUED IN THIS MATTER, BNP MUST SUBMIT TO FINRA ENFORCEMENT STAFF ENHANCED WRITTEN SUPERVISORY PROCEDURES (AND A DESCRIPTION OF THE SYSTEM FOR APPLYING SUCH PROCEDURES), THAT ARE REASONABLY DESIGNED TO PREVENT AND DETECT VIOLATIONS OF CBOE RULES 4.1, 6.9 AND 6.74.

Initiated By: CBOE EXCHANGE, INC.

Date Initiated: 05/02/2019



Docket/Case Number:	STAR NO. 20160513267/FILE NO. USRI-8708
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:	WITHIN THIRTY (30) DAYS OF THE DATE THE DECISION IS ISSUED IN THIS MATTER, BNP MUST SUBMIT TO FINRA ENFORCEMENT STAFF ENHANCED WRITTEN SUPERVISORY PROCEDURES (AND A DESCRIPTION OF THE SYSTEM FOR APPLYING SUCH PROCEDURES), THAT ARE REASONABLY DESIGNED TO PREVENT AND DETECT VIOLATIONS OF CBOE RULES 4.1, 6.9 AND 6.74.
Resolution:	Consent
Resolution Date:	06/07/2019
Sanctions Ordered:	Censure Monetary/Fine \$50,000.00
Other Sanctions Ordered:	WITHIN THIRTY (30) DAYS OF THE DATE THE DECISION IS ISSUED IN THIS MATTER, BNP MUST SUBMIT TO FINRA ENFORCEMENT STAFF ENHANCED WRITTEN SUPERVISORY PROCEDURES (AND A DESCRIPTION OF THE SYSTEM FOR APPLYING SUCH PROCEDURES), THAT ARE REASONABLY DESIGNED TO PREVENT AND DETECT VIOLATIONS OF CBOE RULES 4.1, 6.9 AND 6.74.
Sanction Details:	A \$50,000 FINE AND A CENSURE. IN ADDITION, WITHIN THIRTY (30) DAYS OF THE DATE THE DECISION IS ISSUED IN THIS MATTER, BNP MUST SUBMIT TO FINRA ENFORCEMENT STAFF ENHANCED WRITTEN SUPERVISORY PROCEDURES (AND A DESCRIPTION OF THE SYSTEM FOR APPLYING SUCH PROCEDURES), THAT ARE REASONABLY DESIGNED TO PREVENT AND DETECT VIOLATIONS OF CBOE RULES 4.1, 6.9 AND 6.74.

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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 FIRM VIOLATED NYSE ARCA EQUITIES RULES 6.18 AND 6.3.03 BY FAILING TO ESTABLISH, MAINTAIN, AND ENFORCE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE ARCA RULES AND FAILING TO PROVIDE SUFFICIENT DOCUMENTARY EVIDENCE



THAT IT PERFORMED THE SUPERVISORY REVIEWS SET FORTH IN ITS WRITTEN SUPERVISORY PROCEDURES.

Initiated By: NYSE ARCA, INC.

Date Initiated: 09/24/2018

Docket/Case Number: 2015044231301

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 09/24/2018

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 \$7,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$7,500.00.

Regulator Statement THIS CASE INCLUDES PROCEEDING NOS. 20160486118, 20180585411, AND 20180587885.

THIS MATTER IS FINAL UPON ISSUANCE OF THIS DECISION AND THE SANCTIONS ARE EFFECTIVE IMMEDIATELY.

FINRA CONDUCTED THIS REVIEW ON BEHALF OF NYSE ARCA, INC.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND



TO THE ENTRY OF FINDINGS THAT THE FIRM VIOLATED NYSE ARCA EQUITIES RULES 6.18 AND 6.3.03 BY FAILING TO ESTABLISH, MAINTAIN, AND ENFORCE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE ARCA RULES AND FAILING TO PROVIDE SUFFICIENT DOCUMENTARY EVIDENCE THAT IT PERFORMED THE SUPERVISORY REVIEWS SET FORTH IN ITS WRITTEN SUPERVISORY PROCEDURES.

Initiated By: NYSE ARCA, INC.

Date Initiated: 09/24/2018

Docket/Case Number: 2015044231301

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 09/24/2018

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$7,500.00.

Disclosure 36 of 87

Reporting Source: Regulator

Current Status: Final

Allegations: THE COMMODITY FUTURES TRADING COMMISSION ("COMMISSION") HAS REASON TO BELIEVE THAT BNP PARIBAS SECURITIES CORP. ("RESPONDENT," "BNPP," OR THE "FIRM") HAS VIOLATED THE COMMODITY EXCHANGE ACT (THE "ACT" OR "CEA") AND COMMISSION REGULATIONS ("REGULATIONS").
THE COMMISSION FINDS THE FOLLOWING BEGINNING IN OR ABOUT MAY 2007 AND CONTINUING THROUGH AT LEAST AUGUST 2012 (THE "RELEVANT PERIOD"), BNPP, BY AND THROUGH CERTAIN OF ITS TRADERS,



ATTEMPTED TO MANIPULATE THE U.S. DOLLAR INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION FIX ("USD ISDAFIX" OR THE "BENCHMARK"), A LEADING GLOBAL BENCHMARK REFERENCED IN A RANGE OF INTEREST RATE PRODUCTS, TO BENEFIT BNPP'S DERIVATIVES POSITIONS IN INSTRUMENTS SUCH AS CASH-SETTLED OPTIONS ON INTEREST RATE SWAPS AND CERTAIN EXOTIC STRUCTURED PRODUCTS. DURING THE RELEVANT PERIOD, USD ISDAFIX WAS SET EACH DAY IN A PROCESS THAT BEGAN AT 11:00 A.M. EASTERN TIME WITH THE CAPTURE AND RECORDING OF SWAP RATES AND SPREADS FROM A U.S. BASED UNIT OF A LEADING INTEREST RATE SWAPS BROKING FIRM ("SWAPS BROKER"). SWAPS BROKER DISSEMINATED RATES AND SPREADS CAPTURED IN THIS SNAPSHOT AS REFERENCES TO A PANEL OF BANKS. MOST BANKS ON THE PANEL, INCLUDING BNPP, USUALLY SUBMITTED SWAPS BROKER'S REFERENCE RATES AND SPREADS AS CAPTURED IN THE SNAPSHOT. AS A RESULT, AFTER AN AVERAGING OF THE SUBMISSIONS, THE REFERENCE RATES AND SPREADS BECAME THE PUBLISHED USD ISDAFIX ALMOST EVERY DAY.

ON CERTAIN DAYS ON WHICH BNPP HAD A DERIVATIVES POSITION SETTLING OR RESETTING AGAINST USD ISDAFIX, CERTAIN INDIVIDUALS AT BNPP ATTEMPTED TO MANIPULATE USD ISDAFIX RATES THROUGH TRADING AT THE 11:00 A.M. FIXING AND, ON OCCASION, BY MAKING FALSE SUBMISSIONS TO SWAPS BROKER THAT WERE SKEWED TO BENEFIT DERIVATIVES POSITIONS HELD BY BNPP. BNPP'S UNLAWFUL CONDUCT INVOLVED MULTIPLE TRADERS, INCLUDING SUPERVISORS SUCH AS THE THEN-HEADS OF THE RELEVANT BNPP SWAPS AND OPTIONS DESKS IN THE UNITED STATES.

FIRST, CERTAIN BNPP TRADERS BID, OFFERED, AND EXECUTED TRANSACTIONS IN TARGETED INTEREST RATE PRODUCTS, INCLUDING SWAP SPREADS, AT OR NEAR THE CRITICAL 11:00 A.M. FIXING TIME WITH THE INTENT TO AFFECT THE REFERENCE RATES AND SPREADS CAPTURED BY SWAPS BROKER AND SENT TO SUBMITTING BANKS, AND THEREBY TO AFFECT THE PUBLISHED USD ISDAFIX. AS CAPTURED IN CONTEMPORANEOUS COMMUNICATIONS, ON SOME OCCASIONS WHEN BNPP HAD DERIVATIVES POSITIONS SETTLING OR PRICING AGAINST USD ISDAFIX, ITS TRADERS DISCUSSED, BOTH AMONG THEMSELVES AND WITH SWAPS BROKER EMPLOYEES, THEIR INTENT TO MOVE USD ISDAFIX RATES IN WHICHEVER DIRECTION BENEFITTED THEIR POSITIONS.

SECOND, ON OCCASION, CERTAIN TRADERS AT BNPP ATTEMPTED TO MANIPULATE USD ISDAFIX BY MAKING FALSE SUBMISSIONS TO SWAPS BROKER FOR BNPP AS A PANEL BANK, SKEWING THE RATES AND SPREADS SUBMITTED IN THE DIRECTION THAT COULD HAVE MOVED THE USD ISDAFIX SETTING TO BENEFIT BNPP'S TRADING POSITIONS. BNPP TRADERS MADE USD ISDAFIX SUBMISSIONS HIGHER OR LOWER THAN THE REFERENCE VALUES DISSEMINATED BY SWAPS BROKER FOR THE PURPOSE OF BENEFITTING DERIVATIVES POSITIONS PRICED OR VALUED



AGAINST THE BENCHMARK. ON THESE OCCASIONS, BNPP'S USD ISDAFIX SUBMISSIONS CONSTITUTED FALSE, MISLEADING, OR KNOWINGLY INACCURATE REPORTS BECAUSE THEY PURPORTED TO REFLECT BNPP'S HONEST VIEW OF THE TRUE COSTS OF ENTERING INTO A STANDARD FIXED-FOR-FLOATING INTEREST RATE SWAP IN A PARTICULAR TENOR WITH ANOTHER DEALER OF GOOD CREDIT IN THE INTERDEALER MARKET, BUT IN FACT REFLECTED TRADERS' DESIRE TO MOVE USD ISDAFIX HIGHER OR LOWER IN ORDER TO BENEFIT BNPP'S POSITIONS. THESE SUBMISSIONS WERE FALSE, MISLEADING, OR KNOWINGLY INACCURATE BECAUSE THEY DID NOT REPORT WHERE BNPP WOULD ITSELF BID OR OFFER INTEREST RATE SWAPS TO A DEALER OF GOOD CREDIT ABSENT A DESIRE TO MANIPULATE USD ISDAFIX, BUT RATHER REFLECTED PRICES THAT WERE MORE FAVORABLE TO THE BANK ON SPECIFIC POSITIONS.

BNPP VIOLATED SECTIONS 6(C)(1), 6(C)(1)(A), 6(C)(3), 6(D), AND 9(A)(2) OF THE ACT AND REGULATIONS 180.1(A) AND 180.2.

Initiated By:	COMMODITY FUTURES TRADING COMMISSION
Date Initiated:	08/29/2018
Docket/Case Number:	18-19
Principal Product Type:	Other
Other Product Type(s):	SWAPS
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Order
Resolution Date:	08/29/2018
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes
Sanctions Ordered:	Monetary/Fine \$90,000,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	BNPP IS ORDERED TO CEASE AND DESIST FROM VIOLATING SECTIONS 6(C)(1), 6(C)(1)(A), 6(C)(3), 6(D), AND 9(A)(2) OF THE ACT AND REGULATIONS



180.1(A) AND 180.2.

BNPP SHALL PAY A CIVIL MONETARY PENALTY OF \$90,000,000.

BNPP IS ALSO ORDERED TO COMPLY WITH CERTAIN UNDERTAKINGS.

Regulator Statement

RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT ("OFFER"), WHICH THE COMMISSION HAS DETERMINED TO ACCEPT.

IT IS ORDERED THAT BNPP CEASE AND DESIST FROM VIOLATING SECTIONS 6(C)(1), 6(C)(1)(A), 6(C)(3), 6(D), AND 9(A)(2) OF THE ACT AND REGULATIONS 180.1(A) AND 180.2.

BNPP SHALL PAY A CIVIL MONETARY PENALTY OF \$90,000,000.

BNPP IS ALSO ORDERED TO COMPLY WITH CERTAIN UNDERTAKINGS.

Reporting Source:

Firm

Current Status:

Final

Allegations:

ON AUGUST 29, 2018, THE COMMODITY FUTURES TRADING COMMISSION ("CFTC") ISSUED AN ADMINISTRATIVE ORDER AGAINST BNP PARIBAS SECURITIES CORP. ("BNPPSC") FINDING THAT, BEGINNING IN OR ABOUT MAY 2007 AND CONTINUING THROUGH AT LEAST AUGUST 2012, BNPPSC, BY AND THROUGH CERTAIN OF ITS TRADERS, ATTEMPTED TO MANIPULATE THE U.S. DOLLAR INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION FIX ("USD ISDAFIX") TO BENEFIT BNPPSC'S DERIVATIVES POSITIONS IN INSTRUMENTS SUCH AS CASH-SETTLED OPTIONS ON INTEREST RATE SWAPS AND CERTAIN EXOTIC STRUCTURED PRODUCTS ("ORDER"). IN THE ORDER, THE CFTC FOUND THAT BNPPSC VIOLATED SECTION 9(A)(2) OF THE COMMODITY EXCHANGE ACT (THE "ACT"), 7 U.S.C. § 13(A)(2) (2012); SECTIONS 6(C) AND 6(D) OF THE ACT, 7 U.S.C. §§ 9, 13B (2006), FOR CONDUCT OCCURRING BEFORE AUGUST 15, 2011; AND SECTIONS 6(C)(1), 6(C)(3), AND 6(D) OF THE ACT, 7 U.S.C. §§ 9(1), 9(3), 13B (2012), AND REGULATIONS 180.1(A) AND 180.2, 17 C.F.R. §§ 180.1(A), 180.2 (2018), FOR CONDUCT OCCURRING ON OR AFTER AUGUST 15, 2011.

Initiated By:

COMMODITY FUTURES TRADING COMMISSION

Date Initiated:

08/29/2018

Docket/Case Number:

18-19

Principal Product Type:

Other

Other Product Type(s):

USD ISDAFIX

Principal Sanction(s)/Relief Sought:

Cease and Desist

Other Sanction(s)/Relief Sought:

CIVIL MONETARY PENALTY, UNDERTAKINGS



Resolution:	Settled
Resolution Date:	08/29/2018
Sanctions Ordered:	Monetary/Fine \$90,000,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	REMEDICATION, UNDERTAKINGS, AND OTHER CONDITIONS
Sanction Details:	THE SETTLEMENT RESULTED IN THE CFTC ISSUING THE ORDER CAUSING BNPPSC TO CEASE AND DESIST FROM VIOLATING SECTIONS 6(C)(1), 6(C)(1)(A), 6(C)(3), 6(D), AND 9(A)(2) OF THE ACT, 7 U.S.C. §§ 9(1), 9(1)(A), 9(3), 13B, 13(A)(2) (2012), AND REGULATIONS 180.1(A) AND 180.2, 17 C.F.R. §§ 180.1(A), 180.2 (2018). IN ADDITION, THE ORDER CAUSED BNPPSC TO PAY A CIVIL MONEY PENALTY OF \$90 MILLION, WHICH WAS PAID ON SEPTEMBER 6, 2018. ALSO, THE ORDER CAUSED BNPPSC TO COMPLY WITH UNDERTAKINGS RELATED TO REMEDIATION AND ONGOING COOPERATION. RELATING TO REMEDIATION, BNPPSC AGREED TO CONTINUE TO UNDERTAKE EXTENSIVE REMEDIAL MEASURES TO IMPLEMENT AND STRENGTHEN ITS INTERNAL CONTROLS AND PROCEDURES RELATING TO THE FIXING OF ANY INTEREST-RATE SWAP BENCHMARKS AND RELATED SUPERVISION OF ITS INTEREST-RATE SWAPS AND OPTIONS DESKS.
Firm Statement	IN SETTLEMENT OF THIS MATTER, BNPPSC, WITHOUT ADMITTING OR DENYING THE FINDINGS OR CONCLUSIONS THEREIN, CONSENTED TO THE ENTRY OF THE ORDER, WHICH THE CFTC HAS DETERMINED TO ACCEPT AND HAS ISSUED. THE ALLEGATIONS, DISPOSITIONS, FINDINGS AND SANCTIONS OF THE ORDER ARE DESCRIBED ABOVE IN ITEMS 7 AND 12.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	A SUBCOMMITTEE OF THE EXCHANGE'S BUSINESS CONDUCT COMMITTEE DETERMINED THAT, BETWEEN AUGUST 2016 AND JULY 2017, BNP PARIBAS; BNP PARIBAS COMMODITY FUTURES LTD; AND BNP PARIBAS PRIME BROKERAGE, INC., (COLLECTIVELY, "BNP PARIBAS"), MAY HAVE VIOLATED EXCHANGE RULE 6.15(A) IN NUMEROUS INSTANCES BY FAILING TO SUBMIT TO THE EXCHANGE DAILY LARGE TRADER REPORTS WITH RESPECT TO REPORTABLE CUSTOMER POSITIONS; EXCHANGE RULE 6.20(B) IN FIVE (5) INSTANCES BY MAINTAINING A FUTURES POSITION THAT WAS IN EXCESS OF POSITION LIMITS; AND EXCHANGE RULE 4.01(A) BY FAILING TO DILIGENTLY SUPERVISE THE EXCHANGE-RELATED ACTIVITIES OF ITS EMPLOYEES WITH REGARD TO SPOT MONTH POSITION LIMITS AND EXEMPTION EXPIRATION MONITORING AS WELL AS RELATED



COMMUNICATIONS.

Initiated By: ICE FUTURES US, INC.**Date Initiated:** 05/07/2018**Docket/Case Number:** ICE 2017-007**Principal Product Type:** Futures - Commodity**Other Product Type(s):****Principal Sanction(s)/Relief Sought:** Cease and Desist**Other Sanction(s)/Relief Sought:****Resolution:** Settled**Resolution Date:** 05/07/2018**Sanctions Ordered:** Monetary/Fine \$71,107.50
Disgorgement/Restitution
Cease and Desist/Injunction**Other Sanctions Ordered:****Sanction Details:** IN ACCORDANCE WITH THE TERMS OF SETTLEMENT, IN WHICH BNP PARIBAS NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS, BNP PARIBAS PAID A FINE IN THE AMOUNT OF \$71,107.50, WHICH INCLUDES DISGORGEMENT OF PROFITS IN THE AMOUNT OF \$21,107.50, AND AGREED TO CEASE AND DESIST FROM FUTURE VIOLATIONS OF RULE 6.20(B).**Disclosure 38 of 87****Reporting Source:** Firm**Current Status:** Final**Allegations:** BNP PARIBAS USA, INC. LACKED ADEQUATE GOVERNANCE, RISK MANAGEMENT, COMPLIANCE AND AUDIT POLICIES AND PROCEDURES TO ENSURE THAT THE FIRM'S COVERED FX ACTIVITIES (I.E., BUYING AND SELLING U.S. DOLLARS AND FOREIGN CURRENCY FOR ITS OWN ACCOUNT AND SOLICITING AND RECEIVING ORDERS THROUGH COMMUNICATIONS BETWEEN CUSTOMERS AND SALES PERSONNEL THAT ARE EXECUTED BY TRADERS IN THE SPOT MARKET) COMPLIED WITH SAFE AND SOUND BANKING PRACTICES, APPLICABLE U.S. LAWS AND REGULATIONS, INCLUDING POLICIES AND PROCEDURES TO PREVENT POTENTIAL VIOLATIONS OF THE U.S. COMMODITIES, ANTITRUST AND CRIMINAL FRAUD



LAWS, AND APPLICABLE INTERNAL POLICIES.

Initiated By: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Date Initiated: 07/17/2017

Docket/Case Number:

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought: CIVIL MONEY PENALTY

Resolution: Order

Resolution Date: 07/17/2017

Sanctions Ordered: Monetary/Fine \$246,375,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE ORDER REQUIRED BNPP TO PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$246,375,000.

Firm Statement

BNPP WAS REQUIRED TO PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$246, 375,000. THE BOARD ORDER FURTHER PROVIDED THAT BNPP, BNPP USA AND BNP PARIBAS SECURITIES CORP. (THE "PARTIES") WOULD NOT, IN THE FUTURE, DIRECTLY OR INDIRECTLY, RETAIN IN ANY CAPACITY ANY OF THE INDIVIDUALS WHO PARTICIPATED IN THE MISCONDUCT UNDERLYING THE BOARD ORDER AND, HAVING BEEN SUBJECT TO FORMAL DISCIPLINARY ACTION AS A RESULT OF BNPP'S INTERNAL REVIEW, WERE TERMINATED BY OR SEPARATED FROM BNPP. THE BOARD ORDER ALSO REQUIRES THE PARTIES TO SUBMIT WRITTEN PROPOSALS FOR APPROVAL BY THE FEDERAL RESERVE BANK OF NEW YORK COVERING ITS INTERNAL CONTROLS AND COMPLIANCE PROGRAM, COMPLIANCE RISK MANAGEMENT PROGRAM, AND INTERNAL AUDIT PROGRAM REGARDING TO THE COVERED FX ACTIVITIES AND OTHER FX TRADING AND RELATED SALES ACTIVITIES.

