

BrokerCheck Report

BARCLAYS CAPITAL INC.

CRD# 19714

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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.

Thank you for using FINRA BrokerCheck.



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

brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources.

[For more information about FINRA, visit www.finra.org.](http://www.finra.org)



BARCLAYS CAPITAL INC.

CRD# 19714

SEC# 8-41342

Main Office Location

745 7TH AVENUE
NEW YORK, NY 10019
Regulated by FINRA New York Office

Mailing Address

745 7TH AVENUE
NEW YORK, NY 10019

Business Telephone Number

212-526-7000

This firm is a brokerage firm and an investment adviser firm. For more information about investment adviser firms, visit the SEC's Investment Adviser Public Disclosure website at:

<https://www.adviserinfo.sec.gov>

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 Connecticut on 03/30/1998.

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
- 25 Self-Regulatory Organizations
- 53 U.S. states and territories

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

This firm conducts 22 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	101
Civil Event	2



Firm Profile

This firm is classified as a corporation.

This firm was formed in Connecticut on 03/30/1998.

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.

BARCLAYS CAPITAL INC.

Doing business as BARCLAYS CAPITAL INC.

CRD# 19714

SEC# 8-41342

Main Office Location

745 7TH AVENUE
NEW YORK, NY 10019

Regulated by FINRA New York Office

Mailing Address

745 7TH AVENUE
NEW YORK, NY 10019

Business Telephone Number

212-526-7000

Other Names of this Firm

Name	Where is it used
BARCLAYS CAPITAL	AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, PR, RI, SC, SD, TN, TX, UT, VA, VI, VT, WA, WI, WV, WY



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):	BARCLAYS GROUP US INC.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	OWNS BARCLAYS CAPITAL INC.
Position Start Date	12/1999
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):	ABREU, JULIAN JAVIER 5160018
Is this a domestic or foreign entity or an individual?	Individual
Position	ROSFP - PRIME SERVICES
Position Start Date	03/2019
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):	BANCONE, ANTHONY 1790892
Is this a domestic or foreign entity or an individual?	Individual
Position	ROSFP - DISTRIBUTION
Position Start Date	08/2013

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): FORREST, MONTY LEE
5812639

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

Position CHIEF OPERATIONS OFFICER

Position Start Date 05/2015

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): FORREST, MONTY LEE
5812639

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

Position BOARD DIRECTOR

Position Start Date 05/2015

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): JAISING, RAHUL

Firm Profile**Direct Owners and Executive Officers (continued)**

4754959

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

Position ROSFP - PRIME SERVICES

Position Start Date 08/2013

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): LUBLINSKY, MICHAEL
2655249

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

Position BOARD DIRECTOR

Position Start Date 02/2018

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): LUBLINSKY, MICHAEL
2655249

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

Position CHIEF EXECUTIVE OFFICER

Position Start Date 02/2018

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? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): MATHIS, CAROL PEDERSEN
4322657

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

Position CHIEF FINANCIAL OFFICER

Position Start Date 12/2020

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): MELI, JEFFREY ANTHONY
4477654

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

Position CO-HEAD OF RESEARCH

Position Start Date 07/2015

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): O'CONNOR, CLAIRE SCHOLZ
1907247

Firm Profile



Direct Owners and Executive Officers (continued)

Is this a domestic or foreign entity or an individual?	Individual
Position	BOARD DIRECTOR
Position Start Date	09/2018
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): SHALA, LUAN
4543214

Is this a domestic or foreign entity or an individual?	Individual
Position	BOARD DIRECTOR
Position Start Date	05/2021
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): SMITH, JULIETTE SARA
5696210

Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF LEGAL OFFICER
Position Start Date	02/2021
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):

ZACHARIA, ZACHARIA

2440444

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



Firm Profile

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

Indirect Owners

Legal Name & CRD# (if any):	BARCLAYS BANK PLC
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	BARCLAYS US HOLDINGS LIMITED
Relationship to Direct Owner	SOLE SHAREHOLDER
Relationship Established	09/2020
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	Yes

Legal Name & CRD# (if any):	BARCLAYS PLC
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	BARCLAYS BANK PLC
Relationship to Direct Owner	SOLE SHAREHOLDER
Relationship Established	01/1985
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	Yes

Legal Name & CRD# (if any):	BARCLAYS US HOLDINGS LIMITED
Is this a domestic or foreign entity or an individual?	Foreign Entity

Firm Profile



Indirect Owners (continued)

Company through which indirect ownership is established	BARCLAYS US LLC
Relationship to Direct Owner	SOLE SHARE HOLDER
Relationship Established	09/2020
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):	BARCLAYS US LLC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	BARCLAYS GROUP US INC.
Relationship to Direct Owner	SOLE SHAREHOLDER
Relationship Established	04/2016
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, 25 SROs and 53 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	06/13/1989

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	10/19/1987
BOX Exchange LLC	Approved	05/07/2012
Cboe BYX Exchange, Inc.	Approved	10/01/2010
Cboe BZX Exchange, Inc.	Approved	08/18/2008
Cboe C2 Exchange, Inc.	Approved	10/06/2010
Cboe EDGA Exchange, Inc.	Approved	05/14/2010
Cboe EDGX Exchange, Inc.	Approved	05/14/2010
Cboe Exchange, Inc.	Approved	09/22/2008
Investors' Exchange LLC	Approved	08/09/2016
Long-Term Stock Exchange, Inc.	Approved	08/27/2020
MEMX LLC	Approved	09/18/2020
MIAX Emerald, LLC	Approved	03/01/2019
MIAX PEARL, LLC	Approved	02/06/2017
Miami International Securities Exchange, LLC	Approved	12/07/2012
NYSE American LLC	Approved	09/22/2008

NYSE Arca, Inc.	Approved	08/31/2004
NYSE Chicago, Inc.	Approved	09/22/2008
NYSE National, Inc.	Approved	05/18/2018
Nasdaq BX, Inc.	Approved	09/19/2008
Nasdaq GEMX, LLC	Approved	07/29/2013
Nasdaq ISE, LLC	Approved	10/18/2005
Nasdaq MRX, LLC	Approved	02/10/2016
Nasdaq PHLX LLC	Approved	09/19/2008
Nasdaq Stock Market	Approved	07/12/2006
New York Stock Exchange	Approved	09/19/2008



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective	U.S. States & Territories	Status	Date Effective
Alabama	Approved	02/19/1998	North Carolina	Approved	01/08/1998
Alaska	Approved	01/02/1998	North Dakota	Approved	05/19/1998
Arizona	Approved	02/10/1998	Ohio	Approved	10/01/1996
Arkansas	Approved	03/24/1998	Oklahoma	Approved	01/21/1998
California	Approved	07/30/1998	Oregon	Approved	02/05/1998
Colorado	Approved	12/05/1997	Pennsylvania	Approved	01/06/1998
Connecticut	Approved	04/01/1998	Puerto Rico	Approved	01/20/1998
Delaware	Approved	02/03/1998	Rhode Island	Approved	01/20/1998
District of Columbia	Approved	01/02/1998	South Carolina	Approved	12/15/1997
Florida	Approved	01/05/1998	South Dakota	Approved	01/09/1998
Georgia	Approved	11/26/1997	Tennessee	Approved	03/06/1998
Hawaii	Approved	11/24/1998	Texas	Approved	06/16/1994
Idaho	Approved	01/01/1998	Utah	Approved	12/01/1997
Illinois	Approved	01/06/1998	Vermont	Approved	09/03/1996
Indiana	Approved	01/20/1998	Virgin Islands	Approved	09/29/2008
Iowa	Approved	02/02/1998	Virginia	Approved	01/07/1998
Kansas	Approved	01/22/1998	Washington	Approved	01/01/1998
Kentucky	Approved	01/05/1998	West Virginia	Approved	01/01/1998
Louisiana	Approved	01/08/1998	Wisconsin	Approved	01/21/1998
Maine	Approved	06/04/1998	Wyoming	Approved	01/02/1998
Maryland	Approved	01/01/1998			
Massachusetts	Approved	02/26/1998			
Michigan	Approved	02/25/1998			
Minnesota	Approved	03/18/1998			
Mississippi	Approved	01/02/1998			
Missouri	Approved	03/04/1998			
Montana	Approved	12/04/1997			
Nebraska	Approved	02/03/1998			
Nevada	Approved	12/10/1997			
New Hampshire	Approved	07/29/1998			
New Jersey	Approved	02/02/1998			
New Mexico	Approved	02/09/1998			
New York	Approved	04/03/1990			



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 22 types of businesses.

Types of Business

Exchange member engaged in exchange commission business other than floor activities

Exchange member engaged in 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)

Mutual fund retailer

U S. government securities dealer

U S. government securities broker

Municipal securities dealer

Municipal securities broker

Solicitor of time deposits in a financial institution

Real estate syndicator

Put and call broker or dealer or option writer

Broker or dealer selling securities of non-profit organizations (e.g., churches, hospitals)

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

Non-exchange member arranging for transactions in listed securities by exchange member

Trading securities for own account

Private placements of securities

Broker or dealer selling interests in mortgages or other receivables

Other - APPLICANT ACTS AS AN AGENT ON A FULLY DISCLOSED BASIS FOR COMMODITIES. APPLICANT ACTS AS MARKETER FOR OVER-THE-COUNTER DERIVATIVES, FOREIGN EXCHANGE CONTRACTS, AND OTHER FINANCIAL INSTRUMENTS, AND EFFECTS SECURITIES TRANSACTIONS PURSUANT TO SEC RULE 15A-6 THROUGH ITS AFFILIATES. APPLICANT ENGAGES IN THE BUSINESS OF PRIVATE EQUITY AND BUSINESS TRANSACTION FINANCIAL ADVISORY SERVICES.

Other Types of Business

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

Non-Securities Business Description:

Firm Operations



Clearing Arrangements

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

Introducing Arrangements

This firm does 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: IRON MOUNTAIN
Business Address: 745 ATLANTIC AVE
BOSTON, MA 02111
Effective Date: 07/22/2010
Description: IRON MOUNTAIN IS A THIRD-PARTY VENDOR THAT SERVES AS A DOCUMENT REPOSITORY.

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.

BARCLAYS FUNDS & ADVISORY JAPAN LIMITED is under common control with the firm.

Business Address:	10-1, ROPPONGI 6-CHOME MINATO-KU TOKYO, JAPAN
Effective Date:	07/29/2008
Foreign Entity:	Yes
Country:	JAPAN
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF BARCLAYS BANK PLC

BARCLAYS SECURITIES (INDIA) PRIVATE LIMITED is under common control with the firm.

Business Address:	208 CEEJAY HOUSE, SHIVSAGAR ESTATE DR A BEASANT ROAD, WORLI MUMBAI, INDIA 400 018
Effective Date:	03/12/2013
Foreign Entity:	Yes
Country:	INDIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF BARCLAYS BANK PLC

BARCLAYS BANK MEXICO SA is under common control with the firm.

Business Address:	PASEO DE LA REFORMA 505
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Firm Operations



Organization Affiliates (continued)

41 FLOOR, TORRE MAYOR, COL
CUAUHTÉMOC, MEXICO 06500

Effective Date: 06/28/2006

Foreign Entity: Yes

Country: MEXICO

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF BARCLAYS BANK PLC

BARCLAYS BANK IRELAND PLC is under common control with the firm.

Business Address: ONE MOLESWORTH STREET
DUBLIN, IRELAND D02 RF29

Effective Date: 02/25/2005

Foreign Entity: Yes

Country: IRELAND

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF BARCLAYS BANK PLC

BARCLAYS BANK DELAWARE is under common control with the firm.

Business Address: 125 S. WEST STREET
WILMINGTON, DE 19801

Effective Date: 04/05/2001

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF BARCLAYS BANK PLC

BARCLAYS BANK (SUISSE) SA is under common control with the firm.

Firm Operations**Organization Affiliates (continued)**

Business Address: CHEMIN DE GRANGE CANAL 18-20
PO BOX 3941
GENEVA, SWITZERLAND 1211

Effective Date: 01/20/1986

Foreign Entity: Yes

Country: SWITZERLAND

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF BARCLAYS BANK PLC

BARCLAYS INVESTMENT SOLUTIONS LIMITED is under common control with the firm.

Business Address: 1 CHURCHILL PLACE, LONDON
LONDON, UK E14 5HP

Effective Date: 12/01/2001

Foreign Entity: Yes

Country: ENGLAND

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF BARCLAYS BANK PLC

BARCLAYS CAPITAL CANADA INC. is under common control with the firm.

Business Address: 333 BAY STREET
333 BAY STREET
TORONTO, ONTARIO M5H 2R2

Effective Date: 12/15/1994

Foreign Entity: Yes

Country: ONTARIO

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF BARCLAYS BANK PLC

Firm Operations**Organization Affiliates (continued)****BARCLAYS CORRETORA DE TITULOS E VALORES MOBILIARIOS S.A. is under common control with the firm.**

Business Address: EDIFICIO BERRINI 500, PRACA PROFESSOR JOSE LANNES
NO. 40, 4TH - 5TH ANDARES, BAIRRO CIDADE MONCOES,
SAO PAULO, BRAZIL CEP 04571-1

Effective Date: 12/18/2009

Foreign Entity: Yes

Country: BRAZIL

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF BARCLAYS BANK PLC

EQUITY VALUE INVESTMENTS NO 1 LIMITED is under common control with the firm.

Business Address: 1 CHURCHILL PLACE
LONDON, ENGLAND 10019

Effective Date: 07/20/2009

Foreign Entity: Yes

Country: ENGLAND, UNITED KINGDOM

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF BARCLAYS BANK PLC

WOOLWICH PLAN MANAGERS LIMITED is under common control with the firm.

Business Address: 1 CHURCHILL PLACE
LONDON, ENGLAND E145HP

Effective Date: 12/01/2006

Foreign Entity: Yes

Country: ENGLAND

Securities Activities: Yes

Investment Advisory Activities: No

Firm Operations**Organization Affiliates (continued)**

Description: UNDER COMMON CONTROL OF BARCLAYS BANK PLC

BARCLAYS PRIVATE CLIENTS INTERNATIONAL LIMITED is under common control with the firm.

Business Address: PO BOX 9, BARCLAYS HOUSE
VICTORIA STREET
DOUGLAS, ISLE OF MAN IM991AJ

Effective Date: 12/01/2006

Foreign Entity: Yes

Country: ISLE OF MAN

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF BARCLAYS BANK PLC

BARCLAYS PRESTACAO DE SERVICOS - ACE is under common control with the firm.

Business Address: AVENIDA DE REPUBLICA NO. 50 - 3
LISBON, PORTUGAL 1050-196

Effective Date: 11/30/2006

Foreign Entity: Yes

Country: PORTUGAL

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF BARCLAYS BANK PLC

BARCLAYS CAPITAL MAURITIUS LIMITED is under common control with the firm.

Business Address: C/O ROGERS CAPITAL CORPORATE SERVICES LIMITED
3RD FLOOR, ROGERS HOUSE, NO 5 PRES JOHN KENNEDY ST
PORT LOUIS, MAURITIUS 00000

Effective Date: 11/30/2006

Foreign Entity: Yes

Country: MAURITIUS

Securities Activities: Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF BARCLAYS BANK PLC

BARCLAYS CAPITAL FUTURES (SINGAPORE) PRIVATE LTD is under common control with the firm.

Business Address: 10 MARINA BOULEVARD
#24-01 MARINA BAY FINANCIAL CENTRE, TOWER 2
SINGAPORE, SINGAPORE 018983

Effective Date: 11/29/2006

Foreign Entity: Yes

Country: SINGAPORE

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF BARCLAYS BANK PLC

BARCLAYS CAPITAL CASA DE BOLSA, S.A. DE C.V. is under common control with the firm.

Business Address: PASEO DE LA REFORMA 505, PISO 41
COL. CUAUHTEMOC
MEXICO, D.F., MEXICO 06500

Effective Date: 11/29/2006

Foreign Entity: Yes

Country: BERMUDA

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF BARCLAYS BANK PLC

BARCLAYS ASIA LIMITED is under common control with the firm.

Business Address: CHEUNG KONG CENTER
2 QUEEN'S ROAD, LEVEL 41
HONG KONG, HONG KONG 00000

Effective Date: 11/29/2006

Foreign Entity: Yes

Firm Operations



Organization Affiliates (continued)

Country:	HONG KONG
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF BARCLAYS BANK PLC

WESTFERRY INVESTMENTS LTD. is under common control with the firm.

Business Address:	54 LOMBARD ST. LONDON, UK EC3P 3AH
Effective Date:	06/30/1998
Foreign Entity:	Yes
Country:	ENGLAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF BARCLAYS BANK PLC

DURLACHER NOMINEES LTD. is under common control with the firm.

Business Address:	54 LOMBARD ST. LONDON, UK EC3P 3AH
Effective Date:	07/28/1997
Foreign Entity:	Yes
Country:	ENGLAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF BARCLAYS BANK PLC

BARCLAYS SECURITIES JAPAN LIMITED is under common control with the firm.

Business Address:	10-1 ROPPONGI 6-CHOME MINATO-KU TOKYO, JAPAN UX 100
Effective Date:	08/01/1990

Firm Operations**Organization Affiliates (continued)**

Foreign Entity:	Yes
Country:	JAPAN
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF BARCLAYS BANK PLC

BARCLAYS CAPITAL ASIA LIMITED is under common control with the firm.

Business Address:	2 GARDEN RD., 41ND FLOOR CHEUNG KONG CENTER HONG KONG, HONG KONG ##NA
Effective Date:	08/01/1990
Foreign Entity:	Yes
Country:	HONG KONG
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF BARCLAYS BANK PLC

BARCLAYS CAPITAL SECURITIES LIMITED is under common control with the firm.

Business Address:	1 CHURCHILL PLACE LONDON, UK E14 5HP
Effective Date:	08/01/1990
Foreign Entity:	Yes
Country:	UK
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF BARCLAYS BANK PLC

This firm is directly or indirectly, controlled by the following:

- bank holding company
- national bank

Firm Operations



Organization Affiliates (continued)

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

BARCLAYS PLC is a Bank Holding Company and controls the firm.

Business Address: 1 CHURCHILL PLACE
LONDON, UK E14 5HP

Effective Date: 01/01/2011

Description: OWNS ALL OF THE ORDINARY SHARE CAPITAL OF BARCLAYS BANK PLC

BARCLAYS BANK PLC is a Foreign Bank and controls the firm.

Business Address: 1 CHURCHILL PLACE
LONDON, UK E14 5HP

Effective Date: 12/31/1994

Description: 100% OWNER OF BARCLAYS GROUP US INC.



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	101	0
Civil Event	0	2	0

Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - 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 101

Reporting Source: Regulator
Current Status: Final



Allegations:	BARCLAYS CAPITAL INC. FAILED TO QUALIFY AND REGISTER ITS CCO AS A SECURITIES TRADER COMPLIANCE OFFICER (CT) WITH THE EXCHANGE IN WEB CRD IN VIOLATION OF C2 RULES 3.4 AND 3.30.
Initiated By:	CBOE C2 EXCHANGE, INC.
Date Initiated:	10/05/2021
Docket/Case Number:	STAR NO. 20190606442 / FILE NO. USE-2202-02
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	10/13/2021
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$5,000.

Disclosure 2 of 101

Reporting Source:	Regulator
Current Status:	Final
Allegations:	BARCLAYS CAPITAL INC. FAILED TO QUALIFY AND REGISTER ITS CCO AS A SECURITIES TRADER COMPLIANCE OFFICER (CT) WITH THE EXCHANGE IN WEB CRD IN VIOLATION OF CBOE RULES 3.6A AND 3.30.
Initiated By:	CBOE EXCHANGE, INC.
Date Initiated:	10/05/2021
Docket/Case Number:	STAR NO. 20190606442 / FILE NO. USE-2202-01



Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	10/13/2021
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$5,000.

Disclosure 3 of 101

Reporting Source:	Firm
Current Status:	Final
Allegations:	A TECHNICAL ISSUE RESULTING IN BCI AND BBPLC FAILURE TO FULFILL ITS PRICE SUBMISSION OBLIGATIONS, PURSUANT TO ICE CLEAR CREDIT RULE 702(E)
Initiated By:	ICE CLEAR CREDIT
Date Initiated:	01/05/2021
Docket/Case Number:	2020-404B-024
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: 02/16/2021

Sanctions Ordered: Monetary/Fine \$178,000.00

Other Sanctions Ordered:

Sanction Details: BCI WILL BE ASSESSED A FINE OF \$178,000 AGAINST AND \$242,000 AGAINST BBPLC.

Disclosure 4 of 101

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 MAINTAIN ACCURATE BOOKS AND RECORDS FOR THOUSANDS OF OPTIONS ORDERS MANUALLY HANDLED BY THE FIRM. THE FINDINGS STATED THAT BARCLAYS FAILED TO RECORD THE ACCURATE ORDER RECEIPT TIME FOR AT LEAST 18, 375 OPTIONS ORDERS AND THE ACCURATE ORDER ENTRY TIME FOR AT LEAST 30,200 OPTIONS ORDERS, A PORTION OF WHICH WERE ROUTED TO NYSE ARCA. THESE ORDERS REPRESENTED 16.80 AND 27.62 PERCENT OF THE 109,340 OPTIONS ORDERS MANUALLY PROCESSED BY BARCLAYS DURING THE REVIEW PERIOD. THE FINDINGS ALSO STATED THAT FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES (WSPS) AND A SUPERVISORY SYSTEM THAT WERE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE RECORDKEEPING PROVISIONS OF THE FEDERAL SECURITIES LAWS AND NYSE ARCA RULES THAT REQUIRE THE ACCURATE DOCUMENTATION OF THE ORDER RECEIPT AND ENTRY TIMES OF OPTIONS ORDERS. BARCLAYS' WSPS INCLUDED A PROCEDURE THAT REQUIRED THE DAILY REVIEW OF A REPORT THAT CREATED AN ALERT FOR ANY ORDERS WHERE EXECUTION TIME WAS EARLIER THAN ORDER ENTRY TIME. BARCLAYS, HOWEVER, DID NOT CONDUCT REVIEWS FOR THE ACCURACY OF ORDER ENTRY TIME. FURTHERMORE, BARCLAYS' WSPS DID NOT INCLUDE A PROCEDURE TO ENSURE THE ACCURACY OF ORDER RECEIPT TIMES RECORDED ON ORDER MEMORANDA FOR OPTIONS ORDERS.

Initiated By: NYSE ARCA, INC.

Date Initiated: 05/04/2021

Docket/Case Number: 2016051325704

Principal Product Type: Options

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Acceptance, Waiver & Consent(AWC)**Resolution Date:** 05/04/2021**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No**Sanctions Ordered:** Monetary/Fine \$115,000.00**Other Sanctions Ordered:** UNDERTAKING

Sanction Details: THE FIRM WAS FINED \$480,000, OF WHICH \$115,000 SHALL BE PAYABLE TO NYSE ARCA, INC., AND THE BALANCE OF WHICH SHALL BE PAID TO OTHER VARIOUS REGULATORS, AND REQUIRED TO CERTIFY THAT DEFICIENCIES IN ITS SUPERVISORY PROCEDURES HAVE BEEN ADDRESSED THROUGH IMPLEMENTATION OF PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RULES AND REGULATIONS CITED IN THE AWC PERTAINING TO RECORDKEEPING.

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 MAINTAIN ACCURATE BOOKS AND RECORDS FOR THOUSANDS OF OPTIONS ORDERS MANUALLY HANDLED BY THE FIRM. THE FINDINGS STATED THAT BARCLAYS FAILED TO RECORD THE ACCURATE ORDER RECEIPT TIME FOR AT LEAST 18,375 OPTIONS ORDERS AND THE ACCURATE ORDER ENTRY TIME FOR AT LEAST 30,200 OPTIONS ORDERS, A PORTION OF WHICH WERE ROUTED TO NYSE ARCA. THESE ORDERS REPRESENTED 16.80 AND 27.62 PERCENT OF THE 109,340 OPTIONS ORDERS MANUALLY PROCESSED BY BARCLAYS DURING THE REVIEW PERIOD. THE FINDINGS ALSO STATED THAT FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES (WSPS) AND A SUPERVISORY SYSTEM THAT WERE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE RECORDKEEPING PROVISIONS OF THE FEDERAL



SECURITIES LAWS AND NYSE ARCA RULES THAT REQUIRE THE ACCURATE DOCUMENTATION OF THE ORDER RECEIPT AND ENTRY TIMES OF OPTIONS ORDERS. BARCLAYS' WSPS INCLUDED A PROCEDURE THAT REQUIRED THE DAILY REVIEW OF A REPORT THAT CREATED AN ALERT FOR ANY ORDERS WHERE EXECUTION TIME WAS EARLIER THAN ORDER ENTRY TIME. BARCLAYS, HOWEVER, DID NOT CONDUCT REVIEWS FOR THE ACCURACY OF ORDER ENTRY TIME. FURTHERMORE, BARCLAYS' WSPS DID NOT INCLUDE A PROCEDURE TO ENSURE THE ACCURACY OF ORDER RECEIPT TIMES RECORDED ON ORDER MEMORANDA FOR OPTIONS ORDERS.

Initiated By: NYSE ARCA, INC.

Date Initiated: 05/04/2021

Docket/Case Number: 2016051325704

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/04/2021

Sanctions Ordered: Monetary/Fine \$115,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS FINED \$480,000, OF WHICH \$115,000 SHALL BE PAYABLE TO NYSE ARCA, INC., AND THE BALANCE OF WHICH SHALL BE PAID TO OTHER VARIOUS REGULATORS, AND REQUIRED TO CERTIFY THAT DEFICIENCIES IN ITS SUPERVISORY PROCEDURES HAVE BEEN ADDRESSED THROUGH IMPLEMENTATION OF PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RULES AND REGULATIONS CITED IN THE AWC PERTAINING TO RECORDKEEPING.

Disclosure 5 of 101

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



MAINTAIN ACCURATE BOOKS AND RECORDS FOR THOUSANDS OF OPTIONS ORDERS MANUALLY HANDLED BY THE FIRM. THE FINDINGS STATED THAT BARCLAYS FAILED TO RECORD THE ACCURATE ORDER RECEIPT TIME FOR AT LEAST 18,375 OPTIONS ORDERS AND THE ACCURATE ORDER ENTRY TIME FOR AT LEAST 30,200 OPTIONS ORDERS, A PORTION OF WHICH WERE ROUTED TO NYSE AMERICAN. THESE ORDERS REPRESENTED 16.80 AND 27.62 PERCENT OF THE 109,340 OPTIONS ORDERS MANUALLY PROCESSED BY THE FIRM DURING THE EXAM REVIEW PERIOD. THE FINDINGS ALSO STATED THAT BARCLAYS FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES (WSPS) REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE FEDERAL SECURITIES LAWS AND NYSE AMERICAN RULES RELATED TO RECORDKEEPING THAT REQUIRE THE ACCURATE DOCUMENTATION OF THE ORDER RECEIPT AND ENTRY TIMES OF OPTIONS ORDERS. BARCLAYS' WSPS INCLUDED A PROCEDURE THAT REQUIRED THE DAILY REVIEW OF A REPORT THAT CREATED AN ALERT FOR ANY ORDERS WHERE EXECUTION TIME WAS EARLIER THAN ORDER ENTRY TIME. BARCLAYS, HOWEVER, DID NOT CONDUCT REVIEWS FOR THE ACCURACY OF ORDER ENTRY TIME. FURTHERMORE, BARCLAYS' WSPS DID NOT INCLUDE A PROCEDURE TO ENSURE THE ACCURACY OF ORDER RECEIPT TIMES RECORDED IN ORDER MEMORANDA FOR OPTIONS ORDERS.

Initiated By: NYSE AMERICAN LLC

Date Initiated: 05/04/2021

Docket/Case Number: 2016051325703

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/04/2021

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



Sanctions Ordered: Monetary/Fine \$115,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS FINED \$480,000, OF WHICH \$115,000 SHALL BE PAID TO NYSE AMERICAN LLC, AND THE BALANCE OF WHICH SHALL BE PAID TO OTHER VARIOUS REGULATORS, AND REQUIRED TO CERTIFY THAT DEFICIENCIES IN ITS SUPERVISORY PROCEDURES HAVE BEEN ADDRESSED THROUGH IMPLEMENTATION OF PROCEDURES THAT ARE REASONABLE DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS CITED IN THE AWC PERTAINING TO RECORDKEEPING.

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 MAINTAIN ACCURATE BOOKS AND RECORDS FOR THOUSANDS OF OPTIONS ORDERS MANUALLY HANDLED BY THE FIRM. THE FINDINGS STATED THAT BARCLAYS FAILED TO RECORD THE ACCURATE ORDER RECEIPT TIME FOR AT LEAST 18,375 OPTIONS ORDERS AND THE ACCURATE ORDER ENTRY TIME FOR AT LEAST 30,200 OPTIONS ORDERS, A PORTION OF WHICH WERE ROUTED TO NYSE AMERICAN. THESE ORDERS REPRESENTED 16.80 AND 27.62 PERCENT OF THE 109,340 OPTIONS ORDERS MANUALLY PROCESSED BY THE FIRM DURING THE EXAM REVIEW PERIOD. THE FINDINGS ALSO STATED THAT BARCLAYS FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES (WSPS) REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE FEDERAL SECURITIES LAWS AND NYSE AMERICAN RULES RELATED TO RECORDKEEPING THAT REQUIRE THE ACCURATE DOCUMENTATION OF THE ORDER RECEIPT AND ENTRY TIMES OF OPTIONS ORDERS. BARCLAYS' WSPS INCLUDED A PROCEDURE THAT REQUIRED THE DAILY REVIEW OF A REPORT THAT CREATED AN ALERT FOR ANY ORDERS WHERE EXECUTION TIME WAS EARLIER THAN ORDER ENTRY TIME. BARCLAYS, HOWEVER, DID NOT CONDUCT REVIEWS FOR THE ACCURACY OF ORDER ENTRY TIME. FURTHERMORE, BARCLAYS' WSPS DID NOT INCLUDE A PROCEDURE TO ENSURE THE ACCURACY OF ORDER RECEIPT TIMES RECORDED IN ORDER MEMORANDA FOR OPTIONS ORDERS.

Initiated By: NYSE AMERICAN LLC

Date Initiated: 05/04/2021

Docket/Case Number: 2016051325703



Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/04/2021
Sanctions Ordered:	Monetary/Fine \$115,000.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	THE FIRM WAS FINED \$480,000, OF WHICH \$115,000 SHALL BE PAID TO NYSE AMERICAN LLC, AND THE BALANCE OF WHICH SHALL BE PAID TO OTHER VARIOUS REGULATORS, AND REQUIRED TO CERTIFY THAT DEFICIENCIES IN ITS SUPERVISORY PROCEDURES HAVE BEEN ADDRESSED THROUGH IMPLEMENTATION OF PROCEDURES THAT ARE REASONABLE DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS CITED IN THE AWC PERTAINING TO RECORDKEEPING.

Disclosure 6 of 101

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 ACCURATELY RECORD THE ORDER RECEIPT AND ORDER ENTRY TIMES OF CERTAIN MANUAL OPTIONS ORDERS IT ROUTED TO FLOOR BROKERS AT PHLX AND VARIOUS OTHER NATIONAL SECURITIES AND VARIOUS OTHER NATIONAL SECURITIES EXCHANGES FOR EXECUTION. THE FINDINGS STATED THAT BARCLAYS FAILED TO RECORD THE ACCURATE ORDER RECEIPT TIME FOR AT LEAST 18,375 OPTIONS ORDERS AND THE ACCURATE ENTRY TIME FOR AT LEAST 30,200 OPTIONS ORDERS. THESE ORDERS REPRESENTED 16.80 AND 27.62 PERCENT OF THE 109,340 OPTIONS ORDERS MANUALLY PROCESSED BY THE FIRM DURING AN EXAM REVIEW PERIOD. THE FINDINGS ALSO STATED THAT BARCLAYS FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES (WSPS) AND A SUPERVISORY SYSTEM THAT WERE REASONABLY DESIGNED TO PREVENT AND DETECT VIOLATIONS OF THE RECORDKEEPING PROVISIONS OF THE FEDERAL SECURITIES LAWS AND PHLX RULES THAT REQUIRE ACCURATE DOCUMENTATION OF THE ORDER



RECEIPT AND ENTRY TIMES OF OPTIONS ORDERS. BARCLAY'S WSPS INCLUDED A PROCEDURE THAT REQUIRED THE DAILY REVIEW OF A REPORT THAT CREATED AN ALERT FOR ANY ORDERS WHERE EXECUTION TIME WAS EARLIER THAN ORDER ENTRY TIME. BARCLAYS, HOWEVER, DID NOT CONDUCT REVIEWS FOR THE ACCURACY OF ORDER ENTRY TIME. FURTHERMORE, BARCLAYS' WSPS DID NOT INCLUDE A PROCEDURE TO ENSURE THE ACCURACY OF ORDER RECEIPT TIMES RECORDED ON ORDER MEMORANDA FOR OPTIONS ORDERS.

Initiated By: NASDAQ PHLX LLC

Date Initiated: 05/04/2021

Docket/Case Number: 2016051325702

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/04/2021

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

Sanctions Ordered: Monetary/Fine \$115,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS FINED \$480,000, OF WHICH \$115,000 SHALL BE PAYABLE TO NASDAQ PHLX LLC, THE BALANCE OF WHICH SHALL BE PAID TO OTHER VARIOUS REGULATORS AND REQUIRED TO REVISE IT'S WSPS.

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 ACCURATELY RECORD THE ORDER RECEIPT AND ORDER ENTRY TIMES



OF CERTAIN MANUAL OPTIONS ORDERS IT ROUTED TO FLOOR BROKERS AT PHLX AND VARIOUS OTHER NATIONAL SECURITIES AND VARIOUS OTHER NATIONAL SECURITIES EXCHANGES FOR EXECUTION. THE FINDINGS STATED THAT BARCLAYS FAILED TO RECORD THE ACCURATE ORDER RECEIPT TIME FOR AT LEAST 18,375 OPTIONS ORDERS AND THE ACCURATE ENTRY TIME FOR AT LEAST 30,200 OPTIONS ORDERS. THESE ORDERS REPRESENTED 16.80 AND 27.62 PERCENT OF THE 109,340 OPTIONS ORDERS MANUALLY PROCESSED BY THE FIRM DURING AN EXAM REVIEW PERIOD. THE FINDINGS ALSO STATED THAT BARCLAYS FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES (WSPS) AND A SUPERVISORY SYSTEM THAT WERE REASONABLY DESIGNED TO PREVENT AND DETECT VIOLATIONS OF THE RECORDKEEPING PROVISIONS OF THE FEDERAL SECURITIES LAWS AND PHLX RULES THAT REQUIRE ACCURATE DOCUMENTATION OF THE ORDER RECEIPT AND ENTRY TIMES OF OPTIONS ORDERS. BARCLAY'S WSPS INCLUDED A PROCEDURE THAT REQUIRED THE DAILY REVIEW OF A REPORT THAT CREATED AN ALERT FOR ANY ORDERS WHERE EXECUTION TIME WAS EARLIER THAN ORDER ENTRY TIME. BARCLAYS, HOWEVER, DID NOT CONDUCT REVIEWS FOR THE ACCURACY OF ORDER ENTRY TIME. FURTHERMORE, BARCLAYS' WSPS DID NOT INCLUDE A PROCEDURE TO ENSURE THE ACCURACY OF ORDER RECEIPT TIMES RECORDED ON ORDER MEMORANDA FOR OPTIONS ORDERS.

Initiated By: NASDAQ PHLX LLC

Date Initiated: 05/04/2021

Docket/Case Number: 2016051325702

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/04/2021

Sanctions Ordered: Monetary/Fine \$115,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS FINED \$480,000, OF WHICH \$115,000 SHALL BE PAYABLE TO NASDAQ PHLX LLC, THE BALANCE OF WHICH SHALL BE PAID TO OTHER VARIOUS REGULATORS AND REQUIRED TO REVISE IT'S WSPS.



Disclosure 7 of 101

Reporting Source:	Regulator
Current Status:	Final
Allegations:	BARCLAYS CAPITAL INC. VIOLATED SEC RULE 17A-3(A)(6)(I) AND CBOE RULES 15.1 AND 4.2 IN THAT BARCLAYS FAILED TO ACCURATELY RECORD THE ORDER RECEIPT AND ORDER ENTRY TIME; VIOLATED CBOE RULE 4.24 IN THAT BARCLAYS FAILED TO ESTABLISH, MAINTAIN AND ENFORCE REASONABLY DESIGNED WSPS TO DETECT AND PREVENT VIOLATIONS OF THE RECORDKEEPING RULES THAT REQUIRE THE ACCURATE DOCUMENTATION OF THE ORDER RECEIPT AND ENTRY TIMES OF OPTIONS ORDERS.
Initiated By:	CBOE EXCHANGE, INC.
Date Initiated:	04/15/2021
Docket/Case Number:	STAR NO. 20160513257-01 / FILE NO. USE-2301-01
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	04/22/2021
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$135,000.00
Other Sanctions Ordered:	
Sanction Details:	A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$135,000.



Reporting Source:	Firm
Current Status:	Final
Allegations:	BARCLAYS CAPITAL INC. VIOLATED SEC RULE 17A-3(A)(6)(I) AND CBOE RULES 15.1 AND 4.2 IN THAT BARCLAYS FAILED TO ACCURATELY RECORD THE ORDER RECEIPT AND ORDER ENTRY TIME; VIOLATED CBOE RULE 4.24 IN THAT BARCLAYS FAILED TO ESTABLISH, MAINTAIN AND ENFORCE REASONABLY DESIGNED WSPS TO DETECT AND PREVENT VIOLATIONS OF THE RECORDKEEPING RULES THAT REQUIRE THE ACCURATE DOCUMENTATION OF THE ORDER RECEIPT AND ENTRY TIMES OF OPTIONS ORDERS.
Initiated By:	CBOE EXCHANGE, INC
Date Initiated:	04/15/2021
Docket/Case Number:	STAR NO. 20160513257-01 / FILE NO. USE-2301-01
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	04/22/2021
Sanctions Ordered:	Censure Monetary/Fine \$135,000.00
Other Sanctions Ordered:	
Sanction Details:	A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$135,000.

Disclosure 8 of 101

Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT VIOLATED NYSE RULE 123C OR NYSE RULE 7.35B BY IMPROPERLY CANCELLING 5,853 MARKET ON CLOSE (MOC) OR LIMIT ON CLOSE (LOC) ORDERS AFTER THE PRESCRIBED CUT-OFF TIME. THE FINDINGS STATED THAT THE FIRM FURTHER VIOLATED NYSE RULE 3110 BY FAILING TO IMPLEMENT A



SUPERVISORY SYSTEM AND CONTROLS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULES 123C AND 7.35B.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 11/02/2020

Docket/Case Number: 20191200042

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: 12/01/2020

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 \$120,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$120,000.

Regulator Statement ASSOCIATED CASE #: 20190700026

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 VIOLATED NYSE RULE 123C OR NYSE RULE 7.35B BY IMPROPERLY CANCELLING 5,853 MARKET ON CLOSE (MOC) OR LIMIT ON CLOSE (LOC) ORDERS AFTER THE PRESCRIBED CUT-OFF TIME. THE FINDINGS STATED THAT THE FIRM FURTHER VIOLATED NYSE RULE 3110 BY FAILING TO IMPLEMENT A SUPERVISORY SYSTEM AND CONTROLS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULES 123C AND 7.35B.



Initiated By: NEW YORK STOCK EXCHANGE
Date Initiated: 11/02/2020
Docket/Case Number: 20191200042
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: 12/01/2020
Sanctions Ordered: Censure
 Monetary/Fine \$120,000.00
Other Sanctions Ordered:
Sanction Details: THE FIRM WAS CENSURED AND FINED \$120,000.
Firm Statement ASSOCIATED CASE #: 20190700026

Disclosure 9 of 101

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 BONDS AND TRACE-ELIGIBLE AGENCY DEBT SECURITIES. THE FINDINGS STATED THAT THE FIRM CONSISTENTLY REPORTED OVER 2% OF ITS CORPORATE TRANSACTIONS TO TRACE MORE THAN 15 MINUTES AFTER THE TIME OF EXECUTION. THE MAJORITY OF THE LATE CORPORATE TRANSACTIONS WERE CAUSED BY MANUAL TRADE AMENDMENTS OR THE TRADER OR SALESPERSON ENTERING THE TRADE LATE. AFTER BEING CONTACTED BY FINRA, THE FIRM ADDRESSED THESE ISSUES THROUGH TECHNOLOGICAL AND SUPERVISORY ENHANCEMENTS. THE FIRM ALSO OFTEN REPORTED MORE THAN 3% OF ITS AGENCY TRANSACTIONS TO TRACE MORE THAN 15 MINUTES AFTER THE TIME OF EXECUTION. THE AGENCY REPORTING ISSUES WERE PRIMARILY CAUSED BY MAPPING (THE CODING THAT ALLOWS CERTAIN FIELDS TO BE AUTOMATICALLY POPULATED) AND TECHNOLOGICAL ISSUES. THE FIRM ADDRESSED THESE ISSUES AFTER



BEING CONTACTED BY FINRA. THE FINDINGS ALSO STATED THAT THE FIRM OVER-REPORTED TREASURY TRANSACTIONS TO TRACE. THE OVER-REPORTING OCCURRED IN CONNECTION WITH TREASURY TRANSACTIONS EXECUTED BETWEEN THE FIRM AND ITS AFFILIATE. THE FIRM OFTEN OFFSET TRANSACTIONS WITH CUSTOMERS OR OTHER DEALERS WITH A TRANSACTION WITH THE AFFILIATE. IF THE FIRM WAS SHORT, IT WOULD PURCHASE AN OFFSETTING AMOUNT FROM THE AFFILIATE, OR IF IT WAS LONG, IT WOULD SELL THAT POSITION TO THE AFFILIATE. DUE TO A CODING ERROR, THE FIRM ERRONEOUSLY REPORTED BOTH LEGS OF THE TRANSACTION TO TRACE AS IF THE FIRM WERE SIMULTANEOUSLY BUYING AND SELLING THE SAME SECURITY AT THE SAME PRICE. THE FIRM FIXED THE ISSUE AFTER BEING CONTACTED BY FINRA. THE FIRM'S OVER REPORTING GENERATED FALSE ALERTS IN FINRA'S REGULATORY SURVEILLANCE PATTERNS. THE FINDINGS ALSO INCLUDED THAT THE FIRM REPORTED THE INCORRECT TIME OF EXECUTION FOR CORPORATE TRANSACTIONS TO TRACE. FINRA FOUND THAT THE FIRM FAILED TO SHOW THE CORRECT TIME OF EXECUTION ON THE MEMORANDA OF BROKERAGE ORDERS. THE FIRM DID NOT TIMELY ENTER THE TRANSACTIONS INTO THE ORDER MANAGEMENT SYSTEM, WHICH INCORRECTLY REPORTED THE TRANSACTIONS' EXECUTION TIME AS THE TIME THE TRANSACTION WAS ENTERED INTO THE ORDER MANAGEMENT SYSTEM. FINRA ALSO FOUND THAT THE FIRM'S SUPERVISORY SYSTEM, INCLUDING ITS WSPS, WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH TRACE REPORTING RULES. THE FIRM PRIMARILY SUPERVISED TRACE REPORTING BY REQUIRING SUPERVISORS TO REVIEW WEEKLY AND MONTHLY REPORTS OF TRACE REPORTING, WHICH INCLUDED INDIVIDUAL TRANSACTIONS THAT WERE REPORTED LATE AND STATISTICS OF LATE REPORTING. THE FIRM'S WSPS REQUIRED SUPERVISORS TO REVIEW REPORTING ACTIVITY TO DETERMINE IF THERE WERE ANY ISSUES THAT NEEDED TO BE ESCALATED. WHEN A SUPERVISOR DID ESCALATE ISSUES, IT WAS SENT TO AN OPERATIONS TEAM AND THERE WAS NO INDIVIDUAL OR INDIVIDUALS WITH SUPERVISORY AUTHORITY TASKED WITH REVIEWING FOR LARGER PATTERNS OF TRACE REPORTING ISSUES THAT AFFECTED MULTIPLE TRADERS OR SALES PEOPLE. THE FIRM ALSO HAD NO SUPERVISORY SYSTEM, INCLUDING WSPS, IN PLACE THAT ENABLED IT TO IDENTIFY ITS OVER-REPORTING OF TREASURY TRANSACTIONS. BARCLAY'S PROCEDURES FOR THE IDENTIFICATION OF OVER-REPORTING OF TRANSACTIONS ONLY APPLIED TO INTERDEALER TRANSACTIONS, NOT TRANSACTIONS WITH THE FIRM'S AFFILIATE. BECAUSE THE AFFILIATE WAS NOT A BROKER-DEALER, THESE TRANSACTIONS WERE NOT INCLUDED IN SUPERVISORY REVIEWS.

Initiated By: FINRA

Date Initiated: 12/01/2020



Docket/Case Number:	2017054054501
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:	12/01/2020
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 \$650,000.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	THE FIRM WAS CENSURED, FINED \$650,000, AND REQUIRED TO REVISE THE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO OVER-REPORTING OF TREASURY TRANSACTIONS ELIGIBLE FOR TRACE REPORTING. FINE PAID IN FULL ON DECEMBER 21, 2020.
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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 TIMELY REPORT TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE BONDS AND TRACE-ELIGIBLE AGENCY DEBT SECURITIES. THE FINDINGS STATED THAT THE FIRM CONSISTENTLY REPORTED OVER 2% OF ITS CORPORATE TRANSACTIONS TO TRACE MORE THAN 15 MINUTES AFTER THE TIME OF EXECUTION. THE MAJORITY OF THE LATE CORPORATE TRANSACTIONS WERE CAUSED BY MANUAL TRADE AMENDMENTS OR THE TRADER OR SALESPERSON ENTERING THE TRADE LATE. THE FIRM ADDRESSED THESE ISSUES THROUGH TECHNOLOGICAL AND SUPERVISORY ENHANCEMENTS. THE FIRM ALSO OFTEN REPORTED MORE THAN 3% OF ITS AGENCY TRANSACTIONS TO TRACE MORE THAN 15 MINUTES AFTER



THE TIME OF EXECUTION. THE FIRM HAS SINCE ADDRESSED THESE ISSUES. THE FINDINGS ALSO STATED THAT THE FIRM OVER-REPORTED TREASURY TRANSACTIONS TO TRACE. THE OVER-REPORTING OCCURRED IN CONNECTION WITH TREASURY TRANSACTIONS EXECUTED BETWEEN THE FIRM AND ITS AFFILIATE. THE FIRM OFTEN OFFSET TRANSACTIONS WITH CUSTOMERS OR OTHER DEALERS WITH A TRANSACTION WITH THE AFFILIATE. IF THE FIRM WAS SHORT, IT WOULD PURCHASE AN OFFSETTING AMOUNT FROM THE AFFILIATE, OR IF IT WAS LONG, IT WOULD SELL THAT POSITION TO THE AFFILIATE. DUE TO A CODING ERROR, THE FIRM ERRONEOUSLY REPORTED BOTH LEGS OF THE TRANSACTION TO TRACE AS IF THE FIRM WERE SIMULTANEOUSLY BUYING AND SELLING THE SAME SECURITY AT THE SAME PRICE. THE FIRM HAS SINCE FIXED THE ISSUE. THE FINDINGS ALSO INCLUDED THAT THE FIRM REPORTED THE INCORRECT TIME OF EXECUTION FOR CORPORATE TRANSACTIONS TO TRACE AND FAILED TO SHOW THE CORRECT TIME OF EXECUTION ON THE MEMORANDA OF BROKERAGE ORDERS. FINRA ALSO FOUND THAT THE FIRM'S SUPERVISORY SYSTEM, INCLUDING ITS WSPS, WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH TRACE REPORTING RULES. THE FIRM ALSO HAD NO SUPERVISORY SYSTEM, INCLUDING WSPS, IN PLACE THAT ENABLED IT TO IDENTIFY ITS OVER-REPORTING OF TREASURY TRANSACTIONS.

Initiated By: FINRA

Date Initiated: 12/01/2020

Docket/Case Number: [2017054054501](#)

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: 12/01/2020

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

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$650,000, AND REQUIRED TO REVISE THE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO OVER-REPORTING OF TREASURY TRANSACTIONS ELIGIBLE FOR TRACE



REPORTING.

Disclosure 10 of 101**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 FULLY AND ACCURATELY REPORT ITS SHORT INTEREST POSITIONS IN CERTAIN FOREIGN-LISTED SECURITIES. THE FINDINGS STATED THAT SOME REPORTING ERRORS RESULTED FROM SITUATIONS WHERE THE FIRM HELD POSITIONS IN BOTH THE FOREIGN-LISTED AND DOMESTIC SECURITY IN THE SAME PROPRIETARY ACCOUNT. IN THOSE SITUATIONS, DUE TO A CODING ISSUE, THE FIRM FAILED TO OFFSET THE TWO POSITIONS TO DETERMINE WHETHER IT HELD A SHORT POSITION AND THE NUMBER OF SHARES THAT SHOULD BE REPORTED FOR THE DUAL-LISTED SECURITY. UPON RECEIVING NOTIFICATION FROM FINRA OF THE REPORTING DEFICIENCIES, THE FIRM ADDRESSED THE CODING ISSUE THAT GAVE RISE TO THE VIOLATIONS. IN ADDITION, THE FIRM OVER-REPORTED ONE POSITION DUE TO A MANUAL ERROR. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REPORT SHORT INTEREST POSITIONS IN CERTAIN FOREIGN-LISTED SECURITIES DUE TO A FLAWED MANUAL REVIEW WHEREBY IT FAILED TO RECOGNIZE THAT A SECURITY THAT WAS TRADING ON A FOREIGN MARKET HAD BECOME DUALY-LISTED IN THE UNITED STATES. UPON RECEIVING NOTIFICATION FROM FINRA OF THE REPORTING DEFICIENCIES, THE FIRM ADDRESSED THE OVERSIGHT THAT GAVE RISE TO THE VIOLATIONS. FURTHERMORE, THE FIRM FAILED TO REPORT ONE POSITION BECAUSE IT'S THIRD PARTY VENDOR FAILED TO TIMELY UPDATE THE FIRM'S DATA CONCERNING ITS DUAL-LISTED SECURITIES.

Initiated By: FINRA**Date Initiated:** 08/25/2020**Docket/Case Number:** [2015044133101](#)**Principal Product Type:** Other**Other Product Type(s):** FOREIGN-LISTED SECURITIES**Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:**



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/25/2020

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 \$125,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$125,000. FINE PAID IN FULL ON SEPTEMBER 10, 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 FULLY AND ACCURATELY REPORT ITS SHORT INTEREST POSITIONS IN CERTAIN FOREIGN-LISTED SECURITIES. THE FINDINGS STATED THAT SOME REPORTING ERRORS RESULTED FROM SITUATIONS WHERE THE FIRM HELD POSITIONS IN BOTH THE FOREIGN-LISTED AND DOMESTIC SECURITY IN THE SAME PROPRIETARY ACCOUNT. IN THOSE SITUATIONS, DUE TO A CODING ISSUE, THE FIRM FAILED TO OFFSET THE TWO POSITIONS TO DETERMINE WHETHER IT HELD A SHORT POSITION AND THE NUMBER OF SHARES THAT SHOULD BE REPORTED FOR THE DUAL-LISTED SECURITY. UPON RECEIVING NOTIFICATION FROM FINRA OF THE REPORTING DEFICIENCIES, THE FIRM ADDRESSED THE CODING ISSUE THAT GAVE RISE TO THE VIOLATIONS. IN ADDITION, THE FIRM OVER-REPORTED ONE POSITION DUE TO A MANUAL ERROR. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REPORT SHORT INTEREST POSITIONS IN CERTAIN FOREIGN-LISTED SECURITIES DUE TO A FLAWED MANUAL REVIEW WHEREBY IT FAILED TO RECOGNIZE THAT A SECURITY THAT WAS TRADING ON A FOREIGN MARKET HAD BECOME DUALY-LISTED IN THE UNITED STATES. UPON RECEIVING NOTIFICATION FROM FINRA OF THE REPORTING DEFICIENCIES, THE FIRM ADDRESSED THE OVERSIGHT THAT GAVE RISE TO THE VIOLATIONS. FURTHERMORE, THE FIRM FAILED TO REPORT ONE POSITION BECAUSE IT'S THIRD PARTY VENDOR FAILED TO TIMELY UPDATE THE FIRM'S DATA CONCERNING ITS DUAL-LISTED SECURITIES.



Initiated By: FINRA
Date Initiated: 08/25/2020
Docket/Case Number: [2015044133101](#)
Principal Product Type: Other
Other Product Type(s): FOREIGN-LISTED SECURITIES
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 08/25/2020
Sanctions Ordered: Censure
 Monetary/Fine \$125,000.00
Other Sanctions Ordered:
Sanction Details: THE FIRM WAS CENSURED AND FINED \$125,000.

Disclosure 11 of 101

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 SUBMIT TRADING REPORTS FOR TRANSACTIONS THAT WERE ELIGIBLE FOR THE NYSE CROSSING SESSION II (CS II). THE FINDINGS STATED THAT THE NYSE NOTIFIED THE FIRM THAT AN UPDATED DIGITAL CERTIFICATE WOULD BE REQUIRED TO ACCESS THE NYSE ELECTRONIC FILING PLATFORM (EFP). HOWEVER, DUE TO AN INTERNAL OVERSIGHT, THE FIRM INADVERTENTLY FAILED TO TAKE STEPS TO INSTALL THE UPDATED DIGITAL SECURITY CERTIFICATE. AS A RESULT OF THE INACTION, ALTHOUGH THE FIRM CONTINUED TO EXECUTE CS II-ELIGIBLE TRANSACTIONS, AND BELIEVED ITS AUTOMATED ORDER MANAGEMENT SYSTEM WAS REPORTING THE TRANSACTIONS, NO REPORTS WERE SUBMITTED TO THE EFP. THE FIRM ALSO FAILED TO MAKE FEE PAYMENTS TYPICALLY REQUIRED FOR PROCESSING SUCH TRANSACTIONS. THE FIRM ULTIMATELY DETECTED THE ERROR, INSTALLED THE PROPER DIGITAL CERTIFICATE, AND SELF-REPORTED THE ISSUE TO REGULATORS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO IMPLEMENT AND



MAINTAIN A SUPERVISORY SYSTEM AND WSPS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE. THE FIRM'S MONITORING PRACTICE WAS BASED EXCLUSIVELY ON CHECKING THE EFP TO CAPTURE REPORTED TRADES. THE FIRM DID NOT UNDERTAKE ANY STEPS TO VALIDATE THAT THE INFORMATION THE FIRM HAD REPORTED TO THE EFP WAS ACCURATE. AS A RESULT, WHEN THE FIRM DID NOT REPORT TRANSACTIONS, IT DID NOT DETECT A PROBLEM AND CONTINUED EXECUTING CS II-ELIGIBLE TRANSACTIONS WITHOUT SUBMITTING TRADE REPORTS. THE ABOVE-DESCRIBED PROCESS WAS INCONSISTENT WITH THE WSPS THE FIRM ITSELF HAD IN PLACE, WHICH REQUIRED CERTAIN STEPS BE TAKEN TO VERIFY THE DATA BEING REPORTED TO THE EFP WAS ACCURATE, INCLUDING BY RECONCILIATION AGAINST AN INTERNAL REPORT GENERATED BY THE FIRM. HOWEVER, IN PART DUE TO THE UNRELIABILITY OF THE REPORT, FIRM PERSONNEL DEVELOPED AN AD HOC PROCESS FOR REVIEWING CS II REPORTING THAT DID NOT INCLUDE ANY VALIDATION PROCESS. THE AD HOC PROCESS WAS MEMORIALIZED IN SUPERSEDING WSPS. ALTHOUGH MEMORIALIZED FOR THE REASONS DESCRIBED ABOVE, THE PROCESS, AND THUS THAT ASPECT OF THE WSPS, REMAINED UNREASONABLE. THE FIRM SUBSEQUENTLY IMPLEMENTED REVISED WSPS THAT SET FORTH A MORE ROBUST MONITORING PROCESS, WHICH INCLUDED A PROCEDURE FOR RECONCILING THE EFP LISTED TRANSACTIONS WITH INTERNAL INFORMATION.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 05/26/2020

Docket/Case Number: 20190100015

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: 05/26/2020

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 \$175,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$175,000. THE FIRM SELF-REPORTED THE ISSUE TO REGULATORS AND IMPLEMENTED REVISED WSPS THAT SET FORTH A MORE ROBUST MONITORING PROCESS.

