

BrokerCheck Report

NEWEDGE FINANCIAL INC.

CRD# 27322

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

Please contact FINRA with any concerns.

About BrokerCheck®



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

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

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

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

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

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

- **How current is this information?**

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

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

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

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

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

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Thank you for using FINRA BrokerCheck.



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

brokercheck.finra.org



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

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

NEWEDGE FINANCIAL INC.

CRD# 27322

SEC# 8-40335

Main Office Location

550 W. JACKSON BLVD
 SUITE 500
 CHICAGO, IL 60661-5716

Mailing Address

550 W. JACKSON BLVD
 SUITE 500
 CHICAGO, IL 60661-5716

Business Telephone Number

312-762-1000

Report Summary for this Firm

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

Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 06/01/1987.

Its fiscal year ends in December.

Firm History

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

Firm Operations

This brokerage firm is no longer registered with FINRA or a national securities exchange.

**Disclosure Events**

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	28

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

Registration Withdrawal Information

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



Date firm ceased business: 09/01/2008

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



Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 06/01/1987.

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.

NEWEDGE FINANCIAL INC.

Doing business as NEWEDGE FINANCIAL INC.

CRD# 27322

SEC# 8-40335

Main Office Location

550 W. JACKSON BLVD
SUITE 500
CHICAGO, IL 60661-5716

Mailing Address

550 W. JACKSON BLVD
SUITE 500
CHICAGO, IL 60661-5716

Business Telephone Number

312-762-1000

Other Names of this Firm

Name	Where is it used
CARR FUTURES	IL, NY



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): NEWEDGE USA, LLC
36118

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

Position DIRECT OWNER

Position Start Date 01/2008

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): DOWNS, YVONNE JOYCE MRS.
5013205

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

Position CHIEF COMPLIANCE OFFICER

Position Start Date 01/2008

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): GILLIS, THOMAS PETER
1938224

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

Position CFO AMERICAS, FINOP

Firm Profile



Direct Owners and Executive Officers (continued)

Position Start Date	01/2008
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): JONES, STEVEN WILLIAM
2464842

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

Position	ROSFP
Position Start Date	01/2008
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): PENNINGTON, CRYSTAL ELIZABETH
3209829

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

Position	ROSFP
Position Start Date	05/2008
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Firm Profile



Direct Owners and Executive Officers (continued)

Legal Name & CRD# (if any): ROSEMAN, MICHAEL KENT
3151254

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

Position HEAD OF RISK

Position Start Date 01/2008

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): SAVIGNAC, JEAN-LUC
4813089

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

Position COO

Position Start Date 07/2008

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): SCHULTZ, MARC ANDREW
1656077

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

Position CEO AMERICAS

Position Start Date 01/2008

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): SCHULTZ, SUSAN M
4804207

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

Position DEPUTY GENERAL COUNSEL

Position Start Date 01/2008

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No



Firm Profile

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

Indirect Owners

Legal Name & CRD# (if any): NEWEDGE GROUP

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

Company through which indirect ownership is established NEWEDGE USA, LLC

Relationship to Direct Owner PARENT

Relationship Established 01/2008

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): CALYON GROUP

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

Company through which indirect ownership is established NEWEDGE GROUP

Relationship to Direct Owner PARENT OF NEWEDGE GROUP

Relationship Established 05/2004

Percentage of Ownership 50% but less than 75%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): SOCIETE GENERAL

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

Firm Profile



Indirect Owners (continued)

Company through which indirect ownership is established	NEWEDGE GROUP
Relationship to Direct Owner	PARENT
Relationship Established	01/2008
Percentage of Ownership	50% but less than 75%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

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

No information reported.



Firm Operations



Registrations

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

This firm is no longer registered.

The firm's registration was from 11/04/1988 to 11/22/2011.



Firm Operations

Types of Business

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

This firm currently conducts 5 types of businesses.

Types of Business

Exchange member engaged in exchange commission business other than floor activities

Exchange member engaged in floor activities

U S. government securities dealer

U S. government securities broker

Put and call broker or dealer or option writer

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

Introducing Arrangements

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

Name:	NEWEDGE USA, LLC
CRD #:	36118
Business Address:	630 FIFTH AVE SUITE 500 NEW YORK, NY 10111
Effective Date:	01/02/2008
Description:	NEWEDGE FINANCIAL IS THE WHOLLY OWNED SUBSIDIARY OF NEWEDGE USA THUS NEWEDGE FINANCIAL WILL REFER BUSINESS TO NEWEDGE USA.