Disclosure 39 of 87

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 SUBMITTED APPROXIMATELY 40 MILLION REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) WITHOUT THE REQUIRED "Y" PROGRAM TRADING CODE INDICATING THE ORDERS WERE PART OF A PROGRAM TRADE. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS AND TO FINRA RULES CONCERNING OATS. SPECIFICALLY, THE FIRM FAILED TO HAVE PROCEDURES TO COMPARE THE ACCEPTED OATS DATA TO THE FIRM'S BOOKS AND RECORDS TO ENSURE ALL ROES WERE REPORTED ACCURATELY.

Initiated By: FINRA

Date Initiated: 02/02/2017

Docket/Case Number: [2015046695501](#)

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: 02/02/2017

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 \$22,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$22,500. IN DETERMINING TO RESOLVE THIS MATTER IN THE MANNER SET FORTH HEREIN, AND IN DETERMINING THE APPROPRIATE MONETARY SANCTION, FINRA GAVE SIGNIFICANT CONSIDERATION TO THE FIRM'S SELF-REPORTING OF THE OATS VIOLATIONS DESCRIBED ABOVE. THE FIRM FURTHER UNDERTOOK STEPS TO REMEDIATE THE ISSUES AND CREATE AND IMPLEMENT ADDITIONAL DAILY SURVEILLANCE PROCEDURES, INCLUDING



ENHANCEMENTS TO SOME OF ITS SUPERVISORY SYSTEMS. FINE PAID IN FULL ON 3/13/17.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT SUBMITTED APPROXIMATELY 40 MILLION REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) WITHOUT THE REQUIRED "Y" PROGRAM TRADING CODE INDICATING THE ORDERS WERE PART OF A PROGRAM TRADE. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS AND TO FINRA RULES CONCERNING OATS. SPECIFICALLY, THE FIRM FAILED TO HAVE PROCEDURES TO COMPARE THE ACCEPTED OATS DATA TO THE FIRM'S BOOKS AND RECORDS TO ENSURE ALL ROES WERE REPORTED ACCURATELY.

Initiated By: FINRA

Date Initiated: 02/02/2017

Docket/Case Number: [2015046695501](#)

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: 02/02/2017

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$22,500. IN DETERMINING TO RESOLVE THIS MATTER IN THE MANNER SET FORTH HEREIN, AND IN DETERMINING THE APPROPRIATE MONETARY SANCTION, FINRA GAVE SIGNIFICANT CONSIDERATION TO THE FIRM'S SELF-REPORTING OF THE OATS VIOLATIONS DESCRIBED ABOVE. THE FIRM FURTHER UNDERTOOK



STEPS TO REMEDIATE THE ISSUES AND CREATE AND IMPLEMENT
ADDITIONAL DAILY SURVEILLANCE PROCEDURES, INCLUDING
ENHANCEMENTS TO SOME OF ITS SUPERVISORY SYSTEMS.

Disclosure 40 of 87

Reporting Source: Regulator

Current Status: Final

Allegations: A FINRA HEARING OFFICER CONSIDERED AN OFFER OF SETTLEMENT AND CONSENT ENTERED INTO BETWEEN FINRA ON BEHALF OF NYSE REGULATION, INC. AND THE FIRM. THE FIRM SUBMITTED 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.

THIS MATTER INVOLVES A REVIEW BY FINRA OF THE FIRM'S COMPLIANCE WITH THE RULES RELATED TO THE ROUTING OF INTERMARKET SWEEP ORDERS ("ISOS") DURING THE REVIEW PERIOD, AND FINRA FOUND THAT DUE TO VARIOUS TECHNOLOGY SYSTEM ISSUES, THE FIRM ON NUMEROUS OCCASIONS SENT ISOS THAT TRADED THROUGH PROTECTED QUOTATIONS.

THE FINDINGS STATED THAT THE FIRM, AS AN EQUITIES TRADING PERMIT ("ETP") HOLDER WITH NYSE ARCA EQUITIES, INC., FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT THE ISOS IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN RULE 600(B)(30) OF REGULATION NMS.

THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO EXCHANGE ACT RULE 611(C) OF REGULATION NMS AND NYSE ARCA EQUITIES RULE 7.31(E)(2).

Initiated By: NYSE ARCA, INC.

Date Initiated: 10/27/2016

Docket/Case Number: 2014043098802

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:** 10/27/2016**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 \$45,000.00**Other Sanctions Ordered:****Sanction Details:** THE FIRM WAS CENSURED AND FINED \$45,000.**Regulator Statement** THE FIRM VIOLATED (I) EXCHANGE ACT RULE 611(C) OF REGULATION NMS AND NYSE ARCA EQUITIES RULE 7.31(E)(2) BY FAILING TO ESTABLISH THAT THE ISOS IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN RULE 600(B)(30) OF REGULATION NMS AND (II) NYSE ARCA EQUITIES RULES 6.18 AND 2010 IN THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO EXCHANGE ACT RULE 611(C) OF REGULATION NMS AND NYSE ARCA EQUITIES RULE 7.31(E)(2).**Reporting Source:** Firm**Current Status:** Final**Allegations:** A FINRA HEARING OFFICER CONSIDERED AN OFFER OF SETTLEMENT AND CONSENT ENTERED INTO BETWEEN FINRA ON BEHALF OF NYSE REGULATION, INC. AND THE FIRM. THE FIRM SUBMITTED 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. THIS MATTER INVOLVES A REVIEW BY FINRA OF THE FIRM'S COMPLIANCE WITH THE RULES RELATED TO THE ROUTING



OF INTERMARKET SWEEP ORDERS ("ISOS") DURING THE REVIEW PERIOD, AND FINRA FOUND THAT DUE TO VARIOUS TECHNOLOGY SYSTEM ISSUES, THE FIRM ON NUMEROUS OCCASIONS SENT ISOS THAT TRADED THROUGH PROTECTED QUOTATIONS. THE FINDINGS STATED THAT THE FIRM, AS AN EQUITIES TRADING PERMIT ("ETP") HOLDER WITH NYSE ARCA EQUITIES, INC., FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT THE ISOS IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN RULE 600(B)(30) OF REGULATION NMS. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO EXCHANGE ACT RULE 611(C) OF REGULATION NMS AND NYSE ARCA EQUITIES RULE 7.31(E)(2).

Initiated By: NYSE ARCA, INC.

Date Initiated: 10/27/2016

Docket/Case Number: 2014043098802

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: 10/27/2016

Sanctions Ordered: Censure
Monetary/Fine \$45,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$45,000

Disclosure 41 of 87

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 DUE TO VARIOUS TECHNOLOGY SYSTEM ISSUES, THE FIRM ON NUMEROUS OCCASIONS SENT INTERMARKET SWEEP ORDERS THAT TRADED THROUGH PROTECTED QUOTATIONS.



THE FINDINGS STATED THAT SPECIFICALLY, THE FIRM FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT INTERMARKET SWEEP ORDERS IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN RULE 600(B)(30) OF REGULATION NMS.

THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO SEA RULE 611(C) OF REGULATION NMS AND EDGA RULE 11.8(C).

Initiated By: BATS EDGA EXCHANGE, INC.

Date Initiated: 10/27/2016

Docket/Case Number: 2014043098803

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: 10/27/2016

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: THE FIRM WAS CENSURED AND FINED \$22,500.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT DUE TO



VARIOUS TECHNOLOGY SYSTEM ISSUES, THE FIRM ON NUMEROUS OCCASIONS SENT INTERMARKET SWEEP ORDERS THAT TRADED THROUGH PROTECTED QUOTATIONS. THE FINDINGS STATED THAT SPECIFICALLY, THE FIRM FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT INTERMARKET SWEEP ORDERS IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN RULE 600(B)(30) OF REGULATION NMS. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO SEA RULE 611(C) OF REGULATION NMS AND EDGA RULE 11.8(C).

Initiated By: BATS EDGA EXCHANGE, INC.

Date Initiated: 10/27/2016

Docket/Case Number: 2014043098803

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: 10/27/2016

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$22,500.

Disclosure 42 of 87

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 DUE TO VARIOUS TECHNOLOGY SYSTEM ISSUES, THE FIRM ON NUMEROUS OCCASIONS SENT INTERMARKET SWEEP ORDERS THAT TRADED THROUGH PROTECTED QUOTATIONS.

THE FINDINGS STATED THAT SPECIFICALLY, THE FIRM FAILED TO TAKE



REASONABLE STEPS TO ESTABLISH THAT INTERMARKET SWEEP ORDERS IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN RULE 600(B)(30) OF REGULATION NMS.

THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO SEA RULE 611(C) OF REGULATION NMS AND EDGX RULE 11.8(C).

Initiated By: BATS EDGX EXCHANGE, INC.

Date Initiated: 10/27/2016

Docket/Case Number: 2014043098804

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: 10/27/2016

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: THE FIRM WAS CENSURED AND FINED \$22,500.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT DUE TO VARIOUS TECHNOLOGY SYSTEM ISSUES, THE FIRM ON NUMEROUS OCCASIONS SENT INTERMARKET SWEEP ORDERS THROUGH PROTECTED



QUOTATIONS. THE FINDINGS STATED THAT SPECIFICALLY, THE FIRM FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT INTERMARKET SWEEP ORDERS IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN RULE 600(B)(30) OF REGULATION NMS. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO SEA RULE 611(C) OF REGULATION NMS AND EDGX RULE 11.8(C).

Initiated By: BATS EDGX EXCHANGE, INC.

Date Initiated: 10/27/2016

Docket/Case Number: 2014043098804

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: 10/27/2016

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$22,500.

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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 TAKE REASONABLE STEPS TO ESTABLISH THAT THE INTERMARKET SWEEP ORDERS (ISOS) IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN RULE 600(B) (30) OF REGULATION NMS. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO SEA RULE 611(C) OF REGULATION NMS.

Initiated By: FINRA



Date Initiated: 10/27/2016
Docket/Case Number: [2014043098801](#)
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: 10/27/2016
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 \$135,000.00
Other Sanctions Ordered:
Sanction Details: THE FIRM WAS CENSURED AND FINED \$135,000, OF WHICH \$45,000 IS PAYABLE TO FINRA. FINES PAID IN FULL ON NOVEMBER 25, 2016.

Reporting Source: Firm
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 TAKE REASONABLE STEPS TO ESTABLISH THAT THE INTERMARKET SWEEP ORDERS (ISOS) IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN RULE 600(B) (30) OF REGULATION NMS. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO SEA RULE 611(C) OF REGULATION NMS.

Initiated By: FINRA
Date Initiated: 10/27/2016
Docket/Case Number: [2014043098801](#)



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: 10/27/2016

Sanctions Ordered: Censure
Monetary/Fine \$45,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$45,000.

Disclosure 44 of 87

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 REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) THE ACCURATE TIME OF EXECUTION FOR CORPORATE DEBT INTER-DEALER TRANSACTIONS. THE FINDINGS STATED THAT THE FIRM FAILED TO RECORD THE CORRECT TIME OF EXECUTION ON THE MEMORANDUM OF BROKERAGE ORDERS OF CORPORATE DEBT TRANSACTIONS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION. FINRA FOUND THAT THE FIRM ALSO FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION. FINRA ALSO FOUND THAT THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES.

Initiated By: FINRA

Date Initiated: 10/17/2016

Docket/Case Number: [2015046334701](#)



Principal Product Type: Debt - Corporate

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/17/2016

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 \$85,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$85,000. FINES PAID IN FULL ON NOVEMBER 2, 2016.

Reporting Source: Firm

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 REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) THE ACCURATE TIME OF EXECUTION FOR CORPORATE DEBT INTER-DEALER TRANSACTIONS. THE FINDINGS STATED THAT THE FIRM FAILED TO RECORD THE CORRECT TIME OF EXECUTION ON THE MEMORANDUM OF BROKERAGE ORDERS OF CORPORATE DEBT TRANSACTIONS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION. FINRA ALSO FOUND THAT THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES.

Initiated By: FINRA

Date Initiated: 10/17/2016



Docket/Case Number: [2015046334701](#)

Principal Product Type: Debt - Corporate

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/17/2016

Sanctions Ordered: Censure
Monetary/Fine \$85,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$85,000

Disclosure 45 of 87

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 REPORT TRANSACTIONS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE SPS TO TRACE WITHIN THE TIME REQUIRED BY FINRA RULE 6730(A). THE FINDINGS STATED THAT THE FIRM, AS A MANAGING UNDERWRITER, FAILED TO REPORT NEW ISSUE OFFERINGS IN TRACE-ELIGIBLE SPS TO FINRA ACCORDING TO THE TIME FRAME SET FORTH IN FINRA RULE 6760(C).

Initiated By: FINRA

Date Initiated: 07/18/2016

Docket/Case Number: [2015044256201](#)

Principal Product Type: Other

Other Product Type(s): TRACE AGENCY/SECURITIZED PRODUCTS (SP)

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/18/2016

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 \$27,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$27,500. FINE PAID IN FULL ON AUGUST 2, 2016.

Reporting Source: Firm

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 REPORT TRANSACTIONS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE SPS TO TRACE WITHIN THE TIME REQUIRED BY FINRA RULE 6730(A). THE FINDINGS STATED THAT THE FIRM, AS A MANAGING UNDERWRITER, FAILED TO REPORT NEW ISSUE OFFERINGS IN TRACE-ELIGIBLE SPS TO FINRA ACCORDING TO THE TIME FRAME SET FORTH IN FINRA RULE 6760(C).

Initiated By: FINRA

Date Initiated: 07/18/2016

Docket/Case Number: [2015044256201](#)

Principal Product Type: Other

Other Product Type(s): TRACE AGENCY/SECURITIZED PRODUCTS (SP)

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/18/2016



Sanctions Ordered: Censure
Monetary/Fine \$27,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$27,500.

Disclosure 46 of 87

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 FIRM OVERSTATED ITS ADVERTISED TRADE VOLUME IN SECURITIES TO BLOOMBERG. THE FINDINGS STATED THAT THE OVERSTATED TRADE VOLUME RESULTED FROM A SYSTEM ISSUE THAT CAUSED THE FIRM TO COMBINE THE ADVERTISED TRADE VOLUME IN UNRELATED SECURITIES THAT HAD THE SAME TRADING SYMBOL IN THE CANADIAN MARKET AND THE UNITED STATES MARKET. A SECOND SYSTEM ERROR WAS CAUSED BY THE MANNER IN WHICH COMMON STOCKS AND PREFERRED STOCKS WERE IDENTIFIED IN THE FIRM'S SYSTEMS BY FIRM CUSTOMERS. THIS ERROR CAUSED THE FIRM TO INACCURATELY ADVERTISE VOLUME IN A COMMON STOCK WHEN THE VOLUME ACTUALLY TRADED BY THE FIRM WAS IN THE PREFERRED STOCK RELATED TO THE SAME ISSUER. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND IMPLEMENT A SUPERVISORY SYSTEM THAT WAS REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH REGULATORY REQUIREMENTS FOR ACCURACY IN THE FIRM'S ADVERTISING OF EXECUTED TRADE VOLUME.

Initiated By: FINRA

Date Initiated: 04/22/2016

Docket/Case Number: [2013035716201](#)

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: 04/22/2016



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 \$375,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$375,000. FINE PAID IN FULL ON MAY 5, 2016.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM OVERSTATED ITS ADVERTISED TRADE VOLUME IN SECURITIES TO BLOOMBERG. THE FINDINGS STATED THAT THE OVERSTATED TRADE VOLUME RESULTED FROM A SYSTEM ISSUE THAT CAUSED THE FIRM TO COMBINE THE ADVERTISED TRADE VOLUME IN UNRELATED SECURITIES THAT HAD THE SAME TRADING SYMBOL IN THE CANADIAN MARKET AND THE UNITED STATES MARKET. A SECOND SYSTEM ERROR WAS CAUSED BY THE MANNER IN WHICH COMMON STOCKS AND PREFERRED STOCKS WERE IDENTIFIED IN THE FIRM'S SYSTEMS BY FIRM CUSTOMERS. THIS ERROR CAUSED THE FIRM TO INACCURATELY ADVERTISE VOLUME IN A COMMON STOCK WHEN THE VOLUME ACTUALLY TRADED BY THE FIRM WAS IN THE PREFERRED STOCK RELATED TO THE SAME ISSUER. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND IMPLEMENT A SUPERVISORY SYSTEM THAT WAS REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH REGULATORY REQUIREMENTS FOR ACCURACY IN THE FIRM'S ADVERTISING OF EXECUTED TRADE VOLUME.

Initiated By: FINRA

Date Initiated: 04/22/2016

Docket/Case Number: [2013035716201](#)

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: 04/22/2016

Sanctions Ordered: Censure
Monetary/Fine \$375,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$375,000.

Disclosure 47 of 87

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 THE ORDER AUDIT TRAIL SYSTEM (OATS) REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR FINRA RULES. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO PROVIDE FOR ONE OR MORE OF THE FOUR MINIMUM REQUIREMENTS FOR ADEQUATE WRITTEN SUPERVISORY PROCEDURES REGARDING OATS REPORTING.

Initiated By: FINRA

Date Initiated: 03/15/2016

Docket/Case Number: [2014039940401](#)

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: 03/15/2016



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: UNDERTAKING: REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES

Sanction Details: THE FIRM WAS CENSURED, FINED \$40,000 AND UNDERTAKES TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.

FINE PAID IN FULL ON APRIL 20, 2016.

Reporting Source: Firm

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 THE ORDER AUDIT TRAIL SYSTEM (OATS) REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR FINRA RULES. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO PROVIDE FOR ONE OR MORE OF THE FOUR MINIMUM REQUIREMENTS FOR ADEQUATE WRITTEN SUPERVISORY PROCEDURES REGARDING OATS REPORTING.

Initiated By: FINRA

Date Initiated: 03/15/2016

Docket/Case Number: [2014039940401](#)

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:	03/15/2015
Sanctions Ordered:	Censure Monetary/Fine \$40,000.00
Other Sanctions Ordered:	UNDERTAKING: REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES
Sanction Details:	THE FIRM WAS CENSURED, FINED \$40,000 AND UNDERTAKES TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.

Disclosure 48 of 87

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 ITS TRADING DESKS WERE ORGANIZED INTO SEPARATE AGGREGATION UNITS (AGUS), FOR PURPOSES OF COMPLIANCE WITH SEC RULE 200(1) AND PRE-EXISTING GUIDANCE CONCERNING THE PROPER USE OF AGUS. THE FINDINGS STATED THAT EACH OF THE SEPARATE AGUS CONTAINED NUMEROUS TRADING BOOKS, FOR WHICH SECURITIES POSITIONS WERE NETTED TOGETHER TO DETERMINE THE TOTAL NET POSITION OF THAT AGU AND, ACCORDINGLY, WHETHER THE AGUS ORDERS SHOULD BE MARKED LONG OR SHORT. IN ADDITION TO THE FIRM'S PROPRIETARY POSITIONS, THE AGUS ALSO IMPROPERLY INCLUDED THE TRADING POSITIONS OF NON-BROKER-DEALER AFFILIATES IN DETERMINING THE AGUS NET POSITIONS. AS A RESULT, THE FIRM'S AGUS FAILED TO ACCURATELY REFLECT THE CORRECT POSITIONS WITHIN THE APPROPRIATE TRADING BOOKS. THE FINDINGS ALSO STATED THAT THE FIRM'S WRITTEN PLAN OF ORGANIZATION FOR ITS AGGREGATION UNITS HAS FAILED TO ACCURATELY PROVIDE FOR THE OVERALL NET POSITION OF THE SECURITIES THAT WERE TRADED AND MAINTAINED BY THE FIRM'S AGUS. MORE SPECIFICALLY, THE FIRM'S WRITTEN PLAN OF ORGANIZATION FOR ITS AGUS IMPROPERLY PERMITTED THE INCLUSION OF SECURITIES POSITIONS OF CERTAIN NON-BROKER-DEALER AFFILIATES IN DETERMINING THE NET POSITION OF THE FIRM'S AGUS AND IMPROPERLY PERMITTED TRADERS TO BE ASSIGNED TO MULTIPLE AGGREGATION UNITS. THE FINDINGS ALSO INCLUDED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS AND REGULATIONS, INCLUDING SEC AND FINRA RULES, CONCERNING AGGREGATION OF POSITIONS IN A SECURITY TO DETERMINE THE NET POSITIONS OF THE FIRM'S AGUS. SPECIFICALLY,</p>



THE FIRM'S WRITTEN SUPERVISORY PROCEDURES REGARDING AGGREGATION OF POSITIONS IN A SECURITY IMPROPERLY PERMITTED THE INCLUSION OF CERTAIN NON-BROKER-DEALER AFFILIATES' TRADING POSITIONS IN DETERMINING THE NET POSITIONS OF THE FIRM'S AGUS.