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 SUBMIT TRADING REPORTS FOR TRANSACTIONS THAT WERE ELIGIBLE FOR THE NYSE CROSSING SESSION II (CS II). THE FINDINGS STATED THAT THE NYSE NOTIFIED THE FIRM THAT AN UPDATED DIGITAL CERTIFICATE WOULD BE REQUIRED TO ACCESS THE NYSE ELECTRONIC FILING PLATFORM (EFP). HOWEVER, DUE TO AN INTERNAL OVERSIGHT, THE FIRM INADVERTENTLY FAILED TO TAKE STEPS TO INSTALL THE UPDATED DIGITAL SECURITY CERTIFICATE. AS A RESULT, ALTHOUGH THE FIRM CONTINUED TO EXECUTE CS II-ELIGIBLE TRANSACTIONS, AND BELIEVED ITS AUTOMATED ORDER MANAGEMENT SYSTEM WAS REPORTING THE TRANSACTIONS, NO REPORTS WERE SUBMITTED TO THE EFP. THE FIRM ULTIMATELY DETECTED THE ERROR, INSTALLED THE PROPER DIGITAL CERTIFICATE, AND SELF-REPORTED THE ISSUE TO REGULATORS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO IMPLEMENT AND MAINTAIN A SUPERVISORY SYSTEM AND WSPS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYE RULE 905. THE FIRM'S MONITORING PRACTICE WAS BASED EXCLUSIVELY ON CHECKING THE EFP TO CAPTURE REPORTED TRADES. THE FIRM DID NOT UNDERTAKE ANY STEPS TO VALIDATE THAT THE INFORMATION THE FIRM HAD REPORTED TO THE EFP WAS ACCURATE WHICH WAS INCONSISTENT WITH THE FIRM'S WSPS THAT REQUIRED THAT THE FIRM VERIFY THE DATA BEING REPORTED AGAINST AN INTERNAL REPORT GENERATED BY THE FIRM. THE FIRM SUBSEQUENTLY IMPLEMENTED REVISED WSPS THAT SET FORTH A MORE ROBUST MONITORING PROCESS, WHICH INCLUDED A PROCEDURE FOR RECONCILING THE EFP LISTED TRANSACTIONS WITH INTERNAL INFORMATION.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 05/26/2020

Docket/Case Number: 20190100015



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: 05/26/2020

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$175,000. THE FIRM SELF-REPORTED THE ISSUE TO REGULATORS AND IMPLEMENTED REVISED WSPS THAT SET FORTH A MORE ROBUST MONITORING PROCESS.

Disclosure 12 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, BARCLAYS CAPITAL INC. ("BARCLAYS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO OBTAIN AGREEMENT OF ITS CUSTOMER BEFORE BUSTING AND ADJUSTING A TRADE AND ADJUSTING TRADES IN A MANNER THAT CIRCUMVENTS OTHER EXCHANGE RULES. THE FINDINGS STATED THAT THE FIRM INSTRUCTED A FLOOR BROKER TO BUST AND ADJUST CERTAIN OPTIONS SERIES TRADE WITHOUT THE CONSENT OF THE FIRM'S CUSTOMER AND IN A MANNER, WHICH CIRCUMVENTS OTHER EXCHANGE RULES. AT NO TIME DURING THE PROCESS DID BARCLAYS OBTAIN THE AGREEMENT OF ITS CUSTOMER TO BUST AND ADJUST THE OPTIONS SERIES TRADE. THE FINDINGS ALSO STATED THAT BARCLAYS FAILED TO MAINTAIN COMPLETE AND ACCURATE RECORDS OF ORDER CANCELLATIONS AND ADJUSTMENTS, THE REASONS FOR ANY SUCH ADJUSTMENT, WHO DIRECTED THE ADJUSTMENT, AND/OR WHETHER CUSTOMER AGREEMENT HAD BEEN OBTAINED. THEREFORE, BARCLAYS FAILED TO CREATE AND MAINTAIN ADEQUATE BOOKS AND RECORDS. THE FINDINGS ALSO INCLUDED THAT BARCLAYS FAILED TO HAVE SUPERVISORY SYSTEMS OR WSPS IN PLACE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH APPLICABLE RULES. SPECIFICALLY, BARCLAYS FAILED TO IMPLEMENT A SYSTEM TO ASCERTAIN WHETHER THE FIRM HAD THE AGREEMENT OF ITS



CUSTOMER PRIOR TO BUSTING AND ADJUSTING A TRADE; FAILED TO IMPLEMENT A SYSTEM CONCERNING THE DOCUMENTATION OF THAT AGREEMENT; AND FAILED TO ADDRESS THE PROHIBITION ON BUSTING AND ADJUSTING TRADES IN A MANNER THAT CIRCUMVENTS OTHER EXCHANGE RULES. BARCLAYS FAILED TO IMPLEMENT A SYSTEM TO ASCERTAIN WHETHER THE BUSTING AND ADJUSTING OF ANY TRADE WOULD RESULT IN HARM TO ITS CUSTOMER, AND FAILED TO IMPLEMENT AN ADEQUATE SYSTEM OF POST-TRADE REVIEW TO ADDRESS ANY POTENTIAL VIOLATIONS. BARCLAYS FAILED TO IMPLEMENT A SYSTEM THAT CONSISTENTLY CAPTURED COMPLETE AND ACCURATE RECORDS CONCERNING THE CANCELLATION OR ADJUSTMENT OF ORDERS, AS WELL AS THE REASONS FOR ANY SUCH ADJUSTMENT, WHO DIRECTED THE ADJUSTMENT, AND/OR WHETHER CUSTOMER AGREEMENT HAD BEEN OBTAINED.

Initiated By: NYSE ARCA, INC.

Date Initiated: 12/12/2018

Docket/Case Number: 2017-05-00011

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: 12/12/2018

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 \$275,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED AND FINED \$275,000. BARCLAYS FURTHER AGREES TO UNDERTAKE TO DEVELOP AND IMPLEMENT CONTROLS AND PROCEDURES REASONABLY DESIGNED TO ADDRESS THE DEFICIENCIES DESCRIBED IN THE OFFER OF SETTLEMENT.



Regulator Statement

BARCLAYS CAPITAL INC. VIOLATED: (I) NYSE ARCA OPTIONS RULE 6.77A, BY FAILING TO OBTAIN AGREEMENT OF ITS CUSTOMER BEFORE BUSTING AND ADJUSTING A TRADE AND ADJUSTING TRADES IN A MANNER THAT CIRCUMVENTS OTHER EXCHANGE RULES; (II) NYSE ARCA OPTIONS RULE 11.1 BY BUSTING A TRADE THAT RESULTED IN AN INFERIOR PRICE FOR ITS CUSTOMER; (III) NYSE ARCA OPTIONS RULES 6.68 AND 9.17 AND NYSE ARCA RULES 2.28 AND 11.16, BY FAILING TO CREATE, MAINTAIN, AND PRESERVE ACCURATE RECORDS OF ADJUSTMENTS TO CUSTOMER ORDERS AND DOCUMENTATION OF CUSTOMER INSTRUCTION AND/OR AGREEMENT TO MODIFY TRADES PURSUANT TO RULE 6.77A; AND (IV) NYSE ARCA OPTIONS RULE 11.18, BY FAILING TO ESTABLISH AND MAINTAIN ADEQUATE SUPERVISORY SYSTEMS AND WRITTEN PROCEDURES REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH NYSE ARCA OPTIONS RULES.

IN CONNECTION WITH NYSE REGULATION'S INVESTIGATION, BARCLAYS OFFERED ITS CUSTOMER RESTITUTION FOR \$768, AND IT WILL CONTINUE TO DEVELOP AND IMPLEMENT WSPS CONCERNING NYSE ARCA RULE 6.77A-O.

Reporting Source:

Firm

Current Status:

Final

Allegations:

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, BARCLAYS CAPITAL INC. ("BARCLAYS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO OBTAIN AGREEMENT OF ITS CUSTOMER BEFORE BUSTING AND ADJUSTING A TRADE ON OCTOBER 14, 2016 AND ADJUSTING THE TRADE IN A MANNER THAT CIRCUMVENTS OTHER EXCHANGE RULES. THE FINDINGS STATED THAT THE FIRM INSTRUCTED A FLOOR BROKER TO BUST AND ADJUST CERTAIN OPTIONS SERIES TRADE WITHOUT THE CONSENT OF THE FIRM'S CUSTOMER AND IN A MANNER, WHICH CIRCUMVENTS OTHER EXCHANGE RULES. AT NO TIME DURING THE PROCESS DID BARCLAYS OBTAIN THE AGREEMENT OF ITS CUSTOMER TO BUST AND ADJUST THE OPTIONS SERIES TRADE. THE FINDINGS ALSO STATED THAT BARCLAYS FAILED TO MAINTAIN COMPLETE AND ACCURATE RECORDS OF ORDER CANCELLATIONS AND ADJUSTMENTS, THE REASONS FOR ANY SUCH ADJUSTMENT, WHO DIRECTED THE ADJUSTMENT, AND/OR WHETHER CUSTOMER AGREEMENT HAD BEEN OBTAINED. THEREFORE, BARCLAYS FAILED TO CREATE AND MAINTAIN ADEQUATE BOOKS AND RECORDS. THE FINDINGS ALSO INCLUDED THAT BARCLAYS FAILED TO HAVE SUPERVISORY SYSTEMS OR WSPS IN PLACE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH APPLICABLE RULES. SPECIFICALLY, BARCLAYS FAILED TO IMPLEMENT A SYSTEM TO ASCERTAIN WHETHER THE FIRM HAD THE AGREEMENT OF ITS

CUSTOMER PRIOR TO BUSTING AND ADJUSTING A TRADE; FAILED TO IMPLEMENT A SYSTEM CONCERNING THE DOCUMENTATION OF THAT AGREEMENT; AND FAILED TO ADDRESS THE PROHIBITION ON BUSTING AND ADJUSTING TRADES IN A MANNER THAT CIRCUMVENTS OTHER EXCHANGE RULES. BARCLAYS FAILED TO IMPLEMENT A SYSTEM TO ASCERTAIN WHETHER THE BUSTING AND ADJUSTING OF ANY TRADE WOULD RESULT IN HARM TO ITS CUSTOMER, AND FAILED TO IMPLEMENT AN ADEQUATE SYSTEM OF POST-TRADE REVIEW TO ADDRESS ANY POTENTIAL VIOLATIONS. BARCLAYS FAILED TO IMPLEMENT A SYSTEM THAT CONSISTENTLY CAPTURED COMPLETE AND ACCURATE RECORDS CONCERNING THE CANCELLATION OR ADJUSTMENT OF ORDERS, AS WELL AS THE REASONS FOR ANY SUCH ADJUSTMENT, WHO DIRECTED THE ADJUSTMENT, AND/OR WHETHER CUSTOMER AGREEMENT HAD BEEN OBTAINED.

Initiated By: NYSE ARCA, INC

Date Initiated: 12/12/2018

Docket/Case Number: 2017-05-00011

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: 12/12/2018

Sanctions Ordered: Censure
Monetary/Fine \$275,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$275,000. BARCLAYS FURTHER AGREES TO UNDERTAKE TO DEVELOP AND IMPLEMENT CONTROLS AND PROCEDURES REASONABLY DESIGNED TO ADDRESS THE DEFICIENCIES WITHIN 90 DAYS OF THIS DECISION.

Disclosure 13 of 101

Reporting Source: Regulator

Current Status: Final



Allegations: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, BARCLAYS CAPITAL INC. ("BARCLAYS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT EFFECTED EQUITY TRANSACTIONS AFTER GAINING KNOWLEDGE OF UNDISCLOSED TERMS AND CONDITIONS OF ORDERS IN RELATED OPTION SERIES. THE FINDINGS STATED THAT UNDER NYSE ARCA OPTIONS RULE 11.18(B), FIRMS MUST HAVE SUPERVISORY SYSTEMS IN PLACE THAT ARE "REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH APPLICABLE FEDERAL SECURITIES LAWS AND REGULATIONS AND NYSE ARCA RULES." THE FIRM DID HAVE DAILY SURVEILLANCES IN PLACE TO MONITOR FOR ANTICIPATORY HEDGING OR FRONT RUNNING OF CLIENT ORDERS, INCLUDING ON THE FLOW VOLATILITY DESK, WHERE THE FIRM'S TRADER WORKED. HOWEVER, THESE SURVEILLANCES DID NOT REVIEW ANY SHORT SALE ORDERS, SUCH AS THE XYZ EQUITIES SALE ON MARCH 2, 2015, UNTIL APRIL 2017.

Initiated By: NYSE ARCA, INC.

Date Initiated: 12/11/2018

Docket/Case Number: 2017-07-00014

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: 12/11/2018

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 \$70,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$70,000.

Regulator Statement BARCLAYS CAPITAL INC. VIOLATED: (I) NYSE ARCA OPTIONS RULE 6.49(B), BY EFFECTING EQUITY TRANSACTIONS AFTER GAINING KNOWLEDGE OF



UNDISCLOSED TERMS AND CONDITIONS OF ORDERS IN RELATED OPTION SERIES; AND (II) NYSE ARCA OPTIONS RULE 11.18(B), BY FAILING TO ESTABLISH AND MAINTAIN ADEQUATE SUPERVISORY SYSTEMS THAT WERE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH RULE 6.49(B).

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, BARCLAYS CAPITAL INC. ("BARCLAYS" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT EFFECTED EQUITY TRANSACTIONS AFTER GAINING KNOWLEDGE OF UNDISCLOSED TERMS AND CONDITIONS OF ORDERS IN RELATED OPTION SERIES. THE FINDINGS STATED THAT UNDER NYSE ARCA OPTIONS RULE 11.18(B), FIRMS MUST HAVE SUPERVISORY SYSTEMS IN PLACE THAT ARE "REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH APPLICABLE FEDERAL SECURITIES LAWS AND REGULATIONS AND NYSE ARCA RULES." THE FIRM DID HAVE DAILY SURVEILLANCES IN PLACE TO MONITOR FOR ANTICIPATORY HEDGING OR FRONT RUNNING OF CLIENT ORDERS, INCLUDING ON THE FLOW VOLATILITY DESK, WHERE THE FIRM'S TRADER WORKED. HOWEVER, THESE SURVEILLANCES DID NOT REVIEW ANY SHORT SALE ORDERS BETWEEN ON MARCH 2, 2015, UNTIL APRIL 2017.

Initiated By: NYSE ARCA, INC

Date Initiated: 12/11/2018

Docket/Case Number: 2017-07-00014

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: 12/11/2018

Sanctions Ordered: Censure
Monetary/Fine \$70,000.00

Other Sanctions Ordered:



Sanction Details: THE FIRM WAS CENSURED AND FINED \$70,000.

Disclosure 14 of 101

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 INACCURATELY REPORTED POSITIONS TO THE LARGE OPTIONS POSITIONS REPORTING (LOPR) SYSTEM IN THOUSANDS OF INSTANCES.

THE FINDINGS STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES GOVERNING THE REPORTING OF OPTIONS POSITIONS TO THE LOPR SYSTEM. IN ADDITION, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE SUFFICIENT WRITTEN SUPERVISORY PROCEDURES (WSPS) TO ENSURE THE PROPER REPORTING OF POSITIONS TO THE LOPR.

Initiated By: MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC

Date Initiated: 05/09/2018

Docket/Case Number: 2013036472003

Principal Product Type: Other

Other Product Type(s): OPTIONS, OVER-THE-COUNTER OPTIONS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Other

Resolution Date: 05/09/2018

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 \$60,000.00

Other Sanctions Ordered:

UNDERTAKING

Sanction Details:

A LETTER OF CONSENT (LOC) WAS ISSUED IN WHICH THE FIRM WAS CENSURED, FINED A TOTAL OF \$400,000, OF WHICH \$60,000 IS PAYABLE TO THE EXCHANGE AND REQUIRED TO ADDRESS ITS LARGE OPTIONS POSITIONS REPORTING (LOPR) SYSTEM DEFICIENCIES AND TO ENSURE THAT IT HAS IMPLEMENTED CONTROLS AND PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE. THE BALANCE OF THE SANCTION WILL BE PAID TO OTHER SELF-REGULATORY ORGANIZATIONS.

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 INACCURATELY REPORTED POSITIONS TO THE LARGE OPTIONS POSITIONS REPORTING (LOPR) SYSTEM IN THOUSANDS OF INSTANCES. THE FINDINGS STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES GOVERNING THE REPORTING OF OPTIONS POSITIONS TO THE LOPR SYSTEM. IN ADDITION, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE SUFFICIENT WRITTEN SUPERVISORY PROCEDURES (WSPS) TO ENSURE THE PROPER REPORTING OF POSITIONS TO THE LOPR.

Initiated By:

MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC

Date Initiated:

05/09/2018

Docket/Case Number:

2013036472003

Principal Product Type:

Other

Other Product Type(s):

OPTIONS, OVER-THE-COUNTER OPTIONS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution:

Acceptance, Waiver & Consent(AWC)

Resolution Date:

05/09/2018



Sanctions Ordered: Censure
Monetary/Fine \$60,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED THE AMOUNT OF \$400,000, OF WHICH \$60,000 IS PAYABLE TO MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC.

Disclosure 15 of 101

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 INACCURATELY REPORTED POSITIONS TO THE LARGE OPTIONS POSITIONS REPORTING (LOPR) SYSTEM IN THOUSANDS OF INSTANCES.

THE FINDINGS STATED THAT THE FIRM FAILED TO REPORT OPTIONS POSITIONS TO THE LOPR WAS DUE TO A FAILURE TO AGGREGATE POSITIONS FOR ACTING-IN-CONCERT PURPOSES IN CERTAIN NON-U.S. AND HEDGE FUND ACCOUNTS.

THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES GOVERNING THE REPORTING OF OPTIONS POSITIONS TO THE LOPR SYSTEM. IN ADDITION, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE SUFFICIENT WRITTEN SUPERVISORY PROCEDURES (WSPS) TO ENSURE THE PROPER REPORTING OF POSITIONS TO THE LOPR. THE FIRM'S PROCEDURES, INCLUDING ITS WSPS, FAILED TO ADEQUATELY ESTABLISH A REVIEW TO ENSURE THAT ACCOUNTS ACTING IN CONCERT WOULD BE ACCURATELY REPORTED. WHILE THE FIRM'S REVIEW VERIFIED THAT ACCOUNTS ALREADY IDENTIFIED AS ACTING IN CONCERT WERE BEING REPORTED AS SUCH, THERE WAS NO INITIAL REVIEW TO ENSURE THAT IN-CONCERT ACCOUNTS WERE PROPERLY IDENTIFIED.

Initiated By: CBOE BZX EXCHANGE, INC.

Date Initiated: 05/09/2018

Docket/Case Number: 2013036472002

Principal Product Type: Other



Other Product Type(s):	OPTIONS, OVER-THE-COUNTER OPTIONS
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	06/07/2018
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 \$90,000.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	<p>THE FIRM WAS CENSURED, FINED A TOTAL OF \$400,000, OF WHICH \$90,000 IS PAYABLE TO THE EXCHANGE AND REQUIRED TO ADDRESS ITS LARGE OPTIONS POSITIONS REPORTING (LOPR) SYSTEM DEFICIENCIES AND TO ENSURE THAT IT HAS IMPLEMENTED CONTROLS AND PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE. THE BALANCE OF THE SANCTION WILL HE PAID TO OTHER SELF-REGULATORY ORGANIZATIONS.</p> <p>THE DECISION IN THIS MATTER IS FINAL 20 BUSINESS DAYS AFTER THE ISSUANCE OF THE DECISION. THEREFORE, THIS AWC BECAME FINAL JUNE 7, 2018.</p>
Regulator Statement	<p>CASE NO. 20130364720 (INCLUDES 20140423662) ACCEPTANCE OF THE AWC IS CONDITIONED UPON ACCEPTANCE OF PARALLEL SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND EACH OF' THE FOLLOWING SELF-REGULATORY ORGANIZATIONS: FINRA AND MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC.</p>
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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 DURING FEBRUARY 16, 2010 - DECEMBER 31, 2013 IT FAILED TO REPORT AND INACCURATELY REPORTED POSITIONS TO THE LARGE OPTIONS POSITIONS REPORTING (LOPR) SYSTEM IN THOUSANDS OF INSTANCES DUE TO A FAILURE TO AGGREGATE POSITIONS FOR ACTING-IN-CONCERT PURPOSES IN CERTAIN NON-U.S. AND HEDGE FUND ACCOUNTS. THE FINDINGS ALSO STATED THAT THROUGH NOVEMBER 2017 THE FIRM FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES GOVERNING THE REPORTING OF OPTIONS POSITIONS TO THE LOPR SYSTEM. IN ADDITION, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE SUFFICIENT WRITTEN SUPERVISORY PROCEDURES (WSPS) TO ENSURE THE PROPER REPORTING OF POSITIONS TO THE LOPR AND FAILED TO ADEQUATELY ESTABLISH A REVIEW TO ENSURE THAT ACCOUNTS ACTING IN CONCERT WOULD BE ACCURATELY REPORTED. WHILE THE FIRM'S REVIEW VERIFIED THAT ACCOUNTS ALREADY IDENTIFIED AS ACTING IN CONCERT WERE BEING REPORTED AS SUCH, THERE WAS NO INITIAL REVIEW TO ENSURE THAT IN-CONCERT ACCOUNTS WERE PROPERLY IDENTIFIED.

Initiated By: CBOE BZX EXCHANGE, INC.

Date Initiated: 05/09/2018

Docket/Case Number: 2013036472002

Principal Product Type: Other

Other Product Type(s): OPTIONS, OVER-THE-COUNTER OPTIONS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/07/2018

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

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED A TOTAL OF \$400,000, OF WHICH \$90,000 IS PAYABLE TO THE EXCHANGE.



Disclosure 16 of 101

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 EFFECTED OPENING TRANSACTIONS FOR THE ACCOUNTS OF CUSTOMERS THAT EXCEEDED THE APPLICABLE POSITION LIMITS FOR OVER-THE-COUNTER POSITIONS IN SECURITIES.

THE FINDINGS STATED THAT WHILE THE FIRM SUBMITTED TO FINRA A WRITTEN REQUEST TO INCREASE THE POSITION LIMITS FOR THE REFERENCED POSITIONS, IT FAILED TO DO SO WITHIN THE REQUIRED TIME. THE FIRM REPORTED POSITIONS TO THE LOPR WITH TRUNCATED STREET ADDRESSES OR TRUNCATED STREET ADDRESSES AND MISSING TAX IDENTIFICATION NUMBERS, IN APPROXIMATELY 2.4 MILLION INSTANCES. BECAUSE THE FIRM REPORTED ALL OF THESE POSITIONS TO THE LOPR AND THESE INACCURACIES DID NOT ALTER THE POSITION DATA, THE ACCOUNTS WERE ABLE TO BE IDENTIFIED FOR SURVEILLANCE PURPOSES. THE FIRM UNDER-REPORTED OVER-THE-COUNTER OPTIONS POSITIONS. THE FIRM FAILED TO REPORT AND FAILED TO ACCURATELY REPORT OPTIONS POSITIONS TO THE LOPR DUE TO A FAILURE TO AGGREGATE POSITIONS FOR ACTING IN CONCERT PURPOSES IN CERTAIN NON-U.S. AND HEDGE FUND ACCOUNTS. THE FIRM FAILED TO REPORT OVER-THE-COUNTER OPTIONS POSITIONS TO THE LOPR FOR POSITIONS INVOLVING REJECTED RECORDS THAT WERE NOT RESUBMITTED TO THE LOPR. THE FIRM FAILED TO REPORT TO THE LOPR A CUSTOMER'S LONG POSITION FOR POSITIONS IN NUMEROUS INSTANCES. THE FIRM OVER-REPORTED INTRADAY POSITIONS TO THE LOPR IN SYMBOLS IN AN UNKNOWN NUMBER OF INSTANCES INVOLVING CUSTOMERS' ACCOUNTS DUE TO AN INTERNAL SYSTEM ERROR AT THE FIRM, WHICH MISTAKENLY MULTIPLIED CERTAIN POSITIONS BY 100. THE FIRM OVER-REPORTED POSITIONS TO THE LOPR IN SYMBOLS FOR AN UNKNOWN NUMBER OF INSTANCES.

THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES GOVERNING THE REPORTING OF OPTIONS POSITIONS TO THE LOPR SYSTEM. IN ADDITION, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE SUFFICIENT WRITTEN SUPERVISORY PROCEDURES (WSPS) TO ENSURE THE PROPER REPORTING OF POSITIONS TO THE LOPR. THE FIRM'S PROCEDURES, INCLUDING ITS WSPS, FAILED TO ADEQUATELY ESTABLISH A REVIEW TO ENSURE THAT ACCOUNTS ACTING IN CONCERT WOULD BE ACCURATELY REPORTED. WHILE THE FIRM'S REVIEW VERIFIED THAT ACCOUNTS ALREADY IDENTIFIED AS ACTING IN CONCERT WERE BEING REPORTED AS



SUCH, THERE WAS NO INITIAL REVIEW TO ENSURE THAT IN-CONCERT ACCOUNTS WERE PROPERLY IDENTIFIED.

Initiated By: FINRA

Date Initiated: 05/09/2018

Docket/Case Number: [2013036472001](#)

Principal Product Type: Other

Other Product Type(s): OVER-THE-COUNTER OPTIONS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/09/2018

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 \$250,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED THE AMOUNT OF \$400,000, OF WHICH \$250,000 IS PAYABLE TO FINRA AND REQUIRED TO ADDRESS ITS LARGE OPTIONS POSITIONS REPORTING (LOPR) SYSTEM DEFICIENCIES AND TO ENSURE THAT IT HAS IMPLEMENTED CONTROLS AND PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE. THE BALANCE OF THE SANCTION WILL HE PAID TO OTHER SELF-REGULATORY ORGANIZATIONS. FINES PAID IN FULL ON JUNE 2, 2018.

Regulator Statement CASE NO. 20130364720 (INCLUDES 20150472919)
ACCEPTANCE OF THE AWC IS CONDITIONED UPON ACCEPTANCE OF PARALLEL SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND EACH OF' THE FOLLOWING SELF-REGULATORY ORGANIZATIONS: CBOE BZX EXCHANGE, INC., AND MIAMI INTERNATIONAL SECURITIES 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 EFFECTED OPENING TRANSACTIONS FOR THE ACCOUNTS OF CUSTOMERS THAT EXCEEDED THE APPLICABLE POSITION LIMITS FOR OVER-THE-COUNTER POSITIONS IN SECURITIES, THE FIRM REPORTED POSITIONS TO THE LOPR WITH TRUNCATED STREET ADDRESSES AND/OR MISSING TAX IDENTIFICATION NUMBERS IN APPROXIMATELY 2.4 MILLION INSTANCES, FAILED TO REPORT AND FAILED TO OR ACCURATELY REPORT OPTIONS POSITIONS DUE TO A FAILURE TO AGGREGATE POSITIONS FOR ACTING IN CONCERT PURPOSES IN CERTAIN NON-U.S. AND HEDGE FUND ACCOUNTS, FAILED TO REPORT OVER-THE-COUNTER OPTIONS POSITIONS LOPR FOR POSITIONS INVOLVING REJECTED RECORDS, FAILED TO REPORT A CUSTOMER'S LONG POSITION FOR POSITIONS IN NUMEROUS INSTANCES, THE FIRM OVER-REPORTED POSITIONS IN AN UNKNOWN NUMBER OF INSTANCES. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES GOVERNING THE REPORTING OF OPTIONS POSITIONS TO THE LOPR SYSTEM, DID NOT INCLUDE SUFFICIENT WRITTEN SUPERVISORY PROCEDURES (WSPS) TO ENSURE THE PROPER REPORTING OF POSITIONS TO THE LOPR, AND FAILED TO ADEQUATELY ESTABLISH A REVIEW TO ENSURE THAT ACCOUNTS ACTING IN CONCERT WOULD BE ACCURATELY REPORTED. WHILE THE FIRM'S REVIEW VERIFIED THAT ACCOUNTS ALREADY IDENTIFIED AS ACTING IN CONCERT WERE BEING REPORTED AS SUCH, THERE WAS NO INITIAL REVIEW TO ENSURE THAT IN-CONCERT ACCOUNTS WERE PROPERLY IDENTIFIED.

Initiated By: FINRA

Date Initiated: 05/09/2018

Docket/Case Number: [2013036472001](#)

Principal Product Type: Other

Other Product Type(s): OVER-THE-COUNTER OPTIONS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)



Resolution Date: 05/09/2018

Sanctions Ordered: Censure
Monetary/Fine \$250,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED THE AMOUNT OF \$400,000, OF WHICH \$250,000 IS PAYABLE TO FINRA AND REQUIRED TO PROVIDE A REPRESENTATION THAT THE FIRM HAS REVISED ITS WSPS AND IMPLEMENTED CHANGES TO CORRECT THE DEFICIENCIES DISCUSSED.

Disclosure 17 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: BARCLAYS TENDERED SHARES FOR THE PARTIAL TENDER OFFER IN HAL IN EXCESS OF ITS NET LONG POSITION. IN ADDITION, BARCLAYS FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES TO ASSURE COMPLIANCE WITH RULE 14E-4, PROMULGATED UNDER THE EXCHANGE ACT. (VIOLATIONS OF RULES 4.2 AND 4.24; AND EXCHANGE ACT RULE 14E-4)

Initiated By: CBOE EXCHANGE, INC.

Date Initiated: 10/25/2017

Docket/Case Number: 17-0053/ 20150464122

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: 12/29/2017

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

Other Sanctions Ordered: A \$25,000 FINE, A CENSURE AND DISGORGEMENT IN THE AMOUNT OF \$42,040.



Sanction Details: A \$25,000 FINE, A CENSURE AND DISGORGEMENT IN THE AMOUNT OF \$42,040.

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 CBOE RULE 4.2 AND 4.24 AND RULE 14E-4, PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934. BARCLAYS CAPITAL, INC. (FIRM) TENDERED SHARES IN 2013 FOR THE PARTIAL TENDER OFFER IN HALLIBURTON COMPANY IN EXCESSOF THE FIRM'S NET LONG POSITION. THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES FROM JULY 26, 2013 TO AUGUST 17, 2017 TO PREVENT AND DETECT VIOLATIOINS OF RULE 14E-4.

Initiated By: CBOE

Date Initiated: 12/29/2017

Docket/Case Number: 20150464122

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Disgorgement

Other Sanction(s)/Relief Sought: CENSURE AND FINE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/29/2017

Sanctions Ordered: Censure
Monetary/Fine \$67,040.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED, FINED \$25,000.00 AND DISGORGEMENT IN THE AMOUNT OF \$42,040.00

Disclosure 18 of 101

Reporting Source: Regulator



Current Status: Final

Allegations: ON APRIL 14, 2015 AND MAY 4, 2015, WHEN EXECUTING OUTBOUND INTERMARKET SWEEP ORDERS (ISOS) ON THE NYSE ARCA EXCHANGE INC. (EXCHANGE), THE FIRM FAILED TO SEND ADDITIONAL ISOS TO PROTECTED QUOTES ON THREE SEPARATE EXCHANGES. THESE INSTANCES OCCURRED WHEN THE FIRM DID NOT RECEIVE DIRECT FEED QUOTES FROM THE THREE EXCHANGES DUE TO SYSTEM ISSUES. DURING THE PERIOD BETWEEN JANUARY 1, 2015 AND SEPTEMBER 30, 2015 (REVIEW PERIOD), THE FIRM FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT ISOS IT Routed MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN SEC RULE 600(B)(30). DURING THE REVIEW PERIOD, THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN SUPERVISORY PROCEDURES, THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND EXCHANGE RULES, CONCERNING COMPLIANCE WITH SEC RULE 611(C). SPECIFICALLY, THE FIRM FAILED TO ADEQUATELY MONITOR WHETHER THE DIRECT FEEDS IT USED TO COMPILE THE NATIONAL BEST BID OR OFFER WERE OPERATIONAL. ACCORDINGLY, THE FIRM VIOLATED SEC RULE 611(C) AND NYSE ARCA EQUITIES RULE 7.31(JJ) AND 7.31(E)(2), AND NYSE ARCA EQUITIES RULES 6.18 AND 2010.

Initiated By: NYSE ARCA, INC.

Date Initiated: 10/11/2017

Docket/Case Number: 2014043787401

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 10/11/2017

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 \$12,500.00

Other Sanctions Ordered:

Sanction Details: BARCLAYS CAPITAL INC. AND NYSE ARCA, INC. ENTERED INTO AN OFFER OF SETTLEMENT AND CONSENT FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO IN THE OFFER OF SETTLEMENT. THE HEARING OFFICER ACCEPTS THE OFFER OF SETTLEMENT AND CONSENT AND ISSUES THIS DECISION IN ACCORDANCE WITH NYSE ARCA EQUITIES RULES. THE FIRM WAS CENSURED AND FINED \$12,500. UNDER THE OFFER OF SETTLEMENT AND CONSENT, THE FIRM AGREED TO PAY A TOTAL OF \$50,000, OF WHICH \$12,500 SHALL BE PAID TO NYSE ARCA, INC. AND THE REMAINING TO BATS BYX EXCHANGE, INC. AND FINRA.

Reporting Source: Firm

Current Status: Final

Allegations: ON APRIL 14, 2015 AND MAY 4, 2015, WHEN EXECUTING OUTBOUND INTERMARKET SWEEP ORDERS (ISOS) ON THE NYSE ARCA EQUITIES INC. (EXCHANGE), THE FIRM FAILED TO SEND ADDITIONAL ISOS TO PROTECTED QUOTES ON THREE SEPARATE EXCHANGES. THESE INSTANCES OCCURRED WHEN THE FIRM DID NOT RECEIVE DIRECT FEED QUOTES FROM THE THREE EXCHANGES DUE TO SYSTEM ISSUES. DURING THE PERIOD BETWEEN JANUARY 1, 2015 AND SEPTEMBER 30, 2015 (REVIEW PERIOD), THE FIRM FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT ISOS IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN SEC RULE 600(B)(30) AND FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN SUPERVISORY PROCEDURES, THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND EXCHANGE RULES, CONCERNING COMPLIANCE WITH SEC RULE 611(C). SPECIFICALLY, THE FIRM FAILED TO ADEQUATELY MONITOR WHETHER THE DIRECT FEEDS IT USED TO COMPILE THE NATIONAL BEST BID OR OFFER WERE OPERATIONAL. ACCORDINGLY, THE FIRM VIOLATED SEC RULE 611(C) AND NYSE ARCA EQUITIES RULE 7.31(JJ) AND 7.31(E)(2), AND EXCHANGE RULES 6.18 AND 2010.

Initiated By: NYSE ARCA, INC.

Date Initiated: 10/11/2017

Docket/Case Number: 2014043787401



Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	10/11/2017
Sanctions Ordered:	Censure Monetary/Fine \$12,500.00
Other Sanctions Ordered:	
Sanction Details:	BARCLAYS CAPITAL INC. AND NYSE ARCA, INC. ENTERED INTO AN OFFER OF SETTLEMENT AND CONSENT FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO IN THE OFFER OF SETTLEMENT. THE HEARING OFFICER ACCEPTS THE OFFER OF SETTLEMENT AND CONSENT AND ISSUES THIS DECISION IN ACCORDANCE WITH NYSE ARCA EQUITIES RULES. THE FIRM WAS CENSURED AND FINED \$12,500. UNDER THE OFFER OF SETTLEMENT AND CONSENT, THE FIRM AGREED TO PAY A TOTAL OF \$50,000, OF WHICH \$12,500 SHALL BE PAID TO NYSE ARCA, INC. AND THE REMAINING TO BATS BYX EXCHANGE, INC. AND FINRA.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	ON MAY 4, 2015, WHEN EXECUTING OUTBOUND INTERMARKET SWEEP ORDERS ON BATS BYX EXCHANGE (BYX), THE FIRM FAILED TO SEND ADDITIONAL INTERMARKET SWEEP ORDERS TO PROTECTED QUOTES ON TWO SEPARATE EXCHANGES. THESE INSTANCES OCCURRED WHEN THE FIRM DID NOT RECEIVE DIRECT FEED QUOTES FROM THE TWO EXCHANGES DUE TO SYSTEM ISSUES. DURING THE PERIOD BETWEEN JANUARY 1, 2015 AND SEPTEMBER 30, 2015 (THE REVIEW PERIOD), THE FIRM FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT INTERMARKET SWEEP ORDERS IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN SEC RULE 600(B)(30). ACCORDINGLY, THE FIRM VIOLATED SEC RULE 611(C) AND BYX RULE 11.9(D). DURING THE



REVIEW PERIOD, 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 BYX RULES, CONCERNING COMPLIANCE WITH SEC RULE 611(C) AND BYX RULE 11.9(D). SPECIFICALLY, THE FIRM FAILED TO ADEQUATELY MONITOR WHETHER THE DIRECT FEEDS IT USED TO COMPILE THE NATIONAL BEST BID OR OFFER WERE OPERATIONAL. AS A RESULT, THE FIRM VIOLATED BYX RULES 3.1 AND 5.1.

Initiated By: BATS BYX EXCHANGE, INC.

Date Initiated: 10/11/2017

Docket/Case Number: 2014043787403

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: 11/08/2017

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 \$12,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$50,000, OF WHICH \$12,500 IS PAYABLE TO BYX. 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: NYSE ARCA EQUITIES, INC. AND FINRA. THE DECISION BECAME FINAL ON NOVEMBER 8, 2017.

Reporting Source: Firm



Current Status: Final

Allegations: ON MAY 4, 2015, WHEN EXECUTING OUTBOUND INTERMARKET SWEEP ORDERS ON BATS BYX EXCHANGE (BYX), THE FIRM FAILED TO SEND ADDITIONAL INTERMARKET SWEEP ORDERS TO PROTECTED QUOTES ON TWO SEPARATE EXCHANGES. THESE INSTANCES OCCURRED WHEN THE FIRM DID NOT RECEIVE DIRECT FEED QUOTES FROM THE TWO EXCHANGES DUE TO SYSTEM ISSUES. DURING THE PERIOD BETWEEN JANUARY 1, 2015 AND SEPTEMBER 30, 2015 (THE REVIEW PERIOD), THE FIRM FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT INTERMARKET SWEEP ORDERS IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN SEC RULE 600(B)(30). ACCORDINGLY, THE FIRM VIOLATED SEC RULE 611(C) AND BYX RULE 11.9(D). DURING THE REVIEW PERIOD, 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 BYX RULES, CONCERNING COMPLIANCE WITH SEC RULE 611(C) AND BYX RULE 11.9(D). SPECIFICALLY, THE FIRM FAILED TO ADEQUATELY MONITOR WHETHER THE DIRECT FEEDS IT USED TO COMPILE THE NATIONAL BEST BID OR OFFER WERE OPERATIONAL. AS A RESULT, THE FIRM VIOLATED BYX RULES 3.1 AND 5.1.

Initiated By: BATS BYX EXCHANGE, INC.

Date Initiated: 10/11/2017

Docket/Case Number: 2014043787403

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/11/2017

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$50,000, OF WHICH \$12,500 IS PAYABLE TO BYX.



Disclosure 20 of 101

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 EXECUTED INTERMARKET SWEEP ORDERS THROUGH PROTECTED QUOTATIONS, AND FAILED TO ROUTE ADDITIONAL INTERMARKET SWEEP ORDERS TO EXECUTE AGAINST PROTECTED QUOTATIONS. THE FINDINGS STATED THAT THE FIRM FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT INTERMARKET SWEEP ORDERS IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN REG NMS RULE 600(B)(30) WHEN ROUTING AND EXECUTING INTERMARKET SWEEP ORDERS ON EXCHANGES. THESE INSTANCES OCCURRED WHEN THE FIRM DID NOT RECEIVE DIRECT FEED QUOTES FROM THE TWO EXCHANGES DUE TO SYSTEM ISSUES, WHICH THE FIRM FAILED TO DETECT. THE FINDINGS ALSO STATED THAT THE FIRM WHILE ACTING AS A TRADING CENTER, FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN POLICIES AND PROCEDURES THAT WERE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE TERMS OF THE OUTBOUND ISO EXCEPTION IN REG NMS RULE 611(B)(6); AND FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT INTERMARKET SWEEP ORDERS IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN REG NMS RULE 600(B)(30). THE FINDINGS ALSO INCLUDED 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 COMPLIANCE WITH REG NMS RULES 611(A) AND 611(C). SPECIFICALLY, THE FIRM FAILED TO ENSURE THAT DIRECT FEEDS WERE OPERATIONAL AND THAT THE DIRECT FEED DATA THAT IT USED TO COMPILE THE NATIONAL BEST BID OR OFFER WAS RELIABLE.</p>
Initiated By:	FINRA
Date Initiated:	10/11/2017
Docket/Case Number:	2014043787402
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: 10/11/2017

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 \$25,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED A TOTAL AMOUNT OF \$50,000, OF WHICH \$25,000 IS PAYABLE TO FINRA, AND THE BALANCE OF THE SANCTION WILL BE PAID TO THE OTHER SELF-REGULATORY ORGANIZATIONS NOTED IN THE AWC, AND AN UNDERTAKING REQUIRING THE FIRM TO ADDRESS THE REG NMS 611(A) AND 611(C) DEFICIENCIES TO ENSURE THAT THE FIRM HAS IMPLEMENTED PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS CITED IN THE AWC. FINES PAID IN FULL ON OCTOBER 31, 2017.

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 EXECUTED INTERMARKET SWEEP ORDERS THROUGH PROTECTED QUOTATIONS, AND FAILED TO ROUTE ADDITIONAL INTERMARKET SWEEP ORDERS TO EXECUTE AGAINST PROTECTED QUOTATIONS. THE FINDINGS STATED THAT THE ON MAY 14, 2015, FIRM FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT INTERMARKET SWEEP ORDERS IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN REG NMS RULE 600(B)(30) WHEN ROUTING AND EXECUTING INTERMARKET SWEEP ORDERS ON EXCHANGES. THESE INSTANCES OCCURRED WHEN THE FIRM DID NOT RECEIVE DIRECT FEED QUOTES FROM THE TWO EXCHANGES DUE TO SYSTEM ISSUES, WHICH THE FIRM FAILED TO DETECT. THE FINDINGS ALSO STATED THAT DURING JANUARY THROUGH SEPTEMBER 2015, THE FIRM WHILE ACTING AS A TRADING CENTER, FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN POLICIES AND PROCEDURES THAT WERE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE TERMS OF THE OUTBOUND ISO EXCEPTION IN REG NMS RULE 611(B)(6); AND FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT INTERMARKET SWEEP ORDERS IT ROUTED MET THE DEFINITIONAL REQUIREMENTS SET FORTH IN REG NMS RULE 600(B)(30). THE FINDINGS



ALSO INCLUDED THAT DURING JULY THROUGH SEPTEMBER 2014 AND JANUARY THROUGH SEPTEMBER 2015, 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 COMPLIANCE WITH REG NMS RULES 611(A) AND 611(C). SPECIFICALLY, THE FIRM FAILED TO ENSURE THAT DIRECT FEEDS WERE OPERATIONAL AND THAT THE DIRECT FEED DATA THAT IT USED TO COMPILE THE NATIONAL BEST BID OR OFFER WAS RELIABLE.

Initiated By: FINRA

Date Initiated: 10/11/2017

Docket/Case Number: [2014043787402](#)

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: 10/11/2017

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

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED A TOTAL AMOUNT OF \$50,000, OF WHICH \$25,000 IS PAYABLE TO FINRA, AND THE BALANCE OF THE SANCTION WILL BE PAID TO THE OTHER SELF-REGULATORY ORGANIZATIONS NOTED IN THE AWC, AND AN UNDERTAKING REQUIRING THE FIRM TO ADDRESS THE REG NMS 611(A) AND 611(C) DEFICIENCIES TO ENSURE THAT THE FIRM HAS IMPLEMENTED PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS CITED IN THE AWC.

Disclosure 21 of 101

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 USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST MARKET FOR SUBJECT SECURITIES AND FAILED TO BUY OR SELL IN SUCH MARKETS SO THAT THE RESULTANT PRICES TO THE CUSTOMERS WERE AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS, RESULTING IN DIRECT CUSTOMER HARM OF \$850.47. THE FINDINGS STATED THAT IN 20 INSTANCES, THE FIRM EXECUTED AN AGENCY INTERMARKET SWEEP ORDER (ISO) THAT WAS INFERIOR, FROM THE PERSPECTIVE OF THE CUSTOMER, TO AT LEAST ONE DISPLAYED TOP OF BOOK QUOTATION; AND/OR MISSED LIQUIDITY FROM ONE OR MORE DISPLAYED TOP OF BOOK QUOTATIONS, AT THE RESPECTIVE TIME OF EXECUTION. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA RULE 5310. IN PARTICULAR, THE FIRM DID NOT FOLLOW ITS ESCALATION PROCEDURES RELATED TO FIRM PERSONNEL ANALYZING AUTOMATED EXCEPTIONS INVOLVING POTENTIAL BEST EXECUTION VIOLATIONS. THE FIRM PREVIOUSLY OFFERED RESTITUTION TO IMPACTED CUSTOMERS.

Initiated By: FINRA

Date Initiated: 10/09/2017

Docket/Case Number: [2015046989401](#)

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: 10/09/2017

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 \$40,000.00

Other Sanctions Ordered: UNDERTAKING



Sanction Details: THE FIRM WAS CENSURED, FINED \$40,000, AND REQUIRED TO ADDRESS SUPERVISORY DEFICIENCIES IDENTIFIED IN THE AWC AND PROVIDE A REPRESENTATION THAT THE FIRM HAS REVISED ITS SUPERVISORY SYSTEMS AND PROCEDURES TO ADDRESSED THE DEFICIENCIES. FINES PAID IN FULL ON OCTOBER 31, 2017.

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 IN 20 INSTANCES BETWEEN APRIL 1, 2015 AND JUNE 30, 2015, IT FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST MARKET FOR SUBJECT SECURITIES AND FAILED TO BUY OR SELL IN SUCH MARKETS SO THAT THE RESULTANT PRICES TO THE CUSTOMERS WERE AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS, RESULTING IN DIRECT CUSTOMER HARM OF \$850.47. SPECIFICALLY, THE FIRM EXECUTED AN AGENCY INTERMARKET SWEEP ORDER (ISO) THAT WAS INFERIOR, FROM THE PERSPECTIVE OF THE CUSTOMER, TO AT LEAST ONE DISPLAYED TOP OF BOOK QUOTATION; AND/OR MISSED LIQUIDITY FROM ONE OR MORE DISPLAYED TOP OF BOOK QUOTATIONS, AT THE RESPECTIVE TIME OF EXECUTION. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA RULE 5310. IN PARTICULAR, THE FIRM DID NOT FOLLOW ITS ESCALATION PROCEDURES RELATED TO FIRM PERSONNEL ANALYZING AUTOMATED EXCEPTIONS INVOLVING POTENTIAL BEST EXECUTION VIOLATIONS. THE FIRM PREVIOUSLY OFFERED RESTITUTION TO IMPACTED CUSTOMERS.

Initiated By: FINRA

Date Initiated: 10/09/2017

Docket/Case Number: [2015046989401](#)

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: 10/09/2017



Sanctions Ordered:	Censure Monetary/Fine \$40,000.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	THE FIRM WAS CENSURED, FINED \$40,000, AND REQUIRED TO ADDRESS SUPERVISORY DEFICIENCIES IDENTIFIED IN THE AWC AND PROVIDE A REPRESENTATION THAT THE FIRM HAS REVISED ITS SUPERVISORY SYSTEMS AND PROCEDURES TO ADDRESSED THE DEFICIENCIES.

Disclosure 22 of 101

Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO IN THE OFFER OF SETTLEMENT, THE FIRM ENTERED INTO AN OFFER OF SETTLEMENT AND CONSENT THAT IT EFFECTED EQUITY TRANSACTIONS AFTER GAINING KNOWLEDGE OF UNDISCLOSED TERMS AND CONDITIONS OF A BLOCK ORDER IN A RELATED OPTION SERIES. THE FINDINGS STATED THAT A TRADER OF THE FIRM WAS SOLICITED BY A BROKER OUTSIDE OF THE FIRM ("BROKER") TO BE A SELLER OF OPTIONS SECURITIES RELATING TO A CERTAIN COMPANY. SPECIFICALLY, ON A TELEPHONE CALL THAT BEGAN AT APPROXIMATELY 15:35:15, THE FIRM'S TRADER WAS SOLICITED BY THE BROKER TO BE THE SELLER OF THE COMPANY'S OPTIONS SECURITIES CALLS. THE TELEPHONE CALL ENDED AT 15:36:22. ACCORDING TO NYSE ARCA ORDER DATA, THE FLOOR BROKER WHO REPRESENTED THE FACILITATION ON THE FLOOR TIME STAMPED THE CUSTOMER'S ORDER AT 15:37:04. THE FIRM'S TRADER BEGAN PURCHASING THE COMPANY'S EQUITIES AS HEDGES AGAINST THE COMPANY'S CALLS ORDER AT 15:36:36, 14 SECONDS AFTER THE CALL ENDED AND 28 SECONDS BEFORE THE FLOOR BROKER TIME STAMPED THE CUSTOMER'S ORDER, AND ULTIMATELY PURCHASED 60,398 SHARES OF THE COMPANY'S EQUITIES BY 15:37:12.</p> <p>THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN ADEQUATE SUPERVISORY SYSTEMS THAT WERE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH NYSE ARCA OPTIONS RULES 6.49(B). WHILE THE FIRM HAD DAILY SURVEILLANCES IN PLACE ON THE TRADE DATE TO MONITOR FOR ANTICIPATORY HEDGING OR FRONT RUNNING OF CLIENT ORDERS, THE AUTOMATED VOLATILITY TRADING (AVT) DESK EXECUTES OPTIONS ORDERS IN A MARKET MAKING CAPACITY AND DOES NOT EXECUTE CLIENT ORDERS. ACCORDINGLY, THESE SURVEILLANCES DID NOT COVER THE AVT DESK. AT THE TIME OF THE TRADE DATE, THERE WERE NO WRITTEN SUPERVISORY PROCEDURES IN PLACE MANDATING SURVEILLANCES FOR ANTICIPATORY HEDGING OF</p>



ORDERS SOLICITED BY MARKET PARTICIPANTS IN LISTED OPTIONS ORDERS. SOMETIME IN 2016, FOLLOWING THE LAUNCH OF THIS INVESTIGATION, THE AVT DESK IMPLEMENTED A POLICY REQUIRING WRITTEN CONFIRMATION (EITHER BY INSTANT MESSAGE OR EMAIL) THAT A TRADE HAD BEEN DISCLOSED BEFORE PERMITTING ANY HEDGING, BUT THIS POLICY WAS NOT IN PLACE ON THE TRADE DATE.

Initiated By: NYSE ARCA, INC.

Date Initiated: 08/15/2017

Docket/Case Number: 2016-07-01314

Principal Product Type: Options

Other Product Type(s): COMPANY'S EQUITIES SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 08/15/2017

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 \$60,000.00

Other Sanctions Ordered: AN UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED AND FINED \$60,000.

THE FIRM IS ORDERED TO DEVELOP AND IMPLEMENT CONTROLS AND PROCEDURES REASONABLY DESIGNED TO DETECT AND PREVENT ANTICIPATORY HEDGING FOR ORDERS SOLICITED BY MARKET PARTICIPANTS IN LISTED OPTION ORDERS, INCLUDING A SURVEILLANCE SYSTEM DESIGNED TO DETECT INSTANCES OF ANTICIPATORY HEDGING BY THE AVT DESK AT ISSUE IN THIS MATTER AND PROCEDURES TO HELP ENSURE THAT AVT TRADERS ARE FOLLOWING THE DESK'S POLICY OF REQUIRING WRITTEN CONFIRMATIONS THAT A TRADE HAS BEEN DISCLOSED TO THE TRADING CROWD PRIOR TO HEDGING THE TRADE.



Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO IN THE OFFER OF SETTLEMENT, THE FIRM ENTERED INTO AN OFFER OF SETTLEMENT AND CONSENT THAT IT EFFECTED EQUITY TRANSACTIONS AFTER GAINING KNOWLEDGE OF UNDISCLOSED TERMS AND CONDITIONS OF A BLOCK ORDER IN A RELATED OPTION SERIES. THE FINDINGS STATED THAT A TRADER OF THE FIRM WAS SOLICITED BY A BROKER OUTSIDE OF THE FIRM ("BROKER") TO BE A SELLER OF OPTIONS SECURITIES RELATING TO A CERTAIN COMPANY. SPECIFICALLY, ON A TELEPHONE CALL THAT BEGAN AT APPROXIMATELY 15:35:15, THE FIRM'S TRADER WAS SOLICITED BY THE BROKER TO BE THE SELLER OF THE COMPANY'S OPTIONS SECURITIES CALLS. THE TELEPHONE CALL ENDED AT 15:36:22. ACCORDING TO NYSE ARCA ORDER DATA, THE FLOOR BROKER WHO REPRESENTED THE FACILITATION ON THE FLOOR TIME STAMPED THE CUSTOMER'S ORDER AT 15:37:04. THE FIRM'S TRADER BEGAN PURCHASING THE COMPANY'S EQUITIES AS HEDGES AGAINST THE COMPANY'S CALLS ORDER AT 15:36:36, 14 SECONDS AFTER THE CALL ENDED AND 28 SECONDS BEFORE THE FLOOR BROKER TIME STAMPED THE CUSTOMER'S ORDER, AND ULTIMATELY PURCHASED 60,398 SHARES OF THE COMPANY'S EQUITIES BY 15:37:12. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN ADEQUATE SUPERVISORY SYSTEMS THAT WERE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH NYSE ARCA OPTIONS RULES 6.49(B). WHILE THE FIRM HAD DAILY SURVEILLANCES IN PLACE ON THE TRADE DATE TO MONITOR FOR ANTICIPATORY HEDGING OR FRONT RUNNING OF CLIENT ORDERS, AT THE TIME OF THE TRADE DATE, THERE WERE NO WRITTEN SUPERVISORY PROCEDURES IN PLACE MANDATING SURVEILLANCES FOR ANTICIPATORY HEDGING OF ORDERS SOLICITED BY MARKET PARTICIPANTS IN LISTED OPTIONS ORDERS.

Initiated By: NYSE ARCA, INC.

Date Initiated: 08/15/2017

Docket/Case Number: 2016-07-01314

Principal Product Type: Options

Other Product Type(s): COMPANY'S EQUITIES SECURITIES

Principal Sanction(s)/Relief Sought:


Other Sanction(s)/Relief Sought:

Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	08/15/2017
Sanctions Ordered:	Censure Monetary/Fine \$60,000.00
Other Sanctions Ordered:	AN UNDERTAKING
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$60,000. THE FIRM IS ORDERED TO DEVELOP AND IMPLEMENT CONTROLS AND PROCEDURES REASONABLY DESIGNED TO DETECT AND PREVENT ANTICIPATORY HEDGING FOR ORDERS SOLICITED BY MARKET PARTICIPANTS IN LISTED OPTION ORDERS, INCLUDING A SURVEILLANCE SYSTEM DESIGNED TO DETECT INSTANCES OF ANTICIPATORY HEDGING BY THE AVT DESK AT ISSUE IN THIS MATTER AND PROCEDURES TO HELP ENSURE THAT AVT TRADERS ARE FOLLOWING THE DESK'S POLICY OF REQUIRING WRITTEN CONFIRMATIONS THAT A TRADE HAS BEEN DISCLOSED TO THE TRADING CROWD PRIOR TO HEDGING THE TRADE.