Firm Operations

Industry Arrangements



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

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.

NEWEDGE DERIVATIVES HONG KONG LIMITED is under common control with the firm.

Business Address:	26/F TWO PACIFIC PLACE 88 QUEESNWAY HONG KONG, HONG KONG
Effective Date:	01/02/2008
Foreign Entity:	Yes
Country:	HONG KONG
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	NEWEDGE DERIVATIVES HONG KONG LIMITED IS UNDER COMMON CONTROL VIA NEWEDGE GROUP.

NEWEDGE FINANCIAL SINGAPORE PTE LTD is under common control with the firm.

Business Address:	168 ROBINSON ROAD #22-02 CAPITAL TOWER SINGAPORE, SINGAPORE D68912
Effective Date:	01/02/2008
Foreign Entity:	Yes
Country:	SINGAPORE
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL VIA NEWEDGE GROUP

SG AMERICAS SECURITIES, LLC is under common control with the firm.

Firm Operations**Organization Affiliates (continued)**

CRD #: 128351

Business Address: 1221 AVENUE OF THE AMERICAS
NEW YORK, NY 10020

Effective Date: 01/02/2008

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UNDER COMMON CONTROL VIA SOCIETE GENERAL.

NEWEDGE AUSTRALIA PTY LTD. is under common control with the firm.

Business Address: NEW PIER TAKESHIBA NORTH
MINATUKO TOKYO, JAPAN 105-0022

Effective Date: 01/02/2008

Foreign Entity: Yes

Country: JAPAN

Securities Activities: Yes

Investment Advisory Activities: No

Description: BOTH NEWEDGE AUSTRALIA AND NEWEDGE FINANCIAL INC. ARE UNDER COMMON CONTROL WITH OUR PARENT NEWEDGE GROUP.

NEWEDGE CANADA INC is under common control with the firm.

Business Address: 1501 MCGILL COLLEGE
SUITE 1930
MONTREAL, CANADA H3A3MS

Effective Date: 01/02/2008

Foreign Entity: Yes

Country: CANADA

Securities Activities: Yes

Investment Advisory Activities: No

Firm Operations



Organization Affiliates (continued)

Description: UNDER COMMON CONTROL VIA NEWEDGE GROUP

NEWEDGE BROKER LIMITED (TAIWAN BRANCH) is under common control with the firm.

Business Address: 7F-1 HIN JI BUILDING
NO 460 SEC 4 XIN YI RD
TAIPEI, TAIWAN 101

Effective Date: 01/02/2008

Foreign Entity: Yes

Country: TAIWAN

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL VIA NEWEDGE GROUP

NEWEDGE DERIVATIVES SINGAPORE LTD is under common control with the firm.

Business Address: 80 ROBINSON ROAD
#13-01
SINGAPORE, SINGAPORE 068898

Effective Date: 01/02/2008

Foreign Entity: Yes

Country: SINGAPORE

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL VIA NEWEDGE GROUP

NEWEDGE JAPAN INC. is under common control with the firm.

Business Address: NEW PIER TAKESHIBA
NORTH TOWER, 1-11-1, KAIGAN, MINATO-KU
TOKYO, JAPAN 105-0022

Effective Date: 01/02/2008

Foreign Entity: Yes

Country: JAPAN

Firm Operations



Organization Affiliates (continued)

Securities Activities: Yes
Investment Advisory Activities: No
Description: UNDER CONTROL OF NEWEDGE GROUP

NEWEDGE FINANCIAL HONG KONG LIMITED (SEOUL BRANCH) is under common control with the firm.

Business Address: 19F KYOBO BUILDING-1
 SEOUL, SOUTH KOREA 110-714
Effective Date: 01/02/2008
Foreign Entity: Yes
Country: SOUTH KOREA
Securities Activities: Yes
Investment Advisory Activities: No
Description: CONTROLLED BY NEWEDGE GROUP

NEWEDGE BROKER HONG KONG LIMITED is under common control with the firm.