Initiated By: FINRA

Date Initiated: 11/16/2015

Docket/Case Number: [2012034389401](#)

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: 11/16/2015

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 \$475,000.00

Other Sanctions Ordered: UNDERTAKING: REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES

Sanction Details: THE FIRM WAS CENSURED, FINED \$475,000 AND UNDERTAKES TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.
FINE PAID IN FULL ON DECEMBER 15, 2015.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT ITS TRADING DESKS WERE ORGANIZED INTO SEPARATE AGGREGATION UNITS (AGUS), FOR PURPOSES OF COMPLIANCE WITH SEC RULE 200(1) AND PRE-EXISTING GUIDANCE CONCERNING THE PROPER USE OF AGUS. THE



FINDINGS STATED THAT EACH OF THE SEPARATE AGUS CONTAINED NUMEROUS TRADING BOOKS, FOR WHICH SECURITIES POSITIONS WERE NETTED TOGETHER TO DETERMINE THE TOTAL NET POSITION OF THAT AGU AND, ACCORDINGLY, WHETHER THE AGUS ORDERS SHOULD BE MARKED LONG OR SHORT. IN ADDITION TO THE FIRM'S PROPRIETARY POSITIONS, THE AGUS ALSO IMPROPERLY INCLUDED THE TRADING POSITIONS OF NON-BROKER-DEALER AFFILIATES IN DETERMINING THE AGUS NET POSITIONS. AS A RESULT, THE FIRM'S AGUS FAILED TO ACCURATELY REFLECT THE CORRECT POSITIONS WITHIN THE APPROPRIATE TRADING BOOKS. THE FINDINGS ALSO STATED THAT THE FIRM'S WRITTEN PLAN OF ORGANIZATION FOR ITS AGGREGATION UNITS HAS FAILED TO ACCURATELY PROVIDE FOR THE OVERALL NET POSITION OF THE SECURITIES THAT WERE TRADED AND MAINTAINED BY THE FIRM'S AGUS. MORE SPECIFICALLY, THE FIRM'S WRITTEN PLAN OF ORGANIZATION FOR ITS AGUS IMPROPERLY PERMITTED THE INCLUSION OF SECURITIES POSITIONS OF CERTAIN NON-BROKER-DEALER AFFILIATES IN DETERMINING THE NET POSITION OF THE FIRM'S AGUS AND IMPROPERLY PERMITTED TRADERS TO BE ASSIGNED TO MULTIPLE AGGREGATION UNITS. THE FINDINGS ALSO INCLUDED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS AND REGULATIONS, INCLUDING SEC AND FINRA RULES, CONCERNING AGGREGATION OF POSITIONS IN A SECURITY TO DETERMINE THE NET POSITIONS OF THE FIRM'S AGUS. SPECIFICALLY, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES REGARDING AGGREGATION OF POSITIONS IN A SECURITY IMPROPERLY PERMITTED THE INCLUSION OF CERTAIN NON-BROKER-DEALER AFFILIATES' TRADING POSITIONS IN DETERMINING THE NET POSITIONS OF THE FIRM'S AGUS.

Initiated By: FINRA

Date Initiated: 11/16/2015

Docket/Case Number: [2012034389401](#)

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: 11/16/2015

Sanctions Ordered: Censure



Monetary/Fine \$475,000.00

Other Sanctions Ordered: UNDERTAKING: REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES

Sanction Details: THE FIRM WAS CENSURED, FINED \$475,000 AND UNDERTAKES TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.

Disclosure 49 of 87

Reporting Source: Regulator

Current Status: Final

Allegations: CFTC RELEASE 7265-15, OCTOBER 20, 2015: THE COMMODITY FUTURES TRADING COMMISSION ("COMMISSION") HAS REASON TO BELIEVE THAT BNP PARIBAS SECURITIES CORP. ("BNPP" OR "RESPONDENT") VIOLATED COMMISSION REGULATIONS ("REGULATIONS") 1.25(B)(3)(I)(F) AND 1.25(B)(3)(II)(D). THEREFORE, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED TO DETERMINE WHETHER BNPP ENGAGED IN THE VIOLATIONS SET FORTH HEREIN AND TO DETERMINE WHETHER ANY ORDER SHOULD BE ISSUED IMPOSING REMEDIAL SANCTIONS. ON THREE OCCASIONS BNPP VIOLATED THE COMMISSION'S REGULATIONS GOVERNING CONCENTRATION LIMITS APPLICABLE TO THE INVESTMENT OF SEGREGATED COMMODITY CUSTOMER FUNDS. BNPP REPORTED TWO OF THE VIOLATIONS TO THE COMMISSION. AN ADDITIONAL VIOLATION WAS DISCOVERED IN CONNECTION WITH A REVIEW BY BNPP'S DESIGNATED SELF-REGULATORY ORGANIZATION. NONE OF THE VIOLATIONS RESULTED IN CUSTOMER LOSSES. BASED ON THE FOREGOING, THE COMMISSION FINDS THAT BNPP VIOLATED COMMISSION REGULATIONS 1.25(B)(3)(I)(F) AND 1.25(B)(3)(II)(D), 1.25(B)(3)(I)(F), 1.25(B)(3)(II)(D). IN ACCEPTING BNPP'S OFFER, THE COMMISSION RECOGNIZES BNPP'S COOPERATION DURING THE INVESTIGATION BY THE STAFF OF THE DIVISION OF ENFORCEMENT. THE COMMISSION ALSO RECOGNIZES THAT BNPP VOLUNTARILY UNDERTOOK REMEDIAL ACTION TO STRENGTHEN ITS POLICIES AND PROCEDURES RELATED TO COMPLIANCE WITH REGULATIONS 1.25(B)(3)(I)(F) AND 1.25(B)(3)(II)(D). THE COMMISSION ALSO NOTES THAT THE CIVIL MONETARY PENALTY IMPOSED ON BNPP REFLECTS BNPP'S EARLY RESOLUTION OF THIS MATTER.

Initiated By: COMMODITY FUTURES TRADING COMMISSION

Date Initiated: 10/20/2015

Docket/Case Number: 16-01



Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	10/20/2015
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 \$140,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	PLUS POST-JUDGMENT INTEREST; AND CONDITIONS AND UNDERTAKINGS AS DESCRIBED IN THE OFFER.
Sanction Details:	BNPP SHALL CEASE AND DESIST FROM VIOLATING COMMISSION REGULATIONS 1.25(B)(3)(I)(F) AND 1.25(B)(3)(II)(D), 1.25(B)(3)(I)(F), 1.25(B)(3)(II)(D); SHALL PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$140,000, PLUS POST-JUDGMENT INTEREST; AND ITS SUCCESSORS AND ASSIGNS SHALL COMPLY WITH THE CONDITIONS AND UNDERTAKINGS AS DESCRIBED IN THE OFFER.
Regulator Statement	IN ANTICIPATION OF THE INSTITUTION OF AN ADMINISTRATIVE PROCEEDING, BNPP HAS SUBMITTED AN OFFER OF SETTLEMENT ("OFFER"), WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. WITHOUT ADMITTING OR DENYING ANY OF THE FINDINGS OR CONCLUSIONS, BNPP CONSENTS TO THE ENTRY OF THE ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTIONS 6(C) AND 6(D) OF THE COMMODITY EXCHANGE ACT, MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS ("ORDER") AND ACKNOWLEDGES SERVICE OF THE ORDER. ACCORDINGLY, IT IS HEREBY ORDERED THAT: BNPP SHALL CEASE AND DESIST FROM VIOLATING COMMISSION REGULATIONS 1.25(B)(3)(I)(F) AND 1.25(B)(3)(II)(D), 1.25(B)(3)(I)(F), 1.25(B)(3)(II)(D). BNPP SHALL PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$140,000, PLUS POST-JUDGMENT INTEREST. BNPP AND ITS SUCCESSORS AND ASSIGNS SHALL COMPLY WITH THE CONDITIONS AND UNDERTAKINGS AS DESCRIBED IN THE OFFER.



Reporting Source: Firm

Current Status: Final

Allegations: CFTC RELEASE 7265-15, OCTOBER 20, 2015: THE COMMODITY FUTURES TRADING COMMISSION ("COMMISSION") HAS REASON TO BELIEVE THAT BNP PARIBAS SECURITIES CORP. ("BNPP" OR "RESPONDENT") VIOLATED COMMISSION REGULATIONS ("REGULATIONS") 1.25(B)(3)(I)(F) AND 1.25(B)(3)(II)(D). THEREFORE, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED TO DETERMINE WHETHER BNPP ENGAGED IN THE VIOLATIONS SET FORTH HEREIN AND TO DETERMINE WHETHER ANY ORDER SHOULD BE ISSUED IMPOSING REMEDIAL SANCTIONS. ON THREE OCCASIONS BNPP VIOLATED THE COMMISSION'S REGULATIONS GOVERNING CONCENTRATION LIMITS APPLICABLE TO THE INVESTMENT OF SEGREGATED COMMODITY CUSTOMER FUNDS. BNPP REPORTED TWO OF THE VIOLATIONS TO THE COMMISSION. AN ADDITIONAL VIOLATION WAS DISCOVERED IN CONNECTION WITH A REVIEW BY BNPP'S DESIGNATED SELF-REGULATORY ORGANIZATION. NONE OF THE VIOLATIONS RESULTED IN CUSTOMER LOSSES. BASED ON THE FOREGOING, THE COMMISSION FINDS THAT BNPP VIOLATED COMMISSION REGULATIONS 1.25(B)(3)(I)(F) AND 1.25(B)(3)(II)(D), 1.25(B)(3)(I)(F), 1.25(B)(3)(II)(D). IN ACCEPTING BNPP'S OFFER, THE COMMISSION RECOGNIZES BNPP'S COOPERATION DURING THE INVESTIGATION BY THE STAFF OF THE DIVISION OF ENFORCEMENT. THE COMMISSION ALSO RECOGNIZES THAT BNPP VOLUNTARILY UNDERTOOK REMEDIAL ACTION TO STRENGTHEN ITS POLICIES AND PROCEDURES RELATED TO COMPLIANCE WITH REGULATIONS 1.25(B)(3)(I)(F) AND 1.25(B)(3)(II)(D). THE COMMISSION ALSO NOTES THAT THE CIVIL MONETARY PENALTY IMPOSED ON BNPP REFLECTS BNPP'S EARLY RESOLUTION OF THIS MATTER.

Initiated By: COMMODITY FUTURES TRADING COMMISSION

Date Initiated: 10/20/2015

Docket/Case Number: 16-01

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought:



Resolution:	Order
Resolution Date:	10/20/2015
Sanctions Ordered:	Monetary/Fine \$140,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	PLUS POST-JUDGMENT INTEREST; AND CONDITIONS AND UNDERTAKINGS AS DESCRIBED IN THE OFFER.
Sanction Details:	BNPP SHALL CEASE AND DESIST FROM VIOLATING COMMISSION REGULATIONS 1.25(B)(3)(I)(F) AND 1.25(B)(3)(II)(D), 1.25(B)(3)(I)(F), 1.25(B)(3)(II)(D); SHALL PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$140,000, PLUS POST-JUDGMENT INTEREST; AND ITS SUCCESSORS AND ASSIGNS SHALL COMPLY WITH THE CONDITIONS AND UNDERTAKINGS AS DESCRIBED IN THE OFFER.
Firm Statement	IN ANTICIPATION OF THE INSTITUTION OF AN ADMINISTRATIVE PROCEEDING, BNPP HAS SUBMITTED AN OFFER OF SETTLEMENT ("OFFER"), WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. WITHOUT ADMITTING OR DENYING ANY OF THE FINDINGS OR CONCLUSIONS, BNPP CONSENTS TO THE ENTRY OF THE ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTIONS 6(C) AND 6(D) OF THE COMMODITY EXCHANGE ACT, MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS ("ORDER") AND ACKNOWLEDGES SERVICE OF THE ORDER. ACCORDINGLY, IT IS HEREBY ORDERED THAT: BNPP SHALL CEASE AND DESIST FROM VIOLATING COMMISSION REGULATIONS 1.25(B)(3)(I)(F) AND 1.25(B)(3)(II)(D), 1.25(B)(3)(I)(F), 1.25(B)(3)(II)(D). BNPP SHALL PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$140,000, PLUS POST-JUDGMENT INTEREST. BNPP AND ITS SUCCESSORS AND ASSIGNS SHALL COMPLY WITH THE CONDITIONS AND UNDERTAKINGS AS DESCRIBED IN THE OFFER.

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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 REPORT POSITIONS TO THE LARGE OPTIONS POSITION REPORTING SYSTEM (LOPR) IN APPROXIMATELY 4,412,234 MILLION INSTANCES, UNDER-REPORTED POSITIONS TO THE LOPR WITH AN INCORRECT MULTIPLIER IN APPROXIMATELY 1,798,873 INSTANCES, AND INACCURATELY REPORTED POSITIONS TO THE LOPR WITH "TBA" IN CERTAIN DATA FIELDS IN APPROXIMATELY 248,760 INSTANCES. THE FINDINGS STATED THAT IN 10 DIFFERENT OPTIONS SERIES, THE FIRM INACCURATELY REPORTED



POSITIONS TO THE LOPR WITH AN INCORRECT STRIKE PRICE, AND IN FOUR INSTANCES, THE FIRM EFFECTED OPENING TRANSACTIONS FOR CUSTOMER ACCOUNTS THAT EXCEEDED THE APPLICABLE POSITION LIMIT IN THREE DIFFERENT OVER-THE-COUNTER (OTC) OPTIONS, RANGING FROM APPROXIMATELY 120 PERCENT TO 168 PERCENT OVER THE APPLICABLE LIMIT AND FROM 54 TO 179 TRADE DATES IN DURATION. IN APPROXIMATELY 8,356,301 INSTANCES, THE FIRM INACCURATELY REPORTED POSITIONS TO THE LOPR WITHOUT ENTRIES IN THE TAX IDENTIFICATION AND/OR TAX TYPE DATA FIELDS, IN APPROXIMATELY 69,757 INSTANCES, THE FIRM FAILED TO REPORT TO THE LOPR CERTAIN OPTIONS TRANSACTIONS INVOLVING FOREIGN UNDERLYING SECURITIES AND TRANSACTIONS IN WHICH THEY MISCLASSIFIED THE COUNTERPARTIES, AND IN APPROXIMATELY 6,771 INSTANCES, THE FIRM INACCURATELY REPORTED POSITIONS TO THE LOPR WITH THE INCORRECT QUANTITY OF CONTRACTS. IN TWO INSTANCES, THE FIRM EFFECTED OPENING TRANSACTIONS FOR CUSTOMER AND PROPRIETARY ACCOUNTS THAT EXCEEDED THE APPLICABLE POSITION LIMIT IN AN OTC OPTION BY APPROXIMATELY 186 PERCENT FOR A SINGLE TRADE DATE, AND IN 20 INSTANCES, THE FIRM EFFECTED OPENING TRANSACTIONS FOR CUSTOMER AND PROPRIETARY ACCOUNTS THAT EXCEEDED THE APPLICABLE POSITION LIMIT IN EIGHT DIFFERENT OTC OPTIONS, RANGING FROM APPROXIMATELY 105 PERCENT TO 4922 PERCENT OVER THE APPLICABLE LIMIT AND FROM 2 TO 419 TRADE DATES IN DURATION. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES, CONCERNING POSITION LIMITS AND THE REPORTING OF POSITIONS TO THE LOPR. THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE SUFFICIENT WRITTEN SUPERVISORY PROCEDURES TO ENSURE THE PROPER REPORTING OF POSITIONS TO THE LOPR.

Initiated By: FINRA

Date Initiated: 10/07/2015

Docket/Case Number: [2012031320301](#)

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:	10/07/2015
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 \$2,400,000.00
Other Sanctions Ordered:	UNDERTAKING: ADDRESS THE LOPR REPORTING AND POSITION LIMIT DEFICIENCIES DESCRIBED ABOVE TO ENSURE THAT THE FIRM HAS IMPLEMENTED PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS, INCLUDING THE PROPER REPORTING OF OPTIONS TRANSACTIONS INVOLVING FOREIGN UNDERLYING SECURITIES.
Sanction Details:	THE FIRM WAS CENSURED, FINED \$2.4 MILLION AND UNDERTAKES TO ADDRESS THE LOPR REPORTING AND POSITION LIMIT DEFICIENCIES DESCRIBED ABOVE TO ENSURE THAT THE FIRM HAS IMPLEMENTED PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS, INCLUDING THE PROPER REPORTING OF OPTIONS TRANSACTIONS INVOLVING FOREIGN UNDERLYING SECURITIES. FINE PAID IN FULL OCTOBER 23, 2015.
Regulator Statement	IN DETERMINING TO RESOLVE THIS MATTER IN THE MANNER SET FORTH HEREIN, AND IN DETERMINING THE APPROPRIATE MONETARY SANCTION, FINRA SIGNIFICANTLY CONSIDERED: (I) THAT THE FIRM SELF-REPORTED ALL OF ITS LOPR VIOLATIONS; (II) THE SIGNIFICANT REMEDIAL STEPS UNDERTAKEN BY THE FIRM, INCLUDING VOLUNTARILY RETAINING AN INDEPENDENT CONSULTANT TO CONDUCT A REVIEW OF THE FIRM'S LOPR SYSTEMS AND REPORTING LOGIC, IDENTIFY DEFICIENCIES AND RECOMMEND REMEDIAL STEPS; (III) THE FIRM'S EFFORTS TO IMPLEMENT THOSE RECOMMENDATIONS; AND (IV) THE DEGREE OF COOPERATION BY THE FIRM DURING THE INVESTIGATION, INCLUDING PROVIDING A CALCULATION OF THE NUMBER OF UNREPORTED POSITIONS, A REPORT OF THE INDEPENDENT CONSULTANT'S ANALYSIS AND RECOMMENDATIONS, AND STATUS REPORTS ON IMPLEMENTATION OF THOSE RECOMMENDATIONS.
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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 THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT POSITIONS TO THE LARGE OPTIONS POSITION REPORTING SYSTEM (LOPR) IN APPROXIMATELY 4,412,234 MILLION INSTANCES, UNDER-REPORTED POSITIONS TO THE LOPR WITH AN INCORRECT MULTIPLIER IN APPROXIMATELY 1,798,873 INSTANCES, AND INACCURATELY REPORTED POSITIONS TO THE LOPR WITH "TBA" IN CERTAIN DATA FIELDS IN APPROXIMATELY 248,760 INSTANCES. THE FINDINGS STATED THAT IN 10 DIFFERENT OPTIONS SERIES, THE FIRM INACCURATELY REPORTED POSITIONS TO THE LOPR WITH AN INCORRECT STRIKE PRICE, AND IN FOUR INSTANCES, THE FIRM EFFECTED OPENING TRANSACTIONS FOR CUSTOMER ACCOUNTS THAT EXCEEDED THE APPLICABLE POSITION LIMIT IN THREE DIFFERENT OVER-THE-COUNTER (OTC) OPTIONS, RANGING FROM APPROXIMATELY 120 PERCENT TO 168 PERCENT OVER THE APPLICABLE LIMIT AND FROM 54 TO 179 TRADE DATES IN DURATION. IN APPROXIMATELY 8,356,301 INSTANCES, THE FIRM INACCURATELY REPORTED POSITIONS TO THE LOPR WITHOUT ENTRIES IN THE TAX IDENTIFICATION AND/OR TAX TYPE DATA FIELDS, IN APPROXIMATELY 69,757 INSTANCES, THE FIRM FAILED TO REPORT TO THE LOPR CERTAIN OPTIONS TRANSACTIONS INVOLVING FOREIGN UNDERLYING SECURITIES AND TRANSACTIONS IN WHICH THEY MISCLASSIFIED THE COUNTERPARTIES, AND IN APPROXIMATELY 6,771 INSTANCES, THE FIRM INACCURATELY REPORTED POSITIONS TO THE LOPR WITH THE INCORRECT QUANTITY OF CONTRACTS. IN TWO INSTANCES, THE FIRM EFFECTED OPENING TRANSACTIONS FOR CUSTOMER AND PROPRIETARY ACCOUNTS THAT EXCEEDED THE APPLICABLE POSITION LIMIT IN AN OTC OPTION BY APPROXIMATELY 186 PERCENT FOR A SINGLE TRADE DATE, AND IN 20 INSTANCES, THE FIRM EFFECTED OPENING TRANSACTIONS FOR CUSTOMER AND PROPRIETARY ACCOUNTS THAT EXCEEDED THE APPLICABLE POSITION LIMIT IN EIGHT DIFFERENT OTC OPTIONS, RANGING FROM APPROXIMATELY 105 PERCENT TO 4922 PERCENT OVER THE APPLICABLE LIMIT AND FROM 2 TO 419 TRADE DATES IN DURATION. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES, CONCERNING POSITION LIMITS AND THE REPORTING OF POSITIONS TO THE LOPR. THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE SUFFICIENT WRITTEN SUPERVISORY PROCEDURES TO ENSURE THE PROPER REPORTING OF POSITIONS TO THE LOPR.