Disclosure 23 of 101

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC ADMIN RELEASES 33-10355, 34-80639, IA RELEASE 40-4705/ MAY 10, 2017: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE INSTITUTED AGAINST BARCLAYS CAPITAL INC. ("BARCLAYS CAPITAL" OR "RESPONDENT"). ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT FROM SEPTEMBER 2010 THROUGH DECEMBER 2015, BARCLAYS CAPITAL, THEN A DUALY REGISTERED INVESTMENT ADVISER AND BROKER-DEALER, IMPROPERLY CHARGED CERTAIN ADVISORY CLIENTS OF ITS WEALTH AND INVESTMENT MANAGEMENT BUSINESS, OVERCHARGING THEM ALMOST \$50 MILLION IN ADVISORY FEES. FIRST, FROM SEPTEMBER 2010 THROUGH DECEMBER 2014, BARCLAYS CAPITAL FALSELY REPRESENTED TO ADVISORY CLIENTS THAT IT WAS PERFORMING ONGOING DUE DILIGENCE AND MONITORING OF CERTAIN THIRD-PARTY MANAGERS WHO MANAGED ADVISORY CLIENTS' ASSETS USING CERTAIN INVESTMENT STRATEGIES WHEN BARCLAYS CAPITAL WAS NOT PERFORMING SUCH DUE DILIGENCE. AS A RESULT, BARCLAYS CAPITAL IMPROPERLY CHARGED 2,050 CLIENT ACCOUNTS APPROXIMATELY \$48 MILLION IN FEES FOR THESE PROMISED



SERVICES. SECOND, FROM JANUARY 2011 THROUGH MARCH 2015, BARCLAYS CAPITAL CHARGED 22,138 CLIENT ACCOUNTS EXCESS FEES OF APPROXIMATELY \$2 MILLION. ADDITIONALLY, FROM AT LEAST JANUARY 2010 THROUGH DECEMBER 2015, BARCLAYS CAPITAL DISADVANTAGED CERTAIN RETIREMENT PLAN AND CHARITABLE ORGANIZATION BROKERAGE CUSTOMERS ("ELIGIBLE CUSTOMERS") BY RECOMMENDING AND SELLING THEM MORE EXPENSIVE MUTUAL FUND SHARE CLASSES WHEN LESS EXPENSIVE SHARE CLASSES WERE AVAILABLE, WITHOUT DISCLOSING THAT BARCLAYS CAPITAL HAD A MATERIAL CONFLICT OF INTEREST, I.E., THAT IT WOULD RECEIVE GREATER COMPENSATION FROM THE ELIGIBLE CUSTOMERS' PURCHASES OF THE MORE EXPENSIVE SHARE CLASSES. IN ADDITION, BARCLAYS CAPITAL DID NOT DISCLOSE THAT THE PURCHASE OF THE MORE EXPENSIVE SHARE CLASSES WOULD NEGATIVELY IMPACT THE OVERALL RETURN ON THE ELIGIBLE CUSTOMERS' INVESTMENTS, IN LIGHT OF THE DIFFERENT FEE STRUCTURES FOR THE DIFFERENT FUND SHARE CLASSES. BARCLAYS CAPITAL SOLD ITS WEALTH AND INVESTMENT MANAGEMENT, AMERICAS BUSINESS ("WIMA," FORMERLY KNOWN AS BARCLAYS WEALTH AMERICAS) IN DECEMBER 2015. AS A RESULT OF THE CONDUCT, BARCLAYS CAPITAL WILLFULLY VIOLATED SECTION 206(2) OF THE ADVISERS ACT, SECTION 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7, SECTION 207 OF THE ADVISERS ACT, AND SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 05/10/2017

Docket/Case Number: 3-17978

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 05/10/2017

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 \$30,000,000.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	PREJUDGMENT INTEREST
Sanction Details:	RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT, AND SECTIONS 206(2), 206(4) AND 207 OF THE ADVISERS ACT AND RULE 206(4)-7 PROMULGATED THEREUNDER; IS CENSURED; SHALL PAY DISGORGEMENT OF \$49,785,417, AND PREJUDGMENT INTEREST OF \$13,752,242; AND SHALL PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$30,000,000.
Regulator Statement	<p>IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT (THE OFFER) WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN THE RESPONDENT'S OFFER. ACCORDINGLY, IT IS HEREBY ORDERED THAT RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT, AND SECTIONS 206(2), 206(4) AND 207 OF THE ADVISERS ACT AND RULE 206(4)-7 PROMULGATED THEREUNDER; IS CENSURED; SHALL PAY DISGORGEMENT OF \$49,785,417, AND PREJUDGMENT INTEREST OF \$13,752,242; AND SHALL PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$30,000,000. ASSOCIATED ACTIONS FOR THE FIRM WERE ENUMERATED IN THE OFFER OF SETTLEMENT.</p> <p>IN DETERMINING TO ACCEPT THE OFFER, THE COMMISSION CONSIDERED COOPERATION AFFORDED THE COMMISSION BY THE FIRM. BARCLAYS CAPITAL, WITHIN THE TIME DISCUSSED, SHALL UNDERTAKE TO MAKE A PAYMENT OF APPROXIMATELY \$3,504,285 (THE "REMEDIATION"), WHICH REPRESENTS (I) UNDERPERFORMANCE INCURRED BY ADVISORY CLIENTS WHO INVESTED IN CERTAIN SELECT AND QUANT SELECT STRATEGIES THAT UNDERPERFORMED MARKET BENCHMARKS; AND (II) UP-FRONT SALES CHARGES IN CLASS A SHARES THAT WERE AVAILABLE TO CERTAIN ELIGIBLE CUSTOMERS ON A LOAD-WAIVED BASIS AND EXCESS RULE 12B-1 FEES AND CONTINGENT DEFERRED SALES CHARGE (CDSCS) CHARGED ON CLASS C SHARES WHEN CERTAIN ELIGIBLE CUSTOMERS COULD HAVE PURCHASED LOAD-WAIVED CLASS A SHARES OR NO-LOAD CLASS R SHARES. BARCLAYS CAPITAL WILL ALSO PAY REASONABLE INTEREST ON THE REMEDIATION, CALCULATED AT THE FEDERAL SHORT-TERM RATE, FROM THE DATE THE UNDERPERFORMANCE, MUTUAL FUND SALES CHARGES OR EXCESS RULE 12B-1 FEES AND/OR CDSCS WERE INCURRED</p>



THROUGH THE ESTIMATED DATE OF PAYMENT. BARCLAYS CAPITAL WILL BE RESPONSIBLE FOR ADMINISTERING THE PAYMENT OF THE REMEDIATION TO THE AFFECTED ADVISORY CLIENTS AND BROKERAGE CUSTOMERS. IN DETERMINING WHETHER TO ACCEPT THE OFFER, THE COMMISSION HAS CONSIDERED THESE UNDERTAKINGS.

Reporting Source: Firm

Current Status: Final

Allegations: ON MAY 10, 2017, BARCLAYS CAPITAL INC. ("BCI") ENTERED INTO A SETTLEMENT WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") UNDER WHICH BCI CONSENTED TO THE ENTRY OF AN ORDER (THE "ORDER") FINDING VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT OF 1933 ("SECURITIES ACT") AND SECTIONS 206(2), 206(4) AND 207 OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AND RULE 206(4)-7 THEREUNDER. THE ORDER FINDS THAT, FROM SEPTEMBER 2010 THROUGH DECEMBER 2015, BCI, THEN A DUALY-REGISTERED INVESTMENT ADVISER AND BROKER-DEALER, IMPROPERLY CHARGED CERTAIN ADVISORY CLIENTS OF ITS WEALTH AND INVESTMENT MANAGEMENT BUSINESS, OVERCHARGING THEM ALMOST \$50 MILLION IN ADVISORY FEES. FIRST, THE ORDER FINDS THAT, FROM SEPTEMBER 2010 THROUGH DECEMBER 2014, BCI FALSELY REPRESENTED TO ADVISORY CLIENTS THAT IT WAS PERFORMING ONGOING DUE DILIGENCE AND MONITORING OF CERTAIN THIRD-PARTY MANAGERS WHO MANAGED ADVISORY CLIENTS' ASSETS USING CERTAIN INVESTMENT STRATEGIES, WHEN BCI WAS NOT PERFORMING CERTAIN DUE DILIGENCE. THE ORDER FINDS THAT, AS A RESULT, BCI IMPROPERLY CHARGED 2,050 CLIENT ACCOUNTS APPROXIMATELY \$48 MILLION IN FEES FOR THOSE PROMISED SERVICES. SECOND, THE ORDER FINDS THAT, FROM JANUARY 2011 THROUGH MARCH 2015, BCI CHARGED 22,138 CLIENT ACCOUNTS EXCESS FEES OF APPROXIMATELY \$2 MILLION. THE ORDER ADDITIONALLY FINDS THAT, FROM AT LEAST JANUARY 2010 THROUGH DECEMBER 2015, BCI DISADVANTAGED CERTAIN RETIREMENT PLAN AND CHARITABLE ORGANIZATION BROKERAGE CUSTOMERS ("ELIGIBLE CUSTOMERS") BY RECOMMENDING AND SELLING THEM MORE EXPENSIVE MUTUAL FUND SHARE CLASSES WHEN LESS EXPENSIVE SHARE CLASSES WERE AVAILABLE, WITHOUT DISCLOSING THAT BCI HAD A MATERIAL CONFLICT OF INTEREST, I.E., THAT IT WOULD RECEIVE GREATER COMPENSATION FROM THE ELIGIBLE CUSTOMERS' PURCHASES OF THE MORE EXPENSIVE SHARE CLASSES. IN ADDITION, THE ORDER FINDS THAT BCI DID NOT DISCLOSE THAT THE PURCHASE OF THE MORE EXPENSIVE SHARE CLASSES WOULD NEGATIVELY IMPACT THE OVERALL RETURN ON THE ELIGIBLE CUSTOMERS' INVESTMENTS, IN LIGHT OF THE DIFFERENT FEE STRUCTURES FOR THE DIFFERENT FUND SHARE



CLASSES. BCI SOLD ITS WEALTH AND INVESTMENT MANAGEMENT, AMERICAS BUSINESS ("WIMA," FORMERLY KNOWN AS BARCLAYS WEALTH AMERICAS) IN DECEMBER 2015.

Initiated By: US SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 05/10/2017

Docket/Case Number: SEC ADMINISTRATIVE PROCEEDING FILE NO. 17978

Principal Product Type: Other

Other Product Type(s): SEPARATELY MANAGED ACCOUNT INVESTMENTS AND MUTUAL FUNDS

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

Other Sanction(s)/Relief Sought: CIVIL AND ADMINISTRATIVE PENALTY(IES)/FINE(S), UNDERTAKING

Resolution: Order

Resolution Date: 05/10/2017

Sanctions Ordered: Monetary/Fine \$30,000,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE ORDER REQUIRES BCI TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECURITIES ACT SECTIONS 17(A)(2) AND 17(A)(3), AND ADVISERS ACT SECTIONS 206(2), 206(4) AND 207 AND RULE 206(4)-7 THERE UNDER. IN ADDITION, THE ORDER INCLUDES A CENSURE, UNDERTAKINGS, DISGORGEMENT OF \$49,785,417, PREJUDGMENT INTEREST OF \$13,752,242, A CIVIL MONEY PENALTY OF \$30,000,000, AND VOLUNTARY REMEDIATION OF \$3,504,285, WHICH WERE DEPOSITED INTO AN ESCROW ACCOUNT ON MAY 18, 2017.

Firm Statement SOLELY FOR THE PURPOSE OF SETTLING THESE PROCEEDINGS, BCI ENTERED INTO THE ORDER WITHOUT ADMITTING OR DENYING THE FINDINGS REFERRED TO IN THE ORDER. THE ALLEGATIONS, DISPOSITIONS, FINDINGS AND SANCTIONS ARE DESCRIBED ABOVE IN ITEMS 7 AND 12.

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Reporting Source: Regulator

Current Status: Final

Allegations: SEC ADMIN RELEASE 34-80560, MAY 1, 2017: THE SECURITIES AND EXCHANGE COMMISSION (COMMISSION) DEEMS IT APPROPRIATE AND IN



THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT) AGAINST BARCLAYS CAPITAL INC. (THE FIRM). THESE PROCEEDINGS ARISE OUT OF THE FIRM'S FAILURE REASONABLY TO SUPERVISE TRADERS SO AS TO PREVENT AND DETECT VIOLATIONS OF ANTIFRAUD PROVISIONS OF THE FEDERAL SECURITIES LAWS IN CONNECTION WITH THE FIRM'S SECONDARY MARKET PURCHASES AND SALES OF CERTAIN BONDS KNOWN AS NON-AGENCY RESIDENTIAL MORTGAGE-BACKED SECURITIES (NON-AGENCY RMBS). THE TRADING THAT IS THE SUBJECT INVOLVED INTRA-DAY PURCHASES AND SALES OF NON-AGENCY RMBS TO FIRM CUSTOMERS. TRADERS ON THE FIRM'S NON-AGENCY RMBS DESK, KNOWINGLY OR RECKLESSLY MADE FALSE OR MISLEADING STATEMENTS TO THE FIRM'S CUSTOMERS AND/OR CHARGED THE FIRM'S CUSTOMERS UNDISCLOSED EXCESSIVE MARK-UPS. THE FIRM HAD THE MEANS TO MONITOR COMMUNICATIONS FOR FALSE OR MISLEADING STATEMENTS BUT FAILED TO IDENTIFY THIS MISCONDUCT. IN ADDITION, THE FIRM FAILED REASONABLY TO DETECT AND REVIEW WHETHER ITS MARK-UPS FOR CERTAIN NON-AGENCY RMBS TRANSACTIONS WERE REASONABLE. THE FIRM MAINTAINED A COMPLIANCE SYSTEM THAT WAS DESIGNED TO DETECT TRANSACTIONS WITH MARKUPS ABOVE A CERTAIN THRESHOLD FOR FURTHER REVIEW, BUT THAT SYSTEM WAS DEFECTIVE. AS A RESULT, THE FIRM DID NOT DETECT AND REVIEW EXCESSIVE MARK-UPS ON THE INTRA-DAY TRADES IN NON-AGENCY RMBS THAT ARE THE SUBJECT OF THE ORDER. UNDER THE CIRCUMSTANCES DESCRIBED ABOVE, THE FIRM FAILED REASONABLY TO SUPERVISE FOR VIOLATIONS OF ANTIFRAUD PROVISIONS OF THE FEDERAL SECURITIES LAWS WITHIN THE MEANING OF SECTION 15(B)(4)(E) OF THE EXCHANGE ACT. IN CONSIDERING THE CHARGES BROUGHT AND THE RELIEF IMPOSED IN THIS MATTER, THE COMMISSION HAS TAKEN INTO CONSIDERATION THE SIGNIFICANT COOPERATION THAT THE FIRM HAS PROVIDED THROUGHOUT THE INVESTIGATION.

Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	05/01/2017
Docket/Case Number:	3-17953
Principal Product Type:	Other
Other Product Type(s):	NON-AGENCY RESIDENTIAL MORTGAGE-BACKED SECURITIES
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A



Resolution:	Order
Resolution Date:	05/01/2017
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 \$1,000,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	UNDERTAKINGS, PREJUDGMENT INTEREST
Sanction Details:	THE FIRM WAS ORDERED TO COMPLY WITH CERTAIN UNDERTAKINGS, CENSURED FOR FAILING REASONABLY TO SUPERVISE WITHIN THE MEANING OF SECTION 15(B)(4)(E) OF THE EXCHANGE ACT, ORDERED TO PAY TO THE COMMISSION DISGORGEMENT OF \$2,930,829 AND PREJUDGMENT INTEREST OF \$514,625 FOR THE TRANSACTIONS THAT INVOLVED FALSE OR MISLEADING STATEMENTS MADE TO THE FIRM'S CUSTOMERS AND DISGORGEMENT OF \$6,672,673 AND PREJUDGMENT INTEREST OF \$1,591,916 FOR THE TRANSACTIONS THAT INVOLVED ONLY EXCESSIVE MARK-UPS CHARGED TO THE FIRM'S CUSTOMERS, AND THE FIRM SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$1,000,000 TO THE COMMISSION.
Regulator Statement	IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, THE FIRM HAS SUBMITTED AN OFFER OF SETTLEMENT OF (OFFER), WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, THE FIRM CONSENTS TO THE ENTRY OF THE ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS (ORDER). THE FIRM FAILED REASONABLY TO SUPERVISE FOR VIOLATIONS OF ANTIFRAUD PROVISIONS OF THE FEDERAL SECURITIES LAWS WITHIN THE MEANING OF SECTION 15(B)(4)(E) OF THE EXCHANGE ACT. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE, IN THE PUBLIC INTEREST, TO IMPOSE THE SANCTIONS AGREED TO IN THE FIRM'S OFFER. ACCORDINGLY, PURSUANT TO SECTION 15(B) OF THE EXCHANGE ACT, IT IS HEREBY ORDERED THAT THE FIRM SHALL COMPLY WITH CERTAIN



UNDERTAKINGS AND IS CENSURED FOR FAILING REASONABLY TO SUPERVISE WITHIN THE MEANING OF SECTION 15(B)(4)(E) OF THE EXCHANGE ACT. THE FIRM SHALL, WITHIN 180 DAYS OF THE ENTRY OF THE ORDER, PAY TO THE COMMISSION DISGORGEMENT OF \$2,930,829 AND PREJUDGMENT INTEREST OF \$514,625 FOR THE TRANSACTIONS THAT INVOLVED FALSE OR MISLEADING STATEMENTS MADE TO THE FIRM'S CUSTOMERS AND DISGORGEMENT OF \$6,672,673 AND PREJUDGMENT INTEREST OF \$1,591,916 FOR THE TRANSACTIONS THAT INVOLVED ONLY EXCESSIVE MARK-UPS CHARGED TO THE FIRM'S CUSTOMERS. THE FIRM SHALL, WITHIN TEN DAYS OF THE ENTRY OF THE ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$1,000,000 TO THE COMMISSION.

Reporting Source:

Firm

Current Status:

Final

Allegations:

ON MAY 1, 2017, BARCLAYS CAPITAL INC. ("BCI") ENTERED INTO A SETTLEMENT WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") UNDER WHICH BCI CONSENTED TO THE ENTRY OF AN ORDER (THE "ORDER") FINDING BCI FAILED REASONABLY TO SUPERVISE TRADERS SO AS TO PREVENT AND DETECT VIOLATIONS OF ANTIFRAUD PROVISIONS OF THE FEDERAL SECURITIES LAWS WITHIN THE MEANING OF SECTION 15(B)(4)(E) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") IN CONNECTION WITH BCI'S SECONDARY MARKET PURCHASES AND SALES OF CERTAIN BONDS KNOWN AS NON-AGENCY RESIDENTIAL MORTGAGE-BACKED SECURITIES ("NON-AGENCY RMBS"). THE ORDER FINDS THAT THE TRADING THAT IS THE SUBJECT OF THE ORDER TOOK PLACE FROM JUNE 2009 THROUGH DECEMBER 2012 ("RELEVANT PERIOD") AND INVOLVED INTRA-DAY PURCHASES AND SALES OF NON-AGENCY RMBS TO FIRM CUSTOMERS. THE ORDER FURTHER FINDS THAT, DURING THE RELEVANT PERIOD, TRADERS ON BCI'S NON-AGENCY RMBS DESK, KNOWINGLY OR RECKLESSLY MADE FALSE OR MISLEADING STATEMENTS TO BCI CUSTOMERS AND/OR CHARGED BCI CUSTOMERS UNDISCLOSED EXCESSIVE MARK-UPS. THE ORDER ALSO FINDS THAT BCI HAD THE MEANS TO MONITOR COMMUNICATIONS FOR FALSE OR MISLEADING STATEMENTS BUT FAILED TO IDENTIFY THIS MISCONDUCT AND BCI FAILED REASONABLY TO DETECT AND REVIEW WHETHER ITS MARK-UPS FOR CERTAIN NON-AGENCY RMBS TRANSACTIONS WERE REASONABLE. THE ORDER FINDS THAT BCI MAINTAINED A COMPLIANCE SYSTEM DURING THE RELEVANT PERIOD THAT WAS DESIGNED TO DETECT TRANSACTIONS WITH MARK-UPS ABOVE A CERTAIN THRESHOLD FOR FURTHER REVIEW, BUT THAT SYSTEM WAS DEFECTIVE. THE ORDER FINDS THAT, AS A RESULT, BCI DID NOT DETECT AND REVIEW EXCESSIVE MARK-UPS ON THE INTRA-DAY TRADES IN NON-



AGENCY RMBS THAT ARE THE SUBJECT OF THE ORDER.

Initiated By: US SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 05/01/2017

Docket/Case Number: SEC ADMINISTRATIVE PROCEEDING FILE NO. 17953

Principal Product Type: Other

Other Product Type(s): NON-AGENCY RESIDENTIAL MORTGAGE-BACKED SECURITIES

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

Other Sanction(s)/Relief Sought: CENSURE, VOLUNTARY UNDERTAKINGS AND REMEDIATION

Resolution: Order

Resolution Date: 05/01/2017

Sanctions Ordered: Censure
Monetary/Fine \$1,000,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: THE ORDER CENSURED BCI FOR FAILING TO REASONABLY TO SUPERVISE WITHIN THE MEANING OF EXCHANGE ACT SECTION 15(B)(4)(E) AND INCLUDES A CIVIL MONEY PENALTY OF \$1,000,000, WHICH WAS PAID ON MAY 4, 2017. IN ADDITION, THE ORDER INCLUDES DISGORGEMENT OF \$9,603,502, PREJUDGMENT INTEREST OF \$2,106,541 AND VOLUNTARY UNDERTAKINGS AND REMEDIATION OF APPROXIMATELY \$15,561,711, WHICH WILL BE DEPOSITED INTO A SEGREGATED ACCOUNT. THE PAYMENT OF THE REMEDIATION WILL SATISFY THE DISGORGEMENT AND PREJUDGMENT INTEREST PAYMENTS.

Firm Statement SOLELY FOR THE PURPOSE OF SETTLING THESE PROCEEDINGS, BCI ENTERED INTO THE ORDER WITHOUT ADMITTING OR DENYING THE FINDINGS REFERRED TO IN THE ORDER. THE ALLEGATIONS, DISPOSITIONS, FINDINGS AND SANCTIONS ARE DESCRIBED ABOVE IN ITEMS 7 AND 12.

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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'S



RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES DURING THE REVIEW PERIOD WERE NOT REASONABLY DESIGNED TO COMPLY WITH RULE 15C3-5 OF THE SECURITIES EXCHANGE ACT OF 1934. THE FIRM'S CONTROLS WERE INADEQUATE IN THAT: (A) A SOFT BLOCK PRICE CONTROL IN THE ORDER MANAGEMENT SYSTEM COULD BE INADVERTENTLY OVERRIDDEN WITHOUT ADDITIONAL SAFEGUARDS; AND (B) THE FIRM LACKED PRICE CONTROLS WITHIN A SMART ORDER ROUTER TO PREVENT THE ENTRY OF AN ERRONEOUS ORDER. ON MAY 22, 2014, A FIRM TRADER ENTERED AN ORDER INTO THE FIRM'S ORDER MANAGEMENT SYSTEM AFTER THE CLOSE AT 16:01:27 TO SELL SHORT 111 SHARES OF A SECURITY WITH A LIMIT OF \$15.27, EVEN THOUGH THE SECURITY HAD CLOSED AT \$31.23. THE TRADER RECEIVED A POP-UP ALERT INFORMING THE TRADER THAT THE PRICE WAS 5% BELOW THE LAST SALE, BUT HE INADVERTENTLY OVERRODE IT. THE ORDER RESULTED IN AN EXECUTION OF 100 SHARES AT \$29.76 AND 11 SHARES AT \$15.27 (51% BELOW THE LAST SALE). ON DECEMBER 8, 2015, A FIRM REGISTERED REPRESENTATIVE ENTERED A CLIENT ORDER IN ANOTHER SECURITY INTO THE FIRM'S ALGORITHMIC TRADING PLATFORM BEFORE THE MARKET OPEN. THE TRADING PLATFORM'S SMART ORDER ROUTER THEN ROUTED THE ORDER TO NASDAQ USING A PEGGING LOGIC TO ENTER AN ORDER TO SELL 300 SHARES OF THE SECURITY AT 9:30:00.495 AT THE MIDPOINT, BASED ON NASDAQ'S PUBLISHED NATIONAL BEST BID OR OFFER (NBBO) OF \$8.67 X \$90.00, WITH A LIMIT PRICE OF \$0.0001 AS COMPARED TO THE PREVIOUS DAY'S CLOSE OF \$86.69. AS A RESULT, THE FIRM SOLD 100 SHARES OF THE SECURITY AT \$84.69, 100 SHARES AT \$84.34, AND 100 SHARES AT \$49.335 (43% BELOW THE PREVIOUS CLOSE). THE \$49,335 TRADE WAS CANCELLED BY NASDAQ. ALTHOUGH THE TRADING PLATFORM HAD PRICE AND SIZE CONTROLS IN PLACE AT THE TIME THE ORDER WAS ENTERED, THE ORDER WAS ROUTED WITH THE SMART ORDER ROUTER USING THE PEGGED LOGIC AND THE ORDER MANAGEMENT CONTROLS WERE BYPASSED. THE SMART ORDER ROUTER DID NOT APPLY PRICE CONTROLS FOR ORDERS WITH PEGGED INSTRUCTIONS. ACCORDINGLY, THE FIRM VIOLATED SEC RULE 15C3-5(B) AND 15C3-5(C)(1)(II), AND NASDAQ RULES 3010 AND 2010A.

Initiated By: NASDAQ STOCK MARKET
Date Initiated: 04/05/2017
Docket/Case Number: 2013036574801
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: 04/05/2017

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 \$20,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$105,000 (OF WHICH \$20,000 SHALL BE PAID TO NASDAQ FOR THE VIOLATIONS OF RULE 15C3-5 AND NASDAQ RULES 3010 AND 2010A). ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF A SIMILAR AGREEMENT IN A RELATED MATTER BETWEEN THE FIRM AND BATS EDGA EXCHANGE, INC. AND BATS BZX EXCHANGE, INC. THE AGGREGATE SETTLEMENT AMOUNT ACROSS ALL MARKETS IS \$105,000. THE BALANCE OF THE SANCTION WILL BE PAID TO BATS EDGA EXCHANGE, INC. AND BATS BZX EXCHANGE, 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'S RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES DURING THE REVIEW PERIOD WERE NOT REASONABLY DESIGNED TO COMPLY WITH RULE 15C3-5 OF THE SECURITIES EXCHANGE ACT OF 1934. THE FIRM'S CONTROLS WERE INADEQUATE IN THAT: (A) A SOFT BLOCK PRICE CONTROL IN THE ORDER MANAGEMENT SYSTEM COULD BE INADVERTENTLY OVERRIDDEN WITHOUT ADDITIONAL SAFEGUARDS; AND (B) THE FIRM LACKED PRICE CONTROLS WITHIN A SMART ORDER ROUTER TO PREVENT THE ENTRY OF AN ERRONEOUS ORDER. ON MARCH 22, 2014, A FIRM TRADER ENTERED AN ORDER INTO THE FIRM'S ORDER MANAGEMENT SYSTEM AFTER THE CLOSE AT 16:01:27 TO SELL SHORT 111 SHARES OF A SECURITY WITH A LIMIT OF \$15.27, EVEN THOUGH THE SECURITY HAD CLOSED AT \$31.23. THE TRADER RECEIVED A POP-UP ALERT INFORMING THE TRADER THAT THE PRICE WAS 5% BELOW THE LAST SALE, BUT HE INADVERTENTLY OVERRODE IT. THE ORDER



RESULTED IN AN EXECUTION OF 100 SHARES AT \$29.76 AND 11 SHARES AT \$15.27 (51% BELOW THE LAST SALE). ON DECEMBER 8, 2015, A FIRM REGISTERED REPRESENTATIVE ENTERED A CLIENT ORDER IN ANOTHER SECURITY INTO THE FIRM'S ALGORITHMIC TRADING PLATFORM BEFORE THE MARKET OPEN. THE TRADING PLATFORM'S SMART ORDER ROUTER THEN ROUTED THE ORDER TO NASDAQ USING A PEGGING LOGIC TO ENTER AN ORDER TO SELL 300 SHARES OF THE SECURITY AT 9:30:00.495 AT THE MIDPOINT, BASED ON NASDAQ'S PUBLISHED NATIONAL BEST BID OR OFFER (NBBO) OF \$8.67 X \$90.00, WITH A LIMIT PRICE OF \$0.0001 AS COMPARED TO THE PREVIOUS DAY'S CLOSE OF \$86.69. AS A RESULT, THE FIRM SOLD 100 SHARES OF THE SECURITY AT \$84.69, 100 SHARES AT \$84.34, AND 100 SHARES AT \$49.335 (43% BELOW THE PREVIOUS CLOSE). THE \$49.335 TRADE WAS CANCELLED BY NASDAQ. ALTHOUGH THE TRADING PLATFORM HAD PRICE AND SIZE CONTROLS IN PLACE AT THE TIME THE ORDER WAS ENTERED, THE ORDER WAS ROUTED WITH THE SMART ORDER ROUTER USING THE PEGGED LOGIC AND THE ORDER MANAGEMENT CONTROLS WERE BYPASSED. THE SMART ORDER ROUTER DID NOT APPLY PRICE CONTROLS FOR ORDERS WITH PEGGED INSTRUCTIONS. ACCORDINGLY, THE FIRM VIOLATED SEC RULE 15C3-5(B) AND 15C3-5(C)(1)(II), AND NASDAQ RULES 3010 AND 2010A.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 04/05/2017

Docket/Case Number: 2013036574801

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: 04/05/2017

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$105,000 (OF WHICH \$20,000 SHALL BE PAID TO NASDAQ FOR THE VIOLATIONS OF RULE 15C3-5 AND NASDAQ RULES 3010 AND 2010A). ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF A SIMILAR AGREEMENT IN A RELATED MATTER



BETWEEN THE FIRM AND BATS EDGA EXCHANGE, INC. AND BATS BZX EXCHANGE, INC. THE AGGREGATE SETTLEMENT AMOUNT ACROSS ALL MARKETS IS \$105,000. THE BALANCE OF THE SANCTION WILL BE PAID TO BATS EDGA EXCHANGE, INC. AND BATS BZX EXCHANGE, INC.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM FAILED TO HAVE A SYSTEM OF FOLLOW UP AND REVIEW, REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH ALL REGULATORY REQUIREMENTS. SPECIFICALLY, THE FIRM FAILED TO HAVE SUFFICIENT EXCEPTION REPORTS IN PLACE TO DETECT AND MONITOR FOR POTENTIALLY IMPROPER WASH SALE ACTIVITY. TO DETECT SUCH ACTIVITY, THE FIRM RELIED UPON EXCEPTION REPORT PARAMETERS THAT DID NOT ACCOUNT FOR FACTORS SUCH AS THE LIQUIDITY OF AN EQUITY, THE PRICE OF AN EQUITY OR THE PERCENTAGE OF A CLIENT'S TRADING VOLUME ALLOCATED TO WASH SALES. ADDITIONALLY, THE FIRM DID NOT SUFFICIENTLY INVESTIGATE SUSPICIOUS WASH SALE ALERTS TO DETERMINE WHETHER A CHANGE IN BENEFICIAL OWNERSHIP HAD OCCURRED WITHIN A CLIENT'S ACCOUNT AND DID NOT ESCALATE ALERTS FOR SUPERVISORY REVIEW FOR MOST OF THE REVIEW PERIOD. ACCORDINGLY, THE FIRM VIOLATED RULE 15C3-5(C)(2) OF THE SECURITIES EXCHANGE ACT OF 1934, AND BATS EDGA EXCHANGE, INC. (EDGA) RULES 3.1 AND 5.1 DURING THE REVIEW PERIOD.</p>
Initiated By:	BATS EDGA EXCHANGE, INC.
Date Initiated:	04/05/2017
Docket/Case Number:	2013036574802
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:	04/05/2017



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 \$75,000.00

Other Sanctions Ordered:

Sanction Details:

THE FIRM WAS CENSURED AND FINED \$105,000 (OF WHICH \$75,000 SHALL BE PAID TO EDGA FOR THE VIOLATIONS OF RULE 15C3-5 AND EDGA RULES 3.1 AND 5.1). ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF A SIMILAR AGREEMENT IN RELATED MATTERS BETWEEN THE FIRM AND THE NASDAQ STOCK MARKET LLC AND BATS BZX EXCHANGE, INC. THE AGGREGATE SETTLEMENT AMOUNT ACROSS ALL MARKETS IS \$105,000. THE BALANCE OF THE SANCTION WILL BE PAID TO THE NASDAQ STOCK MARKET LLC AND BATS BZX EXCHANGE, 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 FAILED TO HAVE A SYSTEM OF FOLLOW UP AND REVIEW, REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH RULE 15C3-5. SPECIFICALLY, THE FIRM FAILED TO HAVE SUFFICIENT EXCEPTION REPORTS IN PLACE TO DETECT AND MONITOR FOR POTENTIALLY IMPROPER WASH SALE ACTIVITY. TO DETECT SUCH ACTIVITY, THE FIRM RELIED UPON EXCEPTION REPORT PARAMETERS THAT DID NOT ACCOUNT FOR FACTORS SUCH AS THE LIQUIDITY OF AN EQUITY, THE PRICE OF AN EQUITY OR THE PERCENTAGE OF A CLIENT'S TRADING VOLUME ALLOCATED TO WASH SALES. ADDITIONALLY, THE FIRM DID NOT SUFFICIENTLY INVESTIGATE SUSPICIOUS WASH SALE ALERTS TO DETERMINE WHETHER A CHANGE IN BENEFICIAL OWNERSHIP HAD OCCURRED WITHIN A CLIENT'S ACCOUNT AND DID NOT ESCALATE ALERTS FOR SUPERVISORY REVIEW FOR MOST OF THE REVIEW PERIOD. ACCORDINGLY, THE FIRM VIOLATED RULE 15C3-5(C)(2) OF THE SECURITIES EXCHANGE ACT OF 1934, AND BATS EDGA EXCHANGE, INC. (EDGA) RULES 3.1 AND 5.1 DURING THE REVIEW PERIOD.

Initiated By:

BATS EDGA EXCHANGE, INC.

Date Initiated:

04/05/2017



Docket/Case Number: 2013036574802

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: 04/05/2017

Sanctions Ordered: Censure
Monetary/Fine \$75,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$105,000 (OF WHICH \$75,000 SHALL BE PAID TO EDGA FOR THE VIOLATIONS OF RULE 15C3-5 AND EDGA RULES 3.1 AND 5.1). ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF A SIMILAR AGREEMENT IN RELATED MATTERS BETWEEN THE FIRM AND THE NASDAQ STOCK MARKET LLC AND BATS BZX EXCHANGE, INC. THE AGGREGATE SETTLEMENT AMOUNT ACROSS ALL MARKETS IS \$105,000. THE BALANCE OF THE SANCTION WILL BE PAID TO THE NASDAQ STOCK MARKET LLC AND BATS BZX EXCHANGE, INC.

Disclosure 27 of 101

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 LACKED ADEQUATE PRICE CONTROLS WITHIN A SMART ORDER ROUTER (SOR) TO PREVENT THE ENTRY OF AN ERRONEOUS ORDER. ON MAY 3, 2012, AT APPROXIMATELY 9:32:21, THE FIRM ENTERED AN ORDER ON BATS BZX EXCHANGE, INC. (BZX) TO SELL A SECURITY AT PRICES SIGNIFICANTLY LOWER THAN THE NATIONAL BEST BID/OFFER. THE FIRM'S CLIENT ORIGINALLY SENT THE ORDER THROUGH THE FIRM'S ORDER MANAGEMENT SYSTEM (OMS) AS A MARKET ORDER. THE FIRM'S SOR SUBSEQUENTLY CONVERTED THE PARENT MARKET ORDER INTO CHILD ORDERS AT SPECIFIC LIMITS TO MULTIPLE EXCHANGES. ALTHOUGH THE FIRM'S OMS HAD A PRE-TRADE PRICE CONTROL IN PLACE, IT WAS BYPASSED DUE TO THE FACT THAT THE CLIENT ENTERED THE PARENT ORDER AS A MARKET ORDER. THE FIRM'S SOR ALSO HAD A PRE-TRADE



PRICE CONTROL IN PLACE THAT WOULD HAVE PREVENTED THE CLEARLY ERRONEOUS EVENT, BUT IT HAD BEEN DISABLED THE PREVIOUS DAY IN ORDER TO FIX A SOFTWARE ISSUE. THE PRICE CONTROL WAS BROUGHT BACK ONLINE ON A LIMITED BASIS ON MAY 4, 2012, AND IN FULL ON MAY 8, 2012. UPON THE FILING OF A CLEARLY ERRONEOUS PETITION BY THE FIRM IN THE SECURITY, BZX CANCELED THE EXECUTION IN QUESTION. THE FIRM'S RISK MANAGEMENT CONTROLS DURING THE REVIEW PERIOD WERE NOT REASONABLY DESIGNED TO COMPLY WITH RULE 15C3-5 OF THE SECURITIES EXCHANGE ACT OF 1934. ACCORDINGLY, THE FIRM VIOLATED SEC RULES 15C3-5(B) AND 15C3-5(C)(1)(II), AND BZX RULES 3.1 AND 5.1.

Initiated By: BATS BZX EXCHANGE, INC.

Date Initiated: 04/05/2017

Docket/Case Number: 2013036574803

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITY

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/04/2017

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 \$10,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$105,000 (OF WHICH \$10,000 SHALL BE PAID TO BZX). ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF A SIMILAR AGREEMENT IN A RELATED MATTER BETWEEN THE FIRM AND NASDAQ AND BATS EDGA EXCHANGE, INC. THE AGGREGATE SETTLEMENT AMOUNT ACROSS ALL MARKETS IS \$105,000. THE DECISION BECAME FINAL ON MAY 4, 2017.



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 LACKED ADEQUATE PRICE CONTROLS WITHIN A SMART ORDER ROUTER (SOR) TO PREVENT THE ENTRY OF AN ERRONEOUS ORDER. ON MAY 3, 2012, AT APPROXIMATELY 9:32:21, THE FIRM ENTERED AN ORDER ON BATS BZX EXCHANGE, INC. (BZX) TO SELL A SECURITY AT PRICES SIGNIFICANTLY LOWER THAN THE NATIONAL BEST BID/OFFER. THE FIRM'S CLIENT ORIGINALLY SENT THE ORDER THROUGH THE FIRM'S ORDER MANAGEMENT SYSTEM (OMS) AS A MARKET ORDER. THE FIRM'S SOR SUBSEQUENTLY CONVERTED THE PARENT MARKET ORDER INTO CHILD ORDERS AT SPECIFIC LIMITS TO MULTIPLE EXCHANGES. ALTHOUGH THE FIRM'S OMS HAD A PRE-TRADE PRICE CONTROL IN PLACE, IT WAS BYPASSED DUE TO THE FACT THAT THE CLIENT ENTERED THE PARENT ORDER AS A MARKET ORDER. THE FIRM'S SOR ALSO HAD A PRE-TRADE PRICE CONTROL IN PLACE THAT WOULD HAVE PREVENTED THE CLEARLY ERRONEOUS EVENT, BUT IT HAD BEEN DISABLED THE PREVIOUS DAY IN ORDER TO FIX A SOFTWARE ISSUE. THE PRICE CONTROL WAS BROUGHT BACK ONLINE ON A LIMITED BASIS ON MAY 4, 2012, AND IN FULL ON MAY 8, 2012. UPON THE FILING OF A CLEARLY ERRONEOUS PETITION BY THE FIRM IN THE SECURITY, BZX CANCELLED THE EXECUTION IN QUESTION. THE FIRM'S RISK MANAGEMENT CONTROLS DURING THE REVIEW PERIOD WERE NOT REASONABLY DESIGNED TO COMPLY WITH RULE 15C3-5 OF THE SECURITIES EXCHANGE ACT OF 1934. ACCORDINGLY, THE FIRM VIOLATED SEC RULES 15C3-5(B) AND 15C3-5(C)(1)(II), AND BZX RULES 3.1 AND 5.1.

Initiated By: BATS BZX EXCHANGE, INC.

Date Initiated: 04/05/2017

Docket/Case Number: 2013036574803

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: 05/04/2017
Sanctions Ordered: Censure
 Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$105,000 (OF WHICH \$10,000 SHALL BE PAID TO BZX). ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF A SIMILAR AGREEMENT IN A RELATED MATTER BETWEEN THE FIRM AND NASDAQ AND BATS EDGA EXCHANGE, INC. THE AGGREGATE SETTLEMENT AMOUNT ACROSS ALL MARKETS IS \$105,000. THE DECISION BECAME FINAL ON MAY 4, 2017.

Disclosure 28 of 101

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) TRANSACTIONS IN TRACE-ELIGIBLE SECURITIZED PRODUCTS WITHIN THE TIME REQUIRED BY FINRA RULE 6730(A). THE FINDINGS STATED THAT THE FIRM FAILED TO REPORT TO TRACE THE CORRECT CONTRA-PARTY'S IDENTIFIER IN TRANSACTIONS IN TRACE-ELIGIBLE AGENCY DEBT SECURITIES, AND FAILED TO REPORT TO TRACE THE CORRECT MARKET IDENTIFIER IN TRANSACTIONS IN TRACE-ELIGIBLE AGENCY DEBT SECURITIES.

Initiated By: FINRA

Date Initiated: 11/15/2016

Docket/Case Number: [2015046503801](#)

Principal Product Type: Other

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

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/15/2016



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:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$40,000. FINES PAID IN FULL ON 12/12/16.

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 DURING APRIL 1, 2015 THROUGH SEPTEMBER 30, 2015, IT FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) 194 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIZED PRODUCTS WITHIN THE TIME REQUIRED BY FINRA RULE 6730(A). THE FINDINGS ALSO STATED THAT DURING THE PERIOD APRIL 1, 2015 THROUGH SEPTEMBER 30, 2015, THE FIRM FAILED TO REPORT TO TRACE THE CORRECT CONTRA-PARTY'S IDENTIFIER IN 50 TRANSACTIONS IN TRACE-ELIGIBLE AGENCY DEBT SECURITIES, AND FAILED TO REPORT TO TRACE THE CORRECT MARKET IDENTIFIER IN 5 TRANSACTIONS IN TRACE-ELIGIBLE AGENCY DEBT SECURITIES.

Initiated By: FINRA

Date Initiated: 11/15/2016

Docket/Case Number: [2015046503801](#)

Principal Product Type: Other

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

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)



Resolution Date: 11/15/2016

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$40,000.

Disclosure 29 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: CFTC RELEASE PR7419-16/ AUGUST 4, 2016: THE COMMODITY FUTURES TRADING COMMISSION (COMMISSION) HAS REASON TO BELIEVE THAT BARCLAYS CAPITAL, INC. (THE FIRM) HAS VIOLATED COMMISSION REGULATION 166.3, 17 C.F.R. § 166.3 (2015). THEREFORE, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED TO DETERMINE WHETHER BARCLAYS HAS ENGAGED IN THE VIOLATIONS AS SET FORTH HEREIN AND TO DETERMINE WHETHER ANY ORDER SHOULD BE ISSUED IMPOSING REMEDIAL SANCTIONS. THE COMMISSION FINDS THAT THE FIRM FAILED TO DILIGENTLY SUPERVISE ITS OFFICERS', EMPLOYEES', AND AGENTS' PROCESSING OF EXCHANGE AND CLEARING FEES IT CHARGED CERTAIN CUSTOMERS, IN VIOLATION OF REGULATION 166.3, 17 C.F.R. § 166.3 (2015). IN ACCEPTING THE FIRM'S OFFER, THE COMMISSION RECOGNIZES THE FIRM'S SIGNIFICANT COOPERATION DURING THE CFTC'S DIVISION OF ENFORCEMENT'S INVESTIGATION OF THIS MATTER, WHICH INCLUDED PROVIDING IMPORTANT INFORMATION AND ANALYSIS TO THE DIVISION THAT HELPED THE DIVISION EFFICIENTLY AND EFFECTIVELY UNDERTAKE ITS INVESTIGATION.

Initiated By: COMMODITY FUTURES TRADING COMMISSION

Date Initiated: 08/04/2016

Docket/Case Number: 16-25

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

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



Resolution:	Order
Resolution Date:	08/04/2016
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:	Monetary/Fine \$800,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	POST JUDGMENT INTEREST AND UNDERTAKINGS.
Sanction Details:	THE FIRM SHALL CEASE AND DESIST FROM VIOLATING COMMISSION REGULATION 166.3, 17 C.F.R. § 166.3 (2015), SHALL PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$800,000, PLUS POST-JUDGMENT INTEREST, AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE ORDER.
Regulator Statement	IN ANTICIPATION OF THE INSTITUTION OF THIS ADMINISTRATIVE PROCEEDING, THE FIRM HAS SUBMITTED AN OFFER OF SETTLEMENT (OFFER), WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. WITHOUT ADMITTING OR DENYING ANY OF THE FINDINGS OR CONCLUSIONS HEREIN, THE FIRM CONSENTS TO THE ENTRY OF THIS 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 THIS ORDER. BASED ON THE FOREGOING, THE COMMISSION FINDS DURING THE RELEVANT PERIOD THE FIRM VIOLATED COMMISSION REGULATION 166.3, 17 C.F.R. § 166.3 (2015). ACCORDINGLY, IT IS HEREBY ORDERED THAT THE FIRM SHALL CEASE AND DESIST FROM VIOLATING COMMISSION REGULATION 166.3, 17 C.F.R. § 166.3 (2015); SHALL PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$800,000, PLUS POST-JUDGMENT INTEREST; AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE ORDER.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	BARCLAYS CAPITAL INC. CONSENTS TO A FINDING THAT BARCLAYS VIOLATED COMMISSION REGULATION 166.3, 17 CFR 166.3 (2015) AND AGREED TO PAY A PENALTY OF CIVIL MONETARY PENALTY OF \$800,000. SPECIFICALLY, THE CFTC FOUND THAT FROM JANUARY 2011 THROUGH APRIL 2015, BARCLAYS FAILED TO DILIGENTLY SUPERVISE ITS OFFICERS',



EMPLOYEES' AND AGENTS' PROCESSING OF EXCHANGE AND CLEARING FEES IT CHARGED CERTAIN CUSTOMERS.

Initiated By: COMMODITY FUTURES TRADING COMMISSION

Date Initiated: 08/04/2016

Docket/Case Number: 16-25

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: NA

Resolution: Order

Resolution Date: 08/04/2016

Sanctions Ordered: Monetary/Fine \$800,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: POST JUDGMENT INTEREST AND UNDERTAKINGS.

Sanction Details: THE FIRM SHALL CEASE AND DESIST FROM VIOLATING COMMISSION REGULATION 166.3, 17 C.F.R. § 166.3 (2015), SHALL PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$800,000, PLUS POST-JUDGMENT INTEREST, AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE ORDER.

Disclosure 30 of 101

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 SEVERAL SYSTEMS ISSUES AT THE FIRM GAVE RISE TO APPROXIMATELY 3.6 BILLION ORDER AUDIT TRAIL SYSTEM (OATS) REPORTING VIOLATIONS. THE FINDINGS STATED THAT THE SYSTEMS ISSUES IMPACTED UP TO THREE PERCENT OF ALL REPORTABLE ORDER EVENTS (ROES) THE FIRM WAS REQUIRED TO TRANSMIT TO OATS. SPECIFICALLY, THE SYSTEMS ISSUES CAUSED THE FIRM TO REPORT TO OATS APPROXIMATELY 3.3 BILLION INACCURATE OR INCOMPLETE ROES WHICH INCLUDED OMITTING SPECIAL HANDLING CODES, INACCURATE TIMESTAMPS, INACCURATE EXECUTION QUANTITIES, DUPLICATE OR ERRONEOUS REPORTS, AND



INACCURATE MEMBER TYPE CODES. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REPORT TO OATS APPROXIMATELY 332 MILLION ROES WHICH INCLUDED CANCEL REPORTS, ROUTE REPORTS, DESK REPORTS, AND EXECUTION REPORTS. AS A RESULT, THE FIRM'S TRANSMISSION OF INACCURATE OR INCOMPLETE ROES AND ITS FAILURE TO TRANSMIT ROES TO OATS CAUSED THE AUDIT TRAIL TO BE INACCURATE. THE FINDINGS ALSO INCLUDED 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 THE RULES OF FINRA, CONCERNING OATS REPORTING. THE FIRM FAILED TO ESTABLISH SUPERVISORY PROCEDURES THAT WERE REASONABLY DESIGNED TO ENSURE THAT THE FIRM'S SUBMISSIONS TO OATS WERE ACCURATE AND COMPLETE IN COMPARISON TO ITS TRADE RECORDS.

Initiated By: FINRA

Date Initiated: 08/03/2016

Docket/Case Number: [2014041749901](#)

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: 08/03/2016

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 \$1,300,000.00

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: THE FIRM WAS CENSURED, FINED \$1,300,000, UNDERTAKES TO REVISE ITS SUPERVISORY SYSTEM, INCLUDING, BUT NOT LIMITED TO, ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) WITH RESPECT TO THE AREAS IN THE AWC, AND UNDERTAKES TO PROVIDE A WRITTEN REPORT TO FINRA,



WITHIN 180 DAYS AFTER THE DATE OF THE AWC, REGARDING THE IMPLEMENTATION AND PERFORMANCE (TO DATE) OF ITS REVISIONS TO ITS SUPERVISORY SYSTEM; THE STEPS TAKEN BY SUPERVISORY PERSONNEL TO REVIEW FOR COMPLIANCE WITH OATS REPORTING REQUIREMENTS AND THE RESULTS OF SUCH SUPERVISORY REVIEWS; TRAINING; AND MODIFICATIONS OR RECOMMENDATIONS FOR FURTHER IMPROVEMENTS TO THE FIRM'S SYSTEM. IN DETERMINING TO RESOLVE THIS MATTER IN THE MANNER SET FORTH HEREIN, AND IN DETERMINING THE APPROPRIATE MONETARY SANCTION, THE STAFF TOOK INTO CONSIDERATION THE FIRM'S SELF-REPORTING OF THE OATS VIOLATIONS AND REMEDIAL STEPS TAKEN BY THE FIRM, INCLUDING ENHANCEMENTS TO SOME OF ITS SUPERVISORY SYSTEMS. FINE PAID IN FULL ON AUGUST 12, 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 SEVERAL SYSTEMS ISSUES AT THE FIRM, DURING VARYING TIMES FRAMES BETWEEN 2008 AND 2016, GAVE RISE TO APPROXIMATELY 3.6 BILLION ORDER AUDIT TRAIL SYSTEM (OATS) REPORTING VIOLATIONS. THE FINDINGS STATED THAT THE SYSTEMS ISSUES IMPACTED UP TO THREE PERCENT OF ALL REPORTABLE ORDER EVENTS (ROES) THE FIRM WAS REQUIRED TO TRANSMIT TO OATS. SPECIFICALLY, THE SYSTEMS ISSUES CAUSED THE FIRM TO REPORT TO OATS APPROXIMATELY 3.3 BILLION INACCURATE OR INCOMPLETE ROES WHICH INCLUDED OMITTING SPECIAL HANDLING CODES, INACCURATE TIME STAMPS, INACCURATE EXECUTION QUANTITIES, DUPLICATE OR ERRONEOUS REPORTS, AND INACCURATE MEMBER TYPE CODES. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REPORT TO OATS APPROXIMATELY 332 MILLION ROES WHICH INCLUDED CANCEL REPORTS, ROUTE REPORTS, DESK REPORTS, AND EXECUTION REPORTS. THE FINDINGS ALSO INCLUDED 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 THE RULES OF FINRA, CONCERNING OATS REPORTING.

Initiated By: FINRA

Date Initiated: 08/03/2016

Docket/Case Number: [2014041749901](#)



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: 08/03/2016
Sanctions Ordered: Censure
 Monetary/Fine \$1,300,000.00
Other Sanctions Ordered: UNDERTAKINGS
Sanction Details: THE FIRM WAS CENSURED, FINED \$1,300,000, UNDERTAKES TO REVISE ITS SUPERVISORY SYSTEM, INCLUDING, BUT NOT LIMITED TO, ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) WITH RESPECT TO THE AREAS IN THE AWC, AND UNDERTAKES TO PROVIDE A WRITTEN REPORT TO FINRA, WITHIN 180 DAYS AFTER THE DATE OF THE AWC, REGARDING THE IMPLEMENTATION AND PERFORMANCE (TO DATE) OF ITS REVISIONS TO ITS SUPERVISORY SYSTEM. IN DETERMINING TO RESOLVE THIS MATTER IN THE MANNER SET FORTH HEREIN, AND IN DETERMINING THE APPROPRIATE MONETARY SANCTION, THE STAFF TOOK INTO CONSIDERATION THE FIRM'S SELF-REPORTING OF THE OATS VIOLATIONS AND REMEDIAL STEPS TAKEN BY THE FIRM, INCLUDING ENHANCEMENTS TO SOME OF ITS SUPERVISORY SYSTEMS.

Disclosure 31 of 101

Reporting Source: Regulator
Current Status: Final
Allegations: BARCLAYS CAPITAL INC., AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$7,500 FOR ENTERING NUMEROUS RESERVE ORDERS IN AN OPTIONS CLASS FOR WHICH RESERVE ORDERS WERE NOT PERMITTED. (EXCHANGE RULE 6.53 - CERTAIN TYPES OF ORDERS DEFINED)
Initiated By: CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated: 05/04/2016
Docket/Case Number: 16-0015/ 20150459554
Principal Product Type: Options



Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 06/02/2016

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

Other Sanctions Ordered:

Sanction Details: A \$7,500 FINE AND A CENSURE.

Reporting Source: Firm

Current Status: Final

Allegations: THE BUSINESS CONDUCT COMMITTEE OF THE CHICAGO BOARD OPTIONS EXCHANGE ("CBOE") ACCEPTED THE LETTER OF CONSENT IN WHICH THE FIRM CONSENTED TO FINDINGS, WITHOUT ADMITTING OR DENYING THAT A VIOLATION OF THE EXCHANGE RULES HAS BEEN COMMITTED, THAT FROM MAY 5, 2011 THROUGH MAY 22, 2015, THE FIRM ENTERED NUMEROUS RESERVE ORDERS IN AN OPTIONS CLASS FOR WHICH RESERVE ORDERS WERE NOT PERMITTED.

Initiated By: CBOE

Date Initiated: 04/14/2016

Docket/Case Number: 20150459554

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: 06/02/2016

Sanctions Ordered: Censure



Monetary/Fine \$7,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$7500.00

Disclosure 32 of 101

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 PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN THE TRANSACTION. THE FINDINGS STATED THAT THE FIRM FAILED TO MAKE, KEEP, AND PRESERVE TRANSACTION CONFIRMATIONS FOR INSTITUTIONAL CUSTOMERS.

Initiated By: FINRA

Date Initiated: 06/08/2016

Docket/Case Number: [2013035614701](#)

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: 06/08/2016

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. FINE PAID IN FULL ON JULY 7, 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, ON EIGHT OCCASIONS, TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN THE TRANSACTION AND THAT IT FAILED TO MAKE, KEEP, AND PRESERVE TRANSACTION CONFIRMATIONS FOR UP TO 33 INSTITUTIONAL CUSTOMERS.
Initiated By:	FINRA
Date Initiated:	06/08/2016
Docket/Case Number:	2013035614701
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:	06/08/2016
Sanctions Ordered:	Censure Monetary/Fine \$22,500.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$22,500.

Disclosure 33 of 101

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 A PROGRAMMING ERROR IN A FIRM ALGORITHM CAUSED IT TO SPLICE 16,665 PARENT SHORT SALE ORDERS INTO 2,940,022 CHILD ORDERS MARKED AS LONG SALES. AS A RESULT, THE FIRM ROUTED 2,940,022 SHORT SALE ORDERS AND FAILED TO PROPERLY MARK THE ORDERS AS



SHORT, AND ITS WRITTEN SUPERVISORY PROCEDURES DID NOT PROVIDE FOR SUPERVISION DESIGNED TO ENSURE THAT THE RELEVANT ALGORITHM MARKED ORDERS IN COMPLIANCE WITH SEC RULE 200(G). THE FINDINGS STATED THAT THE FIRM EXECUTED 777,217 SHORT EXEMPT TRANSACTIONS AND REPORTED EACH OF THOSE TRANSACTIONS AS NON-EXEMPT SHORT SALES IN NON-TAPE REPORTS TO THE TRADE REPORTING FACILITY, AND ITS WRITTEN SUPERVISORY PROCEDURES DID NOT PROVIDE FOR SUPERVISION DESIGNED TO ENSURE THAT SHORT EXEMPT TRANSACTIONS RECEIVED FROM ITS BROKER-DEALER CLIENTS WERE ACCURATELY REPORTED.

Initiated By: FINRA

Date Initiated: 05/24/2016

Docket/Case Number: [2013035402401](#)

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

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/24/2016

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 \$600,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$600,000, AND UNDERTAKES TO REVISE ITS SUPERVISORY SYSTEM, INCLUDING, BUT NOT LIMITED TO, ITS WRITTEN SUPERVISORY PROCEDURES.

FINE PAID IN FULL ON JUNE 6, 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 A PROGRAMMING ERROR IN A FIRM ALGORITHM CAUSED IT TO SPLICE 16,665 PARENT SHORT SALE ORDERS INTO 2,940,022 CHILD ORDERS MARKED AS LONG SALES. AS A RESULT, THE FIRM ROUTED 2,940,022 SHORT SALE ORDERS AND FAILED TO PROPERLY MARK THE ORDERS AS SHORT, AND ITS WRITTEN SUPERVISORY PROCEDURES DID NOT PROVIDE FOR SUPERVISION DESIGNED TO ENSURE THAT THE RELEVANT ALGORITHM MARKED ORDERS IN COMPLIANCE WITH SEC RULE 200(G). THE FINDINGS STATED THAT THE FIRM EXECUTED 777,217 SHORT EXEMPT TRANSACTIONS AND REPORTED EACH OF THOSE TRANSACTIONS AS NON-EXEMPT SHORT SALES IN NON-TAPE REPORTS TO THE TRADE REPORTING FACILITY, AND ITS WRITTEN SUPERVISORY PROCEDURES DID NOT PROVIDE FOR SUPERVISION DESIGNED TO ENSURE THAT SHORT EXEMPT TRANSACTIONS RECEIVED FROM ITS BROKER-DEALER CLIENTS WERE ACCURATELY REPORTED.
Initiated By:	FINRA
Date Initiated:	05/24/2016
Docket/Case Number:	2013035402401
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/24/2016
Sanctions Ordered:	Censure Monetary/Fine \$600,000.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	THE FIRM WAS CENSURED, FINED \$600,000, AND UNDERTAKES TO REVISE ITS SUPERVISORY SYSTEM, INCLUDING, BUT NOT LIMITED TO, ITS WRITTEN SUPERVISORY PROCEDURES.



Reporting Source: Regulator

Current Status: Final

Allegations: SEC ADMIN RELEASES 33-10016; 34-77018; FEBRUARY 2, 2016: THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED AGAINST BARCLAYS CAPITAL INC., ("RESPONDENT"). RESPONDENT WILLFULLY VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT. THIS MATTER INVOLVES VIOLATIONS OF AN ANTIFRAUD PROVISION OF THE FEDERAL SECURITIES LAWS IN CONNECTION WITH RESPONDENT'S UNDERWRITING OF CERTAIN MUNICIPAL SECURITIES OFFERINGS. RESPONDENT, A REGISTERED BROKER-DEALER, CONDUCTED INADEQUATE DUE DILIGENCE IN CERTAIN OFFERINGS AND AS A RESULT, FAILED TO FORM A REASONABLE BASIS FOR BELIEVING THE TRUTHFULNESS OF CERTAIN MATERIAL REPRESENTATIONS IN OFFICIAL STATEMENTS ISSUED IN CONNECTION WITH THOSE OFFERINGS. THIS RESULTED IN RESPONDENT OFFERING AND SELLING MUNICIPAL SECURITIES ON THE BASIS OF MATERIALLY MISLEADING DISCLOSURE DOCUMENTS. THE VIOLATIONS WERE SELF-REPORTED BY RESPONDENT TO THE COMMISSION PURSUANT TO THE DIVISION OF ENFORCEMENT'S (THE "DIVISION") MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION (MCDC) INITIATIVE.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 02/02/2016

Docket/Case Number: 3-17084

Principal Product Type: Debt - Municipal

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 02/02/2016



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 \$500,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	THE RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) OF THE SECURITIES ACT, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$500,000.00 AND COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER OF SETTLEMENT.
Regulator Statement	IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER") WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN RESPONDENT'S OFFER. ACCORDINGLY, IT IS HEREBY ORDERED THAT RESPONDENT SHALL, CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF 17(A)(2) OF THE SECURITIES ACT; WITHIN TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$500,000.00 TO THE SECURITIES AND EXCHANGE COMMISSION; AND RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A REVIEW OF RESPONDENT'S POLICIES AND PROCEDURES AS THEY RELATE TO MUNICIPAL SECURITIES UNDERWRITING DUE DILIGENCE.
Reporting Source:	Firm
Current Status:	Final



Allegations:	THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") HAS ALLEGED THAT BARCLAYS CAPITAL INC. ("BCI") CONDUCTED INADEQUATE DUE DILIGENCE IN CERTAIN OFFERINGS AND, AS A RESULT, FAILED TO FORM A REASONABLE BASIS FOR BELIEVING THE TRUTHFULNESS OF CERTAIN MATERIALS REPRESENTATIONS IN OFFICIAL STATEMENTS ISSUED IN CONNECTION WITH THOSE OFFERINGS. THIS RESULTED IN BCI OFFERING AND SELLING MUNICIPAL SECURITIES ON THE BASIS OF MATERIALLY MISLEADING DISCLOSURE DOCUMENTS. THE SEC ALLEGED THAT BCI WILLFULLY VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT OF 1933. THE VIOLATIONS DISCUSSED IN THE ORDER WERE SELF-REPORTED BY BCI TO THE SEC PURSUANT TO THE DIVISION OF ENFORCEMENT'S MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION ("MCDC") INITIATIVE.
Initiated By:	US SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	02/02/2016
Docket/Case Number:	SEC ADMINISTRATIVE PROCEEDING FILE NO 3-17084
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	CIVIL AND ADMINISTRATIVE PENALTY(IES)/FINE(S) AND UNDERTAKING
Resolution:	Order
Resolution Date:	02/02/2016
Sanctions Ordered:	Monetary/Fine \$500,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	THE ORDER ALSO REQUIRES BCI TO RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A REVIEW OF BCI'S POLICIES AND PROCEDURES AS THEY RELATE TO MUNICIPAL SECURITIES UNDERWRITING DUE DILIGENCE AND REQUIRES BCI TO ADOPT THE INDEPENDENT CONSULTANT'S RECOMMENDATIONS (UNLESS THE SEC FINDS A RECOMMENDATION UNDULY BURDENSOME, IMPRACTICAL, OR INAPPROPRIATE, IN WHICH CASE BCI SHALL NOT BE REQUIRED TO ABIDE BY, ADOPT, OR IMPLEMENT THAT RECOMMENDATION).
Sanction Details:	THE ORDER REQUIRED BCI TO PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$500,000, WHICH BCI PAID ON FEBRUARY 2, 2016.
Firm Statement	WITHOUT ADMITTING OR DENYING THE VIOLATIONS, BCI CONSENTED TO THE ENTRY OF AN ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-



DESIST PROCEEDINGS, PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER ON FEBRUARY 2, 2016 BY THE SEC PURSUANT TO WHICH BCI: (I) SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) OF THE SECURITIES ACT OF 1933; (II) PAID A CIVIL MONEY PENALTY IN THE AMOUNT OF \$500,000 ON FEBRUARY 2, 2016; AND (III) SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE ORDER.

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Reporting Source: Regulator

Current Status: Final

Allegations: SEC ADMIN RELEASES 33-10010, 34-77001 / JANUARY 31, 2016: THE SEC DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED AGAINST BARCLAYS CAPITAL INC. ("BARCLAYS" OR "RESPONDENT"). ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT BARCLAYS IS THE OWNER AND OPERATOR OF BARCLAYS LX ("LX"), AN ALTERNATIVE TRADING SYSTEM ("ATS") THAT OPERATES AS A "DARK POOL." LX ACCEPTS, MATCHES, AND EXECUTES ORDERS FROM CLIENTS (SUBSCRIBERS THAT ACCESS LX THROUGH BARCLAYS' TRADING ALGORITHMS OR ORDER ROUTER ONLY) AND DIRECT SUBSCRIBERS (SUBSCRIBERS THAT ACCESS LX DIRECTLY, OR IN COMBINATION WITH BARCLAYS' ALGORITHMS AND/OR ORDER ROUTER) (COLLECTIVELY, "LX SUBSCRIBERS" OR "SUBSCRIBERS") TO BUY AND SELL NMS STOCKS. BARCLAYS MADE MATERIALLY MISLEADING STATEMENTS AND OMITTED TO STATE CERTAIN MATERIAL FACTS NECESSARY TO MAKE STATEMENTS MADE NOT MISLEADING CONCERNING THE OPERATION OF AN LX PRODUCT FEATURE CALLED LIQUIDITY PROFILING, WHICH BARCLAYS DESCRIBED AS A "POWERFUL TOOL TO PROACTIVELY MONITOR LX" AND AS A "SOPHISTICATED SURVEILLANCE FRAMEWORK THAT PROTECTS CLIENTS FROM PREDATORY TRADING" AND THE MARKET DATA FEEDS THAT IT USED IN LX. IN ADDITION, BARCLAYS VIOLATED THE FEDERAL SECURITIES LAWS AND REGULATIONS RELATED TO ITS MARKET ACCESS AND ITS OPERATION OF LX, INCLUDING BY FAILING TO ESTABLISH ADEQUATE SAFEGUARDS AND PROCEDURES TO PROTECT SUBSCRIBERS' CONFIDENTIAL TRADING INFORMATION, AND TO ADOPT AND IMPLEMENT ADEQUATE PROCEDURES TO ENSURE THAT SUCH SAFEGUARDS AND PROCEDURES ARE FOLLOWED. IN FACT, FROM DECEMBER 2011 THROUGH JUNE 2014, BARCLAYS DID NOT "CONTINUOUSLY POLICE" LX FOR PREDATORY TRADING THROUGH THE USE OF "VISUALIZATION TOOLS" AS MARKETED



BY BARCLAYS. NOR DID BARCLAYS, AS CLAIMED, GENERALLY RUN SURVEILLANCE REPORTS ON A WEEKLY BASIS DURING THE RELEVANT PERIOD TO ENSURE THAT THERE WAS NO "TOXIC FLOW IN [LX'S] BOOK." BARCLAYS ALSO FAILED TO DISCLOSE ADEQUATELY ITS PRACTICE OF OVERRIDING THE LIQUIDITY PROFILING TOOL'S CATEGORIZATION OF SUBSCRIBERS (HEREINAFTER, "OVERRIDES"). BARCLAYS ALSO AT TIMES MISREPRESENTED THE TYPE AND NUMBER OF MARKET DATA FEEDS THAT IT USED TO CALCULATE THE NATIONAL BEST BID AND OFFER ("NBBO") IN LX. BARCLAYS USED THE NBBO TO DETERMINE THE PRICE OF PEGGED ORDERS IN THE ATS AND AS A BASIS FOR CERTAIN COMPLIANCE DECISIONS. BARCLAYS MISREPRESENTED THAT IT USED MORE DIRECT DATA FEEDS FROM EXCHANGES THAN IT ACTUALLY DID. AT NO TIME DURING THE RELEVANT PERIOD DID LX SUBSCRIBE TO A DIRECT MARKET DATA FEED FROM THE NEW YORK STOCK EXCHANGE ("NYSE"). THE FIRM PROVIDED EMAIL INFORMATION THAT OMITTED ANY REFERENCE TO BARCLAYS' USE OF THE SLOWER FEEDS FROM THE SECURITIES INFORMATION PROCESSORS ("SIPS"). BARCLAYS DID NOT HAVE CONTROLS REASONABLY DESIGNED TO PREVENT THE ENTRY OF ORDERS THAT EXCEEDED THE PRE-SET CREDIT AND CAPITAL THRESHOLDS BARCLAYS HAD IN PLACE. BARCLAYS FAILED TO FILE, AT LEAST 20 DAYS BEFORE IT IMPLEMENTED A MATERIAL CHANGE, AN AMENDMENT ON FORM ATS THAT DISCLOSED BARCLAYS' OVERRIDE PROCESS. BARCLAYS DID NOT HAVE ADEQUATE SAFEGUARDS AND PROCEDURES TO PROTECT SUBSCRIBERS' CONFIDENTIAL TRADING INFORMATION, INCLUDING BY LIMITING ACCESS TO CONFIDENTIAL TRADING INFORMATION OF SUBSCRIBERS TO THOSE EMPLOYEES OF THE ATS WHO WERE OPERATING THE SYSTEM OR RESPONSIBLE FOR COMPLIANCE. DURING THE RELEVANT PERIOD, CERTAIN BARCLAYS' PERSONNEL WHO DID NOT OPERATE LX AND WERE NOT RESPONSIBLE FOR COMPLIANCE HAD THE ABILITY TO ACCESS CONFIDENTIAL SUBSCRIBER TRADING INFORMATION IF THEY KNEW THE RELEVANT COMPUTER LANGUAGE AND HAD THE ABILITY TO NAVIGATE THROUGH BARCLAYS COMPUTER SYSTEMS. AS A RESULT OF THE CONDUCT, BARCLAYS WILLFULLY VIOLATED: SECTION 17(A)(2) OF THE SECURITIES ACT, SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULES 15C3-5(B) AND 15C3-5(C)(I) THEREUNDER, RULE 301(B)(2) OF REGULATION ATS, AND RULE 301(B)(10) OF REGULATION ATS.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated: 01/31/2016
Docket/Case Number: 3-17077
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:	01/31/2016
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 \$35,000,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	RESPONDENT BARCLAYS SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER.
Sanction Details:	BARCLAYS SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) OF THE SECURITIES ACT, SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULES 15C3-5(B) AND 15C3-5(C)(I), AND RULES 301(B)(2) AND 301(B)(10) OF REGULATION ATS; IS CENSURED; SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$35,000,000. RESPONDENT BARCLAYS SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER.
Regulator Statement	IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER") THAT THE COMMISSION HAS DETERMINED TO ACCEPT. RESPONDENT ADMITS THE FACTS, ACKNOWLEDGES THAT ITS CONDUCT VIOLATED THE FEDERAL SECURITIES LAWS, ADMITS THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, AND CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT AND SECTIONS 15(B) AND 21C OF THE EXCHANGE ACT, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. ACCORDINGLY, IT IS HEREBY ORDERED THAT: BARCLAYS SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) OF THE SECURITIES ACT, SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULES 15C3-5(B) AND 15C3-5(C)(I), AND RULES 301(B)(2) AND 301(B)(10) OF REGULATION ATS; IS CENSURED; SHALL, WITHIN 10 DAYS OF THE ENTRY



OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$35,000,000 TO THE SECURITIES AND EXCHANGE COMMISSION FOR TRANSFER TO THE GENERAL FUND OF THE UNITED STATES TREASURY. RESPONDENT BARCLAYS SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER.

IN DETERMINING TO ACCEPT THE OFFER, THE COMMISSION CONSIDERED REMEDIAL ACTS PROMPTLY UNDERTAKEN BY RESPONDENT AND COOPERATION AFFORDED THE COMMISSION STAFF.

Reporting Source: Firm

Current Status: Final

Allegations: ACCORDING TO THE ORDER, FROM DECEMBER 2011 THROUGH JUNE 2014, IN CERTAIN MARKETING MATERIALS AND PRESENTATIONS, BARCLAYS CAPITAL INC. ("BCI") MADE MATERIALLY MISLEADING STATEMENTS AND OMITTED TO STATE CERTAIN MATERIAL FACTS NECESSARY TO MAKE STATEMENTS MADE NOT MISLEADING CONCERNING (I) THE OPERATION OF A BARCLAYS LX ("LX") PRODUCT FEATURE CALLED LIQUIDITY PROFILING AND (II) THE MARKET DATA FEEDS IT USED IN LX. IN ADDITION, THE ORDER FOUND THAT BCI VIOLATED THE FEDERAL SECURITIES LAWS AND REGULATIONS RELATED TO ITS MARKET ACCESS AND ITS OPERATION OF LX, INCLUDING BY FAILING TO ESTABLISH ADEQUATE SAFEGUARDS AND PROCEDURES TO PROTECT SUBSCRIBERS' CONFIDENTIAL TRADING INFORMATION AND TO ADOPT AND IMPLEMENT ADEQUATE PROCEDURES TO ENSURE THAT SUCH SAFEGUARDS AND PROCEDURES ARE FOLLOWED. IN A RELATED MATTER, BARCLAYS PLC AND BCI ENTERED INTO A SETTLEMENT AGREEMENT WITH THE ATTORNEY GENERAL OF THE STATE OF NEW YORK ("NYAG"). PURSUANT TO THE TERMS OF THE SETTLEMENT AGREEMENT, BARCLAYS PLC AND BCI ADMITTED TO A STATEMENT OF FACTS IDENTICAL TO THE SEC ORDER AND THAT THEY VIOLATED THE FEDERAL SECURITIES LAWS AND AGREED TO PAY A MONETARY PENALTY OF \$35 MILLION AND CERTAIN REMEDIAL UNDERTAKINGS.

Initiated By: US SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 01/31/2016

Docket/Case Number: SEC ADMINISTRATIVE PROCEEDING FILE NO. 3-17077

Principal Product Type: No Product

Other Product Type(s):

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



Other Sanction(s)/Relief Sought:	CENSURE, CIVIL AND ADMINISTRATIVE PENALTY(IES)/FINE(S) AND UNDERTAKING
Resolution:	Order
Resolution Date:	01/31/2016
Sanctions Ordered:	Censure Monetary/Fine \$35,000,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	N/A
Sanction Details:	BCI WAS ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) OF THE SECURITIES ACT, SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULES 15C3-5(B) AND 15C3-5(C)(I), AND RULES 301(B)(2) AND 301(B)10) OF REGULATION ATS. THE ORDER ALSO CENSURED BCI AND REQUIRED BCI TO PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$35 MILLION, WHICH BCI PAID ON FEBRUARY 10, 2016.
Firm Statement	BARCLAYS WAS REQUIRED TO PAY A CIVIL MONETARY PENALTY AND, WITH THE ASSISTANCE OF A THIRD-PARTY CONSULTANT, CONDUCT A REVIEW OF CERTAIN POLICIES, PROCEDURES, PRACTICES AND COMPLIANCE RELATED TO THE OPERATION AND MARKETING OF BARCLAYS LX.

Disclosure 36 of 101

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 ACCURATELY DISCLOSE THE PERCENTAGE OF COVERED COMPANIES FOR WHICH IT HAD PROVIDED INVESTMENT BANKING SERVICES IN THE DISTRIBUTION OF RATINGS SECTIONS OF EQUITY RESEARCH REPORTS. THE FINDINGS STATED THAT THE FIRM ALSO FAILED TO DISCLOSE IN RESEARCH REPORTS THAT IT WAS A MARKET MAKER IN THE SECURITIES OF THE COVERED COMPANY. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ADOPT AND IMPLEMENT WSPS REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE REQUIREMENTS OF APPLICABLE RULES.
Initiated By:	FINRA
Date Initiated:	01/25/2016
Docket/Case Number:	2014041656301



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:	01/25/2016
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 \$500,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$500,000. FINE PAID IN FULL ON FEBRUARY 5, 2016.
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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 ACCURATELY DISCLOSE THE PERCENTAGE OF COVERED COMPANIES FOR WHICH IT HAD PROVIDED INVESTMENT BANKING SERVICES IN THE DISTRIBUTION OF RATINGS SECTIONS OF EQUITY RESEARCH REPORTS. THE FINDINGS STATED THAT THE FIRM ALSO FAILED TO DISCLOSE IN RESEARCH REPORTS THAT IT WAS A MARKET MAKER IN THE SECURITIES OF THE COVERED COMPANY. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ADOPT AND IMPLEMENT WSPS REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH SOME OF THE REQUIREMENTS OF APPLICABLE RULES.
Initiated By:	FINRA
Date Initiated:	01/25/2016
Docket/Case Number:	2014041656301



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: 01/25/2016
Sanctions Ordered: Censure
 Monetary/Fine \$500,000.00
Other Sanctions Ordered:
Sanction Details: THE FIRM WAS CENSURED AND FINED \$500,000.

Disclosure 37 of 101

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 ON SEVERAL OCCASIONS IN OCTOBER AND NOVEMBER 2014, BARCLAYS EXECUTED BLOCK TRADES IN ORDER TO SHIFT RISK BETWEEN TWO AFFILIATED ACCOUNTS, UNAWARE THAT CFE HAD ISSUED A DIRECTIVE TO BARCLAYS ON JANUARY 26, 2011 PROHIBITING SUCH TRANSACTIONS AND THAT THE DIRECTIVE WAS NEVER INCORPORATED INTO BARCLAYS WRITTEN SUPERVISORY PROCEDURES.
Initiated By: CBOE FUTURES EXCHANGE
Date Initiated: 12/14/2015
Docket/Case Number: CFE 15-00019
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: 12/14/2015
Sanctions Ordered: Monetary/Fine \$60,000.00
Other Sanctions Ordered:
Sanction Details: THE FIRM WAS FINED \$60,000.00

Disclosure 38 of 101

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 TO FINRA 86 SHORT INTEREST POSITIONS TOTALING 41,100,154 SHARES WHEN THE FIRM'S ACTUAL SHORT INTEREST WAS 44,535,151 SHARES AND FAILED TO REPORT EIGHT SHORT INTEREST POSITIONS TOTALING 1,110,420 SHARES.
Initiated By: FINRA
Date Initiated: 12/28/2015
Docket/Case Number: [2012035143401](#)
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: 12/28/2015
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 \$10,000.00

**Other Sanctions Ordered:**

Sanction Details: THE FIRM WAS CENSURED AND FINED \$10,000. FINE PAID IN FULL
JANUARY 28, 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 SUBMITTED TO FINRA 86 SHORT INTEREST POSITIONS TOTALING 41,100,154 SHARES WHEN THE FIRM'S ACTUAL SHORT INTEREST WAS 44,535,151 SHARES AND FAILED TO REPORT EIGHT SHORT INTEREST POSITIONS TOTALING 1,110,420 SHARES.

Initiated By: FINRA

Date Initiated: 12/28/2015

Docket/Case Number: [2012035143401](#)

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: 12/28/2015

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$10,000.

Disclosure 39 of 101

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



HAVE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE THAT MUTUAL FUND TRANSACTIONS FOR ITS RETAIL BROKERAGE CUSTOMERS WERE SUITABLE BASED UPON CUSTOMER INVESTMENT OBJECTIVES, RISK TOLERANCE AND ACCOUNT HOLDINGS. THE FINDINGS STATED THAT THE FIRM'S PROCEDURES DID NOT PROVIDE ADEQUATE GUIDANCE TO SUPERVISORS REGARDING THE STEPS TO BE TAKEN TO ENSURE THAT RECOMMENDED MUTUAL FUND TRANSACTIONS WERE CONSISTENT WITH THE FINANCIAL SITUATION AND NEEDS OF THE CUSTOMER. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A REASONABLE SUPERVISORY SYSTEM REGARDING MUTUAL FUND SWITCHING AND FAILED TO PREVENT UNSUITABLE SWITCHES. THE FIRM IDENTIFIED OVER 6,100 UNSUITABLE MUTUAL FUND SWITCHES THAT WERE UNSUITABLE BECAUSE THE PURCHASED FUNDS WERE EQUIVALENT TO THE REDEEMED FUNDS OR AN ALTERNATIVE FUND WITH NO FEES WAS AVAILABLE, AND RESULTED IN CUSTOMER HARM IN THE AMOUNT OF APPROXIMATELY \$8.63 MILLION. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO HAVE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE THAT MUTUAL FUND PURCHASES WERE PROPERLY AGGREGATED OR HOUSEHOLDED SO THAT CUSTOMERS WERE PROVIDED WITH AVAILABLE BREAKPOINT DISCOUNTS.

Initiated By: FINRA

Date Initiated: 12/29/2015

Docket/Case Number: [2015044544001](#)

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/29/2015

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 \$3,750,000.00



Disgorgement/Restitution

Other Sanctions Ordered:

UNDERTAKINGS

Sanction Details:

THE FIRM WAS CENSURED, FINED \$3,750,000, ORDERED TO PAY OVER \$10 MILLION IN RESTITUTION AND INTEREST TO CUSTOMERS, AND IS REQUIRED TO COMPLY WITH UNDERTAKINGS IN THE AWC. FINE PAID IN FULL JANUARY 13, 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 HAVE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE THAT MUTUAL FUND TRANSACTIONS FOR ITS RETAIL BROKERAGE CUSTOMERS WERE SUITABLE BASED UPON CUSTOMER INVESTMENT OBJECTIVES, RISK TOLERANCE AND ACCOUNT HOLDINGS. THE FINDINGS STATED THAT THE FIRM'S PROCEDURES DID NOT PROVIDE ADEQUATE GUIDANCE TO SUPERVISORS REGARDING THE STEPS TO BE TAKEN TO ENSURE THAT RECOMMENDED MUTUAL FUND TRANSACTIONS WERE CONSISTENT WITH THE FINANCIAL SITUATION AND NEEDS OF THE CUSTOMER. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A REASONABLE SUPERVISORY SYSTEM REGARDING MUTUAL FUND SWITCHING AND FAILED TO PREVENT UNSUITABLE SWITCHES. THE FIRM IDENTIFIED OVER 6,100 UNSUITABLE MUTUAL FUND SWITCHES THAT WERE UNSUITABLE BECAUSE THE PURCHASED FUNDS WERE EQUIVALENT TO THE REDEEMED FUNDS OR AN ALTERNATIVE FUND WITH NO FEES WAS AVAILABLE, AND RESULTED IN CUSTOMER HARM IN THE AMOUNT OF APPROXIMATELY \$8.63 MILLION. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO HAVE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE THAT MUTUAL FUND PURCHASES WERE PROPERLY AGGREGATED OR HOUSEHOLDED SO THAT CUSTOMERS WERE PROVIDED WITH AVAILABLE BREAKPOINT DISCOUNTS.

Initiated By:

FINRA

Date Initiated:

12/29/2015

Docket/Case Number:

[2015044544001](#)

Principal Product Type:

Mutual Fund(s)

Other Product Type(s):



Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/29/2015
Sanctions Ordered:	Censure Monetary/Fine \$3,750,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	THE FIRM WAS CENSURED, FINED \$3,750,000, ORDERED TO PAY OVER \$10 MILLION IN RESTITUTION AND INTEREST TO CUSTOMERS, AND IS REQUIRED TO COMPLY WITH UNDERTAKINGS IN THE AWC.

Disclosure 40 of 101

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 DURING A PERIOD, IT PUBLISHED THE PAN EURO ASSET-BACKED SECURITY FLOATING RATE INDEX AND ITS COMPONENT INDICES (COLLECTIVELY, THE "INDEX") WITH MATERIALLY INACCURATE COUPON RETURN INFORMATION, LEARNED OF THESE INACCURACIES AND CONTINUED TO PUBLISH THE INDEX FOR EIGHT MONTHS WITHOUT DISCLOSING THE INACCURACIES TO SUBSCRIBERS. THE FINDINGS STATED THAT EXPLICITLY, THE FIRM'S MANAGEMENT LEARNED OF THESE INACCURACIES DURING THE PERIOD, THE FIRM HAD DETERMINED THAT THEY WOULD NECESSITATE A RESTATEMENT OF THE INDEX. NONETHELESS, THE FIRM CONTINUED TO PUBLISH THE INDEX FOR EIGHT MONTHS-WITHOUT DISCLOSING THE INACCURACIES TO SUBSCRIBERS-WHILE THE FIRM IDENTIFIED AND FIXED THE UNDERLYING TECHNICAL ERROR THAT WAS CAUSING THE INACCURACIES. THEREAFTER, THE FIRM RESTATED THE INDEX AND DISCLOSED THAT IT HAD CUMULATIVELY UNDERSTATED COUPON RETURNS BY APPROXIMATELY 4.3 PERCENT. THE FIRM ALSO REPORTED THE INDEX INACCURACIES AND THE ASSOCIATED RESTATEMENT TO A EUROPEAN REGULATOR AND DISCLOSED THEM IN A FORM 4530(B) WITH FINRA. NEVERTHELESS, SUBSCRIBERS TO THE INDEX HAD A REASONABLE EXPECTATION THAT THE FIRM WOULD PROMPTLY INFORM THEM OF SIGNIFICANT INACCURACIES. THEREFORE, ONCE THE</p>



FIRM BECAME AWARE OF SIGNIFICANT INACCURACIES IN THE INDEX IT HAD AN OBLIGATION TO INFORM SUBSCRIBERS PENDING CORRECTION OF THE ERRORS. THE FIRM MARKETED THE INDEX AS OFFERING BROAD PERFORMANCE BENCHMARKS FOR SECURITIZATION MARKET INVESTORS AND AS PROVIDING AN ACCURATE MEASUREMENT OF THE CREDIT AND PREPAYMENT PERFORMANCE OF THE INVESTMENT-GRADE EUROPEAN ASSET-BACKED SECURITIES MARKET. THE INDEX, WHICH WAS AVAILABLE TO SUBSCRIBERS OF THE FIRM'S PUBLISHED INDICES, WAS FOLLOWED BY APPROXIMATELY 40 INSTITUTIONAL INVESTORS IN EUROPE. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO IMPLEMENT A SUPERVISORY SYSTEM REASONABLY DESIGNED TO OVERSEE THE PUBLICATION OF THE INDEX AND TO ENSURE DETECTION AND TIMELY CORRECTION OF THE ERROR. AFTER THE FIRM MADE SIGNIFICANT CHANGES TO THE METHODOLOGY BY WHICH THE INDEX RETURN WAS CALCULATED AND CHANGED THE SOURCE OF THE COUPON RETURN DATA FOR THE UNDERLYING SECURITIES, THE FIRM FAILED TO CONDUCT ANY ADDITIONAL TESTING OR VERIFICATION OF THE OPERATION OF THE METHODOLOGY AFTER IT WAS IMPLEMENTED. THE FINDINGS ALSO INCLUDED THAT THE FIRM PUBLISHED MATERIALLY INACCURATE INDEX IN COMMUNICATIONS WITH THE PUBLIC. THE FIRM PUBLISHED THE INDEX WHILE KNOWING OR HAVING REASON TO KNOW THAT IT CONTAINED MATERIALLY INACCURATE INFORMATION.

Initiated By: FINRA

Date Initiated: 11/19/2015

Docket/Case Number: [2014042781801](#)

Principal Product Type: Other

Other Product Type(s): ASSET-BACKED SECURITY FLOATING RATE INDEX

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/19/2015

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 \$1,000,000.00

Other Sanctions Ordered:

Sanction Details: FIRM WAS CENSURED AND FINED \$1,000,000.

Regulator Statement FINRA ACKNOWLEDGES THAT THE FIRM SELF-REPORTED THE ISSUES DESCRIBED HEREIN TO A EUROPEAN REGULATOR, AND UNDERTOOK A COMPREHENSIVE INTERNAL REVIEW OF ITS PRODUCTION PROCESSES, SUPERVISORY POLICIES, AND SYSTEMS RELATING TO THESE ISSUES, AS WELL AS TO QUANTIFY THE SCOPE AND IMPACT OF THE ERROR. FURTHERMORE, THE FIRM HAS PROVIDED SUBSTANTIAL ASSISTANCE TO FINRA DURING ITS INVESTIGATION BY, AMONG OTHER THINGS, PROVIDING INFORMATION OBTAINED AS A RESULT OF ITS INTERNAL INVESTIGATION AND MAKING PERSONS IN EUROPE WHO ARE NOT REGISTERED WITH FINRA OR SUBJECT TO ITS JURISDICTION AVAILABLE FOR INTERVIEWS BY FINRA. THE SANCTIONS REFLECT THESE FACTORS.

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 PUBLISHED THE PAN EURO ASSET-BACKED SECURITY FLOATING RATE INDEX AND ITS COMPONENT INDICES (COLLECTIVELY, THE "INDEX") WITH MATERIALLY INACCURATE COUPON RETURN INFORMATION. THE FINDINGS STATED THAT THE FIRM'S MANAGEMENT LEARNED OF THESE INACCURACIES, DETERMINED THAT A RESTATEMENT OF THE INDEX WAS NECESSARY, AND WHILE THE FIRM IDENTIFIED AND FIXED THE UNDERLYING TECHNICAL ERROR THAT CAUSED THE INACCURACIES, IT CONTINUED TO PUBLISH THE INDEX FOR EIGHT MONTHS BUT DID NOT DISCLOSE THE INACCURACIES TO SUBSCRIBERS. THE FIRM RESTATED THE INDEX AND DISCLOSED TO SUBSCRIBERS THAT IT HAD CUMULATIVELY UNDERSTATED COUPON RETURNS BY APPROXIMATELY 4.3 PERCENT. THE FIRM REPORTED THE ISSUE TO A EUROPEAN REGULATOR AND TO FINRA IN A FORM 4530(B). THE INDEX WAS FOLLOWED BY APPROXIMATELY 40 INSTITUTIONAL INVESTORS IN EUROPE. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO IMPLEMENT A SUPERVISORY SYSTEM REASONABLY DESIGNED TO OVERSEE THE PUBLICATION OF THE INDEX AND THAT THE FIRM PUBLISHED INDEX INFORMATION THAT IT KNEW OR HAD REASON TO KNOW WAS MATERIALLY INACCURATE IN VIOLATION OF RULE 2210. FINRA ACKNOWLEDGES THAT THE FIRM SELF-REPORTED THE ISSUES DESCRIBED HEREIN TO A EUROPEAN REGULATOR, AND UNDERTOOK A COMPREHENSIVE INTERNAL REVIEW OF ITS PRODUCTION PROCESSES,



SUPERVISORY POLICIES, AND SYSTEMS RELATING TO THESE ISSUES, AS WELL AS TO QUANTIFY THE SCOPE AND IMPACT OF THE ERROR. FURTHERMORE, THE FIRM HAS PROVIDED SUBSTANTIAL ASSISTANCE TO FINRA DURING ITS INVESTIGATION BY, AMONG OTHER THINGS, PROVIDING INFORMATION OBTAINED AS A RESULT OF ITS INTERNAL INVESTIGATION AND MAKING PERSONS IN EUROPE WHO ARE NOT REGISTERED WITH FINRA OR SUBJECT TO ITS JURISDICTION AVAILABLE FOR INTERVIEWS BY FINRA. THE SANCTIONS REFLECT THESE FACTORS.

Initiated By: FINRA

Date Initiated: 11/19/2015

Docket/Case Number: [2014042781801](#)

Principal Product Type: Other

Other Product Type(s): ASSET-BACKED SECURITY FLOATING RATE INDEX

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/19/2015

Sanctions Ordered: Censure
Monetary/Fine \$1,000,000.00

Other Sanctions Ordered:

Sanction Details: FIRM WAS CENSURED AND FINED \$1,000,000.

Firm Statement

FINRA ACKNOWLEDGES THAT THE FIRM SELF-REPORTED THE ISSUES DESCRIBED HEREIN TO A EUROPEAN REGULATOR, AND UNDERTOOK A COMPREHENSIVE INTERNAL REVIEW OF ITS PRODUCTION PROCESSES, SUPERVISORY POLICIES, AND SYSTEMS RELATING TO THESE ISSUES, AS WELL AS TO QUANTIFY THE SCOPE AND IMPACT OF THE ERROR. FURTHERMORE, THE FIRM HAS PROVIDED SUBSTANTIAL ASSISTANCE TO FINRA DURING ITS INVESTIGATION BY, AMONG OTHER THINGS, PROVIDING INFORMATION OBTAINED AS A RESULT OF ITS INTERNAL INVESTIGATION AND MAKING PERSONS IN EUROPE WHO ARE NOT REGISTERED WITH FINRA OR SUBJECT TO ITS JURISDICTION AVAILABLE FOR INTERVIEWS BY FINRA. THE SANCTIONS REFLECT THESE FACTORS.



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 NASD/NASDAQ TRADE REPORTING FACILITY (NNTRF), THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF), AND THE OVER THE COUNTER TRADE REPORTING FACILITY (OTCTRF) A TOTAL OF 78,162 LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES. 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 THE FAILURE TO REPORT TRADES. THE FINDINGS ALSO STATED THAT THE FIRM FAILED, WITHIN 30 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE OTCTRF 119 LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES AND THE FIRM REPORTED TO THE FNTRF 3,650 LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES IT WAS NOT REQUIRED TO REPORT.

Initiated By: FINRA

Date Initiated: 10/14/2015

Docket/Case Number: [2012033585901](#)

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: 10/14/2015

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 \$90,000.00



Other Sanctions Ordered:	UNDERTAKING: REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES
Sanction Details:	THE FIRM WAS CENSURED, FINED \$90,000 AND UNDERTAKES TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES. FINE PAID IN FULL OCTOBER 27, 2015.
Regulator Statement	IN DETERMINING TO RESOLVE THIS MATTER IN THE MANNER SET FORTH HEREIN, AND IN DETERMINING THE APPROPRIATE MONETARY SANCTION, FINRA TOOK INTO CONSIDERATION THAT THE FIRM SELF-REPORTED TO FINRA THE REPORTING VIOLATIONS AT ISSUE.
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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, FROM SEPTEMBER 1, 2008 THROUGH OCTOBER 31, 2012, IT FAILED TO REPORT TO THE NASD/NASDAQ TRADE REPORTING FACILITY (NNTRF), THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF), AND THE OVER THE COUNTER TRADE REPORTING FACILITY (OTCTRF) A TOTAL OF 78,162 LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES. 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 THE FAILURE TO REPORT TRADES. THE FINDINGS ALSO STATED THAT, FROM JANUARY 1, 20J3 THROUGH APRIL 30, 2013, THE FIRM FAILED, WITHIN 30 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE OTCTRF 119 LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES AND, FROM DECEMBER 1, 2012 THROUGH JANUARY 10, 2014, THE FIRM REPORTED TO THE FNTRF 3,650 LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES IT WAS NOT REQUIRED TO REPORT.
Initiated By:	FINRA
Date Initiated:	10/14/2015
Docket/Case Number:	2012033585901
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:	Other



Other Sanction(s)/Relief Sought:	UNSPECIFIED SECURITIES
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	10/14/2015
Sanctions Ordered:	Censure Monetary/Fine \$90,000.00
Other Sanctions Ordered:	UNDERTAKING: REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES
Sanction Details:	HE FIRM WAS CENSURED, FINED \$90,000 AND UNDERTAKES TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.
Firm Statement	IN DETERMINING TO RESOLVE THIS MATTER IN THE MANNER SET FORTH HEREIN, AND IN DETERMINING THE APPROPRIATE MONETARY SANCTION, FINRA TOOK INTO CONSIDERATION THAT THE FIRM SELF-REPORTED TO FINRA THE REPORTING VIOLATIONS AT ISSUE.

Disclosure 42 of 101

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 ACTING AS A MANAGING UNDERWRITER, IT FAILED TO REPORT 53 NEW ISSUE OFFERINGS IN TRADE REPORTING AND COMPLIANCE ENGINE(TRACE)-ELIGIBLE SECURITIZED PRODUCTS TO FINRA ACCORDING TO THE TIME FRAME SET FORTH IN FINRA RULE 6760(C).
Initiated By:	FINRA
Date Initiated:	10/01/2015
Docket/Case Number:	2014042569301
Principal Product Type:	Other
Other Product Type(s):	SECURITIZED PRODUCTS
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)



Resolution Date: 10/01/2015

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 \$16,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FIND \$16,500. FINE PAID IN FULL OCTOBER 21, 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 ACTING AS A MANAGING UNDERWRITER, IT FAILED TO REPORT 53 NEW ISSUE OFFERINGS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE SECURITIZED PRODUCTS TO FINRA ACCORDING TO THE TIME FRAME SET FORTH IN FINRA RULE 6760(C).

Initiated By: FINRA

Date Initiated: 10/01/2015

Docket/Case Number: [2014042569301](#)

Principal Product Type: Other

Other Product Type(s): SECURITIZED PRODUCTS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/01/2015

Sanctions Ordered: Censure
Monetary/Fine \$16,500.00

**Other Sanctions Ordered:**

Sanction Details: THE FIRM WAS CENSURED AND FIND \$16,500.

Disclosure 43 of 101

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 AND THAT THIS CONDUCT CONSTITUTED A VIOLATION OF SEC RULE 611(C) OF REGULATION NMS.

Initiated By: FINRA

Date Initiated: 09/18/2015

Docket/Case Number: [2013037651901](#)

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: 09/18/2015

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 \$12,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$12,500. FINE PAID IN FULL OCTOBER 14, 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 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 AND THAT THIS CONDUCT CONSTITUTED A VIOLATION OF SEC RULE 611(C) OF REGULATION NMS.
Initiated By:	FINRA
Date Initiated:	09/18/2015
Docket/Case Number:	2013037651901
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/18/2015
Sanctions Ordered:	Censure Monetary/Fine \$12,500.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$12,500.

Disclosure 44 of 101

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 REASONABLY AVOID DISPLAYING AND ENGAGING IN A PATTERN OR PRACTICE OF DISPLAYING QUOTATIONS THAT LOCKED OR CROSSED A PROTECTED QUOTATION. THE FINDINGS STATED THAT THE FIRM 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 ALSO STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN POLICIES AND PROCEDURES THAT WERE REASONABLY DESIGNED TO PREVENT TRADE-THROUGHS OF PROTECTED QUOTATIONS IN NMS STOCKS THAT DO NOT FALL WITHIN ANY APPLICABLE EXCEPTION, AND IF RELYING ON AN EXCEPTION, ARE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH THE TERMS OF THE EXCEPTION. SPECIFICALLY, THE FIRM'S EXCEPTION REPORTS DID NOT CAPTURE ODD-LOT ISOS THAT DID NOT MEET THE DEFINITIONAL REQUIREMENTS SET FORTH IN RULE 600(B)(30) OF REGULATION NMS. THE FIRM VIOLATED SEC RULE 611(C) OF REGULATION NMS AND BATS RULES 11.20, 11.9(D), 3.1 AND 5.1.

Initiated By: BATS Z-EXCHANGE, INC.

Date Initiated: 09/16/2015

Docket/Case Number: 2011025976401

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: 10/14/2015

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 \$32,500.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$32,500, AND REQUIRED TO SUBMIT TO THE FINRA, NO LATER THAN 30 DAYS AFTER THE AWC BECOMES FINAL, INFORMATION ACKNOWLEDGING THAT THE FIRM REVISED ITS WRITTEN SUPERVISORY PROCEDURES TO ADDRESS THE DEFICIENCIES WITH ITS



EXCEPTION REPORTS NOT CAPTURING ODD-LOT INTERMARKET SWEEP ORDERS (ISOS) THAT DID NOT MEET THE DEFINITIONAL REQUIREMENTS SET FORTH IN RULE 600(B)(30) OF REGULATION NMS, AND THE DATE THE REVISED PROCEDURES WERE IMPLEMENTED.

PURSUANT TO BZX RULE 8.8, THE DECISION IN THIS MATTER IS FINAL 20 BUSINESS DAYS AFTER THE ISSUANCE OF THE DECISION. THEREFORE, THE AWC BECAME FINAL OCTOBER 14, 2012.

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 REASONABLY AVOID DISPLAYING AND ENGAGING IN A PATTERN OR PRACTICE OF DISPLAYING QUOTATIONS THAT LOCKED OR CROSSED A PROTECTED QUOTATION. THE FINDINGS STATED THAT THE FIRM 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 ALSO STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN POLICIES AND PROCEDURES THAT WERE REASONABLY DESIGNED TO PREVENT TRADE-THROUGHS OF PROTECTED QUOTATIONS IN NMS STOCKS THAT DO NOT FALL WITHIN ANY APPLICABLE EXCEPTION, AND IF RELYING ON AN EXCEPTION, ARE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH THE TERMS OF THE EXCEPTION. SPECIFICALLY, THE FIRM'S EXCEPTION REPORTS DID NOT CAPTURE ODD-LOT ISOS THAT DID NOT MEET THE DEFINITIONAL REQUIREMENTS SET FORTH IN RULE 600(B)(30) OF REGULATION NMS. THE FIRM VIOLATED SEC RULE 611(C) OF REGULATION NMS AND BATS RULES 11.20, 11.9(D), 3.1 AND 5.1.

Initiated By: BATS Z-EXCHANGE, INC.

Date Initiated: 09/16/2015

Docket/Case Number: 2011025976401

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: 10/14/2015

Sanctions Ordered: Censure
Monetary/Fine \$32,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED, FINED \$32,500, AND REQUIRED TO SUBMIT TO THE FINRA, NO LATER THAN 30 DAYS AFTER THE AWC BECOMES FINAL, INFORMATION ACKNOWLEDGING THAT THE FIRM REVISED ITS WRITTEN SUPERVISORY PROCEDURES TO ADDRESS THE DEFICIENCIES WITH ITS EXCEPTION REPORTS NOT CAPTURING ODD-LOT INTERMARKET SWEEP ORDERS (ISOS) THAT DID NOT MEET THE DEFINITIONAL REQUIREMENTS SET FORTH IN RULE 600(B)(30) OF REGULATION NMS, AND THE DATE THE REVISED PROCEDURES WERE IMPLEMENTED. PURSUANT TO BZX RULE 8.8, THE DECISION IN THIS MATTER IS FINAL 20 BUSINESS DAYS AFTER THE ISSUANCE OF THE DECISION. THEREFORE, THE AWC BECAME FINAL OCTOBER 14, 2015.

Disclosure 45 of 101

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 58 REPORTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. THE FINDINGS STATED THAT SPECIFICALLY, THE FIRM SUBMITTED 37 INACCURATE OR INCOMPLETE SPECIAL HANDLING CODES, DOUBLE-REPORTED 19 REPORTABLE ORDER EVENTS, FAILED TO SUBMIT 15 EXECUTION REPORTS AND ONE ROUTE REPORT, SUBMITTED 15 INACCURATE DESK REPORTS AND ONE INACCURATE COMBINED ORDER/ROUTE REPORT, SUBMITTED 15 INACCURATE ACCOUNT TYPE CODES, SUBMITTED NINE INACCURATE TIMES OF DESK RECEIPT OR ORDER RECEIPT, OMITTED TWO LIMIT PRICES, AND FAILED TO REPORT AN ORDER TO OATS. THE FINDINGS ALSO STATED THAT THE FIRM'S CUSTOMER CONFIRMATIONS WERE INACCURATE OR INCOMPLETE IN THAT THE FIRM FAILED ON 10 OCCASIONS TO DISCLOSE THE CORRECT CAPACITY IN WHICH IT ACTED AND THE CORRECT TYPE OF REMUNERATION, FAILED ON 10 OCCASIONS TO DISCLOSE THE CORRECT CAPACITY IN WHICH IT ACTED, AND FAILED ON FOUR OCCASIONS TO DISCLOSE TO ITS CUSTOMER THAT THE TRANSACTION WAS EXECUTED AT AN AVERAGE PRICE. THE FINDINGS ALSO INCLUDED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION



REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO
FINRA RULE 5310, SUPPLEMENTARY MATERIAL .06.

Initiated By: FINRA

Date Initiated: 08/27/2015

Docket/Case Number: [2012031645101](#)

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: 08/27/2015

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 \$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 SEPTEMBER 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 IT TRANSMITTED 58 REPORTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. SPECIFICALLY, THE FINDINGS STATED THAT, THE FIRM SUBMITTED 37 INACCURATE OR INCOMPLETE SPECIAL HANDLING CODES, DOUBLE-REPORTED 19 REPORTABLE ORDER EVENTS, FAILED TO SUBMIT



15 EXECUTION REPORTS AND ONE ROUTE REPORT, SUBMITTED 15 INACCURATE DESK REPORTS AND ONE INACCURATE COMBINED ORDER/ROUTE REPORT, SUBMITTED 15 INACCURATE ACCOUNT TYPE CODES, SUBMITTED NINE INACCURATE TIMES OF DESK RECEIPT OR ORDER RECEIPT, OMITTED TWO LIMIT PRICES, AND FAILED TO REPORT AN ORDER TO OATS. THE FINDINGS ALSO STATED THAT THE FIRM'S CUSTOMER CONFIRMATIONS WERE INACCURATE OR INCOMPLETE IN THAT THE FIRM FAILED ON 10 OCCASIONS TO DISCLOSE THE CORRECT CAPACITY IN WHICH IT ACTED AND THE CORRECT TYPE OF REMUNERATION, FAILED ON 10 OCCASIONS TO DISCLOSE THE CORRECT CAPACITY IN WHICH IT ACTED, AND FAILED ON FOUR OCCASIONS TO DISCLOSE TO ITS CUSTOMER THAT THE TRANSACTION WAS EXECUTED AT AN AVERAGE PRICE. THE FINDINGS ALSO INCLUDED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO FINRA RULE 5310, SUPPLEMENTARY MATERIAL .06.

Initiated By: FINRA

Date Initiated: 08/27/2015

Docket/Case Number: [2012031645101](#)

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: 08/27/2015

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 46 of 101

Reporting Source: Regulator

Current Status: Final



Allegations: DURING THE REVIEW PERIOD (2/23/2010 - 11/29/2011), BARCLAYS ACCEPTED AND CONSENTED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS THE FINDINGS BY THE ISE OF THE FOLLOWING ACTS AND VIOLATIONS.

DURING THE REVIEW PERIOD, FIRM TRADERS, TRADING ON BEHALF OF THE FIRM, ON MULTIPLE OCCASIONS AND ON MULTIPLE TRADE DATES, ENGAGED IN TRADING WHEREBY THEY EFFECTED PURCHASES OR SALES OF EQUITY SECURITIES IN A FIRM PROPRIETARY ACCOUNT, IMMEDIATELY FOLLOWED BY PURCHASES OR SALES OF OPTIONS OVERLYING THOSE SECURITIES. THESE TRANSACTIONS WERE POTENTIALLY INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE, BECAUSE THEY COULD HAVE DISRUPTED THE MARKET FOR THE EQUITY SECURITIES AND THE OVERLYING EQUITY OPTIONS. DEPENDING ON THE ECONOMIC RATIONALE FOR EFFECTING THE TRANSACTIONS, THESE TRANSACTIONS ALSO COULD HAVE CONSTITUTED A CROSS PRODUCT OR MINI-MANIPULATION.

THE FIRMS OPTIONS TRADES INCLUDED EXECUTIONS ON THE EXCHANGE.

ISE RULE 401 ADDRESSES MEMBERS SUPERVISION OF PERSONS ASSOCIATED WITH MEMBER.

ISE RULE 400 PROHIBITS MEMBERS FROM ENGAGING IN ACTS OR PRACTICES INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE.

DURING THE REVIEW PERIOD, THE FIRM DID NOT HAVE ANY WRITTEN SUPERVISORY PROCEDURES THAT ADDRESSED THE TYPE OF CONDUCT ADDRESSED IN THE SECOND PARAGRAPH.

DURING THE RELEVANT PERIOD, THE FIRM FAILED TO ADEQUATELY SUPERVISE THE FIRMS TRADERS TO ENSURE COMPLIANCE WITH ISE RULE 400.

Initiated By: INTERNATIONAL SECURITIES EXCHANGE

Date Initiated: 05/21/2015

Docket/Case Number: 2010-073

Principal Product Type: Options

Other Product Type(s):

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


Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/09/2015

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 \$125,000.00

Other Sanctions Ordered:
Sanction Details: FIRM FINED \$250,000, WITH \$125,000 PAYABLE TO ISE.

Reporting Source: Firm

Current Status: Final

Allegations: IN CONNECTION WITH THE INTERNATIONAL SECURITIES EXCHANGE, LLC'S (THE "EXCHANGE'S") INVESTIGATION OF EQUITY SECURITIES AND OPTIONS TRADING IN 2010 AND 2011 AND WHETHER CERTAIN TRADES WERE IN VIOLATION OF APPLICABLE SELF-REGULATORY ORGANIZATION RULES AND/OR SECURITIES LAWS, THE FIRM AGREED TO SETTLE THE MATTER, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, AND CONSENTING TO THE IMPOSITION OF A SANCTION THAT INCLUDES A CENSURE AND A TOTAL PAYMENT OF \$250,000 TO THREE LOCAL EXCHANGES, INCLUDING A PAYMENT OF \$125,000 TO THE EXCHANGE. IN SO DOING, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT (1) DURING THE PERIOD OF FEBRUARY 23, 2010 TO NOVEMBER 29, 2011, FIRM TRADERS, TRADING ON BEHALF OF THE FIRM, ON MULTIPLE OCCASIONS AND ON MULTIPLE TRADE DATES, ENGAGED IN TRADING WHEREBY THEY EFFECTED PURCHASES OR SALES OF EQUITY SECURITIES IN A FIRM PROPRIETARY ACCOUNT, IMMEDIATELY FOLLOWED BY PURCHASES OR SALES OF OPTIONS OVERLYING THOSE SECURITIES; (2) THESE TRANSACTIONS WERE POTENTIALLY INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE, BECAUSE THEY COULD HAVE DISRUPTED THE MARKET; AND, (3) DEPENDING ON THE ECONOMIC RATIONALE FOR THE TRANSACTIONS, THESE TRANSACTIONS COULD HAVE CONSTITUTED A CROSS-PRODUCT OR MINI-MANIPULATION. THE FINDINGS STATE THAT THE FIRM DID NOT HAVE ADEQUATE SUPERVISORY



PROCEDURES OR SURVEILLANCE IN PLACE, AND THAT THE FIRM'S ACTIVITY VIOLATED RULES 400 AND 401 OF THE EXCHANGE.

Initiated By: INTERNATIONAL SECURITIES EXCHANGE

Date Initiated: 05/21/2015

Docket/Case Number: 2010-073

Principal Product Type: Options

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/09/2015

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

Other Sanctions Ordered:

Sanction Details: FIRM FINED \$250,000, WITH \$125,000 PAYABLE TO ISE.

Disclosure 47 of 101

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 AS THE RESULT OF ITS FAILURE TO CHANGE THE REPORTING LOGIC IN ITS ORDER MANAGEMENT SYSTEM TO COMPLY WITH FINRA'S REGULATORY NOTICE 09-08, THE FIRM FAILED TO IDENTIFY THE CORRECT EXECUTING PARTY ON APPROXIMATELY 90,000,000 NON-MEDIA CLEARING REPORTS WITH OTHER BROKER-DEALERS THAT WERE REPORTED TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF). 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 THE RULES OF FINRA, CONCERNING ACCURATELY REPORTING THE EXECUTING PARTY.

Initiated By: FINRA



Date Initiated: 07/15/2015

Docket/Case Number: [2012033725601](#)

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: 07/15/2015

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 \$800,000.00

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

Sanction Details: THE FIRM WAS CENSURED, FINED \$800,000 AND UNDERTAKES TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.

FINE PAID IN FULL ON AUGUST 17, 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 AS THE RESULT OF ITS FAILURE TO CHANGE THE REPORTING LOGIC IN ITS ORDER MANAGEMENT SYSTEM TO COMPLY WITH FINRA'S REGULATORY NOTICE 09-08, THE FIRM FAILED TO IDENTIFY THE CORRECT EXECUTING PARTY ON APPROXIMATELY 90,000,000 NON-MEDIA CLEARING REPORTS WITH OTHER BROKER-DEALERS THAT WERE REPORTED TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF). 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 THE RULES OF FINRA, CONCERNING ACCURATELY REPORTING THE EXECUTING PARTY.

Initiated By: FINRA

Date Initiated: 07/15/2015

Docket/Case Number: [2012033725601](#)

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: 07/15/2015

Sanctions Ordered: Censure
Monetary/Fine \$800,000.00

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

Sanction Details: THE FIRM WAS CENSURED, FINED \$800,000 AND UNDERTAKES TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.

Disclosure 48 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: THE BUSINESS CONDUCT COMMITTEE ("COMMITTEE"), PURSUANT TO RULE 960.2(F) OF THE RULES OF THE NASDAQ OMX PHLX, LLC ("EXCHANGE RULES") AND UPON INFORMATION AND BELIEF, HEREBY AUTHORIZES THE ISSUANCE OF THIS STATEMENT OF CHARGES AND ALLEGES: DURING THE RELEVANT PERIOD, TRADERS EMPLOYED BY THE RESPONDENT, TRADING ON BEHALF OF THE RESPONDENT, ON MULTIPLE OCCASIONS AND ON MULTIPLE TRADE DATES, ENGAGED IN TRADING WHEREBY THEY EFFECTED PURCHASES OR SALES OF EQUITY SECURITIES IN A FIRM PROPRIETARY ACCOUNT, IMMEDIATELY FOLLOWED BY PURCHASES OR SALES OF OPTIONS OVERLYING THOSE SECURITIES. THESE TRANSACTIONS WERE POTENTIALLY INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE, BECAUSE THEY COULD HAVE



DISRUPTED THE MARKET FOR THE EQUITY SECURITIES AND THE OVERLYING EQUITY OPTIONS. DEPENDING ON THE ECONOMIC RATIONALE FOR EFFECTING THE TRANSACTIONS, THESE TRANSACTIONS ALSO COULD HAVE CONSTITUTED A CROSS-PRODUCT OR MINI-MANIPULATION. THE FIRM'S OPTION TRADES INCLUDED EXECUTIONS ON THE EXCHANGE. DURING THE RELEVANT PERIOD, RESPONDENT DID NOT HAVE ANY WRITTEN SUPERVISORY PROCEDURES THAT ADDRESSED THE TYPE OF CONDUCT DESCRIBED ABOVE, OR ANY SURVEILLANCE SYSTEM TO DETECT THE ACTIVITY. RESPONDENT FAILED TO ADEQUATELY SUPERVISE THE FIRM'S TRADERS TO ENSURE COMPLIANCE WITH EXCHANGE RULE 707. BY FAILING TO ESTABLISH AND MAINTAIN ADEQUATE SUPERVISORY PROCEDURES, AND A REASONABLE SYSTEM OF FOLLOW-UP AND REVIEW TO ENSURE COMPLIANCE WITH EXCHANGE RULE 707, RESPONDENT VIOLATED EXCHANGE RULES 707 AND 748.