Initiated By: FINRA
Date Initiated: 10/07/2015
Docket/Case Number: [2012031320301](#)
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:** 10/07/2015**Sanctions Ordered:** Censure
Monetary/Fine \$2,400,000.00**Other Sanctions Ordered:** UNDERTAKING: ADDRESS THE LOPR REPORTING AND POSITION LIMIT DEFICIENCIES DESCRIBED ABOVE TO ENSURE THAT THE FIRM HAS IMPLEMENTED PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS, INCLUDING THE PROPER REPORTING OF OPTIONS TRANSACTIONS INVOLVING FOREIGN UNDERLYING SECURITIES.**Sanction Details:** THE FIRM WAS CENSURED, FINED \$2.4 MILLION AND UNDERTAKES TO ADDRESS THE LOPR REPORTING AND POSITION LIMIT DEFICIENCIES DESCRIBED ABOVE TO ENSURE THAT THE FIRM HAS IMPLEMENTED PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS, INCLUDING THE PROPER REPORTING OF OPTIONS TRANSACTIONS INVOLVING FOREIGN UNDERLYING SECURITIES. FINE PAID IN FULL OCTOBER 23, 2015**Firm Statement** IN DETERMINING TO RESOLVE THIS MATTER IN THE MANNER SET FORTH HEREIN, AND IN DETERMINING THE APPROPRIATE MONETARY SANCTION, FINRA SIGNIFICANTLY CONSIDERED: (I) THAT THE FIRM SELF-REPORTED ALL OF ITS LOPR VIOLATIONS; (II) THE SIGNIFICANT REMEDIAL STEPS UNDERTAKEN BY THE FIRM, INCLUDING VOLUNTARILY RETAINING AN INDEPENDENT CONSULTANT TO CONDUCT A REVIEW OF THE FIRM'S LOPR SYSTEMS AND REPORTING LOGIC, IDENTIFY DEFICIENCIES AND RECOMMEND REMEDIAL STEPS; (III) THE FIRM'S EFFORTS TO IMPLEMENT THOSE RECOMMENDATIONS; AND (IV) THE DEGREE OF COOPERATION BY THE FIRM DURING THE INVESTIGATION, INCLUDING PROVIDING A CALCULATION OF THE NUMBER OF UNREPORTED POSITIONS, A REPORT OF THE INDEPENDENT CONSULTANT'S ANALYSIS AND RECOMMENDATIONS, AND STATUS REPORTS ON IMPLEMENTATION OF THOSE RECOMMENDATIONS.**Disclosure 51 of 87****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 REPORT S1 TRANSACTIONS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE CORPORATE DEBT SECURITIES TO TRACE WITHIN 15 MINUTES OF THE TIME OF EXECUTION, FAILED TO REPORT THE CORRECT MARKET IDENTIFIER FOR P1 TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES TO TRACE, AND FAILED TO REPORT THE CORRECT TIME OF TRADE EXECUTION FOR P1 TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES TO TRACE. THE FINDINGS STATED THAT THE FIRM FAILED TO REPORT THE CORRECT TIME OF TRADE EXECUTION FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIZED PRODUCTS TO TRACE AND FAILED TO SHOW THE CORRECT TIME OF EXECUTION ON THE MEMORANDUM OF BROKERAGE ORDERS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REPORT S1 TRANSACTIONS IN TRACE-ELIGIBLE AGENCY DEBT SECURITIES TO TRACE WITHIN 15 MINUTES OF THE TIME OF EXECUTION AND FAILED TO REPORT TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES TO TRACE WITHIN 15 MINUTES OF THE TIME OF EXECUTION.

Initiated By: FINRA

Date Initiated: 08/07/2015

Docket/Case Number: [2014040111801](#)

Principal Product Type: Debt - Corporate

Other Product Type(s): AGENCY DEBT SECURITIES; SECURITIZED PRODUCTS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/07/2015

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. FINE PAID IN FULL ON SEPTEMBER 10, 2015.

Reporting Source: Firm

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 REPORT S1 TRANSACTIONS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE CORPORATE DEBT SECURITIES TO TRACE WITHIN 15 MINUTES OF THE TIME OF EXECUTION, FAILED TO REPORT THE CORRECT MARKET IDENTIFIER FOR P1 TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES TO TRACE, AND FAILED TO REPORT THE CORRECT TIME OF TRADE EXECUTION FOR P1 TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES TO TRACE. THE FINDINGS STATED THAT THE FIRM FAILED TO REPORT THE CORRECT TIME OF TRADE EXECUTION FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIZED PRODUCTS TO TRACE AND FAILED TO SHOW THE CORRECT TIME OF EXECUTION ON THE MEMORANDUM OF BROKERAGE ORDERS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REPORT S1 TRANSACTIONS IN TRACE-ELIGIBLE AGENCY DEBT SECURITIES TO TRACE WITHIN 15 MINUTES OF THE TIME OF EXECUTION AND FAILED TO REPORT TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES TO TRACE WITHIN 15 MINUTES OF THE TIME OF EXECUTION.

Initiated By: FINRA

Date Initiated: 08/07/2015

Docket/Case Number: [2014040111801](#)

Principal Product Type: Debt - Corporate

Other Product Type(s): AGENCY DEBT SECURITIES; SECURITIZED PRODUCTS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/07/2015

Sanctions Ordered: Censure



Monetary/Fine \$50,000.00

Other Sanctions Ordered:

Sanction Details: CENSURED AND FINED \$50,000.FINE PAID SEPTEMBER 10, 2015

Disclosure 52 of 87

Reporting Source: Regulator

Current Status: Pending

Allegations: BNP PARIBAS SECURITIES CORP. ("BNP"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$55,000 FOR THE FOLLOWING CONDUCT. BNP (I) FAILED TO REGISTER TEN (10) ASSOCIATED PERSONS AS PROPRIETARY TRADER (PT) WITH THE EXCHANGE IN WEBCRD, ONE OF WHOM WAS NOT QUALIFIED TO ACT IN THE CAPACITY OF A PROPRIETARY TRADER (PT); (II) FAILED TO REGISTER SEVEN (7) ASSOCIATED PERSONS AS A PROPRIETARY TRADER PRINCIPAL (TP) WITH THE EXCHANGE IN WEBCRD, ONE OF WHOM WAS NOT QUALIFIED TO ACT IN THE CAPACITY OF A PROPRIETARY TRADER PRINCIPAL (TP); (III) FAILED TO REGISTER ITS FINANCIAL AND OPERATIONS PRINCIPAL AS A FINANCIAL AND OPERATIONS PRINCIPAL (FN) WITH THE EXCHANGE IN WEBCRD; (IV) FAILED TO REGISTER THE MINIMUM NUMBER OF INDIVIDUALS REQUIRED TO REGISTER AS A PROPRIETARY TRADER PRINCIPAL (TP) WITH THE EXCHANGE IN WEBCRD; (V) FAILED TO REGISTER ITS FORMER CHIEF COMPLIANCE OFFICER ("CCO") AS PROPRIETARY TRADER COMPLIANCE OFFICER (CT) WITH THE EXCHANGE IN WEBCRD; AND (VI) FAILED TO QUALIFY AND REGISTER ITS CURRENT CCO AS PROPRIETARY TRADER COMPLIANCE OFFICER (CT) WITH THE EXCHANGE IN WEBCRD.. (EXCHANGE RULE 3.6A - QUALIFICATION AND REGISTRATION OF TRADING PERMIT HOLDERS AND ASSOCIATED PERSONS)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 05/06/2015

Docket/Case Number: 15-0048 / 20150452247

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: 08/10/2015

Sanctions Ordered: Censure
Monetary/Fine \$55,000.00

Other Sanctions Ordered:

Sanction Details: A \$55,000 FINE AND A CENSURE.

Reporting Source: Firm

Current Status: Final

Allegations: BNP PARIBAS SECURITIES CORP. ("BNP"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$55,000 FOR THE FOLLOWING CONDUCT. BNP (I) FAILED TO REGISTER TEN (10) ASSOCIATED PERSONS AS PROPRIETARY TRADER (PT) WITH THE EXCHANGE IN WEBCRD, ONE OF WHOM WAS NOT QUALIFIED TO ACT IN THE CAPACITY OF A PROPRIETARY TRADER (PT); (II) FAILED TO REGISTER SEVEN (7) ASSOCIATED PERSONS AS A PROPRIETARY TRADER PRINCIPAL (TP) WITH THE EXCHANGE IN WEBCRD, ONE OF WHOM WAS NOT QUALIFIED TO ACT IN THE CAPACITY OF A PROPRIETARY TRADER PRINCIPAL (TP); (III) FAILED TO REGISTER ITS FINANCIAL AND OPERATIONS PRINCIPAL AS A FINANCIAL AND OPERATIONS PRINCIPAL (FN) WITH THE EXCHANGE IN WEBCRD; (IV) FAILED TO REGISTER THE MINIMUM NUMBER OF INDIVIDUALS REQUIRED TO REGISTER AS A PROPRIETARY TRADER PRINCIPAL (TP) WITH THE EXCHANGE IN WEBCRD; (V) FAILED TO REGISTER ITS FORMER CHIEF COMPLIANCE OFFICER ("CCO") AS PROPRIETARY TRADER COMPLIANCE OFFICER (CT) WITH THE EXCHANGE IN WEBCRD; AND (VI) FAILED TO QUALIFY AND REGISTER ITS CURRENT CCO AS PROPRIETARY TRADER COMPLIANCE OFFICER (CT) WITH THE EXCHANGE IN WEBCRD. (EXCHANGE RULE 3.6A - QUALIFICATION AND REGISTRATION OF TRADING PERMIT HOLDERS AND ASSOCIATED PERSONS)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 05/06/2015

Docket/Case Number: 15-0048/20150452247

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: 08/10/2015

Sanctions Ordered: Censure
Monetary/Fine \$55,000.00

Other Sanctions Ordered:

Sanction Details: A \$55,000 FINE AND A CENSURE.

Disclosure 53 of 87

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 REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA TO ORDER AUDIT TRAIL SYSTEM (OATS). THE FINDINGS STATED THAT PRIOR TO EXECUTING OR PERMITTING ORDERS TO BE EXECUTED, THE FIRM FAILED TO REDUCE, INCREASE OR ADJUST THE PRICE AND/OR NUMBER OF SHARES OF SUCH ORDERS BY AN AMOUNT EQUAL TO THE DIVIDEND, PAYMENT OR DISTRIBUTION, ON THE DAY THAT THE SECURITY WAS QUOTED EX-DIVIDEND, EX-RIGHTS, EX-DISTRIBUTION OR EX-INTEREST.

Initiated By: FINRA

Date Initiated: 04/08/2015

Docket/Case Number: [2012031657201](#)

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: 04/08/2015



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 \$15,000.00

Other Sanctions Ordered:

Sanction Details:

THE FIRM WAS CENSURED AND FINED \$15,000. FINE PAID IN FULL ON 5/15/2015.

Reporting Source:

Firm

Current Status:

Final

Allegations:

DURING THE REVIEW PERIOD SEPTEMBER 11, 2012 AND SEPTEMBER 12, 2012, THE FIRM TRANSMITTED TO OATS 54 REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. SPECIFICALLY, THE FINN: (A) SUBMITTED INCORRECT ACCOUNT TYPE CODES OF "A" FOR 34 REPORTS; (B) FAILED TO SUBMIT THE "NOT HELD" SPECIAL HANDLING CODE FOR SIX REPORTS; (C) FAILED TO SUBMIT THE "DIRECTED" SPECIAL HANDLING CODE FOR FIVE REPORTS; (D) FAILED TO SUBMIT INFORMATION TO OATS FOR FOUR ORDERS; (E) FAILED TO SUBMIT THE "NOT HELD" SPECIAL HANDLING CODE AND SUBMITTED INCORRECT ACCOUNT TYPE CODES OF "L" FOR THREE REPORTS; (F) FAILED TO SUBMIT THE "NOT HELD" SPECIAL HANDLING CODE AND SUBMITTED AN INCORRECT ACCOUNT TYPE CODE OF "A" FOR ONE REPORT; AND (H) FAILED TO SUBMIT THE "DIRECTED" SPECIAL HANDLING CODE AND SUBMITTED AN INCORRECT ACCOUNT TYPE CODE OF "A" FOR ONE REPORT. THE CONDUCT DESCRIBED IN THIS PARAGRAPH CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 7450.

DURING THE REVIEW PERIOD, THE FIRM FAILED- PRIOR TO EXECUTING OR PERMITTING SEVEN ORDERS TO BE EXECUTED - TO REDUCE, INCREASE OR ADJUST THE PRICE AND/OR NUMBER OF SHARES OF SUCH ORDERS BY AN AMOUNT EQUAL TO THE DIVIDEND, PAYMENT OR DISTRIBUTION, ON THE DAY THAT THE SECURITY WAS QUOTED EX-DIVIDEND, EX-RIGHTS, EX-DISTRIBUTION OR EX-INTEREST. THE CONDUCT DESCRIBED IN THIS PARAGRAPH CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 5330.

Initiated By:

FINRA



Date Initiated: 03/06/2015
Docket/Case Number: 20120316572
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: 03/09/2015
Sanctions Ordered: Censure
 Monetary/Fine \$15,000.00
Other Sanctions Ordered:
Sanction Details: A CENSURE AND FINED \$15,000.00

Disclosure 54 of 87

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 REPORT TO FINRA ITS SHORT INTEREST IN 2,509 POSITIONS TOTALING 6,051,974 SHARES. THE FINDINGS STATED THAT 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 FINRA RULES, CONCERNING SHORT INTEREST REPORTING.
Initiated By: FINRA
Date Initiated: 12/22/2014
Docket/Case Number: [2013036460801](#)
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: 12/22/2014

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 \$30,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$30,000.

FINE PAID IN FULL ON JANUARY 12, 2015.

Reporting Source: Firm

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 REPORT TO FINRA ITS SHORT INTEREST IN 2,509 POSITIONS TOTALING 6,051,974 SHARES. THE FINDINGS STATED THAT 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 FINRA RULES, CONCERNING SHORT INTEREST REPORTING.

Initiated By: FINRA

Date Initiated: 12/22/2014

Docket/Case Number: [2013036460801](#)

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: 12/22/2014
Sanctions Ordered: Censure
 Monetary/Fine \$30,000.00
Other Sanctions Ordered:
Sanction Details: THE FIRM WAS CENSURED AND FINED \$30,000.

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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 AS MANAGING UNDERWRITER, THE FIRM FAILED TO REPORT NEW ISSUE OFFERINGS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE CORPORATE SECURITIES IN ACCORDANCE WITH THE REQUIREMENTS OF FINRA RULE 6760(C).
Initiated By: FINRA
Date Initiated: 12/05/2014
Docket/Case Number: [2013036731801](#)
Principal Product Type: Debt - Corporate
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 12/05/2014
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 \$7,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$7,500. FINE PAID IN FULL ON DECEMBER 29, 2014.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT AS MANAGING UNDERWRITER, THE FIRM FAILED TO REPORT NEW ISSUE OFFERINGS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE CORPORATE SECURITIES IN ACCORDANCE WITH THE REQUIREMENTS OF FINRA RULE 6760(C).

Initiated By: FINRA

Date Initiated: 12/05/2014

Docket/Case Number: [2013036731801](#)

Principal Product Type: Debt - Corporate

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/05/2014

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

Other Sanctions Ordered:

Sanction Details: CENSURED AND FINED \$7,500

Disclosure 56 of 87

Reporting Source: Firm

Current Status: Final

Allegations: PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH BNP PARIBAS



SECURITIES CORP. ("BNP") NEITHER ADMITTED NOR DENIED THE RULE VIOLATION UPON WHICH THE PENALTY IS BASED, A PANEL OF THE CBOT BUSINESS CONDUCT COMMITTEE ("PANEL") FOUND THAT IT HAD JURISDICTION OVER BNP PURSUANT TO RULES 400 AND 402, AS BNP IS A CBOT CLEARING MEMBER. THE PANEL ALSO FOUND THAT ON JULY 6, 2012, BNP REPORTED TO THE EXCHANGE 128 LONG POSITIONS ELIGIBLE FOR DELIVERY IN JULY 2012 WHEAT FUTURES EVEN THOUGH THOSE POSITIONS HAD PREVIOUSLY BEEN CLOSED OUT, AND BNP WAS ASSIGNED TO TAKE PHYSICAL DELIVERY ON 114 OF THE 128 POSITIONS. THIS INACCURATE REPORT REPRESENTED 51.8% OF THE TOTAL INTENTS IN JULY 2012 WHEAT ON THAT DAY. AFTER DISCOVERING ITS ERROR, BNP RETENDERED THE 114 POSITIONS THE FOLLOWING BUSINESS DAY, JULY 9, 2012. THE PANEL CONCLUDED THAT BNP THEREBY VIOLATED CBOT RULE 807.

Initiated By: CBOT

Date Initiated: 10/09/2014

Docket/Case Number: CBOT 13-9567-BC

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 10/13/2014

Sanctions Ordered: Monetary/Fine \$25,000.00

Other Sanctions Ordered:

Sanction Details: IN ACCORDANCE WITH THE SETTLEMENT OFFER, THE PANEL ORDERED BNP TO PAY A FINE OF \$25,000. FINE PAID 10/21/2014.

Disclosure 57 of 87

Reporting Source: Firm

Current Status: Final

Allegations: PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH BNP PARIBAS SECURITIES CORP. NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, ON JUNE 19, 2014, THE



CLEARING HOUSE RISK COMMITTEE FOUND THAT BNP PARIBAS SECURITIES CORP. VIOLATED CBOT RULES 971.A.4 AND 980.B. FINED \$75,000.

Initiated By: CHICAGO BOARD OPTIONS TRADE
Date Initiated: 06/19/2014
Docket/Case Number: 14-CH-1401
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Decision & Order of Offer of Settlement
Resolution Date: 06/20/2014
Sanctions Ordered: Monetary/Fine \$75,000.00
Other Sanctions Ordered:
Sanction Details: FINED \$75,000. FINE PAID JULY 7, 2014.

Disclosure 58 of 87

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 FIRM TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM (OATS) EXECUTION OR COMBINED ORDER/EXECUTION REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. THE FINDINGS STATED THAT BECAUSE OF THE INACCURATE, MISSING, OR IMPROPERLY FORMATTED DATA, OATS WAS UNABLE TO LINK THE EXECUTION REPORTS TO THE RELATED TRADE REPORTS IN A FINRA TRADE REPORTING SYSTEM.
Initiated By: FINRA
Date Initiated: 04/07/2014
Docket/Case Number: [2012033873101](#)



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: 04/07/2014

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: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: SEE ABOVE

FINES PAID IN FULL ON MAY 16, 2014.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM (OATS) EXECUTION OR COMBINED ORDER/EXECUTION REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. THE FINDINGS STATED THAT BECAUSE OF THE INACCURATE, MISSING, OR IMPROPERLY FORMATTED DATA, OATS WAS UNABLE TO LINK THE EXECUTION REPORTS TO THE RELATED TRADE REPORTS IN A FINRA TRADE REPORTING SYSTEM.

Initiated By: FINRA

Date Initiated: 04/07/2014

Docket/Case Number: [2012033873101](#)

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:** 04/07/2014**Sanctions Ordered:** Monetary/Fine \$5,000.00**Other Sanctions Ordered:****Sanction Details:** SEE ABOVE**Disclosure 59 of 87****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, WITHIN 30 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) LAST SALE REPORTS OF TRANSACTIONS IN NMS SECURITIES, AND FAILED TO DESIGNATE THROUGH THE FNTRF THREE OF SUCH REPORTS AS LATE.

Initiated By: FINRA**Date Initiated:** 03/12/2014**Docket/Case Number:** [2013035848201](#)**Principal Product Type:** Other**Other Product Type(s):** NMS SECURITIES**Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Acceptance, Waiver & Consent(AWC)**Resolution Date:** 03/12/2014



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: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: SEE ABOVE

Reporting Source: Firm

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, WITHIN 30 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE FINRA/NASDAQ TRADING REPORTING FACILITY (FNTRF) LAST SALE REPORTS OF TRANSACTIONS IN NMS SECURITIES, AND FAILED TO DESIGNATE THROUGH THE FNTRF THREE OF SUCH REPORTS AS LATE.

Initiated By: FINRA

Date Initiated: 03/12/2014

Docket/Case Number: [2013035848201](#)

Principal Product Type: Other

Other Product Type(s): NMS SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/12/2014

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED, WITHIN 30 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE



FINRA/NASDAQ TRADING REPORTING FACILITY (FNTRF) LAST SALE REPORTS OF TRANSACTIONS IN NMS SECURITIES, AND FAILED TO DESIGNATE THROUGH THE FNTRF THREE OF SUCH REPORTS AS LATE.