Initiated By: NASDAQ OMX PHLX, INC.

Date Initiated: 06/29/2015

Docket/Case Number: 20100226697

Principal Product Type: Options

Other Product Type(s): EQUITY SECURITIES

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 07/01/2015

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 \$112,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$112,500

Regulator Statement DECISION ISSUED UPON ACCEPTANCE OF OFFER OF SETTLEMENT: THE FIRM MADE AN OFFER OF SETTLEMENT, STIPULATION OF FACTS AND CONSENT TO SANCTIONS ("OFFER"). THE COMMITTEE REVIEWED THE



OFFER AND THE REPORT OF AN EXCHANGE INVESTIGATION CONCERNING THE FACTS UNDERLYING THIS MATTER, MADE A FINDING THAT SAID FACTS DISCLOSED PROBABLE CAUSE THAT RESPONDENT HAD COMMITTED VIOLATIONS WITHIN THE EXCHANGE'S DISCIPLINARY JURISDICTION, AUTHORIZED A STATEMENT OF CHARGES TO BE ISSUED AGAINST RESPONDENT BASED ON SAID FACTS AND VIOLATIONS, AND ACCEPTED THE OFFER. RESPONDENT AGREES THAT THE DECISION TO BE ISSUED HEREIN SHALL BE FINAL. THE COMMITTEE CONCURS IN THE SANCTIONS CONSENTED TO BY RESPONDENT, AND ORDERS THE IMPOSITION OF THE FOLLOWING SANCTIONS: A CENSURE; AND A TOTAL FINE OF \$250,000 DUE TO THE EXCHANGE AND THE TWO OPTIONS EXCHANGES, OF WHICH \$112,500 SHALL BE PAID TO THE EXCHANGE.

-ASSOCIATED CASE NUMBER IS ENFORCEMENT NO 2015-06 -

Reporting Source:	Firm
Current Status:	Final
Allegations:	<p>IN CONNECTION WITH THE NASDAQ OMX PHLX, INC'S (THE "EXCHANGE'S") INVESTIGATION OF EQUITY SECURITIES AND OPTIONS TRADING IN 2010 AND 2011 AND WHETHER CERTAIN TRADES WERE IN VIOLATION OF APPLICABLE SELF-REGULATORY ORGANIZATION RULES AND/OR SECURITIES LAWS, THE FIRM AGREED TO SETTLE THE MATTER, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, AND CONSENTING TO THE IMPOSITION OF A SANCTION THAT INCLUDES A CENSURE AND A TOTAL PAYMENT OF \$250,000 TO THREE LOCAL EXCHANGES, INCLUDING A PAYMENT OF \$112,500 TO THE EXCHANGE. IN SO DOING, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT (1) DURING THE PERIOD OF FEBRUARY 23, 2010 TO NOVEMBER 29, 2011, FIRM TRADERS, TRADING ON BEHALF OF THE FIRM, ON MULTIPLE OCCASIONS AND ON MULTIPLE TRADE DATES, ENGAGED IN TRADING WHEREBY THEY EFFECTED PURCHASES OR SALES OF EQUITY SECURITIES IN A FIRM PROPRIETARY ACCOUNT, IMMEDIATELY FOLLOWED BY PURCHASES OR SALES OF OPTIONS OVERLYING THOSE SECURITIES; (2) THESE TRANSACTIONS WERE POTENTIALLY INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE, BECAUSE THEY COULD HAVE DISRUPTED THE MARKET; AND, (3) DEPENDING ON THE ECONOMIC RATIONALE FOR THE TRANSACTIONS, THESE TRANSACTIONS COULD HAVE CONSTITUTED A CROSS-PRODUCT OR MINI-MANIPULATION. THE FINDINGS STATE THAT THE FIRM DID NOT HAVE ADEQUATE SUPERVISORY PROCEDURES OR SURVEILLANCE IN PLACE, AND THAT THE FIRM'S ACTIVITY VIOLATED RULES 707 AND 748 OF THE EXCHANGE.</p>



Initiated By: NASDAQ OMX PHLX, INC.
Date Initiated: 06/29/2015
Docket/Case Number: 20100226697
Principal Product Type: Options
Other Product Type(s): EQUITY SECURITIES
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought: N/A
Resolution: Decision & Order of Offer of Settlement
Resolution Date: 07/01/2015
Sanctions Ordered: Censure
 Monetary/Fine \$112,500.00
Other Sanctions Ordered:
Sanction Details: THE FIRM WAS CENSURED AND FINED \$112,500

Disclosure 49 of 101

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 S1 CORPORATE DEBT SECURITIES TO TRACE WITHIN THE TIME REQUIRED. THE FINDINGS STATED THAT THE FIRM FAILED TO CAPTURE THE CORRECT TRADE EXECUTION TIME FOR TRANSACTIONS IN TRACE-ELIGIBLE S1 CORPORATE DEBT SECURITIES. AS A RESULT, FOR THESE TRANSACTIONS IN TRACE-ELIGIBLE S1 CORPORATE DEBT SECURITIES, THE FIRM: (I) FAILED TO REPORT TO TRACE THE CORRECT TRADE EXECUTION TIME; (II) FAILED TO REPORT TRANSACTIONS TO TRACE WITHIN THE TIME REQUIRED; AND (III) FAILED TO SHOW THE CORRECT TIME OF EXECUTION ON THE MEMORANDUM OF BROKERAGE ORDERS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REPORT TRANSACTIONS IN TRACE-ELIGIBLE P1 CORPORATE DEBT SECURITIES TO TRACE THAT IT WAS REQUIRED TO REPORT AND FAILED TO REPORT THE CORRECT CONTRA-PARTY'S IDENTIFIER FOR TRANSACTIONS IN TRACE-ELIGIBLE P1 CORPORATE DEBT SECURITIES TO TRACE. THE FINDINGS



ALSO INCLUDED 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 THE RULES OF FINRA, CONCERNING TIMELY AND ACCURATE REPORTING OF TRACE-ELIGIBLE SECURITIES.

Initiated By: FINRA

Date Initiated: 07/09/2015

Docket/Case Number: [2012033830301](#)

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: 07/09/2015

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 \$52,500.00

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

Sanction Details: THE FIRM WAS CENSURED, FINED \$52,500, AND UNDERTAKES TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.
FINE PAID IN FULL ON AUGUST 11, 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 DURING THE FIRST HALF OF 2012, IT FAILED TO REPORT CERTAIN TRANSACTIONS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE S1



CORPORATE DEBT SECURITIES TO TRACE WITHIN THE TIME REQUIRED AND THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF FINRA, CONCERNING TIMELY AND ACCURATE REPORTING OF TRACE-ELIGIBLE SECURITIES. THE FINDINGS ALSO STATED THAT DURING THE THIRD QUARTER OF 2013, THE FIRM FAILED TO CAPTURE THE CORRECT TRADE EXECUTION TIME FOR CERTAIN TRANSACTIONS IN TRACE-ELIGIBLE S1 CORPORATE DEBT SECURITIES AND. AS A RESULT, FOR THESE TRANSACTIONS THE FIRM: (I) FAILED TO REPORT TO TRACE THE CORRECT TRADE EXECUTION TIME; (II) FAILED TO REPORT TRANSACTIONS TO TRACE WITHIN THE TIME REQUIRED; AND (III) FAILED TO SHOW THE CORRECT TIME OF EXECUTION ON THE MEMORANDUM OF BROKERAGE ORDERS. THE FINDINGS ALSO STATED THAT DURING THE FIRST QUARTER OF 2014, THE FIRM FAILED TO REPORT TRANSACTIONS IN TRACE-ELIGIBLE P1 CORPORATE DEBT SECURITIES TO TRACE THAT IT WAS REQUIRED TO REPORT AND FAILED TO REPORT THE CORRECT CONTRA-PARTY'S IDENTIFIER FOR TRANSACTIONS IN TRACE-ELIGIBLE P1 CORPORATE DEBT SECURITIES TO TRACE.

Initiated By: FINRA

Date Initiated: 07/09/2015

Docket/Case Number: [2012033830301](#)

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: 07/09/2015

Sanctions Ordered: Censure
Monetary/Fine \$52,500.00

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

Sanction Details: THE FIRM WAS CENSURED, FINED \$52,500, AND UNDERTAKES TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.



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 FIRM TRADERS, TRADING ON BEHALF OF THE FIRM, ON MULTIPLE OCCASIONS AND ON MULTIPLE TRADE DATES, ENGAGED IN TRADING WHEREBY THEY EFFECTED PURCHASES OR SALES OF EQUITY SECURITIES IN A FIRM PROPRIETARY ACCOUNT, IMMEDIATELY FOLLOWED BY PURCHASES OR SALES OF OPTIONS OVERLYING THOSE SECURITIES. THESE TRANSACTIONS WERE POTENTIALLY INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE, BECAUSE THEY COULD HAVE DISRUPTED THE MARKET FOR THE EQUITY SECURITIES AND THE OVERLYING EQUITY OPTIONS. DEPENDING ON THE ECONOMIC RATIONALE FOR EFFECTING THE TRANSACTIONS, THESE TRANSACTIONS ALSO COULD HAVE CONSTITUTED A CROSS-PRODUCT OR MINI-MANIPULATION. THE FINDINGS STATED THAT THE FIRM DID NOT HAVE ANY WRITTEN SUPERVISORY PROCEDURES (WSPS) THAT ADDRESSED THE TYPE OF CONDUCT DESCRIBED IN THE AWC OR ANY SURVEILLANCE SYSTEM TO DETECT THE ACTIVITY DESCRIBED IN THE AWC. THE FIRM FAILED TO ADEQUATELY SUPERVISE THE FIRM'S TRADERS TO ENSURE COMPLIANCE WITH CHAPTER II, SECTION 14 OF THE GRANDFATHERED RULES OF NASDAQ OMX BX, INC.

Initiated By: NASDAQ OMX BX, INC.

Date Initiated: 07/10/2015

Docket/Case Number: 2011029171801

Principal Product Type: Other

Other Product Type(s): EQUITIES AND OVERLYING OPTIONS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/10/2015



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 \$250,000.00

Other Sanctions Ordered:

Sanction Details:

THE FIRM WAS CENSURED FINED \$250,000, OF WHICH \$12,500 SHALL BE PAYABLE TO NASDAQ OMX BX, INC.

Reporting Source:

Firm

Current Status:

Final

Allegations:

IN CONNECTION WITH THE NASDAQ OMX BX, INC'S (THE "EXCHANGE'S") INVESTIGATION OF EQUITY SECURITIES AND OPTIONS TRADING IN 2010 AND 2011 AND WHETHER CERTAIN TRADES WERE IN VIOLATION OF APPLICABLE SELF-REGULATORY ORGANIZATION RULES, THE FIRM AGREED TO SETTLE THE MATTER, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, AND CONSENTING TO THE IMPOSITION OF A SANCTION THAT INCLUDES A CENSURE AND A TOTAL PAYMENT OF \$250,000 TO THREE LOCAL EXCHANGES, INCLUDING A PAYMENT OF \$12,500 TO THE EXCHANGE. IN SO DOING, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT (1) DURING THE PERIOD OF FEBRUARY 23, 2010 TO NOVEMBER 29, 2011, FIRM TRADERS, TRADING ON BEHALF OF THE FIRM, ON MULTIPLE OCCASIONS AND ON MULTIPLE TRADE DATES, ENGAGED IN TRADING WHEREBY THEY EFFECTED PURCHASES OR SALES OF EQUITY SECURITIES IN A FIRM PROPRIETARY ACCOUNT, IMMEDIATELY FOLLOWED BY PURCHASES OR SALES OF OPTIONS OVERLYING THOSE SECURITIES; (2) THESE TRANSACTIONS WERE POTENTIALLY INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE, BECAUSE THEY COULD HAVE DISRUPTED THE MARKET; AND, (3) DEPENDING ON THE ECONOMIC RATIONALE FOR THE TRANSACTIONS, THESE TRANSACTIONS COULD HAVE CONSTITUTED A CROSS-PRODUCT OR MINI-MANIPULATION. THE FINDINGS STATE THAT THE FIRM DID NOT HAVE ADEQUATE SUPERVISORY PROCEDURES OR SURVEILLANCE IN PLACE, AND THAT THE FIRM'S ACTIVITY VIOLATED CHAPTER V, SECTION 1(B)(IV) OF THE BOX TRADING RULES, AND CHAPTER II, SECTION 14 OF THE GRANDFATHERED RULES OF THE EXCHANGE.

Initiated By:

NASDAQ OMX BX, INC.



Date Initiated: 07/10/2015
Docket/Case Number: 2011029171801
Principal Product Type: Other
Other Product Type(s): EQUITIES AND OVERLYING OPTIONS
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 07/10/2015
Sanctions Ordered: Censure
 Monetary/Fine \$250,000.00
Other Sanctions Ordered:
Sanction Details: THE FIRM WAS CENSURED FINED \$250,000, OF WHICH \$12,500 SHALL BE PAYABLE TO NASDAQ OMX BX, INC.

Disclosure 51 of 101

Reporting Source: Regulator
Current Status: Final
Allegations: BARCLAYS CAPITAL INC. ("BARCLAYS"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$35,000 FOR THE FOLLOWING CONDUCT. BARCLAYS (I) MISMARKED NUMEROUS PRINCIPAL ORDERS WITH AN AGENCY ORDER CAPACITY CODE; (II) MISMARKED NUMEROUS PRINCIPAL ORDERS WITH AN AGENCY ORDER CAPACITY CODE, AND AS A RESULT, BARCLAYS FAILED TO MAINTAIN ACCURATE BOOKS AND RECORDS; AND (III) FAILED TO IMPLEMENT ADEQUATE SUPERVISORY POLICIES AND PROCEDURES RELATED TO ORDER CAPACITY CODE MARKING TO ASSURE COMPLIANCE WITH EXCHANGE RULES AND THE RULES PROMULGATED UNDER THE ACT. (EXCHANGE RULES 4.2 - ADHERENCE TO LAW, 6.51 - REPORTING DUTIES AND 15.1 - MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION, SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-3 - RECORDS TO BE MADE CERTAIN BY EXCHANGE MEMBERS, BROKERS AND DEALERS, THEREUNDER)
Initiated By: CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated: 05/05/2015



Docket/Case Number: 15-0051 / 20150441464

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: 07/16/2015

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

Other Sanctions Ordered:

Sanction Details: A \$30,000 FINE AND A CENSURE.

Reporting Source: Firm

Current Status: Final

Allegations: BARCLAYS AGREED TO FINDINGS THAT BETWEEN JUNE 24, 2009 AND OCTOBER 16, 2009 IT: (I) MISMARKED NUMEROUS PRINCIPAL ORDERS WITH AN AGENCY ORDER CAPACITY CODE; (II) MISMARKED NUMEROUS PRINCIPAL ORDERS WITH AN AGENCY ORDER CAPACITY CODE, AND, AS A RESULT, FAILED TO MAINTAIN ACCURATE BOOKS AND RECORDS; AND (III) FAILED TO IMPLEMENT ADEQUATE SUPERVISORY POLICIES AND PROCEDURES RELATED TO ORDER CAPACITY CODE MARKING TO ASSURE COMPLIANCE WITH EXCHANGE RULES AND THE RULES PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934 ("THE ACT"). (VIOLATIONS OF EXCHANGE RULES 4.2, 6.51 AND 15.1; AND RULE 17A-3 UNDER THE ACT).

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 05/05/2015

Docket/Case Number: 15-0051 / 20150441464

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: 06/29/2015

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$35,000.

Disclosure 52 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: BARCLAYS CAPITAL INC. ("BARCLAYS"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$100,000 FOR THE FOLLOWING CONDUCT: BARCLAYS (I) FAILED TO IMPLEMENT AND MAINTAIN ADEQUATE WRITTEN SUPERVISORY PROCEDURES AND INFORMATION BARRIERS TO RESTRICT THE FLOW OF CUSTOMER SPX ORDER INFORMATION RELATED TO THE VX HOSS OPENING PROCEDURE TO THE FIRM'S FLOW VOLATILITY DESK, WHICH ALSO PLACED SPX ORDERS FOR PARTICIPATION IN THE VX HOSS OPENING PROCEDURE; AND (II) ON BEHALF OF A BARCLAYS CUSTOMER, SUBMITTED AN SPX STRATEGY ORDER AFTER THE 8:15 A.M. CT CUT-OFF TIME FOR THE SUBMISSION OF STRATEGY ORDERS USED TO CALCULATE THE VX SETTLEMENT PRICE. (EXCHANGE RULES 4.2 - ADHERENCE TO LAW, 4.18 - PREVENTION OF THE MISUSE OF MATERIAL, NONPUBLIC INFORMATION AND 6.2B - HYBRID OPENING SYSTEM (HOSS); AND SECTION 15(G) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 12/12/2014

Docket/Case Number: 14-0184 AND 14-0185

Principal Product Type: Options

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:



Resolution: Consent
Resolution Date: 02/12/2015
Sanctions Ordered: Censure
 Monetary/Fine \$100,000.00
Other Sanctions Ordered:
Sanction Details: A \$100,000 FINE AND A CENSURE.

Reporting Source: Firm
Current Status: Final
Allegations: BARCLAYS CAPITAL INC. ("BARCLAYS"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$100,000 FOR THE FOLLOWING CONDUCT: BARCLAYS (I) FAILED TO IMPLEMENT AND MAINTAIN ADEQUATE WRITTEN SUPERVISORY PROCEDURES AND INFORMATION BARRIERS TO RESTRICT THE FLOW OF CUSTOMER SPX ORDER INFORMATION RELATED TO THE VX HOSS OPENING PROCEDURE TO THE FIRM'S FLOW VOLATILITY DESK, WHICH ALSO PLACED SPX ORDERS FOR PARTICIPATION IN THE VX HOSS OPENING PROCEDURE; AND (II) ON BEHALF OF A BARCLAYS CUSTOMER, SUBMITTED AN SPX STRATEGY ORDER AFTER THE 8:15 A.M. CT CUT-OFF TIME FOR THE SUBMISSION OF STRATEGY ORDERS USED TO CALCULATE THE VX SETTLEMENT PRICE. (EXCHANGE RULES 4.2 - ADHERENCE TO LAW, 4.18 - PREVENTION OF THE MISUSE OF MATERIAL, NONPUBLIC INFORMATION AND 6.2B - HYBRID OPENING SYSTEM (HOSS); AND SECTION 15(G) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated: 12/12/2014
Docket/Case Number: 14-0184 AND 14-0185
Principal Product Type: Options
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:

Resolution: Consent
Resolution Date: 02/12/2015



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

Other Sanctions Ordered:

Sanction Details: A \$100,000 FINE AND A CENSURE.

Disclosure 53 of 101

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 OBTAIN AND/OR DOCUMENT REQUIRED FLOOR OFFICIAL (FO) APPROVAL WHEN ACTING AS DEALER TRANSACTING AT \$1.00 OR MORE AWAY FROM THE LAST SALE WHEN SUCH LAST SALE WAS UNDER \$20 OR AT \$2.00 OR MORE AWAY FROM THE LAST SALE WHEN SUCH LAST SALE IS AT \$20 PER SHARE OR OVER. THE FINDINGS STATED THAT THE FIRM FAILED TO OBTAIN AND/OR DOCUMENT REQUIRED PRIOR FO APPROVALS FOR PUBLISHING A MANDATORY INDICATION; FAILED TO PUBLISH MANDATORY INDICATIONS; FAILED TO WAIT THE REQUIRED THREE MINUTES AFTER PUBLISHING A MANDATORY INDICATION BEFORE OPENING SYMBOLS; AND FAILED TO OPEN SYMBOLS WITHIN A PUBLISHED MANDATORY INDICATION. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO DISSEMINATE REQUIRED PRE-OPENING INDICATIONS.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 06/22/2015

Docket/Case Number: 2013038522101

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: 06/22/2015



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 \$7,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$7,500.

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 IT FAILED TO OBTAIN AND/OR DOCUMENT REQUIRED FLOOR OFFICIAL (FO) APPROVAL WHEN ACTING AS DEALER TRANSACTING AT \$1.00 OR MORE AWAY FROM THE LAST SALE WHEN SUCH LAST SALE WAS UNDER \$20 OR AT \$2.00 OR MORE AWAY FROM THE LAST SALE WHEN SUCH LAST SALE IS AT \$20 PER SHARE OR OVER. THE FINDINGS STATED THAT THE FIRM FAILED TO OBTAIN AND/OR DOCUMENT REQUIRED PRIOR FO APPROVALS FOR PUBLISHING A MANDATORY INDICATION; FAILED TO PUBLISH MANDATORY INDICATIONS; FAILED TO WAIT THE REQUIRED THREE MINUTES AFTER PUBLISHING A MANDATORY INDICATION BEFORE OPENING SYMBOLS; AND FAILED TO OPEN SYMBOLS WITHIN A PUBLISHED MANDATORY INDICATION. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO DISSEMINATE REQUIRED PRE-OPENING INDICATIONS.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 06/22/2015

Docket/Case Number: 2013038522101

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: 06/22/2015

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$7,500.

Disclosure 54 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: CFTC RELEASE PR7180-15, MAY 20, 2015: THE COMMODITY FUTURES TRADING COMMISSION HAS REASON TO BELIEVE THAT BARCLAYS PLC, BARCLAYS BANK PLC, AND THE RESPONDENT FIRM BARCLAYS CAPITAL INC. - (COLLECTIVELY, "RESPONDENTS," "BARCLAYS," OR THE "BANK") - HAVE VIOLATED THE COMMODITY EXCHANGE ACT (THE "ACT" OR "CEA") AND COMMISSION REGULATIONS ("REGULATIONS"). THEREFORE, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED TO DETERMINE WHETHER RESPONDENTS ENGAGED IN THE VIOLATIONS SET FORTH HEREIN, AND TO DETERMINE WHETHER ANY ORDER SHALL BE ISSUED IMPOSING REMEDIAL SANCTIONS. BEGINNING AT LEAST AS EARLY AS JANUARY 2007 AND CONTINUING THROUGH JUNE 2012 (THE "RELEVANT PERIOD"), BARCLAYS, BY AND THROUGH CERTAIN OF ITS TRADERS IN NEW YORK, AT TIMES 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 THE BANK'S DERIVATIVES POSITIONS. DURING THE 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" OR "PRINT" - AS IT WAS REFERRED TO BY TRADERS AND BROKERS - AS REFERENCES TO A PANEL OF BANKS. THE BANKS THEN MADE SUBMISSIONS TO SWAPS BROKER. EACH BANK'S SUBMISSION WAS SUPPOSED TO REFLECT THE MIDPOINT OF WHERE THAT DEALER WOULD ITSELF OFFER AND BID A SWAP TO A DEALER OF GOOD CREDIT AS OF 11:00 A.M. EASTERN TIME. MOST BANKS ON THE PANEL, INCLUDING BARCLAYS, 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. A BARCLAYS INTEREST RATE OPTIONS TRADER ("OPTIONS TRADER 1") ONCE REFERRED IN AN EMAIL TO THE RISK THAT "SOMETIMES ISDAFIX IS MANIPULATED," AND IN FACT, BARCLAYS, THROUGH OPTIONS TRADER 1 AND OTHERS AT THE BANK, ON MANY OCCASIONS DURING THE RELEVANT PERIOD ATTEMPTED TO MANIPULATE USD ISDAFIX RATES THROUGH ITS TRADING AT THE 11:00 A.M. FIXING AND BY MAKING SUBMISSIONS TO SWAPS BROKER THAT WERE SKEWED TO BENEFIT DERIVATIVES POSITIONS HELD BY BARCLAYS. BARCLAYS' UNLAWFUL CONDUCT INVOLVED MULTIPLE TRADERS, INCLUDING CERTAIN DESK HEADS DURING THE RELEVANT PERIOD.

Initiated By: COMMODITY FUTURES TRADING COMMISSION

Date Initiated: 05/20/2015

Docket/Case Number: 15-25

Principal Product Type: Other

Other Product Type(s): BANK'S DERIVATIVES POSITIONS

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Order

Resolution Date: 05/20/2015

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 \$115,000,000.00
Disgorgement/Restitution

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: RESPONDENT SHALL 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 COMMISSION REGULATIONS 180.1(A) AND 180.2, 17 C.F.R. 180.1(A), 180.2 (2014), SHALL PAY A CIVIL MONETARY PENALTY OF \$115,000,000, AND COMPLY WITH THE UNDERTAKINGS SET FORTH IN THE OFFER.

Regulator Statement IN ANTICIPATION OF THE INSTITUTION OF AN ADMINISTRATIVE



PROCEEDING, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT ("OFFER"), WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. WITHOUT ADMITTING OR DENYING THE FINDINGS OR CONCLUSIONS HEREIN, RESPONDENT CONSENT TO THE ENTRY AND ACKNOWLEDGE SERVICE OF THIS ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTIONS 6(C) AND 6(D) OF THE COMMODITY EXCHANGE ACT, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS. ACCORDINGLY, IT IS HEREBY ORDERED THAT: RESPONDENT SHALL 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 COMMISSION REGULATIONS 180.1(A) AND 180.2, 17 C.F.R. 180.1(A), 180.2 (2014). RESPONDENT SHALL PAY A CIVIL MONETARY PENALTY OF ONE HUNDRED FIFTEEN MILLION U.S. DOLLARS (\$115,000,000), WITHIN TEN (10) DAYS OF THE DATE OF ENTRY OF THIS ORDER. RESPONDENT AND ITS SUCCESSOR AND ASSIGN SHALL COMPLY WITH THE UNDERTAKINGS SET FORTH IN THE OFFER.

IN ACCEPTING RESPONDENTS' OFFER, THE COMMISSION RECOGNIZES BARCLAYS' SIGNIFICANT COOPERATION DURING THE INVESTIGATION OF THIS MATTER BY THE CFTC'S DIVISION OF ENFORCEMENT. THE COMMISSION ALSO NOTES THAT THE CIVIL MONETARY PENALTY IMPOSED ON BARCLAYS REFLECTS BARCLAYS' EARLY RESOLUTION OF THIS MATTER.

Reporting Source: Firm

Current Status: Final

Allegations: BEGINNING AT LEAST AS EARLY AS JANUARY 2007 AND CONTINUING THROUGH JUNE 2012 (THE "RELEVANT PERIOD"), BARCLAYS, BY AND THROUGH CERTAIN OF ITS TRADERS IN NEW YORK, AT TIMES ALLEGEDLY 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 THE BANK'S DERIVATIVES POSITIONS.

Initiated By: COMMODITY FUTURES TRADING COMMISSION

Date Initiated: 05/20/2015

Docket/Case Number: CFTC DOCKET NO. 15 - 25

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief: Other



Sought:	
Other Sanction(s)/Relief Sought:	OFFER OF SETTLEMENT
Resolution:	Order
Resolution Date:	05/20/2015
Sanctions Ordered:	Monetary/Fine \$115,000,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	THE ORDER REQUIRED BARCLAYS TO PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$115 MILLION.
Firm Statement	BARCLAYS WAS REQUIRED TO PAY A CIVIL MONETARY PENALTY AND CONTINUE TO IMPLEMENT AND IMPROVE ITS INTERNAL CONTROLS AND PROCEDURES IN A MANNER REASONABLY DESIGNED TO ENSURE THE INTEGRITY OF THE FIXING OF ANY INTEREST-RATE SWAP BENCHMARK, INCLUDING MEASURES TO IDENTIFY AND ADDRESS INTERNAL OR EXTERNAL CONFLICTS OF INTEREST.

Disclosure 55 of 101

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 ACCURATELY REPORT THE CORRECT TIME OF TRADE TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS) IN MATCHED INTER-DEALER TRANSACTIONS AND CUSTOMER TRANSACTIONS EFFECTED IN MUNICIPAL SECURITIES. THE FINDINGS STATED THAT THE FIRM FAILED TO REPORT INFORMATION REGARDING INTER-DEALER AND CUSTOMER TRANSACTIONS IN MUNICIPAL SECURITIES TO THE RTRS WITHIN 15 MINUTES OF TIME OF TRADE TO AN RTRS PORTAL. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REPORT THE CORRECT CAPACITY IN WHICH IT ACTED TO RTRS IN REPORTS OF DEALER TRANSACTIONS IN MUNICIPAL SECURITIES. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO DOCUMENT THE CORRECT TIME OF EXECUTION IN TRADE MEMORANDUM OF TRANSACTIONS IN MUNICIPAL SECURITIES.
Initiated By:	FINRA
Date Initiated:	05/12/2015
Docket/Case Number:	2013038781101



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: 05/12/2015

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 \$35,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$35,000.
FINE PAID IN FULL ON JUNE 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, WITH REGARD TO REPORTING CERTAIN INTER-DEALER TRANSACTIONS AND CUSTOMER TRANSACTIONS IN MUNICIPAL SECURITIES TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS), IT FAILED TO REPORT THE CORRECT TIME OF TRADE AND FAILED TO REPORT INFORMATION WITHIN 15 MINUTES OF THE TIME OF TRADE. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REPORT THE CORRECT CAPACITY IN WHICH IT ACTED IN REPORTS OF CERTAIN DEALER TRANSACTIONS IN MUNICIPAL SECURITIES,AND FAILED TO DOCUMENT THE CORRECT TIME OF EXECUTION IN TRADE MEMORANDUM OF CERTAIN TRANSACTIONS IN MUNICIPAL SECURITIES.

Initiated By: FINRA

Date Initiated: 05/12/2015

Docket/Case Number: [2013038781101](#)



Principal Product Type: Other

Other Product Type(s): DEBT - MUNICIPAL

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/12/2015

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$35,000.

Disclosure 56 of 101

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 AN INACCURATE SHORT INTEREST POSITION REPORT TO FINRA AND FAILED TO REPORT TO FINRA ITS SHORT INTEREST POSITIONS IN 835 POSITIONS TOTALING 87,562,328 SHARES. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES, TO ENSURE AN ADEQUATE REVIEW OF THE FIRM'S SHORT INTEREST POSITIONS.

Initiated By: FINRA

Date Initiated: 01/08/2015

Docket/Case Number: [2011030505401](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/08/2015

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 \$155,000.00

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

Sanction Details: THE FIRM WAS CENSURED, FINED \$155,000 AND UNDERTAKES TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.

FINE PAID IN FULL ON FEBRUARY 5, 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 ON 48 SETTLEMENT DATES IT SUBMITTED AN INACCURATE SHORT INTEREST POSITION REPORT TO FINRA AND DURING THE REVIEW PERIOD FAILED TO REPORT TO FINRA ITS SHORT INTEREST POSITIONS IN 835 POSITIONS TOTALING 87,562,328 SHARES. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES, TO ENSURE AN ADEQUATE REVIEW OF THE FIRM'S SHORT INTEREST POSITIONS.

Initiated By: FINRA

Date Initiated: 01/08/2015

Docket/Case Number: [2011030505401](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:


Other Sanction(s)/Relief Sought:

Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	01/08/2015
Sanctions Ordered:	Censure Monetary/Fine \$155,000.00
Other Sanctions Ordered:	UNDERTAKING: REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES
Sanction Details:	THE FIRM WAS CENSURED, FINED \$155,000 AND UNDERTAKES TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.

Disclosure 57 of 101

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 TO WIN INVESTMENT BANKING BUSINESS FROM A COMPANY, BARCLAYS' EQUITY RESEARCH ANALYST PARTICIPATED IN THE FIRM'S SOLICITATION EFFORTS OF THE COMPANY'S PLANNED INITIAL PUBLIC OFFERING (IPO). THE FINDINGS STATED THAT THE COMPANY AND ITS PRIVATE EQUITY OWNERS INVITED BARCLAYS AND OTHER BROKER-DEALERS TO COMPETE FOR A ROLE IN THE COMPANY'S IPO. BARCLAYS ALLOWED ITS RESEARCH ANALYST TO PRESENT HIS VIEWS ON THE COMPANY TO ITS MANAGEMENT AND PRIVATE EQUITY OWNERS. BEFORE THE COMPANY AWARDED ITS IPO BUSINESS, IT ASKED THE EQUITY RESEARCH ANALYSTS FROM THE FIRMS COMPETING FOR THE BUSINESS TO MAKE PRESENTATIONS TO THE COMPANY'S MANAGEMENT AND PRIVATE EQUITY OWNERS. THE COMPANY PROVIDED SPECIFIC TOPICS FOR THE ANALYSTS TO ADDRESS AND PUT THE FIRMS ON NOTICE THAT, AS PART OF THE UNDERWRITER-SELECTION PROCESS, IT WOULD CONSIDER EACH ANALYST'S VIEWS OF THE COMPANY AND WHETHER THE ANALYST'S VALUATION WAS CONSISTENT WITH THE FIRM'S INVESTMENT BANKERS' VALUATION. BARCLAYS' RESEARCH ANALYST PRESENTED TO THE COMPANY AND ITS PRIVATE EQUITY OWNERS THEREBY PARTICIPATING IN THE FIRM'S EFFORTS TO SOLICIT INVESTMENT BANKING BUSINESS FROM THE COMPANY. THE FINDINGS ALSO STATED THAT BARCLAYS OFFERED FAVORABLE RESEARCH TO INDUCE THE COMPANY TO AWARD THE FIRM ITS INVESTMENT BANKING BUSINESS. THE FIRM'S ANALYST'S PRESENTATION TO THE COMPANY AND THE PRIVATE EQUITY OWNERS SUPPORTED THE FIRM'S INVESTMENT BANKING PITCH AND OFFERED A POSITIVE</p>



EVALUATION OF THE COMPANY. MOREOVER, FOLLOWING THE ANALYST'S PRESENTATION, THE COMPANY ASKED BARCLAYS TO COMPLETE A TEMPLATE SHOWING AN "EQUITY COMMITMENT COMMITTEE APPROV[ED]" VALUATION OF THE COMPANY, WHICH WOULD INCLUDE THE ANALYST'S VIEWS ON THE COMPANY'S VALUATION. THE COMPANY AND ITS PRIVATE EQUITY OWNERS ASKED THE FIRMS TO COMPLETE THE TEMPLATE AND PROVIDE A FIRM-WIDE VALUATION THAT THE FIRM, INCLUDING ITS ANALYST, WOULD BE EXPECTED TO SUPPORT AFTER THE COMPANY AWARDED ITS IPO BUSINESS, ABSENT UNEXPECTED DEVELOPMENTS. INDEED, THE COMPANY TOLD SOME FIRMS, INCLUDING BARCLAYS, THAT THE PURPOSE OF THE TEMPLATE WAS TO PREVENT THE COMPANY FROM BEING "BURNED" BY AN ANALYST'S DECISION TO ADOPT A NEGATIVE VIEW OF THE COMPANY AFTER IT HAD AWARDED ITS INVESTMENT BANKING BUSINESS TO THE ANALYST'S FIRM. BARCLAYS COMPLIED WITH THE COMPANY'S REQUEST. THE FINDINGS ALSO INCLUDED THAT BARCLAYS FAILED TO ADOPT AND IMPLEMENT ADEQUATE WRITTEN SUPERVISORY PROCEDURES GOVERNING ANALYST INVOLVEMENT IN INVESTMENT BANKING SOLICITATIONS AND OFFERS OF FAVORABLE RESEARCH COVERAGE. SUPERVISORY PERSONNEL AT BARCLAYS WERE AWARE THAT THE COMPANY HAD ASKED THE FIRM'S RESEARCH ANALYST TO MAKE A PRESENTATION TO THE COMPANY THAT WAS NOT PART OF THE ANALYST'S DUE DILIGENCE, THAT THE COMPANY WOULD TAKE THE PRESENTATION INTO ACCOUNT WHEN AWARDED THE UNDERWRITING MANDATE IN ITS IPO, THAT THE PRESENTATION WOULD INCLUDE THE ANALYST'S FAVORABLE VIEWS OF THE COMPANY, AND THAT THE COMPANY WANTED A FINAL VALUATION THAT THE ENTIRE FIRM, INCLUDING ITS ANALYST, WOULD SUPPORT IF SELECTED AS AN UNDERWRITER. NEVERTHELESS, THE FIRM'S SUPERVISORY PERSONNEL ALLOWED THE ANALYST TO MAKE THE PRESENTATION.

Initiated By: FINRA

Date Initiated: 12/11/2014

Docket/Case Number: [2013037819801](#)

Principal Product Type: Other

Other Product Type(s): INITIAL PUBLIC OFFERING

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/11/2014



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 \$5,000,000.00

Other Sanctions Ordered:

Sanction Details:

THE FIRM IS CENSURED AND FINED \$5,000,000. FINE PAID IN FULL ON DECEMBER 23, 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 TO WIN INVESTMENT BANKING BUSINESS FROM A COMPANY, BARCLAYS' EQUITY RESEARCH ANALYST PARTICIPATED IN THE FIRM'S EFFORTS TO SOLICIT INVESTMENT BANKING BUSINESS FROM THE COMPANY IN CONNECTION WITH ITS PLANNED INITIAL PUBLIC OFFERING (IPO). THE FINDINGS STATED THAT THE COMPANY AND ITS PRIVATE EQUITY OWNERS INVITED BARCLAYS AND OTHER BROKER-DEALERS TO COMPETE FOR A ROLE IN THE COMPANY'S IPO. BEFORE THE COMPANY AWARDED ITS IPO BUSINESS, IT ASKED THE EQUITY RESEARCH ANALYSTS FROM THE FIRMS COMPETING FOR THE BUSINESS TO MAKE PRESENTATIONS TO THE COMPANY'S MANAGEMENT AND PRIVATE EQUITY OWNERS. THE COMPANY PROVIDED SPECIFIC TOPICS FOR THE ANALYSTS TO ADDRESS AND PUT THE FIRMS ON NOTICE THAT, AS PART OF THE UNDERWRITER-SELECTION PROCESS, IT WOULD CONSIDER EACH ANALYST'S VIEWS OF THE COMPANY AND WHETHER THE ANALYST'S VALUATION WAS CONSISTENT WITH THE FIRM'S INVESTMENT BANKERS' VALUATION. BARCLAYS' RESEARCH ANALYST PRESENTED TO THE COMPANY AND ITS PRIVATE EQUITY OWNERS THEREBY PARTICIPATING IN THE FIRM'S EFFORTS TO SOLICIT INVESTMENT BANKING BUSINESS FROM THE COMPANY. THE FINDINGS ALSO STATED THAT BARCLAYS OFFERED FAVORABLE RESEARCH TO INDUCE THE COMPANY TO AWARD THE FIRM ITS INVESTMENT BANKING BUSINESS BECAUSE THE ANALYST'S PRESENTATION TO THE COMPANY AND THE PRIVATE EQUITY OWNERS OFFERED A POSITIVE EVALUATION OF THE COMPANY. FOLLOWING THE ANALYST'S PRESENTATION, THE COMPANY ASKED BARCLAYS TO COMPLETE A TEMPLATE SHOWING AN "EQUITY COMMITMENT COMMITTEE APPROV[ED]" VALUATION OF THE COMPANY, WHICH WOULD PROVIDE A



FIRM-WIDE VALUATION THAT THE FIRM, INCLUDING ITS ANALYST, WOULD BE EXPECTED TO SUPPORT AFTER THE COMPANY AWARDED ITS IPO BUSINESS, ABSENT UNEXPECTED DEVELOPMENTS. THE COMPANY TOLD SOME FIRMS, INCLUDING BARCLAYS, THAT THE PURPOSE OF THE TEMPLATE WAS TO PREVENT THE COMPANY FROM BEING "BURNED" BY AN ANALYST'S DECISION TO ADOPT A NEGATIVE VIEW OF THE COMPANY AFTER IT HAD AWARDED ITS INVESTMENT BANKING BUSINESS TO THE ANALYST'S FIRM. BARCLAYS PROVIDED THE REQUESTED TEMPLATE. THE FINDINGS ALSO INCLUDED THAT BARCLAYS FAILED TO ADOPT AND IMPLEMENT ADEQUATE WRITTEN SUPERVISORY PROCEDURES GOVERNING ANALYST INVOLVEMENT IN INVESTMENT BANKING SOLICITATIONS AND OFFERS OF FAVORABLE RESEARCH COVERAGE BECAUSE BARCLAYS WAS AWARE THAT THE COMPANY HAD ASKED THE FIRM'S RESEARCH ANALYST TO MAKE A PRESENTATION TO THE COMPANY THAT WAS NOT PART OF THE ANALYST'S DUE DILIGENCE AND THAT THE COMPANY WOULD TAKE THE PRESENTATION INTO ACCOUNT WHEN AWARDED THE UNDERWRITING MANDATE IN ITS IPO. NEVERTHELESS, THE ANALYST WAS ALLOWED TO MAKE THE PRESENTATION.

Initiated By: FINRA

Date Initiated: 12/11/2014

Docket/Case Number: [2013037819801](#)

Principal Product Type: Other

Other Product Type(s): INITIAL PUBLIC OFFERING

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/11/2014

Sanctions Ordered: Censure
Monetary/Fine \$5,000,000.00

Other Sanctions Ordered:

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

Disclosure 58 of 101

Reporting Source: Firm



Current Status: Final

Allegations: CME ALLEGED ON ONE OR MORE OCCASIONS FROM 2010 THROUGH 2013 BCI FAILED TO PROPERLY REGISTER TAG 50 USER IDS AND ALLOWED ORDERS TO BE ENTERED ON GLOBEX USING INCORRECT TAG 50 USER IDS IN VIOLATION OF CME RULE 576.

Initiated By: CHICAGO MERCANTILE EXCHANGE

Date Initiated: 10/30/2014

Docket/Case Number: CME 12-9000-BC

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 10/30/2014

Sanctions Ordered: Monetary/Fine \$5,250.00

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 FINED \$5,250.00

Disclosure 59 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: BARCLAYS CAPITAL INC. ("BARCLAYS"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$5,000 FOR THE FOLLOWING CONDUCT. BARCLAYS, ON NUMEROUS OCCASIONS, FAILED TO GRANT PRIORITY TO THE HIGHEST BID AND/OR LOWEST OFFER WHEN SUCH BID OR OFFER WAS AVAILABLE. IN ACCEPTING THIS LETTER OF CONSENT, THE BUSINESS CONDUCT COMMITTEE CONSIDERED AMONG OTHER THINGS, THE TOTAL NUMBER OF EXCEPTIONS INVOLVED IN THE CONDUCT DESCRIBED ABOVE. (EXCHANGE RULE 6.45A - PRIORITY AND ALLOCATION OF EQUITY OPTION TRADES ON THE CBOE HYBRID SYSTEM)



Initiated By: CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated: 10/16/2014
Docket/Case Number: 14-0046
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: 11/05/2014
Sanctions Ordered: Censure
 Monetary/Fine \$5,000.00
Other Sanctions Ordered:
Sanction Details: A \$5,000 FINE AND A CENSURE.

Reporting Source: Firm
Current Status: Final
Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT DURING APPROXIMATE TIME PERIOD OF JANUARY 2009 THROUGH APRIL 2012, ON NUMEROUS OCCASIONS, IT FAILED TO GRANT PRIORITY TO THE HIGHEST BID AND/OR LOWEST OFFER WHEN SUCH BID OR OFFER WAS AVAILABLE.

Initiated By: CBOE
Date Initiated: 11/05/2014
Docket/Case Number: 14-0046
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought:



Other Sanction(s)/Relief Sought:

Resolution: Consent
Resolution Date: 11/05/2014
Sanctions Ordered: Censure
 Monetary/Fine \$5,000.00

Other Sanctions Ordered:

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

Disclosure 60 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: SEC ADMIN RELEASE 34-73183, IA RELEASE 40-3929 / SEPTEMBER 23, 2014: THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND SECTIONS 203(E) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 AGAINST BARCLAYS CAPITAL INC. ("BCI" OR "RESPONDENT"). IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER") WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. THIS MATTER CONCERNS VIOLATIONS OF THE ADVISERS ACT BY BCI, ARISING FROM SYSTEMIC FAILURES AT BCI AFTER IT ACQUIRED A COMPANY'S ADVISORY BUSINESS IN SEPTEMBER 2008. WHEN BCI ATTEMPTED TO INTEGRATE THIS ADVISORY BUSINESS INTO ITS EXISTING BUSINESS, IT DID NOT TAKE THE NECESSARY STEPS TO ASSURE THAT ITS INFRASTRUCTURE WAS ENHANCED TO SUPPORT THE NEWLY ACQUIRED ADVISORY BUSINESS, IT FAILED TO ADOPT AND IMPLEMENT WRITTEN POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT VIOLATIONS OF THE ADVISERS ACT, AND IT FAILED TO MAKE AND KEEP CERTAIN REQUIRED BOOKS AND RECORDS.



THESE DEFICIENCIES CONTRIBUTED TO OTHER VIOLATIONS. SPECIFICALLY, BCI EXECUTED MORE THAN 1,500 PRINCIPAL TRANSACTIONS WITH ITS ADVISORY CLIENT ACCOUNTS WITHOUT MAKING THE REQUIRED WRITTEN DISCLOSURES OR OBTAINING CLIENT CONSENT. ADDITIONALLY, FOR 2,785 ADVISORY CLIENT ACCOUNTS, BCI CHARGED COMMISSIONS AND FEES, AND EARNED REVENUES, THAT WERE INCONSISTENT WITH ITS DISCLOSURE TO CLIENTS. BCI ALSO VIOLATED CERTAIN OF THE CUSTODY PROVISIONS (THE CUSTODY RULE) OF THE ADVISERS ACT, BECAUSE IT DID NOT HAVE AN ADEQUATE PROCEDURE FOR IDENTIFYING AND EXTRACTING CERTAIN CLIENT INFORMATION FROM ITS SYSTEMS, ITS WEALTH MANAGEMENT INVESTMENT ADVISORY BUSINESS DID NOT IDENTIFY MORE THAN 800 OF ITS ADVISORY ACCOUNTS TO THE INDEPENDENT PUBLIC ACCOUNTANT THAT PERFORMED BCI'S 2010 ANNUAL SURPRISE EXAMINATION; AND BCI UNDERREPORTED ITS ASSETS UNDER MANAGEMENT ("AUM") ON ITS MARCH 31, 2011 AMENDMENT TO ITS FORM ADV BY \$754 MILLION. BCI'S VIOLATIONS RESULTED IN OVERCHARGES AND CLIENT LOSSES APPROXIMATING \$472,000, AND ADDITIONAL REVENUE TO BCI OF MORE THAN \$3.1 MILLION. AS A RESULT OF THE CONDUCT DESCRIBED ABOVE, BCI WILLFULLY VIOLATED SECTION 204(A) OF THE ADVISERS ACT AND RULES 204-2(A)(8) AND (A)(15) THEREUNDER, SECTION 206(2) OF THE ADVISERS ACT, SECTION 206(3) OF THE ADVISERS ACT, SECTION 206(4) OF THE ADVISERS ACT AND RULE 206(4)-2 THEREUNDER, SECTION 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 THEREUNDER, AND SECTION 207 OF THE ADVISERS ACT.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 09/23/2014

Docket/Case Number: 3-16154

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: 09/23/2014



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 \$15,000,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

UNDERTAKINGS

Sanction Details:

RESPONDENT BCI CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 204(A), 206(2), 206(3), 206(4), AND 207 OF THE ADVISERS ACT AND RULES 204-2, 206(4)-2 AND 206(4)-7 THEREUNDER. RESPONDENT BCI IS CENSURED. RESPONDENT BCI SHALL, WITHIN TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$15,000,000. RESPONDENT BCI SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THIS ORDER.

RESPONDENT WILLFULLY VIOLATED SECTION 204(A) OF THE ADVISERS ACT AND RULES 204-2(A)(8) AND (A)(15) THEREUNDER, SECTION 206(2) OF THE ADVISERS ACT, SECTION 206(3) OF THE ADVISERS ACT, SECTION 206(4) OF THE ADVISERS ACT AND RULE 206(4)-2 THEREUNDER, SECTION 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 THEREUNDER, AND SECTION 207 OF THE ADVISERS ACT.

Reporting Source:

Firm

Current Status:

Final

Allegations:

ON SEPTEMBER 23, 2014, BARCLAYS CAPITAL INC. ("BCI") ENTERED INTO A SETTLEMENT WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") RESULTING IN THE SEC ISSUING AN ORDER. BCI CONSENTED TO THE ENTRY OF THE ORDER THAT FINDS THAT BCI WILLFULLY VIOLATED THE ADVISERS ACT SECTIONS 204(A), 206(2), 206(3), 206(4) AND 207 AND RULES 204-2, 206(4)-2 AND 206(4)-7 THEREUNDER ARISING AS A RESULT OF BCI'S SYSTEMIC FAILURES AFTER IT ACQUIRED LEHMAN BROTHERS INC.'S ADVISORY BUSINESS IN SEPTEMBER 2008. THE ORDER FINDS THAT WHEN BCI INTEGRATED THIS ADVISORY BUSINESS INTO ITS EXISTING BUSINESS, IT DID NOT ENHANCE ITS INFRASTRUCTURE TO SUPPORT THE NEW BUSINESS, DID NOT ADOPT AND IMPLEMENT WRITTEN POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT VIOLATIONS OF THE ADVISERS ACT, AND DID NOT MAKE AND KEEP CERTAIN BOOKS AND RECORDS.



THE ORDER ALSO FINDS THESE DEFICIENCIES CONTRIBUTED TO OTHER VIOLATIONS - SPECIFICALLY, THAT BCI:
 1)EXECUTED MORE THAN 1,500 PRINCIPAL TRANSACTIONS WITH ITS ADVISORY CLIENT ACCOUNTS WITHOUT REQUIRED WRITTEN DISCLOSURES OR CLIENT CONSENT
 2)CHARGED COMMISSIONS AND FEES, AND EARNED REVENUES, THAT WERE INCONSISTENT WITH ITS DISCLOSURES TO 2,785 ADVISORY CLIENT ACCOUNTS
 3)VIOLATED CUSTODY PROVISIONS OF THE ADVISERS ACT AND
 4)UNDERREPORTED ITS ASSETS UNDER MANAGEMENT IN ITS MARCH 31, 2011 AMENDMENT TO ITS FORM ADV BY \$754 MILLION.

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 09/23/2014

Docket/Case Number: ADMINISTRATIVE PROCEEDING FILE NO. 3-16154

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CENSURE, CIVIL AND ADMINISTRATIVE PENALTY(IES)/FINE(S), UNDERTAKINGS

Resolution: Settled

Resolution Date: 09/23/2014

Sanctions Ordered: Censure
 Monetary/Fine \$15,000,000.00
 Cease and Desist/Injunction

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: THE ORDER REQUIRES BCI TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF ADVISERS ACT SECTIONS 204(A), 206(2), 206(3), 206(4) AND 207 AND RULES 204-2, 206(4)-2 AND 206(4)-7; CENSURES BCI; AND REQUIRES BCI TO PAY A CIVIL MONETARY PENALTY OF \$15,000,000, WHICH BCI PAID ON SEPTEMBER 23, 2014. BCI MUST ALSO COMPLY WITH CERTAIN UNDERTAKINGS, INCLUDING RETAINING AN INDEPENDENT COMPLIANCE CONSULTANT, NOTIFY EXISTING AND PROSPECTIVE CLIENTS OF THE ORDER, AND KEEP RECORDS OF BCI'S COMPLIANCE WITH THE UNDERTAKINGS.

Firm Statement SOLELY FOR THE PURPOSE OF SETTLING THESE PROCEEDINGS, BCI CONSENTED TO THE ORDER WITHOUT ADMITTING OR DENYING THE



MATTERS IN IT (EXCEPT THE SEC'S JURISDICTION). THE ALLEGATIONS, DISPOSITIONS, FINDINGS AND SANCTIONS OF THE ORDER ARE DESCRIBED ABOVE IN ITEMS 7 AND 12.

Disclosure 61 of 101

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 THE CORRECT TIME OF TRADE IN REPORTS OF TRANSACTIONS IN MUNICIPAL SECURITIES TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS). THE FINDINGS STATED THAT THE FIRM FAILED TO REPORT INFORMATION REGARDING PURCHASE AND SALE TRANSACTIONS EFFECTED IN MUNICIPAL SECURITIES TO THE RTRS IN THE MANNER PRESCRIBED BY MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) RULE G-14 RTRS PROCEDURES AND THE RTRS USER MANUAL. SPECIFICALLY, THE FIRM FAILED TO REPORT INFORMATION ABOUT SUCH TRANSACTIONS WITHIN 15 MINUTES AFTER THE TIME OF TRADE TO AN RTRS PORTAL.
Initiated By:	FINRA
Date Initiated:	09/17/2014
Docket/Case Number:	2013035856601
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:	09/17/2014
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 \$15,000.00

Other Sanctions Ordered:

Sanction Details: SEE ABOVE-
FINE PAID IN FULL ON OCTOBER 10, 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 IT FAILED TO REPORT THE CORRECT TIME OF TRADE IN REPORTS OF TRANSACTIONS IN MUNICIPAL SECURITIES TO THE REALTIME TRANSACTION REPORTING SYSTEM (RTRS) AND FAILED TO REPORT INFORMATION REGARDING PURCHASE AND SALE TRANSACTIONS EFFECTED IN MUNICIPAL SECURITIES TO THE RTRS WITHIN 15 MINUTES AFTER THE TIME OF TRADE TO AN RTRS PORTAL AS PRESCRIBED BY MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) RULE G-14 RTRS PROCEDURES AND THE RTRS USER MANUAL.

Initiated By: FINRA

Date Initiated: 09/17/2014

Docket/Case Number: [2013035856601](#)

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: 09/17/2014

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

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 \$15,000.00.



Disclosure 62 of 101

Reporting Source:	Regulator
Current Status:	Final
Allegations:	ON 8/16/2013 BARCLAYS RECEIVED 2 ORDERS FROM THE SAME CUSTOMER, ONE TO PURCHASE 2000 SRPT 8/13 30 PUTS AT \$.05, THE OTHER TO PURCHASE 200 SRPT 9/13 30 PUTS AT \$1. AT 9:33:20 BCA FACILITATED IN THEIR PROP ACCOUNT THE 1ST ORDER. PRIOR TO EXPOSING THE SECOND ORDER, BCA PURCHASED FOR ITS PROP ACCOUNT 1192 SPRT 8/13 PUTS AT \$.35 WHICH WAS PRIMARILY USED TO HEDGE BOTH ORDERS. THE CONDUCT DESCRIBED ABOVE CONSTITUTE A VIOLATION OF ISE RULE 400.02.
Initiated By:	INTERNATIONAL SECURITIES EXCHANGE
Date Initiated:	03/20/2014
Docket/Case Number:	2013-212
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	06/23/2014
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 \$30,000.00
Other Sanctions Ordered:	
Sanction Details:	\$30,000.00 FINE

Reporting Source: Firm



Current Status: Final

Allegations: ON 8/16/2013 BARCLAYS RECEIVED 2 ORDERS FROM THE SAME CUSTOMER, ONE TO PURCHASE 2000 SRPT 8/13 30 PUTS AT \$.05, THE OTHER TO PURCHASE 200 SRPT 9/13 30 PUTS AT \$1. AT 9:33:20 BCA FACILITATED IN THEIR PROP ACCOUNT THE 1ST ORDER. PRIOR TO EXPOSING THE SECOND ORDER, BCA PURCHASED FOR ITS PROP ACCOUNT 1192 SPRT 8/13 PUTS AT \$.35 WHICH WAS PRIMARILY USED TO HEDGE BOTH ORDERS. THE CONDUCT DESCRIBED ABOVE CONSTITUTE A VIOLATION OF ISE RULE 400.02.

Initiated By: INTERNATIONAL SECURITIES EXCHANGE

Date Initiated: 03/20/2014

Docket/Case Number: 2013-212

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: CIVIL AND ADMINISTRATIVE PENALT(IES) /FINE(S)

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/23/2014

Sanctions Ordered: Monetary/Fine \$30,000.00

Other Sanctions Ordered:

Sanction Details: \$30,000.00 FINE.