Disclosure 60 of 87

Reporting Source: Regulator

Current Status: Final

Allegations: NYSE ARCA EQUITIES RULE 6.18 - BNP PARIBAS SECURITIES CORP. NON-EQUITIES TRADING PERMIT (ETP) HOLDER CUSTOMERS ENGAGED IN POTENTIALLY MANIPULATIVE TRADING AT OR NEAR THE CLOSE OF TRADING (MARKING THE CLOSE) THAT AFFECTED THE CLOSING PRICE OF CERTAIN STOCKS. ONE CUSTOMER ENGAGED IN WHAT APPEARED TO BE MARKING-THE-CLOSE ACTIVITY IN THREE SECURITIES OVER 22 TRADE DATES; A SECOND CUSTOMER ENGAGED IN WHAT APPEARED TO BE MARKING-THE-CLOSE ACTIVITY IN A SINGLE SECURITY ON FOUR TRADE DATES; AND A THIRD CUSTOMER ENGAGED IN WHAT APPEARED TO BE MARKING-THE-CLOSE ACTIVITY IN A SINGLE SECURITY ON THREE TRADE DATES. THE FIRM IDENTIFIED ONLY NINE OF THE 58 ALERTS NOTED FOR THIS ACTIVITY. THE FIRM'S MARKING-THE-CLOSE SURVEILLANCE WAS INADEQUATE BECAUSE IT FAILED TO CAPTURE MOST OF ITS CUSTOMERS' POTENTIAL OR ACTUAL VIOLATIVE CONDUCT. PRIOR TO A CERTAIN DATE, THE FIRM DID NOT INCLUDE CUSTOMER ACCOUNTS IN ITS MARKING-THE-CLOSE REVIEWS AND DID NOT CONDUCT ANY REVIEWS FOR APPROXIMATELY ONE MONTH DURING A SYSTEMS MIGRATION. THEREAFTER, THE FIRM'S REVIEWS WERE NOT SUFFICIENTLY DESIGNED TO CAPTURE AND REVIEW POTENTIALLY VIOLATIVE CONDUCT. THE FIRM EXCLUDED FROM ITS REVIEWS MARKET AND MARKETABLE LIMIT ORDERS, ORDERS VALUED AT LESS THAN \$2,500, AND FULLY EXECUTED AND/OR CANCELED ORDERS. THE FIRM DID NOT CONDUCT A SUFFICIENT REVIEW AND ANALYSIS OF THOSE TRADES THAT IT DID CAPTURE. FOR APPROXIMATELY 16 MONTHS, THE FIRM ESCALATED FOR FURTHER REVIEW AND ANALYSIS ONLY FIVE OF MORE THAN 15,000 ALERTS GENERATED BY ITS AUTOMATED SURVEILLANCE. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES DID NOT ADEQUATELY ADDRESS THE FULL REVIEW AND ESCALATION PROCEDURES FOR ITS MARKING-THE-CLOSE SURVEILLANCE SYSTEM. THE FIRM DID NOT HAVE A SPECIFIC SURVEILLANCE REVIEW FOR WASH TRAINING AND PRIOR TO A LATER DATE, ITS REVIEW DID NOT INCLUDE CUSTOMER ACCOUNTS.

Initiated By: NYSE ARCA, INC.

Date Initiated: 11/04/2013

Docket/Case Number: 20110278755



Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	11/04/2013
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 \$150,000.00
Other Sanctions Ordered:	
Sanction Details:	A FINRA HEARING OFFICER CONSIDERED AN OFFER OF SETTLEMENT AND CONSENT ENTERED INTO BETWEEN FINRA ON BEHALF OF NYSE REGULATION, INC. AND THE FIRM. THE HEARING OFFICER ACCEPTED THE OFFER OF SETTLEMENT AND CONSENT; THEREFORE, THE FIRM IS CENSURED AND FINED \$150,000. IN DETERMINING TO RESOLVE THIS MATTER, FINRA TOOK INTO CONSIDERATION THAT THE FIRM MADE CHANGES TO ITS SUPERVISORY SYSTEMS AND PROCEDURES FOR REVIEWING TRADING ACTIVITY AT OR NEAR THE CLOSE, WASH SALES, AND/OR MATCHED ORDERS, AS WELL AS THAT THE FIRM REPRESENTED TO FINRA THAT IT WOULD IMPLEMENT FURTHER CHANGES TO ITS SUPERVISORY SYSTEMS AND PROCEDURES IN THIS AREA ON OR BEFORE A CERTAIN DATE. THE SANCTIONS SHALL TAKE EFFECT IMMEDIATELY. THE FINE MUST BE PAID WITHIN 30 DAYS OF THE DATE OF THE DECISION OR THE FIRM MAY FACE SUSPENSION.
Regulator Statement	OTHER CASE NUMBERS: 20110279000, 20110291836, 20120346202, 13-ARCA-24
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Reporting Source:	Firm
Current Status:	Final
Allegations:	NYSE ARCA EQUITIES RULE 6.18 - BNP PARIBAS SECURITIES CORP. NON-EQUITIES TRADING PERMIT (ETP) HOLDER CUSTOMERS ENGAGED IN



POTENTIALLY MANIPULATIVE TRADING AT OR NEAR THE CLOSE OF TRADING (MARKING THE CLOSE) THAT AFFECTED THE CLOSING PRICE OF CERTAIN STOCKS. ONE CUSTOMER ENGAGED IN WHAT APPEARED TO BE MARKING-THE-CLOSE ACTIVITY IN THREE SECURITIES OVER 22 TRADE DATES; A SECOND CUSTOMER ENGAGED IN WHAT APPEARED TO BE MARKING-THE-CLOSE ACTIVITY IN A SINGLE SECURITY ON FOUR TRADE DATES; AND A THIRD CUSTOMER ENGAGED IN WHAT APPEARED TO BE MARKING-THE-CLOSE ACTIVITY IN A SINGLE SECURITY ON THREE TRADE DATES. THE FIRM IDENTIFIED ONLY NINE OF THE 58 ALERTS NOTED FOR THIS ACTIVITY. THE FIRM'S MARKING-THE-CLOSE SURVEILLANCE WAS INADEQUATE BECAUSE IT FAILED TO CAPTURE MOST OF ITS CUSTOMERS' POTENTIAL OR ACTUAL VIOLATIVE CONDUCT. PRIOR TO A CERTAIN DATE, THE FIRM DID NOT INCLUDE CUSTOMER ACCOUNTS IN ITS MARKING-THE-CLOSE REVIEWS AND DID NOT CONDUCT ANY REVIEWS FOR APPROXIMATELY ONE MONTH DURING A SYSTEMS MIGRATION. THEREAFTER, THE FIRM'S REVIEWS WERE NOT SUFFICIENTLY DESIGNED TO CAPTURE AND REVIEW POTENTIALLY VIOLATIVE CONDUCT. THE FIRM EXCLUDED FROM ITS REVIEWS MARKET AND MARKETABLE LIMIT ORDERS, ORDERS VALUED AT LESS THAN \$2,500, AND FULLY EXECUTED AND/OR CANCELED ORDERS. THE FIRM DID NOT CONDUCT A SUFFICIENT REVIEW AND ANALYSIS OF THOSE TRADES THAT IT DID CAPTURE. FOR APPROXIMATELY 16 MONTHS, THE FIRM ESCALATED FOR FURTHER REVIEW AND ANALYSIS ONLY FIVE OF MORE THAN 15,000 ALERTS GENERATED BY ITS AUTOMATED SURVEILLANCE. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES DID NOT ADEQUATELY ADDRESS THE FULL REVIEW AND ESCALATION PROCEDURES FOR ITS MARKING-THE-CLOSE SURVEILLANCE SYSTEM. THE FIRM DID NOT HAVE A SPECIFIC SURVEILLANCE REVIEW FOR WASH TRAINING AND PRIOR TO A LATER DATE, ITS REVIEW DID NOT INCLUDE CUSTOMER ACCOUNTS.

Initiated By: NYSE ARCA, INC.

Date Initiated: 11/04/2013

Docket/Case Number: 20110278755

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

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 11/04/2013



Sanctions Ordered: Censure
Monetary/Fine \$150,000.00

Other Sanctions Ordered:

Sanction Details: A FINRA HEARING OFFICER CONSIDERED AN OFFER OF SETTLEMENT AND CONSENT ENTERED INTO BETWEEN FINRA ON BEHALF OF NYSE REGULATION, INC. AND THE FIRM. THE HEARING OFFICER ACCEPTED THE OFFER OF SETTLEMENT AND CONSENT; THEREFORE, THE FIRM IS CENSURED AND FINED \$150,000. IN DETERMINING TO RESOLVE THIS MATTER, FINRA TOOK INTO CONSIDERATION THAT THE FIRM MADE CHANGES TO ITS SUPERVISORY SYSTEMS AND PROCEDURES FOR REVIEWING TRADING ACTIVITY AT OR NEAR THE CLOSE, WASH SALES, AND/OR MATCHED ORDERS, AS WELL AS THAT THE FIRM REPRESENTED TO FINRA THAT IT WOULD IMPLEMENT FURTHER CHANGES TO ITS SUPERVISORY SYSTEMS AND PROCEDURES IN THIS AREA ON OR BEFORE A CERTAIN DATE. THE SANCTIONS SHALL TAKE EFFECT IMMEDIATELY. FINE PAID ON 11/19/2013.

Firm Statement THE OFFER OF SETTLEMENT AND CONSENT WAS SUBMITTED WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS. FINE PAID ON 11/19/2013.

Disclosure 61 of 87

Reporting Source: Regulator

Current Status: Final

Allegations: FINRA RULE 6760(C) - BNP PARIBAS SECURITIES CORP., AS MANAGING UNDERWRITER, FAILED TO REPORT NEW ISSUE OFFERINGS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE CORPORATE SECURITIES IN ACCORDANCE WITH FINRA RULE 6760(C) REQUIREMENTS. THESE NEW ISSUE OFFERINGS CONSTITUTED APPROXIMATELY 61 PERCENT OF THE NEW ISSUE OFFERINGS IN TRACE-ELIGIBLE CORPORATE SECURITIES THAT THE FIRM HAD AN OBLIGATION TO PROVIDE TO FINRA DURING THE REVIEW PERIOD.

Initiated By: FINRA

Date Initiated: 07/18/2013

Docket/Case Number: 2011030835801

Principal Product Type: Other

Other Product Type(s): TRACE-ELIGIBLE CORPORATE SECURITIES



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/18/2013

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 ON AUGUST 2, 2013.

Reporting Source: Firm

Current Status: Final

Allegations: DURING THE REVIEW PERIOD MAY 10, 2011 THROUGH SEPTEMBER 30, 2011, THE FIRM, AS MANAGING UNDERWRITER, FAILED TO REPORT 25 NEW ISSUE OFFERINGS IN TRACE-ELIGIBLE CORPORATE SECURITIES IN ACCORDANCE WITH THE REQUIREMENTS OF FINRA RULE 6760(C).

Initiated By: FINRA

Date Initiated: 06/25/2013

Docket/Case Number: 20110308358

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:



Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	06/25/2013
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 THE ENTRY OF FINDINGS, THEREFORE IT IS CENSURED AND FINED \$7,500.
Firm Statement	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND THE ENTRY OF FINDINGS, THEREFORE IT IS CENSURED AND FINED \$7,500.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>NYSE ARCA OPTIONS RULE 6.8 COMMENTARY .07(III)(F), NYSE ARCA OPTIONS RULE 11.18 - BNP PARIBAS SECURITIES CORP. SUBMITTED A REQUEST TO NYSE ARCA FOR APPROVAL TO USE THE DELTA HEDGE EXEMPTION FOR LISTED AND OVER-THE-COUNTER (OTC) OPTIONS POSITIONS HELD IN ACCOUNTS AT THE FIRM BY ITS AFFILIATE, BASED ON AN APPROVED PROPRIETARY MODEL. THE FIRM CONFIRMED THAT NEITHER FIRM HELD AN OWNERSHIP INTEREST IN THE OTHER. THE FIRM EXPRESSLY LIMITED ITS REQUEST TO TWO TRADING UNITS WITHIN THE AFFILIATE. THE FIRM REPRESENTED THAT, WHERE A POSITION EXCEEDED THE APPLICABLE LIMIT, IT WOULD DETERMINE HOW MUCH OF THE POSITION, IF ANY, BELONGED TO EACH OF THE TWO UNITS ELIGIBLE FOR THE EXEMPTION AND THEN ADJUST THE POSITIONS ACCORDING TO ITS APPROVED DELTA HEDGE MODEL. THE OPTIONS CONTRACT EQUIVALENT OF THE NET DELTA (OCEND) FROM THE TWO UNITS WOULD BE ADDED TO ANY/ALL NON-DELTA HEDGED POSITIONS HELD BY OTHER UNITS WITHIN THE AFFILIATE TO ESTABLISH AN AGGREGATE/CONSOLIDATED OCEND POSITION FOR SUBMISSION. FOR ALMOST TWO YEARS, THE FIRM INADVERTENTLY DID NOT INCLUDE ITS NON-DELTA HEDGED POSITIONS WITH ITS OCEND SUBMISSIONS TO THE OPTIONS CLEARING CORPORATION (OCC) SO THAT IT FAILED TO SUBMIT ACCURATE OCEND CALCULATIONS TO THE OCC FOR EIGHT DIFFERENT SECURITIES TOTALING 1,909 INSTANCES. ALTHOUGH THE FIRM UPDATED ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) TO INCLUDE A DESCRIPTION OF A SUPERVISORY REVIEW OF OCEND DATA, THE FIRM DID NOT HAVE PROCEDURES IN PLACE TO VERIFY THE ACCURACY OF ITS OCEND</p>



SUBMISSIONS AND CONTINUED TO SUBMIT INACCURATE OCEND DATA FOR ALMOST NINE MONTHS. GIVEN THE NUMEROUS VIOLATIONS AND THE EXTENDED TIME PERIOD OVER WHICH THEY OCCURRED, THE FIRM'S SUPERVISORY PROCEDURES WERE NOT REASONABLY DESIGNED TO ENSURE THE SUBMISSION OF ACCURATE OCEND DATA.

Initiated By: NYSE ARCA, INC.

Date Initiated: 05/23/2013

Docket/Case Number: 20110296479

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 05/23/2013

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: A FINRA HEARING OFFICER ACCEPTED AN OFFER OF SETTLEMENT AND CONSENT ENTERED INTO BETWEEN FINRA, ON BEHALF OF NYSE ARCA, INC., AND THE FIRM WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN; THEREFORE, THE FIRM IS CENSURED AND FINED \$50,000. THE FINE MUST BE PAID WITHIN 30 DAYS OF THE DATE OF THE DECISION OR THE FIRM MAY FACE SUSPENSION.

Regulator Statement OTHER CASE NUMBER: 13-ARCA-13

Reporting Source: Firm

Current Status: Final



Allegations: NYSE ARCA OPTIONS RULE 6.8 COMMENTARY .07(III)(F), NYSE ARCA OPTIONS RULE 11.18 - BNP PARIBAS SECURITIES CORP. SUBMITTED A REQUEST TO NYSE ARCA FOR APPROVAL TO USE THE DELTA HEDGE EXEMPTION FOR LISTED AND OVER-THE-COUNTER (OTC) OPTIONS POSITIONS HELD IN ACCOUNTS AT THE FIRM BY ITS AFFILIATE, BASED ON AN APPROVED PROPRIETARY MODEL. THE FIRM CONFIRMED THAT NEITHER FIRM HELD AN OWNERSHIP INTEREST IN THE OTHER. THE FIRM EXPRESSLY LIMITED ITS REQUEST TO TWO TRADING UNITS WITHIN THE AFFILIATE. THE FIRM REPRESENTED THAT, WHERE A POSITION EXCEEDED THE APPLICABLE LIMIT, IT WOULD DETERMINE HOW MUCH OF THE POSITION, IF ANY, BELONGED TO EACH OF THE TWO UNITS ELIGIBLE FOR THE EXEMPTION AND THEN ADJUST THE POSITIONS ACCORDING TO ITS APPROVED DELTA HEDGE MODEL. THE OPTIONS CONTRACT EQUIVALENT OF THE NET DELTA (OCEND) FROM THE TWO UNITS WOULD BE ADDED TO ANY/ALL NON-DELTA HEDGED POSITIONS HELD BY OTHER UNITS WITHIN THE AFFILIATE TO ESTABLISH AN AGGREGATE/CONSOLIDATED OCEND POSITION FOR SUBMISSION. FOR ALMOST TWO YEARS, THE FIRM INADVERTENTLY DID NOT INCLUDE ITS NON-DELTA HEDGED POSITIONS WITH ITS OCEND SUBMISSIONS TO THE OPTIONS CLEARING CORPORATION (OCC) SO THAT IT FAILED TO SUBMIT ACCURATE OCEND CALCULATIONS TO THE OCC FOR EIGHT DIFFERENT SECURITIES TOTALING 1,909 INSTANCES. ALTHOUGH THE FIRM UPDATED ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) TO INCLUDE A DESCRIPTION OF A SUPERVISORY REVIEW OF OCEND DATA, THE FIRM DID NOT HAVE PROCEDURES IN PLACE TO VERIFY THE ACCURACY OF ITS OCEND SUBMISSIONS AND CONTINUED TO SUBMIT INACCURATE OCEND DATA FOR ALMOST NINE MONTHS. GIVEN THE NUMEROUS VIOLATIONS AND THE EXTENDED TIME PERIOD OVER WHICH THEY OCCURRED, THE FIRM'S SUPERVISORY PROCEDURES WERE NOT REASONABLY DESIGNED TO ENSURE THE SUBMISSION OF ACCURATE OCEND DATA.

Initiated By: NYSE ARCA, INC.

Date Initiated: 05/23/2013

Docket/Case Number: 20110296479

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement



Resolution Date: 05/23/2013

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

Other Sanctions Ordered:

Sanction Details: A FINRA HEARING OFFICER ACCEPTED AN OFFER OF SETTLEMENT AND CONSENT ENTERED INTO BETWEEN FINRA, ON BEHALF OF NYSE ARCA, INC., AND THE FIRM WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN; THEREFORE, THE FIRM IS CENSURED AND FINED \$50,000.

Firm Statement

NYSE ARCA OPTIONS RULE 6.8 COMMENTARY .07(III)(F), NYSE ARCA OPTIONS RULE 11.18 - BNP PARIBAS SECURITIES CORP. SUBMITTED A REQUEST TO NYSE ARCA FOR APPROVAL TO USE THE DELTA HEDGE EXEMPTION FOR LISTED AND OVER-THE-COUNTER (OTC) OPTIONS POSITIONS HELD IN ACCOUNTS AT THE FIRM BY ITS AFFILIATE, BASED ON AN APPROVED PROPRIETARY MODEL. THE FIRM CONFIRMED THAT NEITHER FIRM HELD AN OWNERSHIP INTEREST IN THE OTHER. THE FIRM EXPRESSLY LIMITED ITS REQUEST TO TWO TRADING UNITS WITHIN THE AFFILIATE. THE FIRM REPRESENTED THAT, WHERE A POSITION EXCEEDED THE APPLICABLE LIMIT, IT WOULD DETERMINE HOW MUCH OF THE POSITION, IF ANY, BELONGED TO EACH OF THE TWO UNITS ELIGIBLE FOR THE EXEMPTION AND THEN ADJUST THE POSITIONS ACCORDING TO ITS APPROVED DELTA HEDGE MODEL. THE OPTIONS CONTRACT EQUIVALENT OF THE NET DELTA (OCEND) FROM THE TWO UNITS WOULD BE ADDED TO ANY/ALL NON-DELTA HEDGED POSITIONS HELD BY OTHER UNITS WITHIN THE AFFILIATE TO ESTABLISH AN AGGREGATE/CONSOLIDATED OCEND POSITION FOR SUBMISSION. FOR ALMOST TWO YEARS, THE FIRM INADVERTENTLY DID NOT INCLUDE ITS NON-DELTA HEDGED POSITIONS WITH ITS OCEND SUBMISSIONS TO THE OPTIONS CLEARING CORPORATION (OCC) SO THAT IT FAILED TO SUBMIT ACCURATE OCEND CALCULATIONS TO THE OCC FOR EIGHT DIFFERENT SECURITIES TOTALING 1,909 INSTANCES. ALTHOUGH THE FIRM UPDATED ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) TO INCLUDE A DESCRIPTION OF A SUPERVISORY REVIEW OF OCEND DATA, THE FIRM DID NOT HAVE PROCEDURES IN PLACE TO VERIFY THE ACCURACY OF ITS OCEND SUBMISSIONS AND CONTINUED TO SUBMIT INACCURATE OCEND DATA FOR ALMOST NINE MONTHS. GIVEN THE NUMEROUS VIOLATIONS AND THE EXTENDED TIME PERIOD OVER WHICH THEY OCCURRED, THE FIRM'S SUPERVISORY PROCEDURES WERE NOT REASONABLY DESIGNED TO ENSURE THE SUBMISSION OF ACCURATE OCEND DATA. A FINRA HEARING OFFICER ACCEPTED AN OFFER OF SETTLEMENT AND CONSENT ENTERED INTO BETWEEN FINRA, ON BEHALF OF NYSE ARCA, INC., AND THE FIRM WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO THEREIN; THEREFORE, THE FIRM IS CENSURED AND FINED



\$50,000.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	FINRA RULES 2010, 4530(A) AND 4530(F) AND NASD RULES 3070(A) AND 3070(F): THE FIRM FAILED TO REPORT OR FAILED TO TIMELY FILE WITH FINRA REGULATORY MATTERS, LEGAL SETTLEMENTS AND PRIVATE CIVIL LITIGATIONS OF SECURITIES-RELATED MATTERS OF WHICH IT HAD NOTICE. WHEN THE FIRM FINALLY MADE THE REQUISITE FILINGS, THEY WERE BETWEEN TWO MONTHS AND THREE AND A HALF YEARS LATE.
Initiated By:	FINRA
Date Initiated:	04/24/2013
Docket/Case Number:	2011025773401
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	04/24/2013
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 IT IS CENSURED AND FINED \$17,500. FINE PAID ON JUNE 21, 2013.