Disclosure 63 of 101

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. WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, THE HEARING OFFICER ACCEPTED THE OFFER OF SETTLEMENT AND CONSENT AND ISSUED A DECISION. THE FIRM RECORDED THE DETAILS OF ALL OPTIONS ORDERS AND EXECUTIONS USING AN ORDER MANAGEMENT SYSTEM CALLED THE LISTED OPTIONS TRADING SYSTEM (LOTS). VARIOUS INADEQUACIES WITH



LOTS RESULTED IN SYSTEMIC DEFICIENCIES TO THE FIRM'S OPTIONS ORDER AND DEALER TICKETS. THESE DEFICIENCIES WERE ASSOCIATED WITH ALL MANUALLY EXECUTED OPTIONS ORDERS (I.E., EXECUTED BY A FLOOR BROKER). - ORDERS SENT FROM CLIENTS ELECTRONICALLY TO THE FIRM'S SMART ORDER ROUTERS FOR EXECUTION AT THE VARIOUS EXCHANGES WERE NOT IMPACTED.-THE FIRM'S ORDER TICKETS INACCURATELY REFLECTED THE ORDER RECEIPT TIME FOR ALL CUSTOMER OPTIONS ORDERS THAT WERE EXECUTED BY A FLOOR BROKER. THE FIRM'S ORDER TICKETS FAILED TO REFLECT THE TRANSMISSION TIME FOR ALL OPTIONS ORDERS THAT WERE EXECUTED BY A FLOOR BROKER, AND THE FIRM FAILED TO MAINTAIN THIS TIME IN AN EASILY ACCESSIBLE PLACE. THE FIRM WAS UNABLE TO CAPTURE MODIFICATIONS TO ALL OPTIONS ORDERS THAT WERE EXECUTED BY FLOOR BROKERS THAT DID NOT UTILIZE A LOTS USER INTERFACE (NON-CONNECTED BROKERS). BECAUSE THE FIRM BOOKED SUCH TRADES AT THE END OF THE DAY, ITS ORDER TICKETS REFLECTED ONLY THE FINAL QUANTITY AND PRICE; MODIFICATIONS TO THE ORIGINAL ORDER QUANTITIES WERE INACCURATELY CAPTURED ON THE FIRM'S ORDER TICKETS AS NEW ORDERS. MOREOVER, FOR ALL OPTIONS ORDERS EXECUTED BY NON-CONNECTED BROKERS DURING THE RELEVANT PERIOD, THE FIRM'S TICKETS INACCURATELY CAPTURED EXECUTION TIME AS THE TIME THE FIRM BOOKED THE TRADE INTO LOTS AT THE END OF THE DAY. FROM APPROXIMATELY SEPTEMBER 2008 THROUGH MAY 2010, FOR ALL OPTIONS ORDERS THAT WERE EXECUTED BY A FLOOR BROKER, THE FIRM'S TICKETS REFLECTED THE DEFAULT MARKET CENTER WHERE THE FLOOR BROKER TRADED, AND NOT THE ACTUAL EXCHANGE UPON WHICH THE ORDER WAS EXECUTED (IF DIFFERENT). THIS WAS IN VIOLATIONS OF EXCHANGE ACT RULES 17A-3(A) AND 17A-4(B), AND NYSE ARCA OPTIONS RULES 6.68(A) AND 11.16(A). DURING THE RELEVANT PERIOD, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO INCLUDE ANY SUPERVISORY REVIEWS TO ENSURE THE ACCURACY OF ITS OPTIONS BROKERAGE ORDER AND DEALER TICKETS. MOREOVER, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES DID NOT CONTAIN ANY OPTIONS-RELATED PROVISIONS, INCLUDING PROVISIONS RELATING TO NYSE AREA OPTIONS RULES AND REGULATIONS. NOTWITHSTANDING ITS WRITTEN SUPERVISORY PROCEDURES, THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A SYSTEM REASONABLY DESIGNED TO SUPERVISE THE OPERATIONS OF ITS BUSINESS AND ENSURE COMPLIANCE WITH APPLICABLE FEDERAL SECURITIES LAWS AND NYSE ARCA OPTIONS RULES PERTAINING TO BOOKS AND RECORDS. THIS WAS IN VIOLATIONS OF NYSE AREA OPTIONS RULE 11.18. HOWEVER, IN DETERMINING TO RESOLVE THIS MATTER ON THE BASIS SET FORTH IN THE OFFER OF SETTLEMENT AND CONSENT, FINRA CONSIDERED THAT, IN DECEMBER 2012, THE FIRM IMPLEMENTED, AT SIGNIFICANT COST, A NEW OPTIONS PLATFORM TO REPLACE LOTS.



Initiated By: NYSE ARCA, INC.
Date Initiated: 06/20/2014
Docket/Case Number: 2011027567002
Principal Product Type: Other
Other Product Type(s): UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Decision & Order of Offer of Settlement
Resolution Date: 06/20/2014
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 \$700,000.00
Other Sanctions Ordered: THE FINE MUST BE PAID WITHIN 30 DAYS OF THE DATE OF THIS DECISION OR THE FIRM MAY FACE SUSPENSION, PURSUANT TO THE TERMS OF THE DECISION AND NYSE ARCA OPTIONS RULE 13.2(A).
Sanction Details: SEE ABOVE
Regulator Statement THIS DISCIPLINARY PROCEEDING INCLUDES PROCEEDING NUMBERS 20110300489 AND 20130354622.

Reporting Source: Firm
Current Status: Final
Allegations: A FINRA HEARING OFFICER ACCEPTED AN OFFER OF SETTLEMENT AND CONSENT ENTERED INTO BETWEEN FINRA ON BEHALF OF NYSE REGULATION, INC. AND THE FIRM FOR THE SOLE PURPOSE OF SETTLING THE PROCEEDING WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS. DURING THE PERIOD OF SEPTEMBER 2008 THROUGH DECEMBER 2012, THE FIRM FAILED TO ACCURATELY MAKE, KEEP CURRENT AND PRESERVE IN AN EASILY ACCESSIBLE PLACE CERTAIN BROKERAGE ORDER AND DEALER TICKETS FOR OPTIONS ORDERS IT



EXECUTED. VARIOUS INADEQUACIES WITH THE FIRM'S OPTIONS TRADING SYSTEM RESULTED IN SYSTEMIC DEFICIENCIES TO THE FIRM'S OPTIONS ORDER AND DEALER TICKETS ASSOCIATED WITH OPTIONS ORDERS EXECUTED BY A FLOOR BROKER. ORDERS SENT FROM CLIENTS ELECTRONICALLY TO THE FIRM'S SMART ORDER ROUTERS FOR EXECUTION AT THE VARIOUS EXCHANGES WERE NOT IMPACTED. IN PARTICULAR, THOSE ORDER TICKETS INACCURATELY REFLECTED THE ORDER RECEIPT TIME, FAILED TO REFLECT THE TRANSMISSION TIME, DID NOT CAPTURE ALL MODIFICATIONS AND, CERTAIN OF THOSE ORDERS, INACCURATELY CAPTURED EXECUTION TIME AS THE TIME THE FIRM BOOKED THE TRADE. IN ADDITION, FROM APPROXIMATELY SEPTEMBER 2008 THROUGH MAY 2010, THOSE TICKETS REFLECTED THE DEFAULT MARKET CENTER WHERE THE FLOOR BROKER TRADED, AND NOT THE ACTUAL EXCHANGE UPON WHICH THE ORDER WAS EXECUTED (IF DIFFERENT). THESE FINDINGS CONSTITUTE VIOLATIONS OF EXCHANGE ACT RULES 17A-3(A) AND 17A-4(B), AND NYSE ARCA OPTIONS RULES 6.68(A) AND 11.16(A). DURING THE RELEVANT PERIOD, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO INCLUDE ANY SUPERVISORY REVIEWS TO ENSURE THE ACCURACY OF ITS OPTIONS BROKERAGE ORDER AND DEALER TICKETS, AND THE FIRM'S WRITTEN SUPERVISORY PROCEDURES DID NOT CONTAIN ANY OPTIONS-RELATED PROVISIONS, INCLUDING PROVISIONS RELATING TO NYSE AREA OPTIONS RULES AND REGULATIONS IN VIOLATION OF NYSE AREA OPTIONS RULE 11.18. HOWEVER, IN DETERMINING TO RESOLVE THIS MATTER ON THE BASIS SET FORTH IN THE OFFER OF SETTLEMENT AND CONSENT, FINRA CONSIDERED THAT, IN DECEMBER 2012, THE FIRM IMPLEMENTED, AT SIGNIFICANT COST, A NEW OPTIONS PLATFORM TO REPLACE LOTS.

Initiated By: NYSE ARCA, INC.

Date Initiated: 06/20/2014

Docket/Case Number: 2011027567002

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 06/20/2014



Sanctions Ordered:	Censure Monetary/Fine \$700,000.00
Other Sanctions Ordered:	THE FINE MUST BE PAID WITHIN 30 DAYS OF THE DATE OF THIS DECISION OR, THE FIRM MAY FACE SUSPENSION, PURUSANT TO THE TERMS OF THE DECEION AND NYSE ARCA OPTIONS RULE 13.2(A)
Sanction Details:	SEE ABOVE.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT ERRONEOUSLY REPORTED LONG SALE CROSSING SESSION II (CSII) TRANSACTIONS TO THE NYSE AS SHORT SALES IN VIOLATIONS OF RULE 200(G) OF REG SHO AND NYSE RULE 476(A)(10). CSII IS ONE OF THE NYSE OFF-HOURS TRADING FACILITIES WHICH OPERATES FROM 4:00 P.M. TO 6:15 P.M. THIS SESSION ACCOMMODATES THE TRADING OF BASKETS OF AT LEAST 15 NYSE SECURITIES VALUED AT \$1 MILLION OR MORE. REPORTS OF EXECUTION ARE AVAILABLE TO MEMBER FIRMS VIA THE WEB-BASED ELECTRONIC FILING PLATFORM (EFP) SHORTLY AFTER THE TRADE IS ENTERED. AT 6:15 P.M., THE NYSE PRINTS TO THE CONSOLIDATED TAPE THE AGGREGATE INFORMATION OF ALL BASKETS EXECUTED IN THIS SESSION (I.E. THE TOTAL NUMBER OF SHARES AND TOTAL MARKET VALUE OF THE AGGREGATE-PRICE TRADES). THE INDIVIDUAL COMPONENT STOCKS INVOLVED IN THE AGGREGATE-PRICE TRANSACTIONS ARE NOT REPORTED TO THE CONSOLIDATED TAPE. ON THE THIRD DAY AFTER TRADE DATE (T+3), THE INDIVIDUAL COMPONENT STOCKS EXECUTED AS PART OF A CSII BASKET TRADE ARE PRINTED IN AGGREGATE FORM IN THE NYSE DAILY SALES REPORT. FOR ALL RELEVANT PERIODS, THE FIRM UTILIZED ITS DOMESTIC PROGRAM TRADING (DPT) SYSTEM TO REPORT CSII TRANSACTIONS TO THE NYSE. MORE SPECIFICALLY, DPT GENERATED FILES CONTAINING THE DAILY TRADING DATA FOR THE FIRM'S CSII CROSS TRANSACTIONS. THOSE FILES WERE THEN MANUALLY UPLOADED TO THE NYSE WEBSITE BY THE FIRM'S SERVICE DESK. DURING THE PERIOD, THE FIRM FAILED TO REPORT CSII-ELIGIBLE BASKETS ACROSS 86 TRADE DATES, OVER-REPORTED APPROXIMATELY 1,014 CSII-ELIGIBLE BASKETS ACROSS 94 TRADE DATES, AND AMENDED ITS CSII FILINGS ON 10 TRADE DATES, IN VIOLATIONS OF NYSE RULE 476(A)(10). PRIOR TO SEPTEMBER 2012, THE FIRM DID NOT HAVE IN PLACE A SYSTEM OF SUPERVISORY REVIEW TO ENSURE COMPLIANCE WITH CSII REPORTING TO THE NYSE. PRIOR TO SEPTEMBER 2013, THE FIRM DID NOT HAVE ANY WRITTEN SUPERVISORY PROCEDURES</p>



(WSPS) DEDICATED TOWARDS ENSURING COMPLIANCE WITH CSII REPORTING. ALL CONDUCTS WERE IN VIOLATIONS OF NYSE RULE 342, IN THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN PROCEDURES AND A SYSTEM OF FOLLOW-UP AND REVIEW REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH ITS CSII TRANSACTION AND REPORTING REQUIREMENTS. AFTER RECEIVING INQUIRIES FROM FINRA, THE FIRM CONDUCTED A LOOK-BACK OF ITS CSII REPORTING AND SELF-REPORTED THE MAJORITY OF THE VIOLATIONS DISCLOSED. THIS MATTER NUMBER 2011027567001 INCLUDES 20110300489 AND 20130354622.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 06/19/2014

Docket/Case Number: 2011027567001

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED STOCKS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/19/2014

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 \$100,000.00

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 DURING THE



PERIOD OF SEPTEMBER 2008 THROUGH JUNE 2011, IT ERRONEOUSLY REPORTED LONG SALE CROSSING SESSION II (CSII) TRANSACTIONS TO THE NYSE AS SHORT SALES IN VIOLATION OF RULE 200(G) OF REG SHO AND NYSE RULE 476(A)(10). IN ADDITION, DURING THE PERIOD 2011 THROUGH 2013, THE FIRM FAILED TO REPORT APPROXIMATELY 984 CSII-ELIGIBLE BASKETS ACROSS 86 TRADE DATES, OVER-REPORTED APPROXIMATELY 1,014 CSII-ELIGIBLE BASKETS ACROSS 94 TRADE DATES, AND AMENDED ITS CSII FILINGS ON 10 TRADE DATES, IN VIOLATION OF NYSE RULE 476(A)(10). FURTHERMORE, PRIOR TO SEPTEMBER 2012, THE FIRM DID NOT HAVE IN PLACE A SYSTEM OF SUPERVISORY REVIEW TO ENSURE COMPLIANCE WITH CSII REPORTING TO THE NYSE AND PRIOR TO SEPTEMBER 2013, THE FIRM DID NOT HAVE ANY WRITTEN SUPERVISORY PROCEDURES (WSPS) DEDICATED TOWARDS ENSURING COMPLIANCE WITH CSII REPORTING IN VIOLATION OF NYSE RULE 342. AFTER RECEIVING INQUIRIES FROM FINRA, THE FIRM CONDUCTED A LOOK-BACK OF ITS CSII REPORTING AND SELF-REPORTED THE MAJORITY OF THE VIOLATIONS DISCLOSED. THIS MATTER NUMBER 2011027567001 INCLUDES 20110300489 AND 20130354622.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 06/19/2014

Docket/Case Number: 2011027567001

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED STOCKS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/19/2014

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

Other Sanctions Ordered:

Sanction Details: SEE ABOVE.

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Reporting Source: Regulator

Current Status: Final



Allegations: BARCLAYS CAPITAL INC. ("BARCLAYS"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$15,000 FOR THE FOLLOWING CONDUCT. BARCLAYS (I) RESPONDED TO A TOTAL OF 261 AIM AUCTIONS, RECEIVING EXECUTIONS ON 370 CONTRACTS, IN OPTIONS CLASSES IN WHICH BARCLAYS DID NOT HOLD THE RELEVANT APPOINTMENT; AND (II) FAILED TO ASSURE COMPLIANCE WITH THE REQUIREMENT TO ONLY RESPOND TO THOSE AIM AUCTIONS IN WHICH AN APPOINTMENT WAS HELD IN THE RELEVANT OPTIONS CLASS AS SET FORTH IN EXCHANGE RULE 6.74A. (EXCHANGE RULES 4.2 - ADHERENCE TO LAW AND 6.74A - AUTOMATED IMPROVEMENT MECHANISM ("AIM"))

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 04/30/2014

Docket/Case Number: 14-0030 AND 14-0079

Principal Product Type: Options

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 09/08/2014

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

Other Sanctions Ordered:

Sanction Details: A \$15,000 FINE AND A CENSURE.

Reporting Source: Firm

Current Status: Final

Allegations: IT IS ALLEGED THAT BARCLAYS RESPONDED TO 256 AIM AUCTIONS AND RECEIVED EXECUTIONS ON 349 CONTRACTS WHILE NOT HOLDING AN APPOINTMENT IN THE RELEVANT OPTIONS CLASSES. IN ADDITION, BARCLAYS FAILED TO ASSURE COMPLIANCE WITH EXCHANGE RULE 6.74A BY RESPONDING TO NUMEROUS AIM AUCTIONS OVER NUMEROUS MULTIPLE MONTHS WHILE NOT HOLDING AN APPOINTMENT IN THE RELEVANT OPTIONS CLASSES. (VIOLATION OF EXCHANGE RULES 4.2 AND



6.74A)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE**Date Initiated:** 04/30/2014**Docket/Case Number:** 14-0030**Principal Product Type:** Options**Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Consent**Resolution Date:** 09/08/2014**Sanctions Ordered:** Censure
Monetary/Fine \$15,000.00**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 \$15,000.00.**Disclosure 66 of 101****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 BLUE SHEETS TO THE SEC AND TO FINRA. THE FINDINGS STATED THAT THE FIRM'S FAILURE TO SUBMIT ACCURATE BLUE SHEETS HAD A NEGATIVE IMPACT ON REGULATORY INVESTIGATIONS INTO POSSIBLE VIOLATIONS OF SECURITIES LAWS. THE FIRM'S SUBMISSIONS OF WRONG ACCOUNT NAMES AND ADDRESSES CAUSED FINRA TO REVIEW AND INVESTIGATE INDIVIDUALS WHO DID NOT, IN FACT, TRADE IN THE SECURITIES THAT WERE THE SUBJECT OF THE INVESTIGATIONS. THE FINDINGS ALSO STATED THAT THE FIRM DID NOT HAVE IN PLACE AN ADEQUATE AUDIT SYSTEM PROVIDING FOR ACCOUNTABILITY OF ITS BLUE SHEET SUBMISSIONS.**Initiated By:** FINRA



Date Initiated: 06/04/2014
Docket/Case Number: [2013036917401](#)
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: 06/04/2014
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 \$1,000,000.00
Other Sanctions Ordered: THE FIRM FURTHER AGREES THAT IT HAS CONDUCTED A REVIEW OF ITS POLICIES, SYSTEMS, AND PROCEDURES (WRITTEN OR OTHERWISE) RELATING TO THE DEFICIENCIES ADDRESSED HEREIN.
Sanction Details: SEE ABOVE
Regulator Statement FINE PAID IN FULL ON JUNE 18, 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 BETWEEN AUGUST 2012 AND APRIL 2013 IT SUBMITTED INACCURATE BLUE SHEETS TO THE SEC AND TO FINRA THAT ASSOCIATED TRADE DATA WITH THE WRONG CUSTOMER NAME AND ADDRESS AND IT DID NOT HAVE IN PLACE AN ADEQUATE AUDIT SYSTEM PROVIDING FOR ACCOUNTABILITY OF ITS BLUE SHEET SUBMISSIONS. THE FINDINGS STATED THAT THE FIRM'S FAILURE TO SUBMIT ACCURATE BLUE SHEETS HAD A NEGATIVE IMPACT ON REGULATORY INVESTIGATIONS INTO POSSIBLE VIOLATIONS OF SECURITIES LAWS AND CAUSED FINRA TO REVIEW



AND INVESTIGATE INDIVIDUALS WHO DID NOT, IN FACT, TRADE IN THE SECURITIES THAT WERE THE SUBJECT OF THE INVESTIGATIONS.

Initiated By: FINRA

Date Initiated: 06/04/2014

Docket/Case Number: [2013036917401](#)

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: 06/04/2014

Sanctions Ordered: Censure
Monetary/Fine \$1,000,000.00

Other Sanctions Ordered: THE FIRM FURTHER AGREES TO PROVIDE A CERTIFICATION THAT IT HAS CONDUCTED A REVIEW OF ITS POLICIES, SYSTEMS, AND PROCEDURES (WRITTEN OR OTHERWISE) RELATING TO THE DEFICIENCIES ADDRESSED HEREIN.

Sanction Details: SEE ABOVE.

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Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT 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 SINGLE BOOK 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 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 NASDAQ RULES CONCERNING LOCKED/CROSSED MARKETS.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 04/28/2014

Docket/Case Number: 2011026298501

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: 04/28/2014

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 \$32,500.00

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

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 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 SINGLE BOOK 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 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 NASDAQ RULES CONCERNING LOCKED/CROSSED MARKETS.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 04/28/2014

Docket/Case Number: 2011026298501

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: 04/28/2014

Sanctions Ordered: Censure
Monetary/Fine \$32,500.00

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

Sanction Details: SEE ABOVE.

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Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT 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 OMX BX EQUITIES MARKET 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, IN VIOLATION OF BX RULES 4613(E) AND 4755(B).

Initiated By: NASDAQ OMX BX, INC.

Date Initiated: 04/24/2014

Docket/Case Number: 2011026501801

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: 04/24/2014

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: 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 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 OMX BX EQUITIES MARKET 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, IN VIOLATION OF BX RULES 4613(E) AND 4755(B).

Initiated By: NASDAQ OMX BX, INC.

Date Initiated: 04/24/2014

Docket/Case Number: 2011026501801

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: 04/24/2014

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

Other Sanctions Ordered:

Sanction Details: SEE ABOVE

Disclosure 69 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: FINRA RULES 2010, 2360(B)(3), 2360(B)(3)(A)(VII)(B)(4)(B), 2360(B)(5), NASD RULE 3010 - LARGE OPTIONS POSITION REPORTING (LOPR) DATA IS USED EXTENSIVELY BY SELF- REGULATORY ORGANIZATIONS (SROS) TO IDENTIFY HOLDERS OF LARGE OPTIONS POSITIONS WHO MAY BE ATTEMPTING TO MANIPULATE THE MARKET OR OTHERWISE VIOLATE SECURITIES RULES AND REGULATIONS. THE ACCURACY OF LOPR DATA IS ESSENTIAL FOR THE ANALYSIS OF POTENTIAL VIOLATIONS RELATED TO INSIDER TRADING, POSITION LIMITS, EXERCISE LIMITS, FRONT-RUNNING, CAPPING AND PEGGING, MINI-MANIPULATION, AND MARKING-THE-CLOSE. THE FIRM INCORRECTLY REPORTED 486,831 LARGE CONVENTIONAL NON-INDEX OPTION POSITIONS TO THE LOPR SYSTEM AS INDEX OPTIONS. THE FIRM EXCEEDED THE APPLICABLE POSITION LIMIT IN FOUR OPTIONS FOR A COMBINED TOTAL OF 86 BUSINESS DAYS. ONE DAY, THE FIRM EXCEEDED THE APPLICABLE POSITION LIMIT IN ONE OPTION. THE FIRM FAILED TO REPORT ITS OPTIONS CONTRACT EQUIVALENT OF THE NET DELTA (OCEND) POSITION TO THE OPTIONS CLEARING CORPORATION



(OCC) IN ONE SYMBOL FOR 23 BUSINESS DAYS. THE FIRM FAILED TO REPORT OR SUBMITTED INACCURATE REPORTS TO THE LOPR SYSTEM IN AN ESTIMATED 233,760 INSTANCES ALTHOUGH THE FIRM DID SELF-REPORT SOME VIOLATIONS. THE FIRM FAILED TO REPORT POSITIONS TO THE LOPR SYSTEM IF THE CONTRA-PARTIES WERE NON-U.S. AFFILIATES OF U.S. BROKER DEALERS IN AN ESTIMATED 1.466 MILLION INSTANCES. THE FIRM INACCURATELY REPORTED POSITIONS TO THE LOPR SYSTEM IN 1,148 INSTANCES. THE FIRM FAILED TO DECONSTRUCT AND REPORT TO THE LOPR SYSTEM A STRUCTURED PRODUCT CONSISTING OF EIGHT UNDERLYING POSITIONS FOR EACH SIDE OF THE TRANSACTION IN A TOTAL OF 2,960 INSTANCES. THE FIRM FAILED TO IMPLEMENT AND MAINTAIN AN ADEQUATE SYSTEM OF FOLLOW-UP AND REVIEW DESIGNED TO REASONABLY ACHIEVE COMPLIANCE WITH LOPR REQUIREMENTS AND ITS ADHERENCE TO APPLICABLE POSITION LIMITS.

Initiated By: FINRA

Date Initiated: 01/09/2014

Docket/Case Number: [2010023567201](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/09/2014

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 \$750,000.00

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 \$750,000. FINE PAID IN FULL 02/12/2014.



Reporting Source: Firm

Current Status: Final

Allegations: FINRA RULES 2010, 2360(B)(3), 2360(B)(3)(A)(VII)(B)(4)(B), 2360(B)(5) AND 2010 AND NASD RULE 3010. DURING THE PERIOD OF JANUARY 1, 2010 THROUGH APRIL 15, 2011, THE FIRM INCORRECTLY REPORTED 486,831 LARGE CONVENTIONAL NON-INDEX OPTION POSITIONS TO THE LARGE OPTIONS POSITION REPORTING (LOPR) SYSTEM AS INDEX OPTIONS. DURING THE PERIOD OF FEBRUARY 3, 2010 THROUGH NOVEMBER 15, 2010, THE FIRM EXCEEDED THE APPLICABLE POSITION LIMIT IN FIVE OPTIONS. BETWEEN OCTOBER 14, 2010 AND NOVEMBER 15, 2010, THE FIRM FAILED TO REPORT ITS OPTIONS CONTRACT EQUIVALENT OF THE NET DELTA (OCEND) POSITION TO THE OPTIONS CLEARING CORPORATION (OCC) IN ONE SYMBOL AND DURING (1) JANUARY 28, 2011 AND MARCH 10, 2011, (2) APRIL 14, 2011, (3) MARCH 11, 2011 AND MARCH 16, 2011, AND (4) JANUARY 13, 2010 AND AUGUST 9, 2012, THE FIRM FAILED TO REPORT OR SUBMITTED INACCURATE REPORTS TO THE LOPR SYSTEM IN AN ESTIMATED 233,760 INSTANCES ALTHOUGH THE FIRM DID SELF-REPORT SOME VIOLATIONS. BETWEEN JANUARY 19, 2010 AND MAY 18, 2012, THE FIRM FAILED TO REPORT POSITIONS TO THE LOPR SYSTEM IF THE CONTRA-PARTIES WERE NON-U.S. AFFILIATES OF U.S. BROKER DEALERS IN AN ESTIMATED 1.466 MILLION INSTANCES. DURING (1) JUNE 15, 2012, (2) AUGUST 31, 2012 THROUGH SEPTEMBER 20, 2012, (3) OCTOBER 4, 2012 THROUGH OCTOBER 8, 2012, (4) OCTOBER 23, 2012 THROUGH DECEMBER 21, 2012, AND (5) DECEMBER 21, 2012 THROUGH MARCH 13, 2013, THE FIRM INACCURATELY REPORTED POSITIONS TO THE LOPR SYSTEM IN 1,148 INSTANCES. BETWEEN MAY 23, 2012 AND FEBRUARY 13, 2013, THE FIRM FAILED TO DECONSTRUCT AND REPORT TO THE LOPR SYSTEM A STRUCTURED PRODUCT CONSISTING OF EIGHT UNDERLYING POSITIONS FOR EACH SIDE OF THE TRANSACTION IN A TOTAL OF 2,960 INSTANCES. DURING JANUARY 1, 2010 THROUGH MAY 2012, THE FIRM FAILED TO IMPLEMENT AND MAINTAIN AN ADEQUATE SYSTEM OF FOLLOW-UP AND REVIEW DESIGNED TO REASONABLY ACHIEVE COMPLIANCE WITH LOPR REQUIREMENTS AND ITS ADHERENCE TO APPLICABLE POSITION LIMITS.

Initiated By: FINRA

Date Initiated: 01/09/2014

Docket/Case Number: [2010023567201](#)

Principal Product Type: No Product

Other Product Type(s):



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/09/2014

Sanctions Ordered: Censure
Monetary/Fine \$750,000.00

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 \$750,000.

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Reporting Source: Regulator

Current Status: Final

Allegations: SECURITIES EXCHANGE ACT RULE 17A-4, FINRA RULES 2010, 4511, NASD RULES 2110, 3110 - BARCLAYS CAPITAL INC. FAILED TO PROPERLY PRESERVE CERTAIN BUSINESS-RELATED RECORDS IT MAINTAINED PURSUANT TO EXCHANGE ACT RULE 17A-3 IN WRITE-ONE, READ-MANY (WORM)-COMPLIANT FORMAT. THE WORM COMPLIANCE ISSUES AFFECTED CERTAIN OF THE BOOKS AND RECORDS RELATED TO MANY OF THE FIRM'S LINES OF BUSINESS AND RESPECTIVE SUB-GROUPS OF THOSE LINES OF BUSINESS. THE FAILURE TO MAINTAIN DOCUMENTS IN WORM-COMPLIANT FORMAT AFFECTED 43 REPOSITORIES. OF THE 43 REPOSITORIES, AT LEAST 24 FAILED TO STORE RECORDS IN WORM FORMAT OR SEND RECORDS TO A WORM-COMPLIANT REPOSITORY. ALTHOUGH THE FIRM PERFORMED CONFORMANCE TESTING AND VALIDATION IN CONNECTION WITH ITS RECORDS MANAGEMENT PROGRAM, THE TESTING FOCUSED ON THE FIRM'S ABILITY TO RETAIN RECORDS FOR THE REGULATORY RETENTION PERIODS AND TO RETRIEVE NECESSARY RECORDS WITHIN THE REQUIRED PERIOD OF TIME; BUT THE FIRM DID NOT FOCUS ON THE FORMAT IN WHICH THE RECORDS WERE BEING STORED, INCLUDING WHETHER THEY WERE BEING STORED IN A WORM COMPLIANT FORMAT. THE FIRM HAD NO FORMAL POLICIES AND PROCEDURES PRIOR TO THE DISCOVERY OF THE WORM COMPLIANCE ISSUES THAT WERE DESIGNED TO VERIFY THAT THE ELECTRONIC DOCUMENTS STORED IN NON-WORM-COMPLIANT REPOSITORIES HAD NOT BEEN LOST OR ALTERED. THE FIRM HAD NO



ALERTS, EXCEPTION REPORTS OR OTHER SIMILAR MECHANISMS TO INDICATE WHETHER THOSE REPOSITORIES CONTAINING RECORDS REQUIRED TO BE STORED IN A WORM-COMPLIANT FORMAT WERE SO STORED. THE FIRM FAILED TO PROPERLY RETAIN BLOOMBERG EMAILS AND INSTANT MESSAGES (IMS). THE FIRM USED A CENTRAL REPOSITORY TO STORE ALL ELECTRONIC COMMUNICATIONS SENT OR RECEIVED IN THE U.S. CALLED THE BARCLAYS CAPITAL VAULT. THE FIRM USED SOFTWARE PROVIDED BY A THIRD-PARTY VENDOR TO DOWNLOAD THE DATA FEED FROM THE BLOOMBERG FILE TRANSFER PROTOCOL SITE FOR INGESTION INTO THE VAULT. THE FIRM RELIED ON THE VAULT FOR ALL BLOOMBERG MESSAGES REVIEW AND RETRIEVAL, INCLUDING FOR FIRM INTERNAL SEARCHES AS WELL AS FOR REGULATORY INQUIRIES AND OTHER EXTERNAL INFORMATION REQUESTS. THE FIRM FAILED TO PROPERLY PRESERVE AND MAINTAIN CERTAIN ATTACHMENTS TO BLOOMBERG EMAILS. THE FIRM FAILED TO PROPERLY INGEST ATTACHMENTS ASSOCIATED WITH MORE THAN ONE BLOOMBERG EMAIL. A SEARCH OF THE VAULT USING SPECIFIED SEARCH TERMS WOULD NOT IDENTIFY EMAILS FOR WHICH A SEARCH TERM WAS CONTAINED ONLY IN ITS ATTACHMENT IF THAT ATTACHMENT HAD NOT BEEN INGESTED INTO THE VAULT ALONG WITH THAT EMAIL. THE FIRM HAS NOT BEEN ABLE TO DETERMINE THE NUMBER OF BLOOMBERG EMAILS NOT PROPERLY ASSOCIATED WITH AN ATTACHMENT. THE FIRM FAILED TO PROPERLY PRESERVE AND MAINTAIN CERTAIN BLOOMBERG IMS. WHEN THE INGESTION PROGRAM ENCOUNTERED AN ATTACHMENT TO A BLOOMBERG IM THAT HAD BEEN PROCESSED EARLIER THAT SAME DAY, THE INGESTION PROGRAM STOPPED INGESTING ALL REMAINING BLOOMBERG IMS INTO THE VAULT FOR THAT DAY SO THAT SEARCHES OF THE VAULT FOR BLOOMBERG IMS WOULD NOT PRODUCE THE UNPROCESSED IMS. APPROXIMATELY 3.3 MILLION BLOOMBERG IMS WERE NOT INGESTED INTO THE VAULT AND WERE NOT PROPERLY PRESERVED OR MAINTAINED BY THE FIRM. THE FIRM'S SYSTEMS AND WRITTEN PROCEDURES TO ENSURE THAT ELECTRONIC COMMUNICATIONS WERE PROPERLY RETAINED WERE NOT DESIGNED TO IDENTIFY WHETHER THE INGESTION PROGRAM WAS PROPERLY CONFIGURED. NO ALERTS WERE GENERATED INDICATING THE PROGRAM HAD MALFUNCTIONED. THE FIRM FAILED TO ENSURE ITS SYSTEMS AND WRITTEN PROCEDURES RELATED TO THE RETENTION OF ELECTRONIC COMMUNICATIONS WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES RULES, REGULATIONS AND NASD RULES TO TIMELY DETERMINE THAT IT WAS NOT PROPERLY MAINTAINING CERTAIN BLOOMBERG EMAILS AND IMS. THE FIRM FAILED TO HAVE AN ADEQUATE SUPERVISORY SYSTEM OR WRITTEN PROCEDURES TO TIMELY DETERMINE IT WAS NOT MAINTAINING REQUIRED DOCUMENTS IN A WORM-COMPLIANT FORMAT. [CONTINUED IN COMMENT]

Initiated By: FINRA



Date Initiated:	12/26/2013
Docket/Case Number:	2011026679201
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:	12/26/2013
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 \$3,750,000.00
Other Sanctions Ordered:	
Sanction Details:	IN DETERMINING THE APPROPRIATE SANCTION, FINRA CONSIDERED THAT THE FIRM SELF-REPORTED THE ISSUES DESCRIBED AND UNDERTOOK AN INTERNAL REVIEW, WHICH INCLUDED RETAINING AN INDEPENDENT CONSULTANT TO REVIEW ITS SUPERVISORY POLICIES, PROCEDURES AND SYSTEMS RELATED TO THESE ISSUES. 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 \$3,750,000. FINE PAID IN FULL ON JANUARY 9, 2014.
Regulator Statement	ALLEGATIONS CONTINUED: THE FIRM DID NOT HAVE ANY AUDITING OR TESTING DESIGNED TO VERIFY IT WAS COMPLYING WITH THE WORM REQUIREMENTS AND DID NOT HAVE COMPREHENSIVE WRITTEN POLICIES AND PROCEDURES TO VERIFY THAT THE ELECTRONIC DOCUMENTS STORED IN NON-WORM-COMPLIANT REPOSITORIES HAD NOT BEEN LOST OR ALTERED.
<hr/>	
Reporting Source:	Firm
Current Status:	Final



Allegations:	FROM 2002 THROUGH APRIL 2012, THE FIRM FAILED TO PRESERVE CERTAIN RECORDS IN WRITE-ONCE, READ-MANY ("WORM") FORMAT. FROM MAY 7, 2007 THROUGH MAY 19, 2010, THE FIRM FAILED TO PROPERLY RETAIN CERTAIN ATTACHMENTS TO EMAILS COMMUNICATED THROUGH BLOOMBERG. FROM OCTOBER 28, 2008 THROUGH MAY 19, 2010, THE FIRM FAILED TO PROPERLY RETAIN APPROXIMATELY 3.3 MILLION IMS COMMUNICATED THROUGH BLOOMBERG. AS TO BOTH THE WORM RELATED ISSUES AND BLOOMBERG ELECTRONIC COMMUNICATION RELATED ISSUES, BARCLAYS FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SYSTEM AND WRITTEN PROCEDURES REASONABLY DESIGNED TO: (I) ACHIEVE COMPLIANCE WITH THE REQUIREMENTS OF EXCHANGE ACT RULE 17A-4, NASD RULE 3110 AND FINRA RULE 4511; AND (II) TIMELY DETECT AND REMEDY DEFICIENCIES RELATED TO THOSE REQUIREMENTS. THESE RESULTED IN VIOLATIONS OF SECTION 17(A) OF THE EXCHANGE ACT, RULE 17A-4, NASD RULES 3110, 2110 AND 3010 AND FINRA RULES 4511 AND 2010.
Initiated By:	FINRA
Date Initiated:	12/26/2013
Docket/Case Number:	2011026679201
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:	12/26/2013
Sanctions Ordered:	Censure Monetary/Fine \$3,750,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM SIGNED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT WITH FINRA, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, AGREEING TO A FINE OF \$3.75 MILLION. THE FINE WAS PAID IN FULL BY THE FIRM ON JANUARY 9, 2014.

Disclosure 71 of 101

Reporting Source: Regulator



Current Status:	Final
Allegations:	MSRB RULES G-32(B)(I)(A), G-32(B)(I)(B)(1) AND G-32(B)(II) WHEN THE FIRM WAS ACTING AS AN UNDERWRITER, IT FAILED TO TIMELY FILE THE OFFICIAL STATEMENTS RELATING TO OFFERINGS AND THE OFFICIAL STATEMENT AMENDMENT RELATED TO AN OFFERING. ALL BUT ONE OF THE UNTIMELY FILINGS WERE MADE WITHIN 35 DAYS OF THE DEADLINE. THE FIRM INACCURATELY FILED WITH MSRB'S ELECTRONIC MUNICIPAL MARKET ACCESS SYSTEM THE OFFICIAL STATEMENTS RELATING TO OFFERINGS AND EXEMPT LIMITED OFFERINGS. THE FIRM FAILED TO TIMELY FILE ADVANCE REFUND DOCUMENT AND THE UNTIMELY FILINGS WERE BETWEEN ONE AND 136 DAYS LATE.
Initiated By:	FINRA
Date Initiated:	12/17/2013
Docket/Case Number:	2011025586901
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/17/2013
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 \$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 IT IS CENSURED AND FINED \$10,000. FINE PAID IN FULL ON 02/26/14.

Reporting Source:	Firm
Current Status:	Final
Allegations:	MSRB RULES G-32(B)(I)(A), G-32(B)(I)(B)(1) AND G-32(B)(II) WHEN THE FIRM WAS ACTING AS AN UNDERWRITER, IT FAILED TO TIMELY FILE THE OFFICIAL STATEMENTS RELATING TO OFFERINGS AND THE OFFICIAL STATEMENT AMENDMENT RELATED TO AN OFFERING. ALL BUT ONE OF THE UNTIMELY FILINGS WERE MADE WITHIN 35 DAYS OF THE DEADLINE. THE FIRM INACCURATELY FILED WITH MSRB'S ELECTRONIC MUNICIPAL MARKET ACCESS SYSTEM THE OFFICIAL STATEMENTS RELATING TO OFFERINGS AND EXEMPT LIMITED OFFERINGS. THE FIRM FAILED TO TIMELY FILE ADVANCE REFUND DOCUMENT AND THE UNTIMELY FILINGS WERE BETWEEN ONE AND 136 DAYS LATE.
Initiated By:	FINRA
Date Initiated:	12/17/2013
Docket/Case Number:	2011025586901
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/17/2013
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 IT IS CENSURED AND FINED \$10,000.

Disclosure 72 of 101

Reporting Source: Regulator



Current Status: Final

Allegations: NYSE RULE 342 - BARCLAYS CAPITAL, INC. PARTICIPATED IN THE NEW YORK STOCK EXCHANGE (NYSE)'S SUPPLEMENTAL LIQUIDITY PROVIDER (SLP) PROGRAM BY PROVIDING LIQUIDITY IN ITS ASSIGNED SECURITIES BY ELECTRONICALLY ENTERING RESTING ORDERS INTO THE SYSTEMS AND FACILITIES OF THE NYSE FROM A TRADING DESK. THE TRADING DESK EMPLOYED TWO STRATEGIES DEVOTED SOLELY TO SLP ACTIVITY, EACH UTILIZING TWO ALGORITHMS. THE OTHER PROPRIETARY ALGORITHMS IN THE TRADING DESK TRADE SLP SECURITIES ASSIGNED TO THE FIRM AS PART OF THE OVERALL TRADING STRATEGY THEY EMPLOY. THE ALGORITHMS DID NOT COORDINATE THEIR ORDER PLACEMENT DECISIONS (I.E. EACH ALGORITHM PLACED OR CANCELED ORDERS BASED ON ITS OWN BUSINESS LOGIC IRRESPECTIVE OF ANY OTHER ALGORITHM'S ORDER PLACEMENT OR CANCELLATION DECISION). THE TRADING LOGIC OF EACH ALGORITHM WAS UNAWARE OF ORDERS SENT BY OTHER ALGORITHMS. APPROXIMATELY 130,372 SLP ORDERS THE FIRM ENTERED THROUGH ITS SLP ALGORITHMS RESULTED IN EXECUTIONS ON THE NYSE AGAINST OTHER ORDERS IT ENTERED BY OTHER OF ITS SLP ALGORITHMS WHICH ON A SHARE BASIS, REPRESENTED APPROXIMATELY 0.6% OF THE FIRM'S OVERALL SLP ACTIVITY. THE FIRM DID NOT HAVE SPECIFIC CONTROLS TO PREVENT SELF-TRADES ACROSS ALGORITHMS IN THE TRADING DESK. THE FIRM UTILIZED A WASH SALE REPORT TO MONITOR STOCK AND OPTION EXECUTIONS FOR POTENTIAL WASH TRANSACTIONS BUT THE FIRM DID NOT HAVE A SYSTEM TO FOLLOW UP AND REVIEW EXCEPTIONS IT INITIALLY DETERMINED WERE UNINTENTIONAL. THE LACK OF SELF-TRADE CONTROLS ACROSS ALGORITHMS AND THE FAILURE TO FOLLOW UP AND REVIEW WASH SALES DETERMINED TO BE UNINTENTIONAL WERE NOT CAPABLE OF REASONABLY DETECTING AND/OR PREVENTING SLP TRADES ACROSS SLP ALGORITHMS THAT RESULTED IN NO CHANGE OF BENEFICIAL OWNERSHIP. THE FIRM TOOK IMMEDIATE AND EFFECTIVE ACTION TO CORRECT ITS SUPERVISORY FAILURES WHEN NOTIFIED BY FINRA. TWO DAYS AFTER BEING NOTIFIED, THE FIRM SUSPENDED ALL OF ITS SLP ACTIVITY AND UNILATERALLY UNDERTOOK TO REPROGRAM ITS SYSTEMS TO PREVENT WASH TRADES FROM OCCURRING BETWEEN SEPARATE ALGORITHMS AND INSTITUTED A SYSTEM OF EXCEPTION REPORTS, FOLLOW UP AND REVIEW TO ENSURE THAT SYSTEMIC CHANGES WERE EFFECTIVE. AFTER TESTING THE NEW SELF-MATCH CONTROLS, THE FIRM RE-ENABLED ITS SLP ALGORITHMIC STRATEGIES AND HAS NOT HAD A VIOLATIVE SLP WASH SALE SINCE.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 10/28/2013

Docket/Case Number: 2012033436001



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: 10/28/2013

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 \$27,500.00

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 \$27,500.

Reporting Source: Firm

Current Status: Final

Allegations: NYSE RULE 342 - BARCLAYS CAPITAL, INC. PARTICIPATED IN THE NEW YORK STOCK EXCHANGE (NYSE)'S SUPPLEMENTAL LIQUIDITY PROVIDER (SLP) PROGRAM BY PROVIDING LIQUIDITY IN ITS ASSIGNED SECURITIES BY ELECTRONICALLY ENTERING RESTING ORDERS INTO THE SYSTEMS AND FACILITIES OF THE NYSE FROM A TRADING DESK. THE TRADING DESK EMPLOYED TWO STRATEGIES DEVOTED SOLELY TO SLP ACTIVITY, EACH UTILIZING TWO ALGORITHMS. THE TRADING LOGIC OF EACH ALGORITHM WAS UNAWARE OF ORDERS SENT BY OTHER ALGORITHMS. THE FIRM DID NOT HAVE SPECIFIC CONTROLS TO PREVENT SELFTRADES ACROSS ALGORITHMS IN THE TRADING DESK. THE FIRM UTILIZED A WASH SALE REPORT TO MONITOR STOCK AND OPTION EXECUTIONS FOR POTENTIAL WASH TRANSACTIONS BUT THE FIRM DID NOT HAVE A SYSTEM TO FOLLOW UP AND REVIEW EXCEPTIONS IT INITIALLY DETERMINED WERE UNINTENTIONAL. THE LACK OF SELF-TRADE CONTROLS ACROSS ALGORITHMS AND THE FAILURE TO FOLLOW UP AND REVIEW WASH



SALES DETERMINED TO BE UNINTENTIONAL WERE NOT CAPABLE OF REASONABLY DETECTING AND/OR PREVENTING SLP TRADES ACROSS SLP ALGORITHMS THAT RESULTED IN NO CHANGE OF BENEFICIAL OWNERSHIP.

Initiated By: NEW YORK STOCK EXCHANGE
Date Initiated: 10/28/2013
Docket/Case Number: 2012033436001
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: 10/28/2013
Sanctions Ordered: Censure
 Monetary/Fine \$27,500.00

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 \$27,500. THE FIRM TOOK IMMEDIATE AND EFFECTIVE ACTION TO CORRECT ITS SUPERVISORY FAILURES WHEN NOTIFIED BY FINRA. TWO DAYS AFTER BEING NOTIFIED, THE FIRM SUSPENDED ALL OF ITS SLP ACTIVITY AND UNILATERALLY UNDERTOOK TO REPROGRAM ITS SYSTEMS TO PREVENT WASH TRADES FROM OCCURRING BETWEEN SEPARATE ALGORITHMS AND INSTITUTED A SYSTEM OF EXCEPTION REPORTS, FOLLOW UP AND REVIEW TO ENSURE THAT SYSTEMIC CHANGES WERE EFFECTIVE. AFTER TESTING THE NEW SELFMATCH CONTROLS, THE FIRM RE-ENABLED ITS SLP ALGORITHMIC STRATEGIES AND HAS NOT HAD A VIOLATIVE SLP WASH SALE SINCE.

Disclosure 73 of 101

Reporting Source: Regulator
Current Status: Final
Allegations: SEC RULES 17A-3, 17A-4, FINRA RULES 2010, 4511, 6730(A), 6730(B)(1), 6730(C)(6), 6730(C)(8), 6760(C), NASD RULE 3110 - BARCLAYS CAPITAL INC.



FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) THE CORRECT CONTRA-PARTY IDENTIFIER FOR TRANSACTIONS AND S1 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES. THE FIRM FAILED TO REPORT TO TRACE TRANSACTIONS, P1 TRANSACTIONS AND S1 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES IT WAS REQUIRED TO REPORT. THE FIRM FAILED TO REPORT TO TRACE THE CORRECT EXECUTION TIME FOR P1 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES. THE FIRM FAILED TO SHOW THE CORRECT EXECUTION TIME ON BROKERAGE ORDER MEMORANDUM. THE FIRM FAILED TO PRESERVE FOR A PERIOD OF NOT LESS THAN THREE YEARS, THE FIRST TWO IN AN ACCESSIBLE PLACE, SOME BROKERAGE ORDER MEMORANDUM. THE FIRM FAILED TO REPORT TO 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. THE FIRM SERVED AS MANAGING UNDERWRITER, OTHER THAN A SECONDARY OFFERING, AND FAILED TO REPORT SUCH DISTRIBUTION OR OFFERING TO FINRA MARKET OPERATIONS WITHIN THE TIME FRAME SET FORTH BY FINRA RULE 6760(C).

Initiated By: FINRA

Date Initiated: 11/01/2013

Docket/Case Number: [2010023435301](#)

Principal Product Type: Other

Other Product Type(s): TRACE-ELIGIBLE SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/01/2013

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 \$115,000.00

**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 \$115,000.

Reporting Source:

Firm

Current Status:

Final

Allegations:

SEC RULES 17A-3, 17A-4, FINRA RULES 2010, 4511, 6730(A), 6730(B)(1), 6730(C)(6), 6730(C)(8), 6760 (C), NASD RULE 3110 - BARCLAYS CAPITAL INC. FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) THE CORRECT CONTRA-PARTY IDENTIFIER FOR TRANSACTIONS AND S1 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES. THE FIRM FAILED TO REPORT TO TRACE TRANSACTIONS, P1 TRANSACTIONS AND S1 TRANSACTIONS IN TRACEELIGIBLE SECURITIES IT WAS REQUIRED TO REPORT. THE FIRM FAILED TO REPORT TO TRACE THE CORRECT EXECUTION TIME FOR P1 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES. THE FIRM FAILED TO SHOW THE CORRECT EXECUTION TIME ON BROKERAGE ORDER MEMORANDUM. THE FIRM FAILED TO PRESERVE FOR A PERIOD OF NOT LESS THAN THREE YEARS, THE FIRST TWO IN AN ACCESSIBLE PLACE, SOME BROKERAGE ORDER MEMORANDUM. THE FIRM FAILED TO REPORT TO 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. THE FIRM SERVED AS MANAGING UNDERWRITER, OTHER THAN A SECONDARY OFFERING, AND FAILED TO REPORT SUCH DISTRIBUTION OR OFFERING TO FINRA MARKET OPERATIONS WITHIN THE TIME FRAME SET FORTH BY FINRA RULE 6760(C).

Initiated By:

FINRA

Date Initiated:

11/01/2013

Docket/Case Number:[2010023435301](#)**Principal Product Type:**

Other

Other Product Type(s):

TRACE-ELIGIBLE SECURITIES

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



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/01/2013

Sanctions Ordered: Censure
Monetary/Fine \$115,000.00

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 \$115,000.

Disclosure 74 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: NASDAQ OPTIONS MARKET, LLC RULES CHAPTER III, SECTION 10 - BARCLAYS CAPITAL INC. IN A NON-CONSECUTIVE FOUR WEEK SAMPLE FAILED TO ACCURATELY REPORT THE EFFECTIVE DATE OF OPTIONS TRANSACTIONS TO THE OPTIONS CLEARING CORPORATION'S LARGE OPTIONS POSITION REPORT (LOPR). THE VIOLATIONS WERE FROM A SAMPLE OF OPTIONS TRADES IDENTIFIED BY THE FIRM INVOLVING EFFECTIVE DATE REPORTING ISSUES.

Initiated By: NASDAQ OPTIONS MARKET, LLC

Date Initiated: 10/22/2013

Docket/Case Number: 2011027538601

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: 10/22/2013



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.

Reporting Source:

Firm

Current Status:

Final

Allegations:

NASDAQ OPTIONS MARKET, LLC RULES CHAPTER III, SECTION 10 - BARCLAYS CAPITAL INC. IN A NON-CONSECUTIVE FOUR WEEK SAMPLE FAILED TO ACCURATELY REPORT THE EFFECTIVE DATE OF OPTIONS TRANSACTIONS TO THE OPTIONS CLEARING CORPORATION'S LARGE OPTIONS POSITION REPORT (LOPR). THE VIOLATIONS WERE FROM A SAMPLE OF OPTIONS TRADES IDENTIFIED BY THE FIRM INVOLVING EFFECTIVE DATE REPORTING ISSUES.

Initiated By:

NASDAQ OPTIONS MARKET, LLC

Date Initiated:

10/22/2013

Docket/Case Number:

2011027538601

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:

10/22/2013



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.

Disclosure 75 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: MSRB RULES G-17, G-27: THE FIRM WAS A MEMBER OF A CERTAIN MUNICIPAL SECURITIES ASSOCIATION. THE FIRM'S PRACTICE OF OBTAINING REIMBURSEMENT FOR THE VOLUNTARY PAYMENTS TO THE MUNICIPAL SECURITIES ASSOCIATION FROM THE PROCEEDS OF MUNICIPAL AND STATE BOND OFFERINGS WAS UNFAIR. THESE ASSESSMENTS DID NOT BEAR A DIRECT RELATIONSHIP TO ANY ACTIVITIES CONDUCTED WITH RESPECT TO EACH BOND OFFERING AND THE FIRM WAS NOT REQUIRED BY ANY STATUTE OR REGULATION TO BE A MEMBER OF THE MUNICIPAL SECURITIES ASSOCIATION IN ORDER TO UNDERWRITE BOND OFFERINGS. YET THE FIRM TREATED ITS MUNICIPAL SECURITIES ASSOCIATION UNDERWRITING ASSESSMENTS AS AN EXPENSE OF EACH TRANSACTION, AND REQUESTED AND RECEIVED REIMBURSEMENT OF THOSE PAYMENTS FROM THE PROCEEDS OF EACH BOND OFFERING. THE FIRM, ON BEHALF OF ITSELF AND THE OTHER MEMBERS OF THE UNDERWRITING SYNDICATE, LISTED THE VOLUNTARY MUNICIPAL SECURITIES ASSOCIATION UNDERWRITING ASSESSMENTS AS EXPENSES OF THE UNDERWRITING, WITH OTHER COSTS SUCH AS TRAVEL, PRINTING AND TELEPHONE COSTS. HOWEVER, UNLIKE THESE CATEGORIES OF EXPENSE PAYMENTS, THE UNDERWRITING ASSESSMENTS DID NOT DIRECTLY CORRESPOND WITH WORK PERFORMED OR COSTS INCURRED TO UNDERWRITE EACH BOND OFFERING, AND WERE NOT NECESSARY TO CONDUCT THE OFFERING. AS A RESULT, THE FIRM'S REQUESTS FOR REIMBURSEMENT WERE NOT FAIR BECAUSE THEY WERE NOT ACCOMPANIED BY ADEQUATE DISCLOSURE TO ISSUERS ABOUT THE NATURE OF THE FEES. THE FIRM'S ABOVE-DESCRIBED PRACTICES RESULTED IN THE EXPENDITURE OF THE PROCEEDS OF MUNICIPAL AND STATE BOND OFFERINGS TO AN ORGANIZATION THAT ENGAGED IN POLITICAL ACTIVITIES, INCLUDING HIRING A LOBBYIST TO MONITOR POLITICAL DEVELOPMENTS AND ADVOCATING, FROM TIME TO TIME, FOR VARIOUS LEGISLATIVE ACTION. TO DATE, IN RESPONSE TO A REQUEST FROM THE TREASURER OF THE STATE OF CALIFORNIA, THE FIRM HAS RETURNED \$42,158.30 TO MULTIPLE



ISSUERS, AS A REFUND FOR THE MUNICIPAL SECURITIES ASSOCIATION UNDERWRITING ASSESSMENTS THAT WERE REIMBURSED FROM OFFERING PROCEEDS. THE FIRM FAILED TO ADOPT, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH MSRB RULE G-17 AS IT RELATES TO THE CONDUCT DESCRIBED ABOVE. SPECIFICALLY, THE FIRM FAILED TO ESTABLISH REASONABLE PROCEDURES FOR REVIEWING AND DISCLOSING EXPENSES FOR THE MUNICIPAL SECURITIES ASSOCIATION AND OTHER MUNICIPAL SECURITIES ASSOCIATIONS FOR WHICH IT REQUESTED REIMBURSEMENT FROM THE PROCEEDS OF MUNICIPAL AND STATE OFFERINGS, AND FOR ENSURING THAT THOSE REQUESTS WERE FAIR AND ADEQUATE. IN ADDITION, THE FIRM FAILED TO ADOPT, MAINTAIN, AND ENFORCE ADEQUATE SYSTEMS AND WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO MONITOR HOW THE MUNICIPAL SECURITIES ASSOCIATIONS TO WHICH THEY BELONGED USED THE FUNDS THAT THE FIRM PROVIDED TO THEM. ADEQUATE POLICIES AND PROCEDURES IN THIS AREA WERE ESPECIALLY NECESSARY IN LIGHT OF THE MUNICIPAL SECURITIES ASSOCIATION'S ENGAGEMENT IN POLITICAL ACTIVITIES.