Reporting Source:	Firm
Current Status:	Final
Allegations:	FINRA RULES 2010, 4530(A) AND 4530(F) AND NASD RULES 3070(A) AND 3070(F); THE FIRM FAILED TO REPORT OR FAILED TO TIMELY FILE WITH FINRA REGULATORY MATTERS, LEGAL SETTLEMENTS AND PRIVATE CIVIL LITIGATIONS OF SECURITIES-RELATED MATTERS OF WHICH IT HAD NOTICE. WHEN THE FIRM FINALLY MADE THE REQUISITE FILINGS, THEY WERE BETWEEN TWO MONTHS AND THREE AND HALF YEARS LATE.
Initiated By:	FINRA
Date Initiated:	04/24/2013
Docket/Case Number:	2011025773401
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:	04/24/2013
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 THE THE ENTRY OF FINDINGS, THEREFORE IT IS CENSURED AND FINED \$17,500.FINE PAID ON JUNE 21, 2013
Firm Statement	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND THE THE ENTRY OF FINDINGS, THEREFORE IT IS CENSURED AND FINED \$17,500. FINE PAID ON JUNE 21, 2013

Disclosure 64 of 87

Reporting Source:	Regulator
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Current Status: Final

Allegations: SEC RULES 611(A)(1), 611(C) OF REGULATION NMS - BNP PARIBAS SECURITIES CORP. FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT THE INTERMARKET SWEEP ORDERS (ISOS) IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN RULE 600(B)(30) OF REGULATION NMS. THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN POLICES AND PROCEDURES REASONABLY DESIGNED TO PREVENT TRADE-THROUGHS OF PROTECTED QUOTATIONS IN NMS STOCKS.

Initiated By: FINRA

Date Initiated: 04/05/2013

Docket/Case Number: [2010023892501](#)

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: 04/05/2013

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. FINE PAID IN FULL ON APRIL 30, 2013

Reporting Source: Firm



Current Status:	Final
Allegations:	SEC RULES 611(A)(1), 611(C) OF REGULATION NMS - BNP PARIBAS SECURITIES CORP. FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT THE INTERMARKET SWEEP ORDERS (ISOS) IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN RULE 600(B)(30) OF REGULATION NMS. THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN POLICES AND PROCEDURES REASONABLY DESIGNED TO PREVENT TRADE-THROUGHS OF PROTECTED QUOTATIONS IN NMS STOCKS.
Initiated By:	FINRA
Date Initiated:	04/05/2013
Docket/Case Number:	2010023892501
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:	04/05/2013
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. FINE PAID ON APRIL 30, 2013.
Firm Statement	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. FINE PAID ON APRIL 30, 2013.

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Reporting Source: Regulator

Current Status: Final



Allegations: FINRA RULES 2010, 6380A(A), 6730(A), 7450 - BNP PARIBAS SECURITIES CORP. TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM (OATS) REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. THE FIRM SUBMITTED INCORRECT ACCOUNT TYPE CODES OF "R" ON SOME REPORTS AND FAILED TO SUBMIT A "NOT HELD" SPECIAL HANDLING CODE ON SOME OTHER REPORTS. THE FIRM FAILED, WITHIN 90 SECONDS AFTER EXECUTION (FOR CONDUCT PRIOR TO NOVEMBER 1, 2010) OR WITHIN 30 SECONDS AFTER EXECUTION (FOR CONDUCT ON OR AFTER NOVEMBER 1, 2010), TO TRANSMIT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES, AND FAILED TO DESIGNATE THROUGH THE FNTRF SOME OF THE LAST SALE REPORTS AS LATE. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 6380A(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF FINRA RULE 2010. THE FIRM FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) S1 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE EXECUTION TIME. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 6730(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF FINRA RULE 2010.

Initiated By: FINRA

Date Initiated: 03/15/2013

Docket/Case Number: [2011026157801](#)

Principal Product Type: Other

Other Product Type(s): DESIGNATED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/15/2013

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 \$45,000.00

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 \$45,000.

FINE PAID IN FULL ON APRIL 12, 2013

Reporting Source: Firm

Current Status: Final

Allegations: FINRA RULES 2010, 6380A(A), 6730(A), 7450 - BNP PARIBAS SECURITIES CORP. TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM (OATS) REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. THE FIRM SUBMITTED INCORRECT ACCOUNT TYPE CODES OF "R" ON SOME REPORTS AND FAILED TO SUBMIT A "NOT HELD" SPECIAL HANDLING CODE ON SOME OTHER REPORTS. THE FIRM FAILED, WITHIN 90 SECONDS AFTER EXECUTION (FOR CONDUCT PRIOR TO NOVEMBER 1, 2010) OR WITHIN 30 SECONDS AFTER EXECUTION (FOR CONDUCT ON OR AFTER NOVEMBER 1, 2010), TO TRANSMIT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES, AND FAILED TO DESIGNATE THROUGH THE FNTRF SOME OF THE LAST SALE REPORTS AS LATE. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 6380A(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF FINRA RULE 2010. THE FIRM FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) S1 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE EXECUTION TIME. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 6730(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF FINRA RULE 2010.

Initiated By: FINRA

Date Initiated: 03/15/2013

Docket/Case Number: [2011026157801](#)

Principal Product Type: Other

Other Product Type(s): DESIGNATED SECURITIES



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/15/2013

Sanctions Ordered: Censure
Monetary/Fine \$45,000.00

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 \$45,000. FINE PAID ON APRIL 12, 2013.

Firm Statement 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 \$45,000. FINE PAID ON APRIL 12, 2013.

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Reporting Source: Regulator

Current Status: Pending

Allegations: IT IS ALLEGED THAT BNP FAILED TO PROVIDE ACCURATE INFORMATION TO THE OPTIONS CLEARING CORPORATION REGARDING ITS AGGREGATE OPTION POSITION FOR EACH SECURITY EXCEEDING THE APPLICABLE POSITION LIMIT, IN THAT BNP FAILED TO REPORT ACCURATELY ITS POSITION VIA THE OCEND AGGREGATOR FILE TO OCC. (VIOLATION OF EXCHANGE RULES 4.11 AND 4.22)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 11/16/2012

Docket/Case Number: 12-0073

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:


Other Sanction(s)/Relief Sought:

Reporting Source: Firm

Current Status: Final

Allegations: BNP PARIBAS SECURITIES CORP.("BNP"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$25,000 FOR THE FOLLOWING CONDUCT. BNP FAILED TO PROVIDE ACCURATE INFORMATION TO THE OPTIONS CLEARING CORPORATION REGARDING ITS AGGREGATE OPTION POSITION FOR EACH SECURITY EXCEEDING THE APPLICABLE POSITION LIMIT, IN THAT BNP FAILED TO REPORT ACCURATELY ITS POSITION VIA THE OCEND AGGREGATOR FILE TO OCC. (RULES 4.00 - POSITION LIMITS AND 4.22-COMMUNICATIONS TO THE EXCHANGE OR THE CLEARING CORPORATION)

Initiated By: CHICAGO BOARD OF OPTIONS EXCHANGE

Date Initiated: 11/16/2012

Docket/Case Number: 12-0073

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: 02/21/2013

Sanctions Ordered: Censure
Monetary/Fine \$25,000.00

Other Sanctions Ordered:

Sanction Details: A \$25,000 FINE AND A CENSURE

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Reporting Source: Regulator

Current Status: Final



Allegations: SEC RULE 10B-10, FINRA RULES 7230A(G), 7330(G): DURING THE TRADING AND MARKET MAKING SURVEILLANCE (TMMS) REVIEW PERIOD, THE FIRM, ON SOME OCCASIONS, INCORRECTLY DISCLOSED COMPENSATION TERMINOLOGY AS COMMISSION CHARGED FOR PRINCIPAL OR RISKLESS PRINCIPAL TRANSACTIONS. DURING THE TRADE REPORTING REVIEW PERIOD, THE FIRM FAILED TO PUNCTUALLY REPORT NUMEROUS TRANSACTIONS THAT ARE ASSESSED A REGULATORY TRANSACTION FEE UNDER SECTION 3 OF SCHEDULE A TO THE FINRA BY-LAWS.

Initiated By: FINRA

Date Initiated: 08/14/2012

Docket/Case Number: [2010021589201](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/14/2012

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 \$50,000.00

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 \$50,000 (COMPRISED OF \$12,500 FOR THE CUSTOMER CONFIRMATION VIOLATIONS IN MATTER 20100215892; AND \$37,500 FOR THE LATE TRADE REPORTING VIOLATIONS IN MATTER 20110263216). FINE PAID IN FULL ON SEPTEMBER 04, 2012.

Reporting Source: Firm



Current Status:	Final
Allegations:	SEC RULE 10B-10, FINRA RULES 7230A(G), 7330(G): DURING THE TRADING AND MARKET MAKING SURVEILLANCE (TMMS) REVIEW PERIOD, THE FIRM, ON SOME OCCASIONS, INCORRECTLY DISCLOSED COMPENSATION TERMINOLOGY AS COMMISSION CHARGED FOR PRINCIPAL OR RISKLESS PRINCIPAL TRANSACTIONS. DURING THE TRADE REPORTING REVIEW PERIOD, THE FIRM FAILED TO PUNCTUALLY REPORT NUMEROUS TRANSACTIONS THAT ARE ASSESSED A REGULATORY TRANSACTION FEE UNDER SECTION 3 OF SCHEDULE A TO THE FINRA BY-LAWS.
Initiated By:	FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA")
Date Initiated:	08/14/2012
Docket/Case Number:	2010021589201
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/14/2012
Sanctions Ordered:	Censure Monetary/Fine \$50,000.00
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 \$50,000 (COMPRISED OF \$12,500 FOR THE CUSTOMER CONFIRMATION VIOLATIONS IN MATTER 20100215892; AND \$37,500 FOR THE LATE TRADE REPORTING VIOLATIONS IN MATTER 20110263216).
Firm Statement	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 \$50,000 (COMPRISED OF \$12,500 FOR THE CUSTOMER CONFIRMATION VIOLATIONS IN MATTER 20100215892; AND \$37,500 FOR THE LATE TRADE REPORTING VIOLATIONS IN MATTER 20110263216).



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Reporting Source:	Firm
Current Status:	Final
Allegations:	ON MARCH 9, 2012, THE FIRM SUBMITTED AN OFFER OF SETTLEMENT TO THE CHICAGO BOARD OF TRADE BUSINESS CONDUCT COMMITTEE FOR ALLEGED VIOLATIONS OF CBOT RULE 854 (CONCURRENT LONG AND SHORT POSITIONS). WITHOUT ADMITTING OR DENYING, BNP PARIBAS SECURITIES CORP AGREED TO PAY A \$40K FINE.
Initiated By:	CBOT
Date Initiated:	03/09/2012
Docket/Case Number:	CBOT FILE #09-03743-BC
Principal Product Type:	Other
Other Product Type(s):	FUTURES CONTRACTS
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	04/16/2012
Sanctions Ordered:	Monetary/Fine \$40,000.00
Other Sanctions Ordered:	
Sanction Details:	ON MARCH 9, 2012, THE FIRM SUBMITTED AN OFFER OF SETTLEMENT TO THE CHICAGO BOARD OF TRADE BUSINESS CONDUCT COMMITTEE FOR ALLEGED VIOLATIONS OF CBOT RULE 854 (CONCURRENT LONG AND SHORT POSITIONS). WITHOUT ADMITTING OR DENYING, BNP PARIBAS SECURITIES CORP AGREED TO PAY A \$40K FINE.
Firm Statement	ON MARCH 9, 2012, THE FIRM SUBMITTED AN OFFER OF SETTLEMENT TO THE CHICAGO BOARD OF TRADE BUSINESS CONDUCT COMMITTEE FOR ALLEGED VIOLATIONS OF CBOT RULE 854 (CONCURRENT LONG AND SHORT POSITIONS). WITHOUT ADMITTING OR DENYING, BNP PARIBAS SECURITIES CORP AGREED TO PAY A \$40K FINE.

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Reporting Source:	Firm
Current Status:	Final



Allegations:	VIOLETION OF CME RULE 908A "EACH CLEARING MEMBER SHALL PREPARE, MAINTAIN AND KEEP CURRENT THOSE BOOKS AND RECORDS REQUIRED BY THE RULES OF THE EXCHANGE, THE COMMODITY EXCHANGE ACT AND THE REGULATIONS THEREUNDER. SUCH BOOKS AND RECORDS SHALL BE OPEN TO INSPECTION AND PROMPTLY PROVIDED TO THE EXCHANGE UPON REQUEST." THEME ACCEPTED O SETTLEMENT OF \$25,000.
Initiated By:	CHICAGO MERCANTILE EXCHANGE
Date Initiated:	03/17/2010
Docket/Case Number:	02-CH-0210
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:	Settled
Resolution Date:	06/18/2010
Sanctions Ordered:	Monetary/Fine \$25,000.00
Other Sanctions Ordered:	NONE
Sanction Details:	BNP PARIBAS SECURITIES CORP SETTLED WITH A PAYMENT OF \$25K.
Firm Statement	WITHOUT ADMITTING OR DENYING THAT BNP PARIBAS SECURITIES CORP HAS VIOLATED ANY RULE OF THE EXCHANGE, BNPP AGREES TO PAY A FINE OF \$25K TO SETTLE THE CHARGE OF VIOLATING THE CME RULE 980A.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC RULE 611(C), NASDAQ RULES 3010, 4613(E), 4755(A)(4) - BNP PARIBAS SECURITIES CORP. FAILED TO REASONABLY AVOID DISPLAYING AND ENGAGED IN A PATTERN OR PRACTICE OF DISPLAYING QUOTATIONS THAT LOCKED OR CROSSED A PROTECTED QUOTATION, IN THAT IT ENTERED INTERMARKET SWEEP ORDERS INTO THE NASDAQ SINGLEBOOK EXECUTION SYSTEM THAT LOCKED OR CROSSED A QUOTATION



PREVIOUSLY DISSEMINATED PURSUANT TO AN EFFECTIVE NATIONAL MARKET SYSTEM PLAN AND FAILED TO SIMULTANEOUSLY ROUTE AN INTERMARKET SWEEP ORDER TO EXECUTE AGAINST THE FULL DISPLAYED SIZE OF THE LOCKED OR CROSSED PROTECTED QUOTE. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASDAQ RULES CONCERNING LOCKED OR CROSSED MARKETS.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 07/26/2011

Docket/Case Number: 2009018935501

Principal Product Type: Other

Other Product Type(s): SWEEP ORDERS, NASDAQ SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/26/2011

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 \$27,500.00

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 \$27,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING LOCKED AND CROSSED MARKETS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Reporting Source: Firm



Current Status:	Final
Allegations:	SEC RULE 611(C), NASDAQ RULES 3010, 4613(E), 4755(A)(4) - BNP PARIBAS SECURITIES CORP. FAILED TO REASONABLY AVOID DISPLAYING AND ENGAGED IN A PATTERN OR PRACTICE OF DISPLAYING QUOTATIONS THAT LOCKED OR CROSSED A PROTECTED QUOTATION, IN THAT IT ENTERED INTERMARKET SWEEP ORDERS INTO THE NASDAQ SINGLEBOOK EXECUTION SYSTEM THAT LOCKED OR CROSSED A QUOTATION PREVIOUSLY DISSEMINATED PURSUANT TO AN EFFECTIVE NATIONAL MARKET SYSTEM PLAN AND FAILED TO SIMULTANEOUSLY ROUTE AN INTERMARKET SWEEP ORDER TO EXECUTE AGAINST THE FULL DISPLAYED SIZE OF THE LOCKED OR CROSSED PROTECTED QUOTE. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASDAQ RULES CONCERNING LOCKED OR CROSSED MARKETS.
Initiated By:	NASDAQ STOCK MARKET
Date Initiated:	07/26/2011
Docket/Case Number:	2009018935501
Principal Product Type:	Other
Other Product Type(s):	SWEEP ORDERS, NASDAQ SECURITIES
Principal Sanction(s)/Relief Sought:	Undertaking
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	07/26/2011
Sanctions Ordered:	Censure Monetary/Fine \$27,500.00
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 \$27,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING LOCKED AND CROSSED MARKETS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.



Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULE 3360 - BNP PARIBAS SECURITIES CORP. FAILED TO REPORT SHORT INTEREST POSITIONS TO FINRA FOR A SETTLEMENT DATE. THE FIRM ALSO REPORTED SHORT INTEREST POSITIONS INCORRECTLY.

Initiated By: FINRA

Date Initiated: 06/10/2011

Docket/Case Number: [2008014672401](#)

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: 06/10/2011

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 \$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: NASD RULE 3360 - BNP PARIBAS SECURITIES CORP. FAILED TO REPORT SHORT INTEREST POSITIONS TO FINRA FOR A SETTLEMENT DATE. THE FIRM ALSO REPORTED SHORT INTEREST POSITIONS INCORRECTLY.



Initiated By: FINRA
Date Initiated: 06/10/2011
Docket/Case Number: [2008014672401](#)
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: 06/10/2011
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.

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Reporting Source: Regulator
Current Status: Final
Allegations: SEC EXCHANGE ACT RULE 17A-3, NASD RULES 2110, 3010, 3110, INTERPRETATIVE MATERIAL-1000-1: THE FIRM FAILED TO ESTABLISH AND MAINTAIN ADEQUATE SYSTEMS AND PROCEDURES IN ORDER TO MANAGE CERTAIN RISKS AT ITS LISTED OPTIONS TRADING AND STOCK LOAN DESKS. IN PARTICULAR, IT HAD INADEQUATE SYSTEMS AND PROCEDURES TO REVIEW AND ASSESS THE RISK OF VALUATIONS OF CERTAIN MANUALLY MARKED POSITIONS IN TRADING ACCOUNTS OF THE LISTED OPTION DESK (LO DESK), AND IT FAILED TO PROPERLY REVIEW AND ASSESS THE RISK ASSOCIATED WITH A TRADE MADE BY THE STOCK LOAN AND BORROW DESK (SLAB). THERE WAS NO INDEPENDENT VALUATION OR VERIFICATION BY THE FIRM OF THE VALUATIONS, OR THE RISKS ASSOCIATED WITH THESE VALUATIONS AND THE FIRM FAILED TO HAVE ANY SYSTEM OR PROCEDURE FOR TRACKING AND ASSESSING THE RISK OF LOSS TO THE FIRM FROM SLAB ARBITRAGE TRADES. THE FIRM FAILED TO HAVE AN ADEQUATE SYSTEM IN PLACE TO INDEPENDENTLY



VERIFY THE MARKS MADE BY INDIVIDUAL TRADERS ON THE LO DESK AND OTHER DESKS WHO HAD BEEN AUTHORIZED TO MANUALLY MARK THEIR BOOKS. ACCORDINGLY, BECAUSE OF THESE SUPERVISORY FAILURES, THE FIRM CREATED RECORDS REFLECTING THE INACCURATE VALUES OF CERTAIN POSITIONS IN THE LO DESK'S TRADING ACCOUNT AND WAS UNAWARE OF LOSSES IN EXCESS OF \$18 MILLION ON THE LO DESK INCURRED OVER A PERIOD OF APPROXIMATELY 11 WEEKS DUE TO INACCURATE MARKS. IN ADDITION, THE FIRM FURTHER FAILED TO LIMIT, MONITOR OR TRACK RISK ASSOCIATED WITH ARBITRAGE TRADES MADE BY THE SLAB DESK AND IT DID NOT ANTICIPATE A LOSS OF APPROXIMATELY 3.4 MILLION EUROS OCCASIONED BY A SINGLE SLAB ARBITRAGE TRADE. THE FAILURES RELATING TO THE LO DESK ALSO CAUSED CERTAIN OF THE FIRM'S BOOKS AND RECORDS TO BE INACCURATE PRIOR TO NOVEMBER 2007. IN ADDITION, IN DECEMBER 2007, WHEN THE FIRM FILED THE FORM U5 FOR THE TRADER RESPONSIBLE FOR THE INACCURATE MARKS ON THE LO DESK, IT INCORRECTLY INDICATED THAT THE TRADER'S TERMINATION WAS "VOLUNTARY" WHEN IN FACT THE TRADER WAS "PERMITTED TO RESIGN." THE FIRM FURTHER INCORRECTLY INDICATED, IN RESPONSE TO A DISCLOSURE QUESTION, THAT THE TRADER WAS NOT UNDER INTERNAL REVIEW AT THE TIME OF HIS TERMINATION WHEN, IN FACT, HE HAD BEEN UNDER SUCH REVIEW.

Initiated By:	FINRA
Date Initiated:	12/08/2010
Docket/Case Number:	2008013504201
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/08/2010
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 \$650,000.00

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 IT IS CENSURED AND FINED \$650,000.