Initiated By: FINRA

Date Initiated: 10/14/2013

Docket/Case Number: [2013037879401](#)

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: 10/14/2013

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 \$200,000.00
Disgorgement/Restitution



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 IT IS CENSURED, FINED \$200,000, ORDERED TO PAY RESTITUTION IN THE TOTAL AMOUNT OF \$25,983.60, AND WITHIN 180 DAYS OF THE ISSUANCE OF THIS AWC, AN OFFICER (OR EQUIVALENT) OF THE FIRM WILL CERTIFY TO FINRA IN WRITING THAT IT HAS (A) COMPLETED A REVIEW OF ITS WRITTEN SUPERVISORY PROCEDURES AND SYSTEMS CONCERNING THE AREAS DESCRIBED ABOVE; AND (B) IMPLEMENTED NECESSARY REVISIONS TO SUCH PROCEDURES AND SYSTEMS IN ORDER TO ENSURE THAT THE PROCEDURES AND SYSTEMS ARE IN COMPLIANCE WITH MSRB RULE G-27. THE CERTIFICATION SHALL DESCRIBE THE SPECIFIC ACTIONS TAKEN BY THE FIRM, INCLUDING THE SYSTEMS AND WRITTEN PROCEDURES DEVELOPED AND IMPLEMENTED. THE FIRM MUST SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR OF REASONABLE DOCUMENTED EFFORTS TO EFFECT RESTITUTION TO THE ISSUERS LOCATED IN CALIFORNIA TO WHICH THE FIRM HAS NOT YET PROVIDED RESTITUTION. THIS PROOF SHALL BE PROVIDED TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THE OFFER. IF FOR ANY REASON THE FIRM CANNOT LOCATE ANY SUCH ISSUER AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN 120 DAYS FROM THE DATE THE OFFER IS ACCEPTED, OR SUCH ADDITIONAL PERIOD AGREED TO BY A FINRA STAFF MEMBER IN WRITING, THE FIRM SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE OF CALIFORNIA. THE FIRM SHALL PROVIDE SATISFACTORY PROOF OF SUCH ACTION TO FINRA WITHIN 14 DAYS OF FORWARDING THE UNDISTRIBUTED RESTITUTION TO THE APPROPRIATE STATE AUTHORITY. FINE PAID IN FULL ON OCTOBER 31, 2013.

Reporting Source: Firm

Current Status: Final

Allegations: MSRB RULES G-17, G-27: THE FIRM WAS A MEMBER OF A CERTAIN MUNICIPAL SECURITIES ASSOCIATION. THE FIRM'S PRACTICE OF OBTAINING REIMBURSEMENT FOR THE VOLUNTARY PAYMENTS TO THE MUNICIPAL SECURITIES ASSOCIATION FROM THE PROCEEDS OF MUNICIPAL AND STATE BOND OFFERINGS WAS UNFAIR. THESE ASSESSMENTS DID NOT BEAR A DIRECT RELATIONSHIP TO ANY ACTIVITIES CONDUCTED WITH RESPECT TO EACH BOND OFFERING AND THE FIRM WAS NOT REQUIRED BY ANY STATUTE OR REGULATION TO BE A MEMBER OF THE MUNICIPAL SECURITIES ASSOCIATION IN ORDER TO UNDERWRITE BOND OFFERINGS. YET THE FIRM TREATED ITS MUNICIPAL



SECURITIES ASSOCIATION UNDERWRITING ASSESSMENTS AS AN EXPENSE OF EACH TRANSACTION, AND REQUESTED AND RECEIVED REIMBURSEMENT OF THOSE PAYMENTS FROM THE PROCEEDS OF EACH BOND OFFERING. THE FIRM, ON BEHALF OF ITSELF AND THE OTHER MEMBERS OF THE UNDERWRITING SYNDICATE, LISTED THE VOLUNTARY MUNICIPAL SECURITIES ASSOCIATION UNDERWRITING ASSESSMENTS AS EXPENSES OF THE UNDERWRITING, WITH OTHER COSTS SUCH AS TRAVEL, PRINTING AND TELEPHONE COSTS. HOWEVER, UNLIKE THESE CATEGORIES OF EXPENSE PAYMENTS, THE UNDERWRITING ASSESSMENTS DID NOT DIRECTLY CORRESPOND WITH WORK PERFORMED OR COSTS INCURRED TO UNDERWRITE EACH BOND OFFERING, AND WERE NOT NECESSARY TO CONDUCT THE OFFERING. AS A RESULT, THE FIRM'S REQUESTS FOR REIMBURSEMENT WERE NOT FAIR BECAUSE THEY WERE NOT ACCOMPANIED BY ADEQUATE DISCLOSURE TO ISSUERS ABOUT THE NATURE OF THE FEES. THE FIRM'S ABOVE-DESCRIBED PRACTICES RESULTED IN THE EXPENDITURE OF THE PROCEEDS OF MUNICIPAL AND STATE BOND OFFERINGS TO AN ORGANIZATION THAT ENGAGED IN POLITICAL ACTIVITIES, INCLUDING HIRING A LOBBYIST TO MONITOR POLITICAL DEVELOPMENTS AND ADVOCATING, FROM TIME TO TIME, FOR VARIOUS LEGISLATIVE ACTION. TO DATE, IN RESPONSE TO A REQUEST FROM THE TREASURER OF THE STATE OF CALIFORNIA, THE FIRM HAS RETURNED \$42,158.30 TO MULTIPLE ISSUERS, AS A REFUND FOR THE MUNICIPAL SECURITIES ASSOCIATION UNDERWRITING ASSESSMENTS THAT WERE REIMBURSED FROM OFFERING PROCEEDS. THE FIRM FAILED TO ADOPT, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH MSRB RULE G-17 AS IT RELATES TO THE CONDUCT DESCRIBED ABOVE. SPECIFICALLY, THE FIRM FAILED TO ESTABLISH REASONABLE PROCEDURES FOR REVIEWING AND DISCLOSING EXPENSES FOR THE MUNICIPAL SECURITIES ASSOCIATION AND OTHER MUNICIPAL SECURITIES ASSOCIATIONS FOR WHICH IT REQUESTED REIMBURSEMENT FROM THE PROCEEDS OF MUNICIPAL AND STATE OFFERINGS, AND FOR ENSURING THAT THOSE REQUESTS WERE FAIR AND ADEQUATE. IN ADDITION, THE FIRM FAILED TO ADOPT, MAINTAIN, AND ENFORCE ADEQUATE SYSTEMS AND WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO MONITOR HOW THE MUNICIPAL SECURITIES ASSOCIATIONS TO WHICH THEY BELONGED USED THE FUNDS THAT THE FIRM PROVIDED TO THEM. ADEQUATE POLICIES AND PROCEDURES IN THIS AREA WERE ESPECIALLY NECESSARY IN LIGHT OF THE MUNICIPAL SECURITIES ASSOCIATION'S ENGAGEMENT IN POLITICAL ACTIVITIES.

Initiated By: FINRA
Date Initiated: 10/14/2013
Docket/Case Number: [2013037879401](#)



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: 10/14/2013

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

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 IT IS CENSURED, FINED \$200,000, ORDERED TO PAY RESTITUTION IN THE TOTAL AMOUNT OF \$25,983.60, AND WITHIN 180 DAYS OF THE ISSUANCE OF THIS AWC, AN OFFICER (OR EQUIVALENT) OF THE FIRM WILL CERTIFY TO FINRA IN WRITING THAT IT HAS (A) COMPLETED A REVIEW OF ITS WRITTEN SUPERVISORY PROCEDURES AND SYSTEMS CONCERNING THE AREAS DESCRIBED ABOVE; AND (B) IMPLEMENTED NECESSARY REVISIONS TO SUCH PROCEDURES AND SYSTEMS IN ORDER TO ENSURE THAT THE PROCEDURES AND SYSTEMS ARE IN COMPLIANCE WITH MSRB RULE G-27. THE CERTIFICATION SHALL DESCRIBE THE SPECIFIC ACTIONS TAKEN BY THE FIRM, INCLUDING THE SYSTEMS AND WRITTEN PROCEDURES DEVELOPED AND IMPLEMENTED. THE FIRM MUST SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR OF REASONABLE DOCUMENTED EFFORTS TO EFFECT RESTITUTION TO THE ISSUERS LOCATED IN CALIFORNIA TO WHICH THE FIRM HAS NOT YET PROVIDED RESTITUTION. THIS PROOF SHALL BE PROVIDED TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THE OFFER. IF FOR ANY REASON THE FIRM CANNOT LOCATE ANY SUCH ISSUER AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN 120 DAYS FROM THE DATE THE OFFER IS ACCEPTED, OR SUCH ADDITIONAL PERIOD AGREED TO BY A FINRA STAFF MEMBER IN WRITING, THE FIRM SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE OF CALIFORNIA. THE FIRM SHALL PROVIDE SATISFACTORY PROOF OF SUCH ACTION TO FINRA WITHIN 14 DAYS OF FORWARDING THE UNDISTRIBUTED RESTITUTION TO THE APPROPRIATE STATE AUTHORITY.



Disclosure 76 of 101

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NYSE RULE 92(A): ON 17 OCCASIONS DURING A PERIOD, THE FIRM ENTERED A PROPRIETARY ORDER TO BUY OR SELL AN NYSE-LISTED SECURITY WHILE KNOWINGLY IN POSSESSION OF A CUSTOMER ORDER TO BUY OR SELL SUCH SECURITY THAT COULD BE EXECUTED AT THE SAME PRICE, AND WHICH PROPRIETARY ORDER THEN TRADED ALONG WITH, OR AHEAD OF, THE CUSTOMER ORDER, OR TRADED OUTSIDE OF THE CUSTOMER'S CONSENT PARAMETERS. ON 13 OCCASIONS, THE FIRM TRADED A PROPRIETARY ORDER AHEAD OF, OR ALONG WITH, A CUSTOMER ORDER WITHOUT OBTAINING THE CUSTOMER'S CONSENT TO DO SO. ON FOUR OCCASIONS, WHERE THE APPLICABLE NYSE RULE EXCEPTIONS APPLIED, THE FIRM EITHER OBTAINED AND DOCUMENTED CONSENT OR OBTAINED BUT FAILED TO DOCUMENT CONSENT FROM A CUSTOMER TO TRADE ALONG WITH THE CUSTOMER'S ORDERS, BUT ALLOCATED CERTAIN EXECUTIONS BETWEEN THE FIRM'S PROPRIETARY ACCOUNT AND THE CUSTOMERS' ACCOUNTS IN AMOUNTS DIFFERENT FROM THE PERMISSION GRANTED BY THE CUSTOMERS.
Initiated By:	NEW YORK STOCK EXCHANGE
Date Initiated:	08/07/2013
Docket/Case Number:	20110283345
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Decision
Resolution Date:	09/04/2013
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 \$95,000.00

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

OTHER CASE NUMBER: 13-NYSE-15 A FINRA HEARING OFFICER CONSIDERED A STIPULATION OF FACTS AND CONSENT TO PENALTY ENTERED INTO BETWEEN FINRA ON BEHALF OF NYSE REGULATION, INC. AND THE RESPONDENT, A MEMBER OF THE NYSE. 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, THE FIRM CONSENTED TO A CENSURE AND \$95,000 FINE. THE FINE WILL BE PAYABLE AS OF THE DATE ON WHICH THE DECISION BECOMES FINAL. THE FIRM IS REQUIRED TO PAY THE FINE WITHIN 45 DAYS OF THAT DATE, OR IT MAY FACE SUMMARY SUSPENSION, PURSUANT TO NYSE RULE 476(K). THE DECISION BECAME FINAL AT THE CLOSE OF BUSINESS ON SEPTEMBER 3, 2013.

Reporting Source:

Firm

Current Status:

Final

Allegations:

NYSE RULE 92(A): ON 17 OCCASIONS DURING A PERIOD, THE FIRM ENTERED A PROPRIETARY ORDER TO BUY OR SELL AN NYSE-LISTED SECURITY WHILE KNOWINGLY IN POSSESSION OF A CUSTOMER ORDER TO BUY OR SELL SUCH SECURITY THAT COULD BE EXECUTED AT THE SAME PRICE, AND WHICH PROPRIETARY ORDER THEN TRADED ALONG WITH, OR AHEAD OF, THE CUSTOMER ORDER, OR TRADED OUTSIDE OF THE CUSTOMER'S CONSENT PARAMETERS. ON 13 OCCASIONS, THE FIRM TRADED A PROPRIETARY ORDER AHEAD OF, OR ALONG WITH, A CUSTOMER ORDER WITHOUT OBTAINING THE CUSTOMER'S CONSENT TO DO SO. ON FOUR OCCASIONS, WHERE THE APPLICABLE NYSE RULE EXCEPTIONS APPLIED, THE FIRM EITHER OBTAINED AND DOCUMENTED CONSENT OR OBTAINED BUT FAILED TO DOCUMENT CONSENT FROM A CUSTOMER TO TRADE ALONG WITH THE CUSTOMER'S ORDERS, BUT ALLOCATED CERTAIN EXECUTIONS BETWEEN THE FIRM'S PROPRIETARY ACCOUNT AND THE CUSTOMERS' ACCOUNTS IN AMOUNTS DIFFERENT FROM THE PERMISSION GRANTED BY THE CUSTOMERS.

Initiated By:

NEW YORK STOCK EXCHANGE

Date Initiated:

08/07/2013

Docket/Case Number:

20110283345

Principal Product Type:

No Product

Other Product Type(s):



Principal Sanction(s)/Relief Sought: Other

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

Resolution: Decision

Resolution Date: 09/04/2013

Sanctions Ordered: Censure
Monetary/Fine \$95,000.00

Other Sanctions Ordered:

Sanction Details: OTHER CASE NUMBER: 13-NYSE-15 A FINRA HEARING OFFICER CONSIDERED A STIPULATION OF FACTS AND CONSENT TO PENALTY ENTERED INTO BETWEEN FINRA ON BEHALF OF NYSE REGULATION, INC. AND THE RESPONDENT, A MEMBER OF THE NYSE. 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, THE FIRM CONSENTED TO A CENSURE AND \$95,000 FINE. THE DECISION BECAME FINAL AT THE CLOSE OF BUSINESS ON SEPTEMBER 3, 2013.

Disclosure 77 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULE 10B-10, FINRA RULES 2010, 7450, NASD RULES 2110, 3010, 6955 - BARCLAYS CAPITAL INC., UNDER A PARTICULAR MARKET PARTICIPANT IDENTIFIER (MPID), FAILED TO TRANSMIT ALL OF ITS REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT IT WAS REQUIRED TO TRANSMIT DURING THAT REVIEW PERIOD. THE FIRM TRANSMITTED ROUTE REPORTS TO OATS UNDER ANOTHER MPID WITH AN INCORRECT DESTINATION CODE. THE FIRM 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; TRANSMITTED EXECUTION OR COMBINED ORDER/EXECUTION REPORTS TO OATS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA; TRANSMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS TO OATS THAT OATS WAS UNABLE TO LINK TO THE RELATED ORDER ROUTED TO NASDAQ DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA; AND TRANSMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS TO OATS THAT OATS WAS UNABLE TO LINK TO



THE CORRESPONDING NEW ORDER TRANSMITTED BY THE DESTINATION MEMBER FIRM DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA. FOR ABOUT NINE MONTHS, THE FIRM FAILED TO TRANSMIT NUMEROUS ROES TO OATS. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND FINRA RULES, TO ENSURE THAT THE FIRM'S SUBMISSIONS TO OATS ARE TIMELY, ACCURATE AND COMPLETE IN COMPARISON TO ITS TRADE RECORDS. THE FIRM IMPROPERLY REPORTED EXECUTION OR COMBINED ORDER/EXECUTION REPORTS TO OATS WITH A REPORTING EXCEPTION CODE OF "P." THE FIRM FAILED TO TIMELY REPORT ROES TO OATS. THE FIRM DISCLOSED INACCURATE INFORMATION ON CUSTOMER CONFIRMATIONS. WHEN THE FIRM ACTED AS PRINCIPAL FOR ITS OWN ACCOUNT, IT FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS THAT IT WAS A MARKET MAKER IN EACH SUCH SECURITY; FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS THAT THE TRANSACTION WAS EXECUTED AT AN AVERAGE PRICE; AND FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS THE CORRECT CAPACITY IN THE TRANSACTION.

Initiated By: FINRA

Date Initiated: 06/07/2013

Docket/Case Number: [2010021557301](#)

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: 06/07/2013

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 \$550,000.00



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 \$550,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES ENSURING THAT THE FIRM'S SUBMISSIONS TO OATS ARE TIMELY, ACCURATE AND COMPLETE IN COMPARISON TO ITS TRADE RECORDS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC. FINE PAID IN FULL ON JULY 11, 2013.

Reporting Source: Firm

Current Status: Final

Allegations: SEC RULE 10B-10, FINRA RULES 2010, 7450, NASD RULES 2110, 3010, 6955 - BARCLAYS CAPITAL INC., UNDER A PARTICULAR MARKET PARTICIPANT IDENTIFIER (MPID), FAILED TO TRANSMIT ALL OF ITS REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT IT WAS REQUIRED TO TRANSMIT DURING THAT REVIEW PERIOD. THE FIRM TRANSMITTED ROUTE REPORTS TO OATS UNDER THAT MPID WITH AN INCORRECT DESTINATION CODE. THE FIRM 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; TRANSMITTED EXECUTION OR COMBINED ORDER/EXECUTION REPORTS TO OATS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA; TRANSMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS TO OATS THAT OATS WAS UNABLE TO LINK TO THE RELATED ORDER ROUTED TO NASDAQ DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA; AND TRANSMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS TO OATS THAT OATS WAS UNABLE TO LINK TO THE CORRESPONDING NEW ORDER TRANSMITTED BY THE DESTINATION MEMBER FIRM DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA. FOR ABOUT NINE MONTHS, THE FIRM FAILED TO TRANSMIT NUMEROUS ROES TO OATS. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND FINRA RULES, TO ENSURE THAT THE FIRM'S SUBMISSIONS TO OATS ARE TIMELY, ACCURATE AND COMPLETE IN COMPARISON TO ITS TRADE RECORDS. THE FIRM IMPROPERLY REPORTED EXECUTION OR COMBINED ORDER/EXECUTION REPORTS TO OATS WITH A REPORTING EXCEPTION CODE OF "P." THE FIRM FAILED TO TIMELY REPORT ROES TO OATS. THE FIRM DISCLOSED INACCURATE INFORMATION ON CUSTOMER CONFIRMATIONS. WHEN THE FIRM ACTED



AS PRINCIPAL FOR ITS OWN ACCOUNT, IT FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS THAT IT WAS A MARKET MAKER IN EACH SUCH SECURITY; FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS THAT THE TRANSACTION WAS EXECUTED AT AN AVERAGE PRICE; AND FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS THE CORRECT CAPACITY IN THE TRANSACTION.

Initiated By: FINRA

Date Initiated: 06/07/2013

Docket/Case Number: [2010021557301](#)

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: 06/07/2013

Sanctions Ordered: Censure
Monetary/Fine \$550,000.00

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, FINED \$550,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES ENSURING THAT THE FIRM'S SUBMISSIONS TO OATS ARE TIMELY, ACCURATE AND COMPLETE IN COMPARISON TO ITS TRADE RECORDS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Disclosure 78 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: NASDAQ RULES 2110, 3010, 4611(A)(6) - BARCLAYS CAPITAL, INC. ENTERED NUMEROUS ORDERS INTO THE NASDAQ MARKET CENTER THAT FAILED TO INDICATE THE CORRECT CAPACITY. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED



TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASDAQ RULES, TO ENSURE THE ACCURACY OF THE FIRM'S ORDER ENTRY SUBMISSIONS TO THE NASDAQ MARKET CENTER.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 05/28/2013

Docket/Case Number: 2010021594801

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: 05/28/2013

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 \$125,000.00

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 \$125,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING ITS ORDER ENTRY SUBMISSIONS TO THE NASDAQ MARKET CENTER 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, 4611(A)(6) - BARCLAYS CAPITAL, INC. ENTERED NUMEROUS ORDERS INTO THE NASDAQ MARKET CENTER THAT FAILED TO INDICATE THE CORRECT CAPACITY. THE FIRM'S SUPERVISORY



SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASDAQ RULES, TO ENSURE THE ACCURACY OF THE FIRM'S ORDER ENTRY SUBMISSIONS TO THE NASDAQ MARKET CENTER.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 05/28/2013

Docket/Case Number: 2010021594801

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: 05/28/2013

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

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 \$125,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING ITS ORDER ENTRY SUBMISSIONS TO THE NASDAQ MARKET CENTER WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NASDAQ REVIEW COUNCIL.

Disclosure 79 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: SECTION 11(A)(1) OF THE SECURITIES EXCHANGE ACT, RULE 104(H)(2) OF REGULATION M OF THE SECURITIES EXCHANGE ACT OF 1934, NYSE RULES 90(A), 104(A)(1)(B), 115, 116.40, 123C, 342, 410(B), 5190, 5190(E)(1), 5190(E)(2) - BARCLAYS CAPITAL INC. FAILED TO MAKE THE REQUIRED NOTIFICATIONS TO THE NYSE NO LATER THAN THE CLOSE OF BUSINESS FOLLOWING THE DAY OF THE PRICING OF A DISTRIBUTION, AND FAILED TO PROVIDE CERTAIN SPECIFIC INFORMATION RELATIVE TO DISTRIBUTIONS,



WHEN THE FIRM WAS ACTING AS A LEAD OR CO-LEAD UNDERWRITER IN AN NYSE-LISTED SECURITY. WITH EXPECT TO CERTAIN OFFERINGS, THE FIRM FAILED TO PROVIDE WRITTEN NOTICE TO THE NYSE OF ITS INTENTION TO ENGAGE IN A SYNDICATE COVERING TRANSACTION IN CONNECTION WITH AN OFFERING OF A LISTED SECURITY PRIOR TO ENGAGING IN THE FIRST SYNDICATE COVERING TRANSACTION AND FAILED TO PROVIDE COMPLETE AND ACCURATE INFORMATION WHEN IT PROVIDE REQUISITE NOTIFICATIONS. THE FIRM FAILED TO PROVIDE TIMELY NOTICE TO THE NYSE CONFIRMING THAT IT HAD ENGAGED IN A SYNDICATE COVERING TRANSACTION, WITHIN ONE BUSINESS DAY OF COMPLETION OF SUCH ACTIVITY; AND FAILED TO PROVIDE WRITTEN NOTICE TO THE NYSE CONFIRMING THAT IT HAD ENGAGED IN A SYNDICATE COVERING TRANSACTION. THE FIRM FAILED TO HAVE IN PLACE A REASONABLE SYSTEM OF FOLLOW-UP AND REVIEW DESIGNED TO DETECT AND PREVENT VIOLATIONS OF NYSE RULE 5190; THE FIRM HAS SINCE CORRECTED THE DEFICIENCY. WITH REGARD TO AN OFFERING FOR WHICH THE FIRM WAS THE LEAD OR CO-LEAD UNDERWRITER, IT CAUSED A MEMBER ASSOCIATED WITH THE FIRM TO EFFECT NUMEROUS SYNDICATE COVERING TRANSACTIONS ON THE NYSE FLOOR FOR AN ACCOUNT IN WHICH IT HAD AN INTEREST, AND CAUSED SUCH MEMBER TO FAIL TO DESIGNATE THE ORDERS AS"G," WITH THE RESULT THAT THE MEMBER FAILED TO YIELD PRIORITY, PARITY, AND PRECEDENCE IN THE EXECUTION OF ORDERS FOR THE ACCOUNT OF PERSONS WHO ARE NOT MEMBERS OR ASSOCIATED WITH MEMBERS OF THE NYSE. THE FIRM DID NOT HAVE REASONABLE WRITTEN SUPERVISORY PROCEDURES IN PLACE FOR SUPERVISORY REVIEWS REGARDING TH HANDLING OF SYNDICATE COVERING ORDERS EXECUTED ON THE NYSE FLOOR TO DETERMINE WHETHER SUCH ORDERS WERE IN COMPLIANCE WITH SECTION 11(A) OF THE EXCHANGE ACT. THE FIRM HAS MODIFIED ITS ORDER ENTRY SYSTEM TO DEFAULT ALL SYNDICATE COVERING TRANSACTIONS TO BE MARKED "G" FOR ORDERS ROUTED TO THE NYSE; AND HAS CONDUCTED TRAINING OF INDIVIDUALS INVOLVED IN THE ORDER ENTRY PROCESS OF SYNDICATE COVERING TRANSACTIONS. DESIGNATED MARKET MAKERS (DMMS) ASSOCIATED WITH THE FIRM FAILED TO ENTER AND MAINTAIN INTEREST IN ASSIGNED SECURITIES WITHIN PRESCRIBED PERCENTAGES ABOVE AND BELOW THE NATIONAL BEST BID AND OFFER (NBBO)AS REQUIRED. THE FIRM DID NOT HAVE IN PLACE A REASONABLE SYSTEM OF SUPERVISION AND CONTROL REASONABLY DESIGNED TO DETECT AND PREVENT VIOLATIONS OF NYSE RULE 104(A)(1)(B) BUT HAS SINCE MODIFIED ITS SURVEILLANCE SYSTEM TO ENSURE COMPLIANCE. THE FIRM DID NOT HAVE A REASONABLE SURVEILLANCE SYSTEM IN PLACE DESIGNED TO DETECT AND PREVENT VIOLATIONS OF NYSE RULE 115. DMMS ASSOCIATED WITH THE FIRM ACCESSED MARKET DATA ON THE DISPLAY BOOK IN POTENTIAL VIOLATION OF NYSE RULE 115 BUT THE FIRM HAS SINCE IMPLEMENTED A



SURVEILLANCE SYSTEM WITH REGARD TO DMMS ACCESSING SUCH MARKET DATA IN RESPONSE TO SUCH INQUIRIES FIRM FLOOR BROKERS. THE FIRM FAILED TO HAVE IN PLACE A REASONABLE SUPERVISORY SYSTEM TO MONITOR FOR VIOLATIONS OF NYSE RULES 116 AND 123C. CERTAIN DMMS ASSOCIATED WITH THE FIRM POTENTIALLY VIOLATED THE RULES RELATED TO THE SINGLE PRINT CLOSE BUT THE FIRM HAS SINCE IMPLEMENTED A SURVEILLANCE SYSTEM FOR THE SINGLE PRINT CLOSE RULE.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 04/04/2013

Docket/Case Number: 20110270189

Principal Product Type: Other

Other Product Type(s): OFFERINGS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 04/29/2013

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 \$250,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, BARCLAYS CAPITAL CONSENTED TO THE STIPULATION OF FACTS AND CONSENT TO PENALTY WHICH THE HEARING OFFICER ACCEPTED AND IMPOSED A CENSURE AND \$250,000 FINE. THE DECISION BECAME FINAL AT THE CLOSE OF BUSINESS ON APRIL 29, 2013.

Regulator Statement OTHER CASE NUMBER: 13-NYSE-4

Reporting Source: Firm

**Current Status:**

Final

Allegations:

SECTION 11(A)(1) OF THE SECURITIES EXCHANGE ACT, RULE 104(H)(2) OF REGULATION M OF THE SECURITIES EXCHANGE ACT OF 1934, NYSE RULES 90(A), 104(A)(1)(B), 115, 116.40, 123C, 342, 410(B), 5190, 5190(E)(1), 5190(E)(2) - BARCLAYS CAPITAL INC. FAILED TO MAKE THE REQUIRED NOTIFICATIONS TO THE NYSE NO LATER THAN THE CLOSE OF BUSINESS FOLLOWING THE DAY OF THE PRICING OF A DISTRIBUTION, AND FAILED TO PROVIDE CERTAIN SPECIFIC INFORMATION RELATIVE TO DISTRIBUTIONS, WHEN THE FIRM WAS ACTING AS A LEAD OR CO-LEAD UNDERWRITER IN AN NYSE-LISTED SECURITY. WITH EXCEPT TO CERTAIN OFFERINGS, THE FIRM FAILED TO PROVIDE WRITTEN NOTICE TO THE NYSE OF ITS INTENTION TO ENGAGE IN A SYNDICATE COVERING TRANSACTION IN CONNECTION WITH AN OFFERING OF A LISTED SECURITY PRIOR TO ENGAGING IN THE FIRST SYNDICATE COVERING TRANSACTION AND FAILED TO PROVIDE COMPLETE AND ACCURATE INFORMATION WHEN IT PROVIDE REQUISITE NOTIFICATIONS. THE FIRM FAILED TO PROVIDE TIMELY NOTICE TO THE NYSE CONFIRMING THAT IT HAD ENGAGED IN A SYNDICATE COVERING TRANSACTION, WITHIN ONE BUSINESS DAY OF COMPLETION OF SUCH ACTIVITY; AND FAILED TO PROVIDE WRITTEN NOTICE TO THE NYSE CONFIRMING THAT IT HAD ENGAGED IN A SYNDICATE COVERING TRANSACTION. THE FIRM FAILED TO HAVE IN PLACE A REASONABLE SYSTEM OF FOLLOW-UP AND REVIEW DESIGNED TO DETECT AND PREVENT VIOLATIONS OF NYSE RULE 5190; THE FIRM HAS SINCE CORRECTED THE DEFICIENCY. WITH REGARD TO AN OFFERING FOR WHICH THE FIRM WAS THE LEAD OR CO-LEAD UNDERWRITER, IT CAUSED A MEMBER ASSOCIATED WITH THE FIRM TO EFFECT NUMEROUS SYNDICATE COVERING TRANSACTIONS ON THE NYSE FLOOR FOR AN ACCOUNT IN WHICH IT HAD AN INTEREST, AND CAUSED SUCH MEMBER TO FAIL TO DESIGNATE THE ORDERS AS "G," WITH THE RESULT THAT THE MEMBER FAILED TO YIELD PRIORITY, PARITY, AND PRECEDENCE IN THE EXECUTION OF ORDERS FOR THE ACCOUNT OF PERSONS WHO ARE NOT MEMBERS OR ASSOCIATED WITH MEMBERS OF THE NYSE. THE FIRM DID NOT HAVE REASONABLE WRITTEN SUPERVISORY PROCEDURES IN PLACE FOR SUPERVISORY REVIEWS REGARDING TH HANDLING OF SYNDICATE COVERING ORDERS EXECUTED ON THE NYSE FLOOR TO DETERMINE WHETHER SUCH ORDERS WERE IN COMPLIANCE WITH SECTION 11(A) OF THE EXCHANGE ACT. THE FIRM HAS MODIFIED ITS ORDER ENTRY SYSTEM TO DEFAULT ALL SYNDICATE COVERING TRANSACTIONS TO BE MARKED "G" FOR ORDERS ROUTED TO THE NYSE; AND HAS CONDUCTED TRAINING OF INDIVIDUALS INVOLVED IN THE ORDER ENTRY PROCESS OF SYNDICATE COVERING TRANSACTIONS. DESIGNATED MARKET MAKERS (DMMS) ASSOCIATED WITH THE FIRM FAILED TO ENTER AND MAINTAIN INTEREST IN ASSIGNED SECURITIES WITHIN PRESCRIBED PERCENTAGES ABOVE AND BELOW THE NATIONAL



BEST BID AND OFFER (NBBO)AS REQUIRED. THE FIRM DID NOT HAVE IN PLACE A REASONABLE SYSTEM OF SUPERVISION AND CONTROL REASONABLY DESIGNED TO DETECT AND PREVENT VIOLATIONS OF NYSE RULE 104(A)(1)(B) BUT HAS SINCE MODIFIED ITS SURVEILLANCE SYSTEM TO ENSURE COMPLIANCE. THE FIRM DID NOT HAVE A REASONABLE SURVEILLANCE SYSTEM IN PLACE DESIGNED TO DETECT AND PREVENT VIOLATIONS OF NYSE RULE 115. DMMS ASSOCIATED WITH THE FIRM ACCESSED MARKET DATA ON THE DISPLAY BOOK IN POTENTIAL VIOLATION OF NYSE RULE 115 BUT THE FIRM HAS SINCE IMPLEMENTED A SURVEILLANCE SYSTEM WITH REGARD TO DMMS ACCESSING SUCH MARKET DATA IN RESPONSE TO SUCH INQUIRIES FIRM FLOOR BROKERS. THE FIRM FAILED TO HAVE IN PLACE A REASONABLE SUPERVISORY SYSTEM TO MONITOR FOR VIOLATIONS OF NYSE RULES 116 AND 123C. CERTAIN DMMS ASSOCIATED WITH THE FIRM POTENTIALLY VIOLATED THE RULES RELATED TO THE SINGLE PRINT CLOSE BUT THE FIRM HAS SINCE IMPLEMENTED A SURVEILLANCE SYSTEM FOR THE SINGLE PRINT CLOSE RULE.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 04/04/2013

Docket/Case Number: 20110270189

Principal Product Type: Other

Other Product Type(s): OFFERINGS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/29/2013

Sanctions Ordered: Censure
Monetary/Fine \$250,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, BARCLAYS CAPITAL CONSENTED TO THE STIPULATION OF FACTS AND CONSENT TO PENALTY WHICH THE HEARING OFFICER ACCEPTED AND IMPOSED A CENSURE AND \$250,000 FINE. THE DECISION BECAME FINAL AT THE CLOSE OF BUSINESS ON APRIL 29, 2013.

Firm Statement OTHER CASE NUMBER: 13-NYSE-4



Disclosure 80 of 101

Reporting Source:	Regulator
Current Status:	Final
Allegations:	DURING THE PERIOD 9/1/2010 TO 3/31/2011, AND FOR 22 ORDERS, FIRM FAILED TO EXPOSE UNSOLICITED ORDERS FOR AT LEAST ONE SECOND PRIOR TO EXECUTING SOLICITED ORDERS AGAINST IT. THIS CONDUCT CONSTITUTES A VIOLATION OF ISE RULE 717(E).
Initiated By:	INTERNATIONAL SECURITIES EXCHANGE
Date Initiated:	09/21/2012
Docket/Case Number:	2010-192, 2011-020 & 2011-083
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/21/2012
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:	Monetary/Fine \$35,000.00
Other Sanctions Ordered:	
Sanction Details:	\$35,000 FINE

Reporting Source:	Firm
Current Status:	Final
Allegations:	DURING THE PERIOD 9/1/2010 TO 3/31/2011, AND FOR 22 ORDERS, FIRM FAILED TO EXPOSE UNSOLICITED ORDERS FOR AT LEAST ONE SECOND



PRIOR TO EXECUTING SOLICITED ORDERS AGAINST IT. THIS CONDUCT CONSTITUTES A VIOLATION OF ISE RULE 717(E).

Initiated By: INTERNATIONAL SECURITIES EXCHANGE

Date Initiated: 12/21/2012

Docket/Case Number: 2010-192, 2011-020 & 2011-083

Principal Product Type: Options

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/21/2012

Sanctions Ordered: Monetary/Fine \$35,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$35000.

Disclosure 81 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: FINRA RULES 2010, 5260, 7230A(B), NASD RULE 3340 - BARCLAYS CAPITAL INC. FAILED TO ACCEPT OR DECLINE IN THE FINRA/NASDAQ TRADE REPORTING FACILITY 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 EFFECTED TRANSACTIONS IN SECURITIES WHILE TRADING HALTS WERE IN EFFECT WITH RESPECT TO THE SECURITIES.

Initiated By: FINRA

Date Initiated: 01/15/2013

Docket/Case Number: [2010023164201](#)



Principal Product Type: Other
Other Product Type(s): REPORTABLE SECURITIES
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 01/15/2013
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 \$42,500.00
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 \$42,500. FINE PAID IN FULL ON 2/6/13.

Reporting Source: Firm
Current Status: Final
Allegations: FINRA RULES 2010, 5260, 7230A(B), NASD RULE 3340 -- DURING THE FIRST TRIMESTERS OF 2010 AND 2011 , BARCLAYS CAPITAL INC. FAILED TO ACCEPT OR DECLINE IN THE FINRA/NASDAQ TRADE REPORTING FACILITY CERTAIN 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). BETWEEN JANUARY 2009 AND JUNE 2011, THE FIRM EFFECTED 80 TRANSACTIONS IN SECURITIES WHILE TRADING HALTS WERE IN EFFECT WITH RESPECT TO THE SECURITIES.

Initiated By: FINRA
Date Initiated: 01/15/2013



Docket/Case Number: [2010023164201](#)

Principal Product Type: Other

Other Product Type(s): REPORTABLE SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/15/2013

Sanctions Ordered: Censure
Monetary/Fine \$42,500.00

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 \$42,500.

Disclosure 82 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: MSRB RULES G-8, G-14, G-27 - BARCLAYS CAPITAL INC. CAPTURED INACCURATE TRADE TIMES FOR A MARKET PARTICIPANT IDENTIFIER (MPID) WHICH RESULTED IN THE FIRM'S FAILURE TO REPORT INFORMATION REGARDING PURCHASE AND SALE TRANSACTIONS EFFECTED IN MUNICIPAL SECURITIES TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS) WITHIN 15 MINUTES OF TRADE TIME TO AN RTRS PORTAL; REPORT THE CORRECT TIME OF TRADE TO THE RTRS IN MUNICIPAL SECURITIES TRANSACTIONS; AND SHOW THE CORRECT TIME OF ENTRY ON THE TRADE MEMORANDUM FOR TRANSACTIONS IN MUNICIPAL SECURITIES. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS, REGULATIONS AND MSRB RULES CONCERNING MUNICIPAL TRADE REPORTING FOR THE MPID.

Initiated By: FINRA

Date Initiated: 01/17/2013



Docket/Case Number: [2011028810101](#)

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: 01/17/2013

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 \$15,000.00

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 \$15,000 FOR MSRB RULE VIOLATIONS. FINE PAID IN FULL ON 1/29/2013.

Reporting Source: Firm

Current Status: Final

Allegations: MSRB RULES G-8, G-14, G-27 -- DURING APRIL 2011 THROUGH JUNE 2011, BARCLAYS CAPITAL INC. CAPTURED INACCURATE TRADE TIMES FOR A MARKET PARTICIPANT IDENTIFIER (MPID) WHICH RESULTED IN THE FIRM'S FAILURE TO REPORT INFORMATION REGARDING PURCHASE AND SALE TRANSACTIONS EFFECTED IN 40 MUNICIPAL SECURITIES TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS); REPORT THE CORRECT TIME OF TRADE TO THE RTRS IN 66 MUNICIPAL SECURITIES TRANSACTIONS; AND SHOW THE CORRECT TIME OF ENTRY ON THE TRADE MEMORANDUM FOR 39 TRANSACTIONS IN MUNICIPAL



SECURITIES. DURING THAT SAME PERIOD, THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS, REGULATIONS AND MSRB RULES CONCERNING MUNICIPAL TRADE REPORTING FOR THE MPID.

Initiated By: FINRA

Date Initiated: 01/17/2013

Docket/Case Number: [2011028810101](#)

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: 01/17/2013

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

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 \$15,000 FOR MSRB RULE VIOLATIONS.

Disclosure 83 of 101

Reporting Source: Firm

Current Status: Final

Allegations: FAILED TO CONTINUOUSLY QUOTE IN THE REQUIRED PERCENTAGE OF SERIES FOR THE REQUIRED AMOUNT OF TIME WITHIN VARIOUS OPTION CLASSES IN VIOLATION OF RULE 8.85(A)(I)-DPM OBLIGATIONS IN REGARD TO CONTINUOUS QUOTE (QHS).

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 09/06/2012

**Docket/Case Number:****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:** 09/06/2012**Sanctions Ordered:** Monetary/Fine \$4,000.00**Other Sanctions Ordered:****Sanction Details:** THE FIRM RECEIVED AND PAID A FINE OF \$4,000.**Firm Statement** THE FIRM HAS CONDUCTED A REVIEW OF ITS INTERNAL SYSTEMS AND MADE NECESSARY ADJUSTMENTS DESIGNED TO MEET VARIOUS QUOTING REQUIREMENTS.**Disclosure 84 of 101****Reporting Source:** Regulator**Current Status:** Final

Allegations: CFTC RELEASE PR6289-12/JUNE 27, 2012: THE COMMODITY FUTURES TRADING COMMISSION (COMMISSION) HAS REASON TO BELIEVE THAT BARCLAYS CAPITAL INC., ITS PARENT COMPANY AND AN AFFILIATE, HAVE VIOLATED SECTIONS 6(C), 6(D) AND 9(A)(2) OF THE COMMODITY EXCHANGE ACT (THE ACT), 7 U.S.C. §§ 9, 13B AND 13(A)(2) (2006). THEREFORE, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED TO DETERMINE WHETHER RESPONDENTS ENGAGED IN THE VIOLATIONS SET FORTH, AND TO DETERMINE WHETHER ANY ORDER SHALL BE ISSUED IMPOSING REMEDIAL SANCTIONS. OVER A PERIOD OF SEVERAL YEARS, COMMENCING IN AT LEAST 2005, THE COMPANIES, BY AND THROUGH THEIR AGENTS, OFFICERS AND EMPLOYEES LOCATED IN AT LEAST NEW YORK, LONDON AND TOKYO, REPEATEDLY ATTEMPTED TO MANIPULATE AND MADE FALSE, MISLEADING OR KNOWINGLY INACCURATE SUBMISSIONS CONCERNING TWO GLOBAL BENCHMARK INTEREST RATES, THE BRITISH BANKERS' ASSOCIATION'S (BBA) LONDON INTERBANK OFFERED RATE (LIBOR) AND THE EUROPEAN BANKING FEDERATION'S (EBF) EURO INTERBANK OFFERED RATE



(EURIBOR). THE COMPANIES' VIOLATIVE CONDUCT INVOLVED MULTIPLE DESKS, TRADERS, OFFICES AND CURRENCIES, INCLUDING UNITED STATES DOLLAR, STERLING, EURO AND YEN. THE WRONGFUL CONDUCT SPANNED FROM AT LEAST 2005 THROUGH AT LEAST 2009, AND AT TIMES OCCURRED ON AN ALMOST DAILY BASIS. THE COMPANIES' LACK OF SPECIFIC INTERNAL CONTROLS AND PROCEDURES CONCERNING ITS SUBMISSION PROCESSES FOR LIBOR AND EURIBOR AND OVERALL INADEQUATE SUPERVISION OF TRADING DESKS ALLOWED THIS CONDUCT TO OCCUR. THE COMPANIES ENGAGED IN REPEATED ACTS OF ATTEMPTED MANIPULATION IN VIOLATION OF SECTIONS 6(C), 6(D), AND 9(A)(2) OF THE ACT, 7 U.S.C. §§ 9, 13B, AND 13(A)(2) (2006) AND AIDED AND ABETTED THE ATTEMPTS OF TRADERS AT OTHER BANKS TO MANIPULATE LIBOR AND EURIBOR IN VIOLATION OF SECTIONS 6(C), 6(D), AND 9(A)(2) OF THE ACT, 7 U.S.C. §§ 9, 13B, AND 13(A)(2) (2006).

Initiated By: COMMODITY FUTURES TRADING COMMISSION

Date Initiated: 06/27/2012

Docket/Case Number: 12-25

Principal Product Type: Other

Other Product Type(s): INTEREST RATES

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Order

Resolution Date: 06/27/2012

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: Monetary/Fine \$200,000,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: IN ANTICIPATION OF THE INSTITUTION OF AN ADMINISTRATIVE PROCEEDING, RESPONDENTS HAVE SUBMITTED AN OFFER OF SETTLEMENT (OFFER), WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. WITHOUT ADMITTING OR DENYING THE FINDINGS OR



CONCLUSIONS HEREIN, EXCEPT TO THE EXTENT RESPONDENTS ADMIT THOSE FINDINGS IN ANY RELATED ACTION AGAINST THE COMPANIES BY, OR ANY AGREEMENT WITH, THE DEPARTMENT OF JUSTICE OR ANY OTHER GOVERNMENTAL AGENCY OR OFFICE, RESPONDENTS HEREIN CONSENT TO THE ENTRY AND ACKNOWLEDGE SERVICE OF THIS ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTIONS 6(C) AND 6(D) OF THE ACT, AS AMENDED, MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS. IN ACCEPTING THE COMPANIES' OFFER, THE COMMISSION RECOGNIZES RESPONDENTS' SIGNIFICANT COOPERATION DURING THE DIVISION OF ENFORCEMENT'S INVESTIGATION OF THIS MATTER, WHICH INCLUDED PROVIDING IMPORTANT INFORMATION AND ANALYSIS TO THE DIVISION THAT HELPED THE DIVISION EFFICIENTLY AND EFFECTIVELY UNDERTAKE ITS INVESTIGATION. THE COMMISSION FINDS THAT RESPONDENTS VIOLATED SECTIONS 6(C), 6(D), AND 9(A)(2) OF THE ACT, 7 U.S.C. §§ 9, 13B, AND 13(A)(2) (2006). ACCORDINGLY, IT IS HEREBY ORDERED THAT: RESPONDENTS SHALL CEASE AND DESIST FROM VIOLATING SECTIONS 6(C), 6(D), AND 9(A)(2) OF THE ACT, 7 U.S.C. §§ 9, 13B, AND 13(A)(2) (2006) OF THE ACT. RESPONDENTS, JOINTLY AND SEVERALLY, SHALL PAY A CIVIL MONETARY PENALTY OF \$200 MILLION DOLLARS. RESPONDENTS AND THEIR SUCCESSORS AND ASSIGNS SHALL COMPLY WITH THE CONDITIONS AND UNDERTAKINGS SET FORTH IN THE OFFER.

Reporting Source:

Firm

Current Status:

Final

Allegations:

ON JUNE 27, 2012, THE CFTC AND BARCLAYS PLC, BARCLAYS BANK PLC AND BARCLAYS CAPITAL INC. (COLLECTIVELY, "BARCLAYS") ENTERED INTO A SETTLEMENT AGREEMENT THROUGH WHICH BARCLAYS CONSENTED TO THE ENTRY OF AN ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTIONS 6(C), 6(D) AND 9(A)(2) OF THE COMMODITY EXCHANGE ACT, AS AMENDED, MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS ("ORDER"). FOLLOWING IS A SUMMARY OF THE CFTC'S FINDINGS IN THE ORDER:

OVER A PERIOD OF SEVERAL YEARS BEGINNING AT LEAST AS EARLY AS 2005, BARCLAYS, BY AND THROUGH ITS AGENTS, OFFICERS AND EMPLOYEES LOCATED IN AT LEAST NEW YORK, LONDON AND TOKYO, ATTEMPTED TO MANIPULATE, AND MADE FALSE, MISLEADING OR KNOWINGLY INACCURATE SUBMISSIONS CONCERNING, TWO GLOBAL BENCHMARK INTEREST RATES, LIBOR AND EURIBOR.

DURING THE PERIOD FROM AT LEAST MID-2005 THROUGH THE FALL OF 2007, AND SPORADICALLY THEREAFTER INTO 2009, BARCLAYS BASED ITS LIBOR SUBMISSIONS FOR U.S. DOLLAR (AND AT LIMITED TIMES OTHER



CURRENCIES) ON THE REQUESTS OF CURRENT AND FORMER BARCLAYS SWAPS TRADERS WHO WERE ATTEMPTING TO AFFECT THE OFFICIAL LIBOR RATE IN ORDER TO BENEFIT THEIR DERIVATIVES TRADING POSITIONS. THIS SAME CONDUCT OCCURRED WITH RESPECT TO BARCLAYS' EURIBOR SUBMISSIONS DURING THE PERIOD OF AT LEAST MID-2005 THROUGH MID-2009.

DURING THE PERIOD FROM APPROXIMATELY MID-2005 THROUGH AT LEAST MID-2008, CERTAIN BARCLAYS EURO SWAPS TRADERS COORDINATED WITH AND AIDED AND ABETTED TRADERS AT CERTAIN OTHER BANKS TO INFLUENCE THE EURIBOR SUBMISSIONS OF MULTIPLE BANKS, INCLUDING BARCLAYS, IN ORDER TO AFFECT THE OFFICIAL EURIBOR RATE AND THEREBY BENEFIT THEIR RESPECTIVE DERIVATIVES TRADING POSITIONS.

DURING THE FINANCIAL CRISIS OF LATE AUGUST 2007 THROUGH EARLY 2009, BARCLAYS LOWERED ITS LIBOR SUBMISSIONS IN ORDER TO MANAGE WHAT IT BELIEVED TO BE AN INACCURATE AND NEGATIVE PUBLIC AND MEDIA PERCEPTION THAT BARCLAYS HAD A LIQUIDITY PROBLEM, BASED IN PART ON ITS HIGH LIBOR SUBMISSIONS RELATIVE TO SUBMISSIONS OF OTHER BANKS THAT BARCLAYS BELIEVED WERE TOO LOW GIVEN MARKET CONDITIONS. PURSUANT TO A DIRECTIVE BY CERTAIN MEMBERS OF BARCLAYS' SENIOR MANAGEMENT, BARCLAYS SUBMITTED LOWER RATES FOR U.S. DOLLAR LIBOR, AND AT LIMITED TIMES YEN AND STERLING LIBOR, THAN WHAT IT HAD DETERMINED TO BE THE APPROPRIATE RATES.

BARCLAYS' LACK OF SPECIFIC INTERNAL CONTROLS AND PROCEDURES CONCERNING ITS SUBMISSION PROCESSES FOR LIBOR AND EURIBOR AND ITS INADEQUATE SUPERVISION OF TRADING DESKS ALLOWED THIS CONDUCT TO OCCUR.

Initiated By:	COMMODITY FUTURES TRADING COMMISSION
Date Initiated:	06/27/2012
Docket/Case Number:	CFTC DOCKET NO. 12-25
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	CIVIL MONETARY PENALTY, UNDERTAKING
Resolution:	Order



Resolution Date: 06/27/2012

Sanctions Ordered: Monetary/Fine \$200,000,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE CFTC ORDERED BARCLAYS TO CEASE AND DESIST FROM VIOLATING SECTIONS 6(C), 6(D) AND 9(A)(2) OF THE COMMODITY EXCHANGE ACT AND IMPOSED A CIVIL MONETARY PENALTY OF \$200 MILLION AGAINST BARCLAYS PLC, BARCLAYS BANK PLC AND BARCLAYS CAPITAL INC., JOINTLY AND SEVERALLY, WHICH MUST BE PAID BEFORE JULY 7, 2012.

IN ITS CONSENT TO THE ORDER, BARCLAYS AGREED TO UNDERTAKE THE FOLLOWING: (1) TO ENSURE THE INTEGRITY AND RELIABILITY OF ITS BENCHMARK INTEREST RATE SUBMISSION(S); AND (2) TO IDENTIFY, CONSTRUCT AND PROMOTE EFFECTIVE METHODOLOGIES AND PROCESSES OF SETTING BENCHMARK INTEREST RATES, IN COORDINATION WITH EFFORTS BY BENCHMARK PUBLISHERS, IN ORDER TO ENSURE THE INTEGRITY AND RELIABILITY OF SUCH RATES.

BARCLAYS FURTHER REPRESENTED AND AGREED TO UNDERTAKE THAT EACH BENCHMARK INTEREST RATE SUBMISSION BY BARCLAYS SHALL BE BASED UPON A RIGOROUS AND HONEST ASSESSMENT OF INFORMATION, AND SHALL NOT BE INFLUENCED BY INTERNAL OR EXTERNAL CONFLICTS OF INTEREST, OR OTHER FACTORS OR INFORMATION EXTRANEIOUS TO ANY RULES APPLICABLE TO THE SETTING OF A BENCHMARK INTEREST RATE.

BARCLAYS ALSO AGREED TO CERTAIN PROCESSES AND PROCEDURES IN FURTHERANCE OF THESE UNDERTAKINGS.

Firm Statement

IN ANTICIPATION OF AN ADMINISTRATIVE PROCEEDING, BARCLAYS SUBMITTED AN OFFER OF SETTLEMENT TO THE CFTC, WHICH THE CFTC ACCEPTED ON JUNE 27, 2012 WHEN THE CFTC ISSUED THE ORDER. WITHOUT ADMITTING OR DENYING THE FINDINGS OR CONCLUSIONS SET FORTH IN THE ORDER, EXCEPT TO THE EXTENT BARCLAYS ADMITS THOSE FINDINGS IN ANY RELATED ACTION AGAINST BARCLAYS BY, OR ANY AGREEMENT WITH, THE DEPARTMENT OF JUSTICE OR ANY OTHER GOVERNMENTAL AGENCY OR OFFICE, BARCLAYS CONSENTED TO ENTRY OF THE ORDER.

THE CFTC EXPRESSLY NOTED BARCLAYS' SIGNIFICANT COOPERATION DURING THE INVESTIGATION.

IN A RELATED MATTER, UNDER A NON-PROSECUTION AGREEMENT ("NPA") DATED JUNE 26, 2012 WITH THE U.S. DEPARTMENT OF JUSTICE CRIMINAL



DIVISION, FRAUD SECTION ("DOJ"), BARCLAYS BANK PLC AND ITS PARENT, SUBSIDIARIES AND AFFILIATES (COLLECTIVELY, "BARCLAYS") ADMIT, ACCEPT AND ACKNOWLEDGE RESPONSIBILITY FOR THE CONDUCT SET FORTH BY THE DEPARTMENT OF JUSTICE IN THE STATEMENT OF FACTS ("STATEMENT") ATTACHED TO THE NPA. FOLLOWING IS A SUMMARY OF THE STATEMENT:

FROM APPROXIMATELY 2005 THROUGH 2007, AND OCCASIONALLY THEREAFTER THROUGH APPROXIMATELY 2009, CERTAIN BARCLAYS SWAPS TRADERS REQUESTED THAT CERTAIN BARCLAYS LIBOR AND EURIBOR SUBMITTERS SUBMIT LIBOR AND EURIBOR CONTRIBUTIONS THAT WOULD BENEFIT THE TRADERS' TRADING POSITIONS, RATHER THAN RATES THAT COMPLIED WITH THE DEFINITIONS OF LIBOR AND EURIBOR. THE SUBMITTERS ACCOMMODATED THESE REQUESTS ON NUMEROUS OCCASIONS. IN ADDITION, IN SOME INSTANCES FROM AT LEAST AS EARLY AS AUGUST 2006 THROUGH APPROXIMATELY JANUARY 2007, AND THEN ON ANOTHER OCCASION IN OR ABOUT JUNE 2009, BARCLAYS YEN SWAPS TRADERS MADE REQUESTS TO BARCLAYS YEN LIBOR SUBMITTERS FOR FAVORABLE YEN LIBOR SETTINGS. BARCLAYS YEN LIBOR SUBMITTERS ACCOMMODATED THOSE REQUESTS ON SOME OCCASIONS. THE PURPOSE OF THIS ACTIVITY WAS TO MANIPULATE BARCLAYS' DOLLAR AND YEN LIBOR CONTRIBUTIONS AND ITS EURIBOR CONTRIBUTIONS AND TO INFLUENCE THE RESULTING LIBOR AND EURIBOR FIXES. ALSO, FROM AT LEAST APPROXIMATELY AUGUST 2005 THROUGH AT LEAST APPROXIMATELY MAY 2008, CERTAIN BARCLAYS SWAPS TRADERS MADE REQUESTS OF SWAPS TRADERS AT OTHER FINANCIAL INSTITUTIONS FOR FAVORABLE LIBOR AND EURIBOR CONTRIBUTIONS. SUBMISSIONS BY BARCLAYS THAT TOOK INTO ACCOUNT REQUESTS FROM SWAPS TRADERS FOR FAVORABLE TREATMENT WERE FALSE AND MISLEADING.

FROM APPROXIMATELY AUGUST 2007 THROUGH AT LEAST APPROXIMATELY JANUARY 2009, BARCLAYS OFTEN SUBMITTED INACCURATE DOLLAR LIBORS THAT UNDER-REPORTED ITS PERCEPTION OF ITS BORROWING COSTS AND ITS ASSESSMENT OF AN APPROPRIATE DOLLAR LIBOR SUBMISSION, AND WERE NEARER TO THE EXPECTED RATE CONTRIBUTIONS OF OTHER BANKS, AT THE DIRECTION OF CERTAIN MEMBERS OF MANAGEMENT OF BARCLAYS, INCLUDING SENIOR MANAGERS IN THE TREASURY DEPARTMENT AND MANAGERS OF THE MONEY MARKETS DESK. SUCH RATES WERE FALSE BECAUSE THEY WERE LOWER THAN BARCLAYS OTHERWISE WOULD HAVE SUBMITTED AND CONTRARY TO THE DEFINITION OF LIBOR. THIS WAS DONE TO PROTECT BARCLAYS' REPUTATION AGAINST MEDIA AND MARKET PERCEPTIONS THAT BARCLAYS HAD A LIQUIDITY PROBLEM BASED IN PART ON ITS HIGH LIBOR SUBMISSIONS RELATIVE TO THE SUBMISSIONS OF OTHER BANKS, WHICH BARCLAYS BELIEVED WERE TOO LOW GIVEN MARKET



CONDITIONS.

THE MANIPULATION OF BARCLAYS' SUBMISSIONS AFFECTED THE FIXED RATES ON SOME OCCASIONS.