Reporting Source: Firm

Current Status: Final

Allegations: SEC EXCHANGE ACT RULE 17A-3, NASD RULES 2110, 3010, 3110, INTERPRETATIVE MATERIAL-1000-1: THE FIRM FAILED TO ESTABLISH AND MAINTAIN ADEQUATE SYSTEMS AND PROCEDURES IN ORDER TO MANAGE CERTAIN RISKS AT ITS LISTED OPTIONS TRADING AND STOCK LOAN DESKS. IN PARTICULAR, IT HAD INADEQUATE SYSTEMS AND PROCEDURES TO REVIEW AND ASSESS THE RISK OF VALUATIONS OF CERTAIN MANUALLY MARKED POSITIONS IN TRADING ACCOUNTS OF THE LISTED OPTION DESK (LO DESK), AND IT FAILED TO PROPERLY REVIEW AND ASSESS THE RISK ASSOCIATED WITH A TRADE MADE BY THE STOCK LOAN AND BORROW DESK (SLAB). THERE WAS NO INDEPENDENT VALUATION OR VERIFICATION BY THE FIRM OF THE VALUATIONS, OR THE RISKS ASSOCIATED WITH THESE VALUATIONS AND THE FIRM FAILED TO HAVE ANY SYSTEM OR PROCEDURE FOR TRACKING AND ASSESSING THE RISK OF LOSS TO THE FIRM FROM SLAB ARBITRAGE TRADES. THE FIRM FAILED TO HAVE AN ADEQUATE SYSTEM IN PLACE TO INDEPENDENTLY VERIFY THE MARKS MADE BY INDIVIDUAL TRADERS ON THE LO DESK AND OTHER DESKS WHO HAD BEEN AUTHORIZED TO MANUALLY MARK THEIR BOOKS. ACCORDINGLY, BECAUSE OF THESE SUPERVISORY FAILURES, THE FIRM CREATED RECORDS REFLECTING THE INACCURATE VALUES OF CERTAIN POSITIONS IN THE LO DESK'S TRADING ACCOUNT AND WAS UNAWARE OF LOSSES IN EXCESS OF \$18 MILLION ON THE LO DESK INCURRED OVER A PERIOD OF APPROXIMATELY 11 WEEKS DUE TO INACCURATE MARKS. IN ADDITION, THE FIRM FURTHER FAILED TO LIMIT, MONITOR OR TRACK RISK ASSOCIATED WITH ARBITRAGE TRADES MADE BY THE SLAB DESK AND IT DID NOT ANTICIPATE A LOSS OF APPROXIMATELY 3.4 MILLION EUROS OCCASIONED BY A SINGLE SLAB ARBITRAGE TRADE. THE FAILURES RELATING TO THE LO DESK ALSO CAUSED CERTAIN OF THE FIRM'S BOOKS AND RECORDS TO BE INACCURATE PRIOR TO NOVEMBER 2007. IN ADDITION, IN DECEMBER 2007, WHEN THE FIRM FILED THE FORM U5 FOR THE TRADER RESPONSIBLE FOR THE INACCURATE MARKS ON THE LO DESK, IT INCORRECTLY INDICATED THAT THE TRADER'S TERMINATION WAS "VOLUNTARY" WHEN IN FACT THE TRADER WAS "PERMITTED TO RESIGN."



THE FIRM FURTHER INCORRECTLY INDICATED, IN RESPONSE TO A DISCLOSURE QUESTION, THAT THE TRADER WAS NOT UNDER INTERNAL REVIEW AT THE TIME OF HIS TERMINATION WHEN, IN FACT, HE HAD BEEN UNDER SUCH REVIEW.

Initiated By: FINRA

Date Initiated: 12/08/2010

Docket/Case Number: [2008013504201](#)

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/08/2010

Sanctions Ordered: Censure
Monetary/Fine \$650,000.00

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 IT IS CENSURED AND FINED \$650,000.

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Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULE 10B-10, SEC RULE 606 OF REGULATION NMS, FINRA RULES 2010, 6380A(A), 6380A(A)(2), 6380A(B), 6730(A), 7230A(B), 7230A(D), NASD RULES 2110, 4632(A), 4632(A)(2), 4632(B), 6130(B), 6130(D), 6230(A), 6955(A) - BNP PARIBAS SECURITIES CORP. FAILED TO TIMELY REPORT REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS); TRANSMITTED EXECUTION OR COMBINED ORDER/EXECUTION REPORTS TO OATS THAT THE OATS SYSTEM WAS UNABLE TO LINK TO RELATED TRADE REPORTS IN AN NASD TRADE REPORTING SYSTEM DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA; TRANSMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS TO OATS THAT THE OATS SYSTEM WAS UNABLE TO LINK TO THE RELATED ORDER



ROUTED TO NASDAQ DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA; AND TRANSMITTED NEW ORDER REPORTS AND RELATED SUBSEQUENT REPORTS TO OATS WHERE THE TIMESTAMP FOR THE RELATED SUBSEQUENT REPORT OCCURRED PRIOR TO THE RECEIPT OF THE ORDER. THE FIRM FAILED TO ACCEPT OR DECLINE IN THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) TRANSACTIONS IN REPORTABLE SECURITIES WITHIN 20 MINUTES AFTER EXECUTION THAT THE FIRM HAD AN OBLIGATION TO ACCEPT OR DECLINE AS THE ORDER ENTRY IDENTIFIER (OEID). THE FIRM MADE PUBLICLY AVAILABLE A REPORT ON ITS ROUTING OF NON-DIRECTED ORDERS IN COVERED SECURITIES THAT INCLUDED INCORRECT INFORMATION AS TO ITS ROUTING OF NON-DIRECTED ORDERS IN COVERED SECURITIES. THE FIRM FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN A TRANSACTION. THE FIRM FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE FNTRF LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF NASD RULE 4632(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF NASD RULE 2110 AND FINRA RULES 2010, AND 6380A(A). THE FIRM DOUBLE REPORTED LAST SALE TRANSACTIONS IN DESIGNATED SECURITIES TO THE FNTRF; INCORRECTLY DESIGNATED AS ".T" LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES TO THE FNTRF AND FAILED TO REPORT THE CORRECT EXECUTION TIME OF TRANSACTIONS IN REPORTABLE SECURITIES TO THE FNTRF. THE FIRM FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF NASD RULE 6230(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF NASD RULE 2110 AND FINRA RULES 2010, AND 6730(A).

Initiated By: FINRA

Date Initiated: 08/25/2010

Docket/Case Number: [2008013545101](#)

Principal Product Type: Other

Other Product Type(s): REPORTABLE SECURITIES, DESIGNATED SECURITIES, COVERED SECURITIES, TRACE-ELIGIBLE SECURITIES

Principal Sanction(s)/Relief Sought:



Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/25/2010

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 \$77,500.00

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 \$77,500.

Reporting Source: Firm

Current Status: Final

Allegations: SEC RULE 10B-10, SEC RULE 606 OF REGULATION NMS, FINRA RULES 2010, 6380A(A), 6380A(A)(2), 6380A(B), 6730(A), 7230A(B), 7230A(D), NASD RULES 2110, 4632(A), 4632(A)(2), 4632(B), 6130(B), 6130(D), 6230(A), 6955(A) - BNP PARIBAS SECURITIES CORP. FAILED TO TIMELY REPORT REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS); TRANSMITTED EXECUTION OR COMBINED ORDER/EXECUTION REPORTS TO OATS THAT THE OATS SYSTEM WAS UNABLE TO LINK TO RELATED TRADE REPORTS IN AN NASD TRADE REPORTING SYSTEM DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA; TRANSMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS TO OATS THAT THE OATS SYSTEM WAS UNABLE TO LINK TO THE RELATED ORDER ROUTED TO NASDAQ DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA; AND TRANSMITTED NEW ORDER REPORTS AND RELATED SUBSEQUENT REPORTS TO OATS WHERE THE TIMESTAMP FOR THE RELATED SUBSEQUENT REPORT OCCURRED PRIOR TO THE RECEIPT OF THE ORDER. THE FIRM FAILED TO ACCEPT OR DECLINE IN THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) TRANSACTIONS IN REPORTABLE SECURITIES WITHIN 20 MINUTES AFTER EXECUTION THAT THE FIRM HAD AN OBLIGATION TO ACCEPT OR DECLINE AS THE ORDER ENTRY IDENTIFIER (OEID). THE FIRM MADE PUBLICLY AVAILABLE A REPORT ON ITS ROUTING OF NON-DIRECTED ORDERS IN COVERED



SECURITIES THAT INCLUDED INCORRECT INFORMATION AS TO ITS ROUTING OF NON-DIRECTED ORDERS IN COVERED SECURITIES. THE FIRM FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN A TRANSACTION. THE FIRM FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE FNTRF LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF NASD RULE 4632(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF NASD RULE 2110 AND FINRA RULES 2010, AND 6380A(A). THE FIRM DOUBLE REPORTED LAST SALE TRANSACTIONS IN DESIGNATED SECURITIES TO THE FNTRF; INCORRECTLY DESIGNATED AS ".T" LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES TO THE FNTRF AND FAILED TO REPORT THE CORRECT EXECUTION TIME OF TRANSACTIONS IN REPORTABLE SECURITIES TO THE FNTRF. THE FIRM FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF NASD RULE 6230(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF NASD RULE 2110 AND FINRA RULES 2010, AND 6730(A).

Initiated By: FINRA

Date Initiated: 08/25/2010

Docket/Case Number: [2008013545101](#)

Principal Product Type: Other

Other Product Type(s): REPORTABLE SECURITIES, DESIGNATED SECURITIES, COVERED SECURITIES, TRACE-ELIGIBLE SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/25/2010

Sanctions Ordered: Censure
Monetary/Fine \$77,500.00

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 \$77,500.

Disclosure 74 of 87

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASDAQ RULES 2110, 3010 - BNP PARIBAS SECURITIES' SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS (INCLUDING NASD NOTICE TO MEMBERS 04-66) AND NASDAQ RULES CONCERNING THE PREVENTION OF ERRONEOUS ORDERS AND TRANSACTIONS AND FRIVOLOUS CLEARLY ERRONEOUS TRANSACTION COMPLAINTS.
Initiated By:	NASDAQ STOCK MARKET
Date Initiated:	06/29/2010
Docket/Case Number:	2008015938801
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:	06/29/2010
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 \$10,000.00
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 \$10,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING



COMPLIANCE WITH NASD NOTICE TO MEMBERS 04-66 WITHIN 30
BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NASDAQ REVIEW
COUNCIL.

Reporting Source: Firm

Current Status: Final

Allegations: NASDAQ RULES 2110, 3010 - BNP PARIBAS SECURITIES' SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS (INCLUDING NASD NOTICE TO MEMBERS 04-66) AND NASDAQ RULES CONCERNING THE PREVENTION OF ERRONEOUS ORDERS AND TRANSACTIONS AND FRIVOLOUS CLEARLY ERRONEOUS TRANSACTION COMPLAINTS.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 06/29/2010

Docket/Case Number: 2008015938801

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: 06/29/2010

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

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 \$10,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING COMPLIANCE WITH NASD NOTICE TO MEMBERS 04-66 WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NASDAQ REVIEW COUNCIL.



Disclosure 75 of 87

Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>SEC RULE 10B-10, NASD RULES 2110, 3010, 3360, 6955 - BNP PARIBAS SECURITIES CORP. FAILED TO TIMELY REPORT REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS); TRANSMITTED EXECUTION REPORTS TO OATS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPER FORMATTED DATA SO THAT THE OATS SYSTEM WAS UNABLE TO LINK THE EXECUTION REPORTS TO THE RELATED TRADE REPORTS IN AN NASD TRADE REPORTING SYSTEM; THE FIRM TRANSMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS TO OATS THAT THE OATS SYSTEM WAS UNABLE TO LINK TO THE RELATED ORDER ROUTED TO NASDAQ DUE TO INACCURATE; INCOMPLETE OR IMPROPERLY FORMATTED DATA; TRANSMITTED NEW ORDER REPORTS AND RELATED SUBSEQUENT REPORTS TO OATS WHERE THE TIMESTAMP FOR THE RELATED SUBSEQUENT REPORT OCCURRED PRIOR TO THE RECEIPT OF THE ORDER; THE FIRM TRANSMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS TO 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. THE FIRM SUBMITTED INACCURATE SHORT INTEREST POSITIONS TO NASD. THE FIRM'S SUPERVISORY SYSTEM PRIOR TO JUNE 29, 2004 DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING SHORT INTEREST REPORTING. THE FIRM FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS THAT TRANSACTIONS WERE EXECUTED AT AN AVERAGE PRICE.</p>
Initiated By:	FINRA
Date Initiated:	01/06/2010
Docket/Case Number:	2007008733501
Principal Product Type:	Equity - OTC
Other Product Type(s):	NASDAQ EQUITY SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	01/06/2010



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 \$82,500.00

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 WAS CENSURED AND FINED \$82,500.

Reporting Source:

Firm

Current Status:

Final

Allegations:

SEC RULE 10B-10, NASD RULES 2110, 3010, 3360, 6955 - BNP PARIBAS SECURITIES CORP. FAILED TO TIMELY REPORT REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS); TRANSMITTED EXECUTION REPORTS TO OATS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPER FORMATTED DATA SO THAT THE OATS SYSTEM WAS UNABLE TO LINK THE EXECUTION REPORTS TO THE RELATED TRADE REPORTS IN AN NASD TRADE REPORTING SYSTEM; THE FIRM TRANSMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS TO OATS THAT THE OATS SYSTEM WAS UNABLE TO LINK TO THE RELATED ORDER ROUTED TO NASDAQ DUE TO INACCURATE; INCOMPLETE OR IMPROPERLY FORMATTED DATA; TRANSMITTED NEW ORDER REPORTS AND RELATED SUBSEQUENT REPORTS TO OATS WHERE THE TIMESTAMP FOR THE RELATED SUBSEQUENT REPORT OCCURRED PRIOR TO THE RECEIPT OF THE ORDER; THE FIRM TRANSMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS TO 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. THE FIRM SUBMITTED INACCURATE SHORT INTEREST POSITIONS TO NASD. THE FIRM'S SUPERVISORY SYSTEM PRIOR TO JUNE 29, 2004 DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING SHORT INTEREST REPORTING. THE FIRM FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS THAT TRANSACTIONS WERE EXECUTED AT AN AVERAGE PRICE.

Initiated By:

FINRA



Date Initiated: 01/06/2010

Docket/Case Number: [2007008733501](#)

Principal Product Type: Equity - OTC

Other Product Type(s): NASDAQ EUIY SECURITIES

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/06/2010

Sanctions Ordered: Censure
Monetary/Fine \$82,500.00

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 WAS CENSURED AND FINED \$82,500.

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Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110, 3010, 4632(A), 4632(A)(4), 4632(A)(5)(E), 4632(B), 6130(G), 6230, 6230(A) - BNP PARIBAS SECURITIES CORP. FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF TIME OF EXECUTION AND REPORTED TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES TO TRACE IT WAS NOT REQUIRED TO REPORT. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF NASD RULE 6230(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF NASD RULE 2110. THE FIRM INCORRECTLY DESIGNATED AS ".ST" TO THE NASD/NASDAQ TRADE REPORTING FACILITY (TRF) LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES BASED ON EXCHANGE FOR PHYSICAL TRANSACTIONS. THE FIRM FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE TRF LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF NASD RULE 4632(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT



EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF NASD RULE 2110. THE FIRM TRANSMITTED TO THE TRF LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES AND FAILED TO DESIGNATE THROUGH THE TRF SUCH LAST SALE REPORTS AS REFLECTING THE TRADES OCCURRED AT A PRICE BASED ON AN AVERAGE WEIGHTING OR ANOTHER SPECIAL PRICING FORMULA. THE FIRM FAILED TO REPORT TO THE TRF LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES. THE FIRM FAILED TO REPORT BY 6:30 P.M. EASTERN TIME TRANSACTIONS THAT ARE ASSESSED A REGULATORY TRANSACTION FEE UNDER SECTION 3 OF SCHEDULE A TO THE FINRA BY-LAWS. [CONTINUED IN COMMENTS]

Initiated By: FINRA

Date Initiated: 04/27/2009

Docket/Case Number: [2006006665701](#)

Principal Product Type: Other

Other Product Type(s): TRACE-ELIGIBLE SECURITIES, DESIGNATED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/27/2009

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 \$70,000.00

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 \$70,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING EQUITY TRADE REPORTING INCLUDING REPORTING THE FIRM'S GUARANTEED VOLUME WEIGHTED AVERAGE PRICE (GVWAP) TRANSACTIONS, AND TRADES REQUIRED TO BE REPORTED BY 6:30 P.M. UNDER NASD RULE 6130(G) WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE



NAC.

Regulator Statement

THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING TRADE REPORTING EQUITIES SECURITIES PURSUANT TO NASD RULE 4632(A), EQUITY TRADE REPORTING INCLUDING REPORTING THE FIRM'S GUARANTEED VOLUME WEIGHTED AVERAGE PRICE (GVWAP) TRANSACTIONS, AND TRADES REQUIRED TO BE REPORTED BY 6:30 P.M. UNDER NASD RULE 6130(G).

Reporting Source:

Firm

Current Status:

Final

Allegations:

NASD RULES 2110, 3010, 4632(A), 4632(A)(4), 4632(A)(5)(E), 4632(B), 6130(G), 6230, 6230(A) - BNP PARIBAS SECURITIES CORP. FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF TIME OF EXECUTION AND REPORTED TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES TO TRACE IT WAS NOT REQUIRED TO REPORT. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF NASD RULE 6230(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF NASD RULE 2110. THE FIRM INCORRECTLY DESIGNATED AS ".ST" TO THE NASD/NASDAQ TRADE REPORTING FACILITY (TRF) LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES BASED ON EXCHANGE FOR PHYSICAL TRANSACTIONS. THE FIRM FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE TRF LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF NASD RULE 4632(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF NASD RULE 2110. THE FIRM TRANSMITTED TO THE TRF LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES AND FAILED TO DESIGNATE THROUGH THE TRF SUCH LAST SALE REPORTS AS REFLECTING THE TRADES OCCURRED AT A PRICE BASED ON AN AVERAGE WEIGHTING OR ANOTHER SPECIAL PRICING FORMULA. THE FIRM FAILED TO REPORT TO THE TRF LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES. THE FIRM FAILED TO REPORT BY 6:30 P.M. EASTERN TIME TRANSACTIONS THAT ARE ASSESSED A REGULATORY TRANSACTION FEE UNDER SECTION 3 OF SCHEDULE A TO THE FINRA BY-LAWS. [CONTINUED IN COMMENTS]

Initiated By:

FINRA

Date Initiated:

04/27/2009



Docket/Case Number:	2006006665701
Principal Product Type:	Other
Other Product Type(s):	TRACE-ELIGIBLE SECURITIES, DESIGNATED SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	04/27/2009
Sanctions Ordered:	Censure Monetary/Fine \$70,000.00
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 \$70,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING EQUITY TRADE REPORTING INCLUDING REPORTING THE FIRM'S GUARANTEED VOLUME WEIGHTED AVERAGE PRICE (GVWAP) TRANSACTIONS, AND TRADES REQUIRED TO BE REPORTED BY 6:30 P.M. UNDER NASD RULE 6130(G) WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.
Firm Statement	THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING TRADE REPORTING EQUITIES SECURITIES PURSUANT TO NASD RULE 4632(A), EQUITY TRADE REPORTING INCLUDING REPORTING THE FIRM'S GUARANTEED VOLUME WEIGHTED AVERAGE PRICE (GVWAP) TRANSACTIONS, AND TRADES REQUIRED TO BE REPORTED BY 6:30 P.M. UNDER NASD RULE 6130(G).

Disclosure 77 of 87

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 2860(B)(5), 3010 - BNP PARIBAS SECURITIES CORP. FAILED TO REPORT REPORTABLE POSITIONS IN CONVENTIONAL OPTIONS BY THE CLOSE OF BUSINESS ON THE NEXT BUSINESS DAY FOLLOWING THE DAY ON WHICH THE TRANSACTIONS TOOK PLACE AND FAILED IN



SOME INSTANCES TO RESPOND PROPERLY AFTER TRADES WERE REJECTED BY THE SECURITIES INDUSTRY AUTOMATION CORPORATION (SIAC). THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING REPORTING OF OPTIONS POSITIONS.

Initiated By: FINRA

Date Initiated: 03/30/2009

Docket/Case Number: [2007007861301](#)

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: 03/30/2009

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: 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 \$17,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING THE REPORTING OF OPTIONS POSITIONS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 2110, 2860(B)(5), 3010 - BNP PARIBAS SECURITIES CORP.



FAILED TO REPORT REPORTABLE POSITIONS IN CONVENTIONAL OPTIONS BY THE CLOSE OF BUSINESS ON THE NEXT BUSINESS DAY FOLLOWING THE DAY ON WHICH THE TRANSACTIONS TOOK PLACE AND FAILED IN SOME INSTANCES TO RESPOND PROPERLY AFTER TRADES WERE REJECTED BY THE SECURITIES INDUSTRY AUTOMATION CORPORATION (SIAC). THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING REPORTING OF OPTIONS POSITIONS.

Initiated By: FINRA

Date Initiated: 01/02/2009

Docket/Case Number: 20070078613

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: 03/30/2009

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

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 \$17,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING THE REPORTING OF OPTIONS POSITIONS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Firm Statement 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 \$17,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING THE REPORTING OF OPTIONS POSITIONS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.



Reporting Source: Firm

Current Status: Final

Allegations: IN CONNECTION WITH 830 INSTANCES, BNP PARIBAS SECURITIES CRP FAILED TO PARTICIPATE ON THE OPENING ROTATION IN 60% OF THE CLASSES TO WHICH IT WAS APPOINTED ON THE EXCHANGE. THIS CONTITUTES A VIOLATION OF RULE 804(E)(2)(I). IN CONNECTION WITH 15,421 INSTANCES, BNP PARIBAS SECURITIES CORP FAILED TO MAINTAIN CONTINUOUS QUOTATIONS FOR ALL SERIES OF THE OPTIONS CLASS LISTED ON THE EXCHANGE UNTIL THE CLOSE OF TRADING THAT DAY, AFTER IT HAD ENTERED A QUOTE IN AN OPTIONS CLASS TO WHICH IT WAS APPOINTED. THIS CONSTITUTES A VIOLATION OF RULE 804(E)(2)(II).

Initiated By: INTERNATIONAL SECURITIES EXCHANGE

Date Initiated: 10/10/2007

Docket/Case Number:

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: 12/11/2007

Sanctions Ordered: Censure
Monetary/Fine \$45,000.00

Other Sanctions Ordered:

Sanction Details: BNP PARIBAS WAS CENSORED AND FINED \$45,000.00.

Firm Statement IN CONNECTION WITH 830 INSTANCES, BNP PARIBAS SECURITIES CRP FAILED TO PARTICIPATE ON THE OPENING ROTATION IN 60% OF THE CLASSES TO WHICH IT WAS APPOINTED ON THE EXCHANGE. THIS CONTITUTES A VIOLATION OF RULE 804(E)(2)(I). IN CONNECTION WITH 15,421 INSTANCES, BNP PARIBAS SECURITIES CORP FAILED TO MAINTAIN CONTINUOUS QUOTATIONS FOR ALL SERIES OF THE OPTIONS CLASS LISTED ON THE EXCHANGE UNTIL THE CLOSE OF TRADING THAT DAY, AFTER IT HAD ENTERED A QUOTE IN AN OPTIONS CLASS TO WHICH IT WAS APPOINTED. THIS CONSTITUTES A VIOLATION OF RULE 804(E)(2)(II).



Disclosure 79 of 87

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC RULE 17A-3, NASD RULES 2110, 3010, 3110, 4632(E), 6230(B), 6420(A)(1)(B), 6420(C)(5), 6955(A) - BNP PARIBUS SECURITIES CORP. FAILED WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE NASDAQ MARKET CENTER (NMC) LAST SALE REPORTS OF TRANSACTIONS IN ELIGIBLE SECURITIES; FAILED WITHIN 90 SECONDS AFTER EXECUTION TO TRANSMIT TO THE NMC AND THE TRADE REPORTING FACILITY (TRF) LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES; FAILED TO REPORT THE CORRECT TIME OF EXECUTION TO THE NMC IN LATE, LAST SALE REPORTS OF TRANSACTIONS IN ELIGIBLE SECURITIES; INCORRECTLY DESIGNATED AS ".ST" TO THE NMC LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES REPORTED TO THE NMC WITHIN 90 SECONDS OF EXECUTION. THE FIRM REPORTED TO THE NMC LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES IT WAS NOT REQUIRED TO REPORT. THE FIRM TRANSMITTED TO OATS REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA; FAILED TO SHOW THE TERMS AND CONDITIONS ON BROKERAGE ORDER MEMORANDA. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING SUPERVISORY SYSTEM, PROCEDURES & QUALIFICATIONS; BEST EXECUTION; TRADE REPORTING AND OATS REPORTING. THE FIRM FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES IT WAS REQUIRED TO REPORT.
Initiated By:	FINRA
Date Initiated:	12/13/2007
Docket/Case Number:	2005001797101
Principal Product Type:	Other
Other Product Type(s):	ELIGIBLE SECURITIES, DESIGNATED SECURITIES, TRACE-ELIGIBLE SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/13/2007



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:	Censure Monetary/Fine \$38,000.00
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 \$38,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING SUPERVISORY SYSTEM, PROCEDURES & QUALIFICATIONS; BEST EXECUTION; TRADE REPORTING AND OATS REPORTING WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.
<hr/>	
Reporting Source:	Firm
Current Status:	Final
Allegations:	SEC RULE 17A-3, NASD RULES 2110, 3010, 3110, 4632(E), 6230(B), 6420(A)(1)(B), 6420(C)(5), 6955(A) - BNP PARIBUS SECURITIES CORP. FAILED WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE NASDAQ MARKET CENTER (NMC) LAST SALE REPORTS OF TRANSACTIONS IN ELIGIBLE SECURITIES; FAILED WITHIN 90 SECONDS AFTER EXECUTION TO TRANSMIT TO THE NMC AND THE TRADE REPORTING FACILITY (TRF) LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES; FAILED TO REPORT THE CORRECT TIME OF EXECUTION TO THE NMC IN LATE, LAST SALE REPORTS OF TRANSACTIONS IN ELIGIBLE SECURITIES; INCORRECTLY DESIGNATED AS ".ST" TO THE NMC LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES REPORTED TO THE NMC WITHIN 90 SECONDS OF EXECUTION. THE FIRM REPORTED TO THE NMC LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES IT WAS NOT REQUIRED TO REPORT. THE FIRM TRANSMITTED TO OATS REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA; FAILED TO SHOW THE TERMS AND CONDITIONS ON BROKERAGE ORDER MEMORANDA. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING SUPERVISORY SYSTEMS, PROCEDURES & QUALIFICATIONS; BEST EXECUTION; TRADE REPORTING AND OATS REPORTING. THE FIRM FAILED TO REPORT TO TRACE



TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES IT WAS REQUIRED TO REPORT.

Initiated By: FINRA

Date Initiated: 12/13/2007

Docket/Case Number: 20050017971-01

Principal Product Type: Other

Other Product Type(s): ELIGIBLE SECURITIES, DESIGNATED SECURITIES, TRACE-ELIGIBLE SECURITIES

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: MONETARY FINE IN THE AMOUNT OF \$38,000.00.

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/13/2007

Sanctions Ordered: Censure
Monetary/Fine \$38,000.00

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 \$38,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING SUPERVISORY SYSTEMS, PROCEDURES & QUALIFICATIONS; BEST EXECUTION; TRADE REPORTING AND OATS REPORTING WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Firm Statement SEC RULE 17A-3, NASD RULES 2110, 3010, 3110, 4632(E), 6230(B), 6420(A)(1)(B), 6420(C)(5), 6955(A) - BNP PARIBUS SECURITIES CORP. FAILED WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE NASDAQ MARKET CENTER (NMC) LAST SALE REPORTS OF TRANSACTIONS IN ELIGIBLE SECURITIES; FAILED WITHIN 90 SECONDS AFTER EXECUTION TO TRANSMIT TO THE NMC AND THE TRADE REPORTING FACILITY (TRF) LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES; FAILED TO REPORT THE CORRECT TIME OF EXECUTION TO THE NMC IN LATE, LAST SALE REPORTS OF TRANSACTIONS IN ELIGIBLE SECURITIES; INCORRECTLY DESIGNATED AS ".ST" TO THE NMC LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES REPORTED TO THE NMC WITHIN 90 SECONDS OF EXECUTION. THE FIRM REPORTED TO THE NMC LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES IT WAS NOT REQUIRED TO REPORT. THE FIRM TRANSMITTED TO OATS

REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA; FAILED TO SHOW THE TERMS AND CONDITIONS ON BROKERAGE ORDER MEMORANDA. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING SUPERVISORY SYSTEMS, PROCEDURES & QUALIFICATIONS; BEST EXECUTION; TRADE REPORTING AND OATS REPORTING. THE FIRM FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES IT WAS REQUIRED TO REPORT.

Disclosure 80 of 87

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULE 6955(A) - BNP PARIBAS SECURITIES CORP. FAILED TO SUBMIT NUMEROUS ROUTE REPORTS RELATED TO CANCEL/REPLACE REPORTS; AND SUBMITTED TO OATS ROUTE OR COMBINED ORDER/ROUTE REPORTS THAT THE OATS SYSTEM WAS UNABLE TO LINK TO THE CORRESPONDING NEW ORDER SUBMITTED BY THE DESTINATION MEMBER FIRM DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA.
Initiated By:	FINRA
Date Initiated:	08/21/2007
Docket/Case Number:	2005000007101
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:	08/21/2007



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:

Censure
Monetary/Fine \$10,000.00

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 \$10,000.

Reporting Source:

Firm

Current Status:

Final

Allegations:

NASDD RULE 6955(A) - BNP PARIBAS SECURITIES CORP. FAILED TO SUBMIT NUMEROUS ROUTE REPORTS RELATED TO CANCEL/REPLACE REPORTS; AND SUBMITTED TO OATS ROUTE OR COMBINED ORDER/ROUTE THAT THE OATS SYSTEM WAS UNABLE TO LINK TO THE CORRESPONDING NEW ORDER SUBMITTED BY THE DESTINATION MEMBER FIRM DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA.

Initiated By:

FINRA

Date Initiated:

08/21/2007

Docket/Case Number:

20050000071-01

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:

08/21/2007

Sanctions Ordered:

Censure
Monetary/Fine \$10,000.00

**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 \$10,000.

Disclosure 81 of 87

Reporting Source: Regulator

Current Status: Final

Allegations: MSRB RULE G-14: THE FIRM REPORTED MUNICIPAL SECURITIES TRANSACTIONS TO THE MSRB INCORRECTLY, SPECIFICALLY IT EITHER FAILED TO REPORT THE EXECUTION TIME OR REPORTED THE INCORRECT EXECUTION TIME, AND ALSO REPORTED TRANSACTIONS LATE.

Initiated By: NASD

Date Initiated: 10/02/2006

Docket/Case Number: E1020050056-01

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/02/2006

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, RESPONDENT MEMBER 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:	MSRB RULE G-14: THE FIRM REPORTED MUNICIPAL SECURITIES TRANSACTIONS TO THE MSRB INCORRECTLY, SPECIFICALLY THE FIRM EITHER FAILED TO REPORT THE EXECUTION TIME OR REPORTED THE INCORRECT EXECUTION TIME, AND ALSO REPORTING TRANSACTIONS LATE.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	10/02/2006
Docket/Case Number:	E1020050056-01
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	ACCEPTANCE WAIVER AND CONSENT WITH A FINE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	10/02/2006
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	CHECK #238500 IN THE AMOUNT OF \$5000. WAS SENT VIA FEDEX TO THE NASD ON OCTOBER 17,2006.
Firm Statement	WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS FINED \$5,000.

Disclosure 82 of 87

Reporting Source:	Firm
Current Status:	Final
Allegations:	VIOLATIONS OF ISE RULE 804
Initiated By:	INTERNATIONAL SECURITIES EXCHANGE



Date Initiated: 12/14/2005

Docket/Case Number:

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: ACCEPTANCE WAIVER AND CONSENT WITH A FINE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/08/2006

Sanctions Ordered: Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: THE \$10,000.00 FINE WAS PAID ON MARCH 15, 2006, CHECK # 225984.

Firm Statement DURING THE REVIEW PERIOD (OCTOBER 20, 2003 THROUGH JULY 16, 2004) IN 55 INSTANCES BNP FAILED TO MAINTAIN A CONTINUOUS QUOTATION IN AT LEAST 60 PERCENT OF THE OPTIONS CLASSES TO WHICH BNP WAS APPOINTED ON THE EXCHANGE. IN 596 INSTANCES, AFTER HAVING ENTERED A QUOTE OR ORDER IN AN OPTIONS CLASS TO WHICH BNP WAS APPOINTED, BNP FAILED TO MAINTAIN CONTINUOUS QUOTATIONS FOR EXPIRING SERIES OF AN OPTIONS CLASS DURING THE MONTH IN WHICH THE SERIES EXPIRED.

Disclosure 83 of 87

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110, 3010 AND 6955(A) - RESPONDENT MEMBER FAILED TO CORRECT OR REPLACE ANY OF THE SUBJECT REPORTS SUBMITTED TO OATS WITH RESPECT TO EQUITY SECURITIES TRADED ON THE NASDAQ STOCK MARKET THAT WERE NOT IN THE ELECTRONIC FORM PRESCRIBED BY NASD; 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 NASD'S RULES CONCERNING OATS.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 03/27/2003



Docket/Case Number: CMS030064

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: 03/27/2003

Sanctions Ordered: Censure
Monetary/Fine \$12,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$12,000.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 2110, 3010 AND 6955(A)-RESPONDENT MEMBERS FAILED TO CORRECT OR REPLACE ANY OF THE SUBJECT REPORTS SUBMITTED TO OATS WITH RESPECT TO EQUITY SECURITIES TRADED ON THE NASDAQ STOCK MARKET THAT WERE NOT IN THE ELECTRONIC FORM PRESCRIBED BY NASD; THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE THE SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND NASD'S RULES CONCERNING OATS.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 03/27/2003

Docket/Case Number: CMS030064

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: 03/27/2003

Sanctions Ordered: Censure
Monetary/Fine \$12,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE HTE FIRM IS CENSORED AND FINED \$12,000.

Disclosure 84 of 87

Reporting Source: Firm

Current Status: Final

Allegations: THE MATTER INVOLVED PRELIMINARY CHARGES BY THE BUSINESS CONDUCT COMMITTEE OF THE CBOT AS TO THE POSSIBLE VIOLATION OF TWO CBOT REGULATIONS (OR RULES), REGULATION 444.01 (THIS RULE REFERS TO THE EXCHANGE FOR PHYSICALS IN CONNECTION WITH A FUTURES TRANSACTION) AND RULE 332.00 (THIS RULE INVOLVES THE EXECUTION OF A FUTURES TRANSACTION BY OPEN OUTCRY IN THE OPEN MARKET). WITHOUT ADMITTING OR DENYING ANY VIOLATIONS, THE APPLICANT AGREED TO PAY \$10,000.00 WITH RESPECT TO THE MATTER.

Initiated By: THE BOARD OF TRADE OF THE CITY OF CHICAGO (THE "CBOT")

Date Initiated: 08/21/1998

Docket/Case Number: CBOT FILE NO. 98-MSR-27

Principal Product Type: Futures - Financial

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: 09/18/1998



Sanctions Ordered: Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING ANY VIOLATION, THE APPLICANT AGREED TO PAY \$10,000 WITH RESPECT TO THE MATTER.

Disclosure 85 of 87

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 09/29/1998

Docket/Case Number: C04980049

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/29/1998

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

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

ON SEPTEMBER 29, 1998, DISTRICT NO. 4 NOTIFIED RESPONDENT PARIBAS CORPORATION THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C04980049 WAS ACCEPTED; THEREFORE, RESPONDENT MEMBER IS CENSURED AND FINED \$20,000 - (NASD RULES 2110, 3010, 3110, MARKETPLACE RULES 4632(a), 4642(a), 6420(a), 6620(a), 6130(b), AND SEC RULES 10b-10(a)(2) AND 17a-3(6) - RESPONDENT MEMBER FAILED TO REPORT TRANSACTIONS IN NASDAQ NATIONAL MARKET ("NMS"), NASDAQ SMALLCAP, OVER-THE-COUNTER ("OTC"), AND LISTED SECURITIES IN WHICH IT HAD REPORTING RESPONSIBILITY; FAILED TO



DESIGNATE AS LATE TO ACT, TRANSACTIONS IN NASDAQ NMS SECURITIES, IN THAT THE ORDER ENTRY FIRM REPORTED TO ACT IN EACH SUCH TRANSACTION MORE THAN 90 SECONDS PRIOR TO RESPONDENT MEMBER; FAILED TO DESIGNATE AS LATE TO ACT, TRANSACTIONS IN OTC SECURITIES AND ONE TRANSACTION IN A LISTED SECURITY, IN THAT THE ORDER ENTRY FIRM REPORTED TO ACT IN EACH SUCH TRANSACTION MORE THAN 90 SECONDS PRIOR TO RESPONDENT MEMBER; IMPROPERLY DESIGNATED AS ".T" TO ACT ONE TRANSACTION IN A NASDAQ NMS SECURITY AND TRANSACTIONS IN OTC SECURITIES; FAILED TO ACCEPT OR DECLINE TRANSACTIONS ON THE ACT SYSTEM WITHIN 20 MINUTES AFTER EXECUTION; FAILED TO PROVIDE WRITTEN NOTIFICATION ACCURATELY DISCLOSING THE FIRM'S REPORTED PRICE AND THE DIFFERENCE BETWEEN THE PRICE TO THE CUSTOMER AND THE REPORTED TRADE PRICE; FAILED TO CONSISTENTLY AND ACCURATELY REFLECT THE TIME OF ENTRY AND TIME OF EXECUTION ON ORDER TICKETS; AND, FAILED TO IMPLEMENT AND ENFORCE ADEQUATE SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS AND REGULATIONS RELATING TO TRADE REPORTING).

*** \$20,000 PAID ON 11/14/98, INVOICE NO. 98-04-781 *****

Reporting Source: Firm

Current Status: Final

Allegations: IN SEPTEMBER 1998, THE NASD REGULATION, INC.'S DEPT. OF ENFORCEMENT AND THE NATIONAL ADJUCIATORY COUNCIL ACCEPTED A LETTER OF ACCEPTANCE WAIVER AND CONSENT FROM PARIBAS CORPORATION. WITHOUT ADMITTING OR DENYING THE ALLEGED VIOLATIONS, PARIBAS CORPORATION CONSENTED TO A FINE OF \$20,000.00 AND FINDINGS PERTAINING TO VIOLATIONS OF TRANSACTION REPORTING REQUIREMENTS AND IMPLEMENTATION OF WRITTEN SUPERVISORY PROCEDURES.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 09/01/1998

Docket/Case Number: AWC NO. C04980049

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: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/01/1998

Sanctions Ordered: Monetary/Fine \$20,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGED VIOLATIONS, PARIBAS CORPORATION CONSENTED TO A FINE OF \$20,000 AND FINDINGS PERTAINING TO VIOLATIONS OF TRANSACTION REPORTING REQUIREMENT & IMPLEMENTATION OF WRITTEN SUPERVISORY PROCEDURES.

Disclosure 86 of 87

Reporting Source: Regulator

Current Status: Final

Allegations: DID NOT PAY ASSESSMENT FEE

Initiated By: CA

Date Initiated: 08/12/1992

Docket/Case Number:

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 08/12/1992

Sanctions Ordered: Revocation/Expulsion/Denial

**Other Sanctions Ordered:**

Sanction Details: BROKER DEALER CERTIFICATE SUMMARILY REVOKED FOR NON-PAYMENT OF ASSESSMENT FEE

Regulator Statement Not Provided

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE OF PAYMENT OF \$375.00 ANNUAL ASSESSMENT FEE.

Initiated By: STATE OF CALIFORNIA

Date Initiated: 08/12/1992

Docket/Case Number:

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: Settled

Resolution Date: 08/12/1992

Sanctions Ordered:

Other Sanctions Ordered: CERTIFICATION AS BD IN THE STATE OF CALIFORNIA REVOKED.

Sanction Details: CERTIFICATION AS BD IN THE STATE OF CALIFORNIA REVOKED

Disclosure 87 of 87

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 07/08/1988

Docket/Case Number: MS-741-AWC



Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 10/11/1988

Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-741-AWC:

LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED JULY 8, 1988 AGAINST RESPONDENT PARIBAS CORPORATION ALLEGING VIOLATIONS OF PART VI, SECTION 4(a) OF SCHEDULE D IN THAT THE RESPONDENT FAILED TO REPORT ITS NASDAQ VOLUME.

THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON OCTOBER 11, 1988 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON SEPTEMBER 21, 1988.
\$500 FINE

\$500 PAID 8/26/88

Reporting Source: Firm

Current Status: Final

Allegations: MARKET SURVEILLANCE COMMITTEE ALLEGING VIOLATIONS OF PART V1, SECTION 4(A) OF SCHEDULE D IN THAT THE RESPONDENT FAILED TO REPORT ITS NASDAQ VOLUME.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 07/08/1988

Docket/Case Number: MS-741-AWC



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: Consent

Resolution Date: 10/11/1988

Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: A FINE IN THE AMOUNT OF \$500.00 WAS PAID 8/26/88

Firm Statement MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-741-AWC LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED JULY 8, 1988 AGAINST RESPONDENT PARIBAS CORPORATION ALLEGING VIOLATIONS OF PART V1, SECTION 4(A) OF SCHEDULE D IN THAT THE RESPONDENT FAILED TO REPORT ITS NASDAQ VOLUME. THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON OCTOBER 11, 1988 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON SEPTEMBER 21, 1988 \$500 FINE PAID 8/26/1988.

Arbitration Award - Award / Judgment

Brokerage firms are not required to report arbitration claims filed against them by customers; however, BrokerCheck provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and registered securities firms in this section of the report.

The full text of arbitration awards issued by FINRA is available at www.finra.org/awardsonline.

Disclosure 1 of 1

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	11/01/2010
Case Number:	10-04744
Disputed Product Type:	HEDGE FUND
Sum of All Relief Requested:	\$12,950,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	06/26/2015
Sum of All Relief Awarded:	\$16,600,000.00

There may be a non-monetary award associated with this arbitration. Please select the Case Number above to view more detailed information.



Civil Bond

This type of disclosure event involves a civil bond for the brokerage firm that has been denied, paid, or revoked by a bonding company.

Disclosure 1 of 1

Reporting Source:	Firm
Policy Holder:	PARIBAS
Bonding Company Name:	UNION FIRE INSURANCE COMPANY
Disposition:	Payout
Disposition Date:	12/01/1988
Payout Details:	\$410,000.00 IN DECEMBER 1988
Firm Statement	IN DECEMBER 1988, UNION FIRE INSURANCE COMPANY PAID PARIBAS \$410,000 FOR A LOSS SUSTAINED AS A DIRECT RESULT OF AN UNAUTHORIZED TRANSACTION EFFECTED BY AN EMPLOYEE OF PARIBAS. THE EMPLOYEE WAS DISMISSED WITH CAUSE.

End of Report



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