BARCLAYS AGREED TO PAY A MONETARY PENALTY OF \$160,000,000 TO THE UNITED STATES TREASURY BY JULY 6, 2012.

IN THE NPA, THE DOJ EXPRESSLY NOTED BARCLAYS' THOROUGH AND TIMELY COOPERATION AND COMMITMENT TO FUTURE COOPERATION WITH THE DOJ AND OTHER GOVERNMENT AUTHORITIES IN THE UNITED STATES AND UNITED KINGDOM.

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Reporting Source:

Regulator

Current Status:

Final

Allegations:

FINRA RULE 2010, NASD RULES 2110, 3010: THE FIRM MISREPRESENTED THE HISTORICAL DELINQUENCY RATES FOR SUBPRIME RMBS ON ITS REGULATION AB (REG AB) WEBSITE. AS UNDERWRITER, THE FIRM WAS BOTH INVOLVED IN THE PREPARATION OF THE OFFERING DOCUMENTS FOR EACH SUBPRIME RESIDENTIAL MORTGAGE-BACKED SECURITIZATION (RMBS) AND SOLD THESE SECURITIES TO INSTITUTIONAL INVESTORS. SUBPRIME RMBS SECURITIES ARE CREATED WHEN POOLS OF SUBPRIME MORTGAGES ARE COLLECTED AND THE CASH FLOWS ARE REDISTRIBUTED TO DIFFERENT BOND CLASSES CALLED TRANCHES. ON DECEMBER 5, 2005, REGULATION AB BECAME EFFECTIVE. UNDER REGULATION AB, ISSUERS OF RMBS ARE REQUIRED TO DISCLOSE HISTORICAL PERFORMANCE INFORMATION, INCLUDING DELINQUENCY RATES, FOR PRIOR SECURITIZATIONS THAT CONTAIN SIMILAR MORTGAGE LOANS AS COLLATERAL. SEVERAL ITEMS IN REGULATION AB REQUIRE THE PRESENTATION OF HISTORICAL INFORMATION AND DATA ON DELINQUENCIES AND LOSS INFORMATION, INCLUDING (1) THE TOTAL AMOUNT OF DELINQUENT ASSETS AS A PERCENTAGE OF THE AGGREGATE ASSET POOL, (2) THE PRESENT LOSS AND CUMULATIVE LOSS INFORMATION AND (3) OTHER MATERIAL INFORMATION REGARDING DELINQUENCIES AND LOSSES PARTICULAR TO THE POOL ASSET TYPES. IN ORDER TO SELL A NEW SECURITIZATION, THE FIRM WAS REQUIRED TO POST DATA ON HOW SIMILAR SECURITIZATIONS THAT IT HAD UNDERWRITTEN HAD PERFORMED IN THE PAST. THIS DISCLOSURE REQUIREMENT COULD BE SATISFIED BY POSTING THE HISTORICAL DELINQUENCY DATA ON A REG AB WEBSITE WITH A SPECIFIC INTERNET ADDRESS, WHICH FOR SECURITIZATIONS ISSUED ON OR AFTER JANUARY 1, 2006, IS DEEMED TO BE PART OF THE PROSPECTUS. IN OR ABOUT OCTOBER 2006, THE FIRM LEARNED THAT A TRUSTEE EMPLOYED ON CERTAIN OF ITS SUBPRIME SECURITIZATIONS (THE TRUSTEE) HAD



PROVIDED ERRONEOUS MORTGAGE DELINQUENCY DATA IN ITS REPORTS. THIS DELINQUENCY DATA WAS USED TO POPULATE THE FIRM'S REG AB WEBSITE. AFTER THE FIRM NOTIFIED THE TRUSTEE ABOUT THE ERRONEOUS MORTGAGE DELINQUENCY DATA, THE TRUSTEE CONFIRMED IT HAD PROVIDED TO THE FIRM INACCURATE DATA ON MORTGAGE DELINQUENCIES FOR FOUR SUBPRIME RMBS FOR THE PERIOD FROM MARCH 2006 THROUGH SEPTEMBER 2006. THE TRUSTEE SUBSEQUENTLY ADVISED THE FIRM THAT IT HAD RESOLVED THE PROBLEMS UNDERLYING THESE REPORTING ERRORS AND HAD UPLOADED CORRECTED DATA TO ITS INVESTOR REPORTING WEBSITE IN NOVEMBER 2006. THE FIRM DID NOT UPLOAD CORRECTED DATA TO ITS REG AB WEBSITE. HOWEVER, PRIOR TO MARCH 2007, THE INACCURATE DELINQUENCY DATA POSTED ON THE FIRM'S REG AB WEBSITE WAS IMMATERIAL. FROM JANUARY 2006 AND THROUGH FEBRUARY 2007, THE HISTORICAL DELINQUENCY INFORMATION DISPLAYED ON THE FIRM'S REG AB WEBSITE DID NOT PRESENT THE PERFORMANCE HISTORY OF THE MORTGAGES IN EACH INDIVIDUAL SECURITIZATION. RATHER, THE INFORMATION ON THE PERFORMANCE OF MORTGAGES IN RMBS DEALS SECURITIZED BY THE FIRM WAS PROVIDED IN "MASTER POOLS." EACH MASTER POOL CONTAINED THE HISTORICAL DELINQUENCY INFORMATION FOR NUMEROUS PRIOR SECURITIZATIONS, GENERALLY ALL THE RMBS THAT THE FIRM HAD UNDERWRITTEN IN A CALENDAR YEAR. THUS, AN INVESTOR WHO ACCESSED THE REG AB WEBSITE WOULD SEE PERFORMANCE FIGURES FOR ALL MORTGAGES ISSUED IN 2006, BUT WOULD NOT SEE HOW MORTGAGES WERE PERFORMING IN EACH INDIVIDUAL RMBS. IN MARCH 2007, THE FIRM RECONFIGURED ITS REG AB WEBSITE TO ALLOW INVESTORS TO VIEW HISTORICAL PERFORMANCE INFORMATION FOR SIMILAR SUBPRIME RMBS ON A DEAL-BY-DEAL BASIS. BY ERROR, DURING THESE CHANGES TO THE WEBSITE, FOR THREE SUBPRIME RMBS THE FIRM POSTED THE SAME INACCURATE DELINQUENCY FIGURES THAT HAD PREVIOUSLY BEEN USED IN THE MASTER POOL DATA FOR THE SAME SECURITIZATIONS FOR THE PERIOD FROM MARCH 2006 THROUGH SEPTEMBER 2006. THE FIRM DID NOT ENSURE THAT THE CORRECTED TRUSTEE DATA WAS USED TO POPULATE THE REG AB WEBSITE, AND DID NOT DETECT THIS ERROR. THE ERRONEOUS INFORMATION REMAINED ON THE FIRM REG AB WEBSITE UNTIL DECEMBER 2010. THE FIRM ONLY DISCOVERED THAT THIS POSTED INFORMATION WAS INACCURATE AFTER RECEIVING FINRA'S INQUIRY REGARDING THIS MATTER. (CONT. IN COMMENT)

Initiated By: FINRA
Date Initiated: 12/22/2011
Docket/Case Number: [2008012808801](#)
Principal Product Type: Other



Other Product Type(s):	SUBPRIME RESIDENTIAL MORTGAGE-BACKED SECURITIZATIONS
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/22/2011
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 \$3,000,000.00
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 \$3,000,000. FINE PAID IN FULL DECEMBER 30, 2011.
Regulator Statement	IN DECEMBER 2010, THE FIRM CORRECTED THE POSTED INFORMATION THAT WAS INACCURATE. AT THE TIME THAT INACCURATE INFORMATION ON MORTGAGE DELINQUENCIES WAS POSTED ON THE FIRM'S REG AB WEBSITE DURING THE SITE RECONFIGURATION, THE FIRM WAS AWARE OF THE PRIOR REPORTING ERRORS BY THE TRUSTEE AND WAS RESPONSIBLE FOR POPULATING AND MAINTAINING THE WEBSITE. SPECIFICALLY, FOR EACH OF TWO SUBPRIME RMBS, INACCURATE HISTORICAL DELINQUENCY RATES WERE REPORTED FOR APPROXIMATELY FOUR MONTHS EACH DURING AN OVERALL PERIOD OF APPROXIMATELY NINE MONTHS. THE INACCURATE INFORMATION ON THESE TWO RMBS WAS HYPERLINKED TO FIVE SUBSEQUENT RMBS SECURITIZATIONS TOTALING \$3,968,123,000. THE OFFERING MATERIALS FOR THESE FIVE SECURITIZATIONS REFERRED INVESTORS TO THE FIRM'S REG AB WEBSITE THAT INCLUDED, AMONG OTHER THINGS, THE INACCURATE DATA. SIMILARLY INACCURATE INFORMATION ON MORTGAGE PERFORMANCE WAS ALSO POSTED ON THE FIRM'S REG AB WEBSITE FOR ANOTHER SUBPRIME RMBS, BUT FOR THIS SECURITIZATION, SUCH DELINQUENCY INFORMATION WAS MISSTATED FOR A PERIOD OF ONLY ONE MONTH. BECAUSE OF THESE ERRORS, WHICH VARIOUSLY UNDER-REPORTED AND OVER-REPORTED THE EXTENT OF DELINQUENT LOANS IN THE REFERENCED SECURITIZATIONS, THE FAIR MARKET VALUE, THE



YIELDS ON THE CERTIFICATES, ANTICIPATED HOLDING PERIODS AND ANTICIPATED PERFORMANCE OF THE SUBSEQUENT RMBS SECURITIZATIONS MAY HAVE BEEN IMPROPERLY EVALUATED BY POTENTIAL INVESTORS. AS THE UNDERWRITER AND SELLER OF SUBPRIME RMBS, THE FIRM FAILED TO ESTABLISH A REASONABLE SYSTEM TO SUPERVISE THE MAINTENANCE, UPDATING AND REVIEW OF ITS REG AB WEBSITE-IN PARTICULAR, BY FAILING TO PROVIDE FOR FOLLOW-UP AND REVIEW OF SUPERVISION WITH REGARD TO THE ACCURACY OF ITS REG AB WEBSITE. IN MARCH 2007, WHEN THE FIRM RECONFIGURED ITS REG AB WEBSITE TO ALLOW ITS INVESTORS TO VIEW HISTORICAL PERFORMANCE INFORMATION ON A DEAL-BY-DEAL BASIS, THE FIRM DID NOT ENSURE THAT THE INFORMATION BEING POSTED WAS ACCURATE. AFTER THE REG AB WEBSITE HAD BEEN RECONFIGURED, THE FIRM DID NOT TAKE REASONABLE STEPS TO IDENTIFY AND CORRECT THE INACCURATE INFORMATION TO ENSURE THAT SUBSEQUENT RMBS OFFERINGS WOULD BE SOLD ON THE BASIS OF ACCURATE INFORMATION. NOR, IN FACT, DID THE FIRM SUBSEQUENTLY REVIEW THE REG AB WEBSITE TO ENSURE THAT THE REVISED TRUSTEE DATA HAD BEEN POSTED. INDEED, IT WAS NOT UNTIL LATE 2010, AFTER A FINRA INQUIRY INTO THE MATTER, THAT THE FIRM DISCOVERED ITS REPORTING ERRORS AND CORRECTED ITS REG AB WEBSITE. AS A RESULT OF THESE FAILURES TO SUPERVISE ITS REG AB WEBSITE, DURING THE PERIOD FROM MARCH 2007 TO DECEMBER 2010, THE FIRM FAILED TO PROVIDE ACCURATE INFORMATION ON RMBS DELINQUENCY RATES.

Reporting Source:	Firm
Current Status:	Final
Allegations:	FINRA ALLEGED THAT BCI FAILED TO SUPPLY INVESTORS WITH ACCURATE INFORMATION WITH RESPECT TO CERTAIN MORTGAGE-BACKED SECURITIZATIONS ON THE WEBSITE MAINTAINED BY BCI PURSUANT TO THE REQUIREMENTS OF SECURITIES AND EXCHANGE COMMISSION REGULATION AB ("REG. AB WEBSITE"). FINRA ALLEGED THAT BCI'S FAILURE TO MAINTAIN ACCURATE INFORMATION ON ITS REG. AB WEBSITE RESULTED IN THE VIOLATION NATIONAL ASSOCIATION OF SECURITIES DEALERS RULES 3010 AND 2110, AND FINRA RULE 2010.
Initiated By:	FINRA
Date Initiated:	12/22/2011
Docket/Case Number:	2008012808801
Principal Product Type:	Other
Other Product Type(s):	SUBPRIME RESIDENTIAL MORTGAGE-BACKED SECURITIZATIONS



Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/22/2011
Sanctions Ordered:	Censure Monetary/Fine \$3,000,000.00
Other Sanctions Ordered:	
Sanction Details:	BCI, WITHOUT ADMITTING OR DENYING FINRA'S ALLEGATIONS AND FINDINGS, HAS VOLUNTARILY AGREED TO CENSURE, AND TO PAY A FINE OF \$3,000,000. THE FINE WAS PAID ON DECEMBER 28, 2011.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 6230(B), 6230(C)(6) - BARCLAYS CAPITAL, INC. FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES THAT IT WAS REQUIRED TO REPORT. THE FIRM FAILED TO REPORT TO TRACE THE CORRECT CONTRA-PARTY'S IDENTIFIER FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES.
Initiated By:	FINRA
Date Initiated:	06/10/2011
Docket/Case Number:	2009019847301
Principal Product Type:	Other
Other Product Type(s):	TRACE-ELIGIBLE 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 \$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 REPORT TO TRACE THE TRANSACTIONS NOT PREVIOUSLY REPORTED. WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC, A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT TO FINRA A REPRESENTATION THAT THE FIRM HAS REPORTED THE PREVIOUSLY UNREPORTED TRANSACTIONS TO TRACE AND THE DATE THEY WERE REPORTED.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 6230(B), 6230(C)(6) - BARCLAYS CAPITAL, INC. FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES THAT IT WAS REQUIRED TO REPORT. THE FIRM FAILED TO REPORT TO TRACE THE CORRECT CONTRA-PARTY'S IDENTIFIER FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY

Date Initiated: 06/10/2011

Docket/Case Number: [2009019847301](#)

Principal Product Type: Other

Other Product Type(s): TRACE-ELIGIBLE 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 \$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 REPORT TO TRACE THE TRANSACTIONS NOT PREVIOUSLY REPORTED. WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC, A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT TO FINRA A REPRESENTATION THAT THE FIRM HAS REPORTED THE PREVIOUSLY UNREPORTED TRANSACTIONS TO TRACE AND THE DATE THEY WERE REPORTED.

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Reporting Source: Regulator

Current Status: Final

Allegations: FINRA RULE 5260 - BARCLAYS CAPITAL INC. EFFECTED, DIRECTLY OR INDIRECTLY, TRANSACTIONS IN A SECURITY WHILE A TRADING PAUSE WAS IN EFFECT.

Initiated By: FINRA

Date Initiated: 04/05/2011

Docket/Case Number: 2010023396001

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITY

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/05/2011



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:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	FINRA RULE 5260 - BARCLAYS CAPITAL INC. EFFECTED, DIRECTLY OR INDIRECTLY, TRANSACTIONS IN A SECURITY WHILE A TRADING PAUSE WAS IN EFFECT.
Initiated By:	FINANCIAL INDUSTRY REGULATORY AUTHORITY
Date Initiated:	04/05/2011
Docket/Case Number:	2010023396001
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:	04/05/2011
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	THE DISPOSITION RESULTED IN A MONETARY/FINE IN THE AMOUNT OF \$5,000.00 WHICH WAS PAID VIA WIRE TRANSFER ON 4/14/11.
Firm Statement	BARCLAYS BELIEVES THAT WE TOOK ALL REASONABLE STEPS TO ENSURE COMPLIANCE WITH THE QUICKLY ADOPTED SSCB RULES. AS



EXPLAINED IN THE STATEMENT OF MITIGATION, BARCLAYS COMMITTED SIGNIFICANT RESOURCES IN A CONCENTRATED PERIOD OF TIME TO THE IMPLEMENTATION OF THE SSCB RULES, AND WE BELIEVED THAT WE HAD APPROPRIATELY ADDRESSED POTENTIAL ISSUES. THE SPEED WITH WHICH THE RULES WERE ADOPTED AND IMPLEMENTED WAS VIRTUALLY UNPRECEDENTED. BARCLAYS WORKED DILIGENTLY, BOTH INTERNALLY AND EXTERNALLY WITH THE EXCHANGES, TO IMPLEMENT THE NECESSARY SYSTEMS AND CONTROLS TO COMPLY WITH THE NEW REQUIREMENTS. THE FIRM PARTICIPATED IN THE INDUSTRY WIDE TESTING, AND DILIGENTLY WORKED TO ADDRESS THE ISSUES THAT WERE IDENTIFIED DURING THE TESTS, BEFORE THE RULES TOOK EFFECT. THE FIRM QUICKLY REMEDIATED THE TECHNOLOGY ISSUE THAT CAUSED THE TRADING TO OCCUR, BOTH TACTICALLY AND STRATEGICALLY.

Disclosure 88 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULES 10B-10, 17A-3, 605 OF REGULATION NMS, FINRA RULE 7450, NASD RULES 3110, 4632 - BARCLAY CAPITAL INC., UNDER ITS MAIN MARKET PARTICIPANT IDENTIFIER (MPID), TRANSMITTED REPORTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA: THE FIRM FAILED TO SUBMIT REQUIRED ROUTE (RT) REPORTS; FAILED TO SUBMIT REQUIRED CANCEL REPLACE (CR) REPORTS; SUBMITTED A CR REPORT WITH THE INCORRECT QUANTITY; SUBMITTED AN UNNECESSARY COMBINED ORDER EXECUTION (OE) REPORT; FAILED TO SUBMIT AN OATS REPORT; SUBMITTED A DUPLICATE EXECUTION (EX) REPORT; AND SUBMITTED AN EXTRANEIOUS DESK (DS) REPORT. THE FIRM FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER THE CORRECT CAPACITY OR ALL CAPACITIES IN WHICH IT SERVED WHEN FILLING CUSTOMER ORDERS AND IN SOME INSTANCES, ALSO INCORRECTLY DISCLOSING ITS COMPENSATION TYPE AS "COMMISSION" WHEN ACTING IN A PRINCIPAL OR RISKLESS PRINCIPAL CAPACITY; AND IN SOME INSTANCES, FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING ACCURATE COMPENSATION TYPE, BY INCORRECTLY DISCLOSING ITS COMPENSATION TYPE AS "COMMISSION" WHEN ACTING IN A PRINCIPAL OR RISKLESS PRINCIPAL CAPACITY. THE FIRM FAILED TO PROPERLY MARK PRINCIPAL SHORT SALES ON ITS SECURITIES RECORD OR TRADING LEDGER AS "SHORT;" IN ONE INSTANCE, FAILED TO PROPERLY MARK A PRINCIPAL LONG SALE ON ITS SECURITIES RECORD OR TRADING LEDGER AS "LONG;" IN SOME INSTANCES, FAILED TO SHOW THE TERMS AND CONDITIONS (HELD VS NOT HELD) ON ITS BROKERAGE ORDER MEMORANDA; AND IN ONE INSTANCE, FAILED TO RECORD ACCURATE



LONG OR SHORT ORDER MARKING ON THE BROKERAGE ORDER MEMORANDUM, INSTEAD MARKING SUCH MEMORANDUM AS BOTH "LONG" AND "SHORT." THE FIRM MADE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED FOR EXECUTION FROM ANY PERSON THAT INCLUDED INCORRECT INFORMATION AS TO THE NUMBER OF TOTAL COVERED ORDERS, INSOFAR AS SOME MARKET LIMIT ORDERS WERE MISTAKENLY CLASSIFIED AS INSIDE-THE-QUOTE LIMIT ORDERS. UNDER AN ALTERNATE MPID, THE MPID MADE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED FOR EXECUTION FROM ANY PERSON THAT INCLUDED INCORRECT INFORMATION AS TO TOTAL COVERED ORDERS, TOTAL COVERED SHARES AND TOTAL CANCELED SHARES, INSOFAR AS NUMEROUS MARKET LIMIT ORDERS, AT-THE-QUOTE LIMIT ORDERS AND/OR INSIDE-THE-QUOTE LIMIT ORDERS WERE MISTAKENLY CLASSIFIED AS MARKET ORDERS. UNDER THE ALTERNATE MPID, THE MPID MADE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED FOR EXECUTION FROM ANY PERSON THAT INCLUDED INCORRECT INFORMATION AS TO TOTAL COVERED ORDERS, TOTAL COVERED SHARES AND TOTAL CANCELED SHARES, INSOFAR AS THE FIRM REPORTED SOME TOTAL COVERED ORDERS FOR MARKET ORDERS OF 100-499 SHARES IN ONE PARTICULAR SECURITY WHEN IT HAD IN FACT EXECUTED FEWER SUCH ORDERS. THE ALTERNATE MPID FAILED TO REPORT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY THE CORRECT SYMBOL INDICATING THE CAPACITY IN WHICH IT EXECUTED TRANSACTIONS IN REPORTABLE SECURITIES AND THE CORRECT SYMBOL INDICATING WHETHER THE TRANSACTION WAS A BUY, SELL OR CROSS IN ONE LAST SALE REPORT OF A TRANSACTION IN A REPORTABLE SECURITY.

Initiated By: FINRA

Date Initiated: 12/20/2010

Docket/Case Number: [2009016999401](#)

Principal Product Type: Other

Other Product Type(s): NATIONAL MARKET SYSTEM SECURITIES, REPORTABLE SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/20/2010

Does the order constitute a No



final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

Sanctions Ordered: Censure
Monetary/Fine \$42,500.00

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 \$42,500.

Reporting Source: Firm

Current Status: Final

Allegations: DURING THE 2009 TMMS EXAM REVIEW PERIOD THE FIRM: TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM 14 REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA IN VIOLATION OF FINRA RULE 7450; IN 38 INSTANCES FAILED TO PROVIDE WRITTEN NOTIFICATION TO CLIENTS DISCLOSING TO ITS CUSTOMER THE CORRECT CAPACITY IN WHICH IT SERVED WHEN FILLING A CUSTOMER ORDER AND IN 13 INSTANCES FAILED TO PROVIDE WRITTEN NOTIFICATION TO CLIENTS DISCLOSING ACCURATE COMMISSION TYPE IN VIOLATION OF SEC RULE 10B-10; IN 267 INSTANCES FAILED TO PROPERLY MARK A SALE AS SHORT, LONG OR FAILED TO SHOW THE TERMS AND CONDITIONS IN VIOLATION OF SEC RULE 17A-3 AND NASD RULE 3110; FOR THE PERIOD NOVEMBER 2008 THROUGH FEBRUARY 2009 THE FIRM FAILED TO CORRECTLY REPORT INFORMATION AS TO TOTAL COVERED ORDERS, TOTAL COVERED SHARES, AND TOTAL CANCELED SHARES, INsofar AS NUMEROUS ORDERS WERE MISTAKENLY CLASSIFIED AS MARKET ORDERS IN VIOLATION OS SEC RULE 605 OF REG NMS; IN NOVEMBER 2008 THE FIRM FAILED TO REPORT TO THE FINRA/NASDAQ TRF THE CORRECT SYMBOL INDICATING THE CAPACITY IN WHICH THE FIRM EXECUTED 32 TRANSACTIONS IN REPORTABLE SECURITIES AND THE CORRECT SYMBOL INDICATING THE TYPE OF TRANSACTION IN VIOLATION OF NASD RULE 4632.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY

Date Initiated: 12/20/2010

Docket/Case Number: [2009016999401](#)

Principal Product Type: Other



Other Product Type(s): NATIONAL MARKET SYSTEM SECURITIES, REPORTABLE SECURITIES

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/20/2010

Sanctions Ordered: Censure
Monetary/Fine \$42,500.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF THE FINDINGS; THEREFORE THE FIRM WAS CENSURED AND FINED \$42,500 (COMPRISED OF \$7,500 FOR THE OATS-REPORTING VIOLATIONS; \$5,000 FOR THE SEC RULE 10B-10 VIOLATIONS; \$5,000 FOR THE RECORDKEEPING VIOLATIONS; \$10,000 FOR THE TRADE REPORTING VIOLATIONS; AND \$15,000 FOR THE VIOLATIONS OF SEC RULE 605 OF REGULATION NMS).

Disclosure 89 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULES 15C3-1, 15C3-3, 17A-3, 17A-4, FINRA RULE 2010, NASD RULES 2110, 3010(A), 3110 - BARCLAYS CAPITAL INC. FAILED TO RECONCILE ITS VARIOUS BALANCE SHEETS AND LEDGERS; ALTHOUGH THE ACCOUNTING ERRORS WERE LARGE, MOST WERE OVERSTATEMENT OF CREDITS AND/OR UNDERSTATEMENTS OF DEBITS, NONE OF WHICH RESULTED IN A NET CAPITAL DEFICIENCY UNDER EXCHANGE ACT RULE 15C3-1 AND ONLY ONE RESULTED IN A CUSTOMER RESERVE ACCOUNT HINDSIGHT DEFICIENCY UNDER EXCHANGE ACT RULE 15C3-3. THE FIRM HAD A CUSTOMER RESERVE ACCOUNT HINDSIGHT DEFICIENCY UNDER EXCHANGE RULE 15C3-3 DUE TO A RECURRING ERROR IN WHICH IT FAILED TO TREAT AN AFFILIATE ACCOUNT AS A CUSTOMER ACCOUNT. THE FIRM DID NOT HAVE ADEQUATE SUPERVISION TO DETECT DISCREPANCIES BETWEEN ITS VARIOUS INTERNAL RECORDS AND FAILED TO MAINTAIN AND KEEP CURRENT, AS WELL AS PRESERVE, CERTAIN BOOKS AND RECORDS.

Initiated By: FINRA

Date Initiated: 11/09/2010



Docket/Case Number: [2009017479101](#)

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: 11/09/2010

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 \$60,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS; THEREFORE, THE FIRM IS CENSURED AND FINED \$60,000.

Reporting Source: Firm

Current Status: Final

Allegations: SEC RULES 15C3-1, 15C3-3, 17A-3, 17A-4, FINRA RULE 2010, NASD RULES 2110, 3010(A), 3110 - BARCLAYS CAPITAL INC. FAILED TO RECONCILE ITS VARIOUS BALANCE SHEETS AND LEDGERS; ALTHOUGH THE ACCOUNTING ERRORS WERE LARGE, MOST WERE OVERSTATEMENT OF CREDITS AND/OR UNDERSTATEMENTS OF DEBITS, NONE OF WHICH RESULTED IN A NET CAPITAL DEFICIENCY UNDER EXCHANGE ACT RULE 15C3-1 AND ONLY ONE RESULTED IN A CUSTOMER RESERVE ACCOUNT HINDSIGHT DEFICIENCY UNDER EXCHANGE ACT RULE 15C3-3. THE FIRM HAD A CUSTOMER RESERVE ACCOUNT HINDSIGHT DEFICIENCY UNDER EXCHANGE RULE 15C3-3 DUE TO A RECURRING ERROR IN WHICH IT FAILED TO TREAT AN AFFILIATE ACCOUNT AS A CUSTOMER ACCOUNT. THE FIRM DID NOT HAVE ADEQUATE SUPERVISION TO DETECT DISCREPANCIES BETWEEN ITS VARIOUS INTERNAL RECORDS AND FAILED



TO MAINTAIN AND KEEP CURRENT, AS WELL AS PRESERVE, CERTAIN BOOKS AND RECORDS.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY

Date Initiated: 11/09/2010

Docket/Case Number: [2009017479101](#)

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: 11/09/2010

Sanctions Ordered: Censure
Monetary/Fine \$60,000.00

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 \$60,000.

Disclosure 90 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: BARCLAYS CAPITAL, INC., ("BARCLAYS"), AN EXCHANGE MEMBER ORGANIZATION, WAS CENSURED AND FINED \$20,000 FOR THE FOLLOWING CONDUCT. BARCLAYS, IN NUMEROUS INSTANCES, FAILED TO DISSEMINATE QUOTES IN THE REQUIRED PERCENTAGE OF SERIES WITHIN A CLASS. (CBOE RULE 8.85 - DPM OBLIGATIONS.)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 03/18/2010

Docket/Case Number: 10-0006

Principal Product Type: Options

Other Product Type(s):



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

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 04/13/2010

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

Other Sanctions Ordered:

Sanction Details: A \$20,000 FINE AND A CENSURE.

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO DISSEMINATE QUOTES IN THE REQUIRED PERCENTAGE OF SERIES WITHIN A CLASS IN VIOLATION OF EXCHANGE RULE 8.85 (A)(1)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 03/18/2010

Docket/Case Number: 10-0006

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: 04/13/2010

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

Other Sanctions Ordered:

Sanction Details: \$20,000 PAID ON 4/27/2010

Firm Statement BARCLAYS CAPITAL WORKED CLOSELY WITH THE EXCHANGE TO RESOLVE THE ISSUES EXPEDIENTLY. SIGNIFICANT IMPROVEMENTS TO



PROCESS HAS BEEN IMPLEMENTED AND PERFORMANCE IN THIS AREA HAS GREATLY INCREASED.

Disclosure 91 of 101

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC RULE 17A-3, NASD RULES 2110, 3110, 3360, 6230(A) AND 6230(C)(8): RESPONDENT BARCLAYS CAPITAL INC. FAILED TO: REPORT TO NASD SHORT INTEREST POSITIONS IN NUMEROUS SECURITIES; REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION; THE CORRECT TIME OF TRADE EXECUTION FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES; AND SHOW THE CORRECT TIME OF EXECUTION ON THE MEMORANDUM OF BROKERAGE ORDERS.
Initiated By:	FINRA
Date Initiated:	10/12/2009
Docket/Case Number:	2006004056501
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED TYPE OF SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	10/12/2009
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 \$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.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED THAT BARCLAYS VIOLATED NASD RULES 3360, 6230(A), 6230(C)(G), 2110, 3110, AND SEC RULE 17A-3 BY FAILING: TO REPORT TO NASD SHORT INTEREST POSITIONS FOR CERTAIN SECURITIES; TIMELY REPORT ELIGIBLE TRANSACTIONS TO TRACE; REPORT TO TRACE THE CORRECT TIME OF EXECUTION; AND FAILING TO SHOW THE CORRECT TIME OF EXECUTION ON MEMORANDUM OF ORDERS.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY

Date Initiated: 10/12/2009

Docket/Case Number: 20060040565-01

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED TYPE OF SECURITIES

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/12/2009

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

Other Sanctions Ordered:

Sanction Details: CONSENT TO A CENSURE AND A \$50K FINE (\$35K FOR SHORT-INTEREST VIOLATIONS, \$12.5K FOR TRACE AND \$2.5K FOR BOOKS AND RECORDS). THE SHORT-INTEREST PORTION OF THE CENSURE WAS REDUCED AS THE FIRM BOTH SELF-IDENTIFIED AND SELF-REPORTED THE VIOLATIONS TO FINRA.

Disclosure 92 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULE 6230(A): BARCLAYS CAPITAL INC., FAILED TO REPORT SOME



TRANSACTIONS TO TRADE REPORTING AND COMPLIANCE ENGINE (TRACE), TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES THAT ARE TO BE REPORTED WITHIN 15 MINUTES OF THE TIME OF EXECUTION.

Initiated By: FINRA

Date Initiated: 10/13/2008

Docket/Case Number: 2006006664601

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: 10/13/2008

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

Sanctions Ordered: Censure
Monetary/Fine \$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.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULE 6230(A): BARCLAYS CAPITAL INC., FAILED TO REPORT SOME TRADE TRANSACTIONS TO TRADE REPORTING AND COMPLIANCE ENGINE (TRACE), TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES THAT ARE TO BE REPORTED WITHIN 15 MINUTES OF THE TIME OF EXECUTION.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY

Date Initiated: 10/13/2008



Docket/Case Number: 2006006664601

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/13/2008

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 \$7,500.00

Disclosure 93 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110, 3010, 8211, 8213 - BARCLAY'S CAPITAL, INC. FAILED TO REPORT ACCURATE TRADING INFORMATION THROUGH THE SUBMISSION OF ELECTRONIC BLUE SHEETS IN RESPONSE TO REQUESTS FOR SUCH INFORMATION BY FINRA. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING THE SUBMISSION OF ELECTRONIC BLUE SHEET DATA.

Initiated By: FINRA

Date Initiated: 11/16/2007

Docket/Case Number: [2005003076702](#)

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: 11/16/2007

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 \$125,000.00

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 \$125,000.

Reporting Source: Firm

Current Status: Final

Allegations: DURING THE REVIEW PERIOD OF JANUARY 1, 2005 THROUGH AUGUST 31, 2005, FINRA FOUND THAT THE FIRM FAILED TO REPORT ACCURATE TRADING INFORMATION THROUGH THE SUBMISSION OF ELECTRONIC BLUE SHEETS IN RESPONSE TO REQUEST FOR SUCH INFORMATION BY FINRA. A VIOLATION OF NASD CONDUCT RULES 8211 AND 8213. IN ADDITION, FINRA FOUND 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 THE RULES OF FINRA, CONCERNING THE SUBMISSION OF ELECTRONIC BLUE SHEET DATA. A VIOLATION OF NASD CONDUCT RULES 2110 AND 3010.

Initiated By: FINANCIAL INDUSTRY NATIONAL REGULATORY AUTHORITY

Date Initiated: 10/27/2005

Docket/Case Number: CASE NO. 20050030767-02

Principal Product Type: No Product

Other Product Type(s):



Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/16/2007

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

Other Sanctions Ordered:

Sanction Details: CONSENT TO A CENSURE AND A \$125,000.00 FINE

Disclosure 94 of 101

Reporting Source: Firm

Current Status: Final

Allegations: REGULATION 9B.13, IN THAT CROSS TRADES EXECUTED BY BARCLAYS' EMPLOYEES WERE NOT ENTERED IN ACCORDANCE WITH PRESCRIBED TIME REQUIREMENTS AND PROCEDURES.

Initiated By: CHICAGO BOARD OF TRADE

Date Initiated: 01/09/2006

Docket/Case Number: 2005-INV-29 AND 40

Principal Product Type: Futures - Financial

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: FINE

Resolution: Settled

Resolution Date: 03/28/2006

Sanctions Ordered: Monetary/Fine \$20,000.00

Other Sanctions Ordered:

Sanction Details: BARCLAYS CAPITAL INC. CONSENTED TO \$20,000 FINE AND PAID IN FULL ON APRIL 25, 2006



Firm Statement WITHOUT ADMITTING OR DENYING ANY VIOLATION, BARCLAYS CAPITAL INC. CONSENTED TO THE ENTRY OF A CONCLUSION THAT THE FLOOR GOVERNORS COMMITTEE HAD REASON TO BELIEVE THE FIRM VIOLATED REGULATION 9B.13

Disclosure 95 of 101

Reporting Source: Firm

Current Status: Final

Allegations: BARCLAYS CAPITAL INC. WAS FOUND TO HAVE INSUFFICIENT FUNDS IN US DOLLARS TO SATISFY ITS US DOLLAR-DENOMINATED OBLIGATIONS, MAINTAINED INADEQUATE INTERNAL CONTROLS RELATED TO DAILY PREPARATION OF SEGREGATED AND SECURED CUSTOMER FUNDS COMPUTATIONS, AND IMPROPERLY MARGINED CERTAIN CUSTOMERS' ACCOUNTS. THESE DEFICIENCIES RESULTED IN THE ISSUANCE OF CHARGES THAT BARCLAYS VIOLATED NYMEX DIVISION RULES 4.01 (C), (D), AND (F): MARGIN REQUIREMENTS; AND EXCHANGE RULES 8.50(A): FAILURE TO MAINTAIN REPORTS AND RECORDS; AND 8.55(B)(1): "MINOR OFFENSES" - CONDUCT DETRIMENTAL TO THE EXCHANGE.

Initiated By: NEW YORK MERCANTILE EXCHANGE

Date Initiated: 02/06/2006

Docket/Case Number: NYME 05-13

Principal Product Type: Futures - Financial

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 02/06/2006

Sanctions Ordered: Monetary/Fine \$150,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: \$150,000 FINE EFFECTIVE FEBRUARY 28, 2006.

Firm Statement BARCLAYS CAPITAL INC. SUBMITTED A JOINT OFFER OF SETTLEMENT WITHOUT ADMITTING OR DENYING THE ALLEGATIONS AND CHARGES



AGAINST IT. THE OFFER WAS ACCEPTED BY THE EXCHANGE'S BOARD OF DIRECTORS AT A REGULAR MONTHLY MEETING HELD ON FEBRUARY 1, 2006. THE TERMS OF THE OFFER PROVIDE FOR AN ORDER THAT BARCLAYS CAPITAL INC. CEASE AND DESIST FROM FUTURE VIOLATIONS OF NYMEX DIVISION RULES 4.01 (C), (D) AND (F), AND EXCHANGE RULES 8.50(A) AND 8.55(B)(1); AND AN ORDER THAT RESPONDENT PAY A FINE TO THE EXCHANGE IN THE AMOUNT OF ONE HUNDRED AND FIFTY THOUSAND DOLLARS (\$150,000).

Disclosure 96 of 101

Reporting Source:	Firm
Current Status:	Final
Allegations:	<p>WITHOUT ADMITTING OR DENYING ANY VIOLATION, THE FIRM CONSENTED TO THE ENTRY OF A CONCLUSION THAT THE BUSINESS CONDUCT COMMITTEE HAD REASON TO BELIEVE THAT BARCLAYS CAPITAL, INC. VIOLATED THE FOLLOWING:</p> <p>REGULATION 444.03, IN THAT, LESS THAN TWO BUSINESS DAYS PRIOR TO THE FIRST DELIVERY DAY, THE FIRM MADE TRANSFER TRADES FOR THE PURPOSE OF OFFSETTING EXISTING POSITIONS WHERE NO CHANGE OF OWNERSHIP WAS INVOLVED, AND WHEN THE DATE OF EXECUTION OF THE POSITIONS BEING TRANSFERRED WAS NOT THE SAME AS THE TRANSFER DATE.</p>
Initiated By:	CHICAGO BOARD OF TRADE
Date Initiated:	11/12/2002
Docket/Case Number:	02MSI10,17
Principal Product Type:	Other
Other Product Type(s):	N/A
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	11/12/2002
Sanctions Ordered:	Monetary/Fine \$15,000.00
Other Sanctions Ordered:	



Sanction Details: \$15,000 PAID ON NOVEMBER 12,2002

Firm Statement WITHOUT ADMITTING OR DENYING ANY VIOLATION, THE FIRM CONSENTED TO THE ENTRY OF A CONCLUSION THAT THE BUSINESS CONDUCT COMMITTEE HAD REASON TO BELIEVE THAT BARCLAYS CAPITAL, INC. VIOLATED THE FOLLOWING:

REGULATION 444.03, IN THAT, LESS THAN TWO BUSINESS DAYS

Disclosure 97 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: NASD CONDUCT RULES 2110, 3010 AND 3360 - RESPONDENT MEMBER ("FIRM") FAILED TO TIMELY REPORT ITS SHORT INTEREST POSITIONS TO NASD. THE FIRM ALSO FAILED TO REPORT SHORT INTEREST FOR DIFFERENT SECURITIES DURING THE REVIEW PERIOD. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING THE TIMELY REPORTING OF SHORT INTEREST POSITIONS. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR: (1) THE IDENTIFICATION OF THE PERSON(S) RESPONSIBLE FOR SUPERVISION WITH RESPECT TO THE APPLICABLE RULES; (2) A STATEMENT OF THE SUPERVISORY STEP(S) TO BE TAKE BY THE IDENTIFIED PERSON(S); (3) A STATEMENT AS TO HOW OFTEN SUCH PERSON(S) SHOULD TAKE SUCH STEP(S); AND (4) A STATEMENT AS TO HOW THE COMPLETION OF THE STEP(S) INCLUDE IN THE WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED.

Initiated By: NASD

Date Initiated: 11/13/2003

Docket/Case Number: CMS030262

Principal Product Type: Other

Other Product Type(s): UNKNOWN TYPE OF SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)



Resolution Date: 11/13/2003

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: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$30,000.

Reporting Source: Firm

Current Status: Final

Allegations: THE APPLICANT FAILED TO TIMELY REPORT ITS SHORT INTEREST POSITIONS TO NASD FROM FEBRUARY 2000 THROUGH APRIL 2002. THE APPLICANT FAILED TO REPORT SHORT INTEREST FOR 524 DIFFERENT SECURITIES TOTALING 99,234,513 SHARES DURING THE REVIEW PERIOD.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 03/01/2002

Docket/Case Number: CMS030262

Principal Product Type: Other

Other Product Type(s): EQUITY SECURITIES

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: CENSURE AND FINE, VIOLATION OF NASD CONDUCT RULE 3360

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/03/2003

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

Other Sanctions Ordered:



Sanction Details: TOTAL AMOUNT = \$30,000.00

Firm Statement THE APPLICANT SUBMITTED A LETTER OF ACCEPTANCE , WAIVER AND CONSENT TO THE NASD ON OR ABOUT OCTOBER 3, 2003; SUCH LETTER WAS ACCEPTED ON NOVEMBER 13, 2003

Disclosure 98 of 101

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO KEEP ACCURATE AND COMPLETE BOOKS AND RECORDS IN THE MANNER PRESCRIBED BY THE CBOT PURSUANT TO REGULATION 545.02.

Initiated By: CHICAGO BOARD OF TRADE

Date Initiated: 08/24/1990

Docket/Case Number: 89-EX-47

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 10/22/1990

Sanctions Ordered: Monetary/Fine \$2,000.00

Other Sanctions Ordered:

Sanction Details: \$2000.00 FINE PAID WITHIN 30 DAYS OF THE 12/27/90 EFFECTIVE DATE.

Firm Statement IN CONNECTION WITH AN AUDIT CONDUCTED BY THE CHICAGO BOARD OF TRADE, THE BUSINESS CONDUCT COMMITTEE CONCLUDED THAT BARCLAYS DE ZOETE WEDD SECURITIES INC. FAILED TO KEEP ACCURATE AND COMPLETE BOOKS AND RECORDS IN THE MANNER PRESCRIBED BY THE EXCHANGE.

Disclosure 99 of 101

Reporting Source: Firm



Current Status: Final

Allegations: DEZOETE & BEVAN FAILED TO MAINTAIN MINIMUM NET CAPITAL PURSUANT TO 15C3-1 OF THE SECURITIES EXCHANGE ACT OF 1934.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 04/14/1987

Docket/Case Number: NY-(#NA)-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: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/14/1987

Sanctions Ordered: Censure
Monetary/Fine \$1,000.00

Other Sanctions Ordered:

Sanction Details: CONSENTED TO A PENALTY OF A CENSURE AND FINE IN THE AMOUNT OF \$1000.00

Firm Statement AN AFFILIATE OF THE APPLICANT, OPERATING AT THE TIME UNDER THE NAME DEZOETE & BEVAN INC., WAS FOUND TO HAVE FAILED TO MAINTAIN ITS NET CAPITAL AT THE MINIMUM LEVEL PRESCRIBED UNDER 15C3-1 OF THE SECURITIES EXCHANGE ACT AS OF DECEMBER 31, 1986. THE VIOLATION OCCURRED DUE TO THE CLERICAL ERROR OF AN EMPLOYEE OF THE PARENT FIRM IN MAKING A MONEY TRANSFER AND WAS PROMPTLY CORRECTED.

Disclosure 100 of 101

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 06/27/1997



Docket/Case Number: C10970095

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/27/1997

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

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

ON JUNE 27, 1997, DISTRICT NO. 10 NOTIFIED RESPONDENT BZW SECURITIES INC. THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C10970095 WAS ACCEPTED; THEREFORE, RESPONDENT MEMBER IS CENSURED AND FINED \$20,000 - (NASD RULES 2110 AND 3010 - (RESPONDENT MEMBER FAILED TO REPORT TRADES ON THE AUTOMATED CONFIRMATION TRANSACTION SERVICE (ACT) WITHIN 90 SECONDS; FAILED TO IDENTIFY ACCURATELY THE TIME OF EXECUTION ON ORDER TICKETS, TO TIME STAMP ORDER TICKETS OR THE TIME WAS OTHERWISE UNAVAILABLE OR DID NOT AGREE TO THE TIME SUBMITTED TO ACT; REPORTED TRANSACTIONS WHEN IT WAS NOT REQUIRED TO DO SO AND INCORRECTLY IDENTIFIED ITSELF AS THE MARKET MAKER IN ITS REPORTS; TRANSMITTED NASDAQ NATIONAL MARKET TRANSACTIONS TO ACT LATE INCONSISTENT WITH NASD RULE 2110; AND, FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN PROCEDURES REASONABLY DESIGNED TO PREVENT THE ABOVE VIOLATIONS).

\$20,000 PAID ON 8/4/97, INVOICE #97-10-635

Reporting Source: Firm

Current Status: Final

Allegations: VIOLATION OF NASD MARKETPLACE RULES RELATING TO TRADE



REPORTING AND SUPERVISION OF TRADE REPORTING.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 04/21/1997

Docket/Case Number: C10970095

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: CENSURE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/27/1997

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

Other Sanctions Ordered:

Sanction Details: CONSENT TO A CENSURE AND A \$20,000.00 FINE.

Disclosure 101 of 101

Reporting Source: Regulator

Current Status: Final

Allegations: VIOLATION OF SECTION 17(A) OF THE EXCHANGE ACT AND 17 C.F.R. &240.17A-3 AND 240.17A-4 THEREUNDER IN CONNECTION WITH ANY PRIMARY DISTRIBUTION OF UNSECURED DEBT SECURITIES ISSUED BY THE GSES.

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 01/16/1992

Docket/Case Number:

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:



Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 01/28/1992

Sanctions Ordered: Monetary/Fine \$100,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: IT IS ORDERED THAT BARCLAYS SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATION OF SECTION 17(A) OF THE EXCHANGE ACT AND 17 C.F.R. &240.17A-3 AND 240.17A-4 THEREUNDER IN CONNECTION WITH ANY PRIMARY DISTRIBUTION OF UNSECURED DEBT SECURITIES ISSUED BY THE GSES. IT IS ORDERED THAT BARCLAYS SHALL, PRIOR TO THE CLOSE OF BUSINESS ON THE DATE OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$100,000 TO THE US TREASURY. IT IS ORDERED THAT BARCLAYS SHALL CONTINUE TO MAINTAIN OR, 60 DAYS OF THE DATE OF THIS ORDER, DEVELOP, IMPLEMENT AND MAINTAIN POLICIES AND PROCEDURES REASONABLY DESIGNED TO ENSURE BARCLAYS' FUTURE COMPLIANCE WITH THE PROVISIONS OF THE EXCHANGE AS ALLEGED. SUCH POLICIES AND PROCEDURES SHALL BE AVAILABLE FOR INSPECTION UPON REQUEST BY THE SEC. BARCLAYS SHALL COMPLY WITH ALL POLICIES AND PROCEDURES IMPLEMENTED OR MAINTAINED PURSUANT TO THIS PARAGRAPH. BARCLAYS MAY MODIFY SUCH POLICIES AND PROCEDURES, PROVIDED THAT SUCH POLICIES AND PROCEDURES.

Regulator Statement

[TOP] 3/12/92 SEC NEWS DIGEST, ISSUE 92-11, DATED 1/16/92 ADMINISTRATIVE PROCEEDINGS DISCLOSES; THE SEC TODAY ANNOUNCED ADMINISTRATIVE PROCEEDINGS INSTITUTED JOINTLY BY THE SEC, THE OFFICE OF THE COMPTROLLER OF THE CURRENCY (OCC) AND THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (FRB) AGAINST 98 REGISTERED BROKER-DEALERS; THE ISSUANCE OF SEC, OCC AND FRB ORDERS IMPOSING SANCTIONS, WHICH INCLUDE PROVISIONS DIRECTING THE RESPONDENTS TO CEASE AND DESIST FROM COMMITTING FUTURE VIOLATIONS AND REQUIRING THE PAYMENT OF CIVIL MONEY PENALTIES TO THE US TREASURY IN THE TOTAL AMOUNT OF \$5,165,000; AND THE SEC'S ISSUANCE OF A REPORT PURSUANT TO SECTION 21(A) OF THE SECURITIES EXCHANGE ACT OF 1934 REGARDING THE DISTRIBUTION OF CERTAIN DEBT SECURITIES ISSUED BY GOVERNMENT SPONSORED ENTERPRISES. (RELS. 34-30192 - 34-30251)

3/26/92 SEC DOCKET VOLUME 50 NO. 12, DATED 1/28/92 DISCLOSES ADMINISTRATIVE FILE NO. 3-7646 PAGES 1179 & 1180; IT IS ORDERED THAT BARCLAYS SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATION OF SECTION 17(A) OF THE EXCHANGE ACT AND 17 C.F.R.



&240.17A-3 AND 240.17A-4 THEREUNDER IN CONNECTION WITH ANY PRIMARY DISTRIBUTION OF UNSECURED DEBT SECURITIES ISSUED BY THE GSES. IT IS ORDERED THAT BARCLAYS SHALL, PRIOR TO THE CLOSE OF BUSINESS ON THE DATE OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$100,000 TO THE US TREASURY. IT IS ORDERED THAT BARCLAYS SHALL CONTINUE TO MAINTAIN OR, 60 DAYS OF THE DATE OF THIS ORDER, DEVELOP, IMPLEMENT AND MAINTAIN POLICIES AND PROCEDURES REASONABLY DESIGNED TO ENSURE BARCLAYS' FUTURE COMPLIANCE WITH THE PROVISIONS OF THE EXCHANGE AS ALLEGED. SUCH POLICIES AND PROCEDURES SHALL BE AVAILABLE FOR INSPECTION UPON REQUEST BY THE SEC. BARCLAYS SHALL COMPLY WITH ALL POLICIES AND PROCEDURES IMPLEMENTED OR MAINTAINED PURSUANT TO THIS PARAGRAPH. BARCLAYS MAY MODIFY SUCH POLICIES AND PROCEDURES, PROVIDED THAT SUCH POLICIES AND PROCEDURES.

Reporting Source: Firm

Current Status: Final

Appealed To and Date Appeal Filed: NA

Allegations: INACCURATE RECORDS OF CUSTOMER ORDERS FOR CERTAIN UNSECURED DEBT OBLIGATIONS OF GOVERNMENT SPONSORED ENTERPRISES ("GSES").

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 01/16/1992

Docket/Case Number: SEC FILE NO. 3-7646

Principal Product Type: Debt - Government

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CEASE AND DESIST

Resolution: Order

Resolution Date: 01/16/1992

Sanctions Ordered: Monetary/Fine \$100,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:



Sanction Details:

CEASE AND DESIST FROM COMMITTING OR CAUSING ANY FUTURE VIOLATION OF SECTION 17(A) OF THE EXCHANGE ACT AND 17 CFR 240.17A-3 AND 240.17A-4 THEREUNDER IN CONNECTION WITH ANY PRIMARY DISTRIBUTION OF UNSECURED DEBT SECURITIES ISSUED BY THE GSES.

Firm Statement

NINETY-EIGHT (98) OF THE NATION'S LARGEST SECURITIES DEALERS ENTERED INTO ADMINISTRATIVE PROCEEDINGS WITH THEIR RESPECTIVE GOVERNMENT AGENCIES IN CONNECTION WITH INACCURATE RECORDS OF CUSTOMER ORDERS FOR CERTAIN UNSECURED DEBT OBLIGATIONS OF GOVERNMENT SPONSORED ENTERPRISES. THE SEC, OCC, AND FRB ALLEGED THAT BARCLAYS DE ZOETE WEDD SECURITIES INC. ("BZWSI") AND THE OTHER 97 FIRMS VIOLATED SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934 AND 17 C.F.R. PART 404 THEREUNDER, INCLUDING 12 C.F.R. PART 12 OR 208, OR SECTION 17A OF THE EXCHANGE ACT AND 17 C.F.R. SECTION 240.17A-3 AND 240.17A-4 THEREUNDER. BZWSI AND THE OTHER 97 FIRMS ENTERED INTO A SETTLEMENT WITH THE SEC, OCC AND FRB WHICH ALL PARTIES ACCEPTED.



Civil - Final

This type of disclosure event involves (1) an injunction issued by a foreign or domestic court within the last 10 years in connection with investment-related activity, (2) a finding by a court of a violation of any investment-related statute or regulation, or (3) an action dismissed by a court pursuant to a settlement agreement.

Disclosure 1 of 2

Reporting Source:	Firm
Current Status:	Final
Allegations:	ON DECEMBER 22, 2016 THE U.S. DEPARTMENT OF JUSTICE (DOJ) FILED A CIVIL COMPLAINT AGAINST BARCLAYS ASSERTING CLAIMS OF FRAUD RELATED TO BARCLAYS' RESIDENTIAL MORTGAGE-BACKED SECURITIES AND ASSOCIATED ACTIVITIES BETWEEN 2005 AND 2007. THE DOJ ASSERTS CLAIMS UNDER THE FEDERAL FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989 WHICH ALLOWS THE DOJ TO SEEK CIVIL MONETARY PENALTIES FOR VIOLATIONS OF CERTAIN FEDERAL STATUTES.
Initiated By:	U.S. DEPARTMENT OF JUSTICE (DOJ)
Court Details:	UNITED STATES DISTRICT COURT FOR EASTERN DISTRICT OF NEW YORK, CASE# 1:16-CV-07057-KAM-RLM
Date Court Action Filed:	12/22/2016
Principal Product Type:	Debt - Asset Backed
Other Product Types:	
Relief Sought:	Money Damages (Private/Civil Complaint)
Other Relief Sought:	
Resolution:	Settled
Resolution Date:	04/23/2018
Sanctions Ordered or Relief Granted:	
Other Sanctions:	
Sanction Details:	
Firm Statement	BARCLAYS AND THE DOJ AGREED TO SETTLE THIS MATTER FOR US\$2,002 MILLION. PAYMENT WAS MADE ON APRIL 20, 2018 AND A NOTICE OF DISMISSAL WITH PREJUDICE WAS ENTERED BY THE COURT ON APRIL 23, 2018.

Disclosure 2 of 2



Reporting Source: Firm

Current Status: Final

Allegations: THE COMPLAINT INCLUDES THE FOLLOWING ALLEGATIONS:
 1) BARCLAYS MANIPULATED CHARTS USED IN MARKETING MATERIALS TO CONCEAL THE EXISTENCE OF ITS LARGEST ELECTRONIC LIQUIDITY PROVIDER (ELP) CLIENT, TRADEBOT.
 2) IN THOSE SAME AND OTHER MARKETING MATERIALS, BARCLAYS UNDERREPRESENTED THE AMOUNT OF AGGRESSIVE TRADING ACTIVITY IN LX.
 3) CONTRARY TO BARCLAYS' MARKETING CLAIMS, THE LIQUIDITY PROFILING TOOL, AS APPLIED BY BARCLAYS, DOES NOT PROTECT CLIENTS FROM PREDATORY HFT TACTICS.
 4) BARCLAYS FALSELY REPRESENTED THE MANNER IN WHICH IT ROUTES CLIENT ORDERS, TO DEEMPHASIZE THE VOLUME OF ORDERS ROUTED TO LX.
 5) CONTRARY TO MARKETING CLAIMS THAT BARCLAYS SOUGHT TO PROTECT CLIENTS FROM ELPS, BARCLAYS ACTIVELY ENTICED ELPS INTO LX AND GAVE THEM ADVANTAGES OVER ITS OTHER CLIENTS.

Initiated By: THE PEOPLE OF THE STATE OF NEW YORK BY ERIC T. SCHNEIDERMAN, ATTORNEY GENERAL OF THE STATE OF NEW YORK

Court Details: SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF NEW YORK - CASE NUMBER: 451391/2014

Date Court Action Filed: 06/25/2014

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

Other Product Types:

Relief Sought:

Other Relief Sought:

Resolution: Settled

Resolution Date: 01/31/2016

Sanctions Ordered or Relief Granted: Monetary/Fine \$35,000,000.00

Other Sanctions:

Sanction Details: BARCLAYS PLC AND BCI ENTERED INTO A SETTLEMENT AGREEMENT WITH THE ATTORNEY GENERAL OF THE STATE OF NEW YORK ("NYAG"). BARCLAYS PLC AND BCI ADMITTED TO CERTAIN FACTS AS SET OUT IN THE AGREEMENT, AND TO A VIOLATION OF THE FEDERAL SECURITIES LAWS, AND AGREED TO PAY A MONETARY PENALTY OF \$35 MILLION AND TO



CERTAIN REMEDIAL UNDERTAKINGS.

End of Report



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