Business Address: 26/F TWO PACIFIC PLACE
 88 QUEENSWAY
 HONG KONG, HONG KONG
Effective Date: 01/02/2008
Foreign Entity: Yes
Country: HONG KONG
Securities Activities: Yes
Investment Advisory Activities: No
Description: NEWEDGE BROKER HONG KONG LIMITED IS UNDER CONTROL OF NEWEDGE GROUP.

NEWEDGE BROKER LIMITED is under common control with the firm.

Business Address: LEVEL 35
 THREE PACIFIC PLACE 1 QUEENS ROAD EAST
 HONG KONG, HONG KONG
Effective Date: 01/02/2008

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	Yes
Country:	HONG KONG
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	NEWEDGE BROKER LIMITED IS CONTROLLED BY NEWEDGE GROUP.

NEWEDGE AUSTRALIA PTY LTD. is under common control with the firm.

Business Address:	LEVEL 23 400 GEORGE STREET SYDNEY, AUSTRALIA NSW 2000
Effective Date:	01/02/2008
Foreign Entity:	Yes
Country:	AUSTRALIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	NEWEDGE AUSTRALIA PTY LTD. IS UNDER DIRECT OWNERSHIP OF NEWEDGE GROUP.

NEWEDGE GROUP (UK BRANCH) is under common control with the firm.

Business Address:	10 BISHOPS SQUARE LONDON, ENGLAND E16EG
Effective Date:	01/02/2008
Foreign Entity:	Yes
Country:	FRANCE
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	NEWEDGE GRPOUP (UK BRNACH) IS A BRANCH OFFICE OF NEWEDGE GROUP.

NEWEDGE GROUP controls the firm.

Firm Operations**Organization Affiliates (continued)**

Business Address: 52-60 AVENUE DES CHAMPS ELYSEES
PARIS, FRANCE 75008

Effective Date: 01/08/2008

Foreign Entity: Yes

Country: FRANCE

Securities Activities: Yes

Investment Advisory Activities: No

Description: NEWEDGE GROUP IS THE 100% OWNER/PARENT COMPANY OF NEWEDGE USA, LLC.

NEWEDGE USA, LLC controls the firm.

CRD #: 36118

Business Address: 630 FIFTH AVE, SUITE 500
NEW YORK, NY 10111

Effective Date: 01/02/2008

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: CALYON AND SOCIETE GENERAL ARE BOTH THE ULTIMATE PARENT ENTITIES(50/50). NEWEDGE FINANCIAL INC IS A WHOLLY OWNED SUBSIDIARY OF NEWEDGE USA, LLC

CALYON SECURITIES (USA) INC is under common control with the firm.

CRD #: 190

Business Address: 1301 AVENUE OF THE AMERICAS
NEW YORK, NY 10019

Effective Date: 05/01/2004

Foreign Entity: No

Country:

Securities Activities: Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: No

Description: CALYON IS THE ULTIMATE OF BOTH FIRMS.

CREDIT AGRICOLE INDOSUEZ CHEUVREUX NORTH AMERICA, INC. is under common control with the firm.

CRD #: 8010

Business Address: 666 THIRD AVENUE
NEW YORK, NY 10017

Effective Date: 12/01/1996

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: CREDIT AGRICOLE INDOSUEZ IS THE ULTIMATE PARENT OF BOTH ENTITIES.

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

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

SOCIETE GENERAL is a Foreign Bank and controls the firm.

Business Address: 17 COURS VALMY LA DEFENSE CEDEX
PARIS, FRANCE 92987

Effective Date: 01/02/2008

Description: SOCIETE GENERAL IS A 50% OF OWNER OF NEWEDGE GROUP.

CALYON SECURITIES "USA" INC. is a Foreign Bank and controls the firm.

Firm Operations



Organization Affiliates (continued)

Business Address: 9 QUAI DU PRESIDENTIAL PAUL DOUMER
LA DEFENSE CEDEX
PARIS, FRANCE 92920

Effective Date: 05/01/2004

Description: CALYON PARIS IS THE PARENT OF CALYON NORTH AMERICIA WHICH IS THE PARENT OF CALYON FINANCIAL. CALYON PARIS IS THE DIRECT PARENT OF CALYON SECURITIES.

CREDIT AGRICOLE INDOSUEZ is a Foreign Bank and controls the firm.

Business Address: 9 QUAI DU PRESIDENTMPAUL DOUMER
LA DEFENSE CEDEX
PARIS, FRANCE 92920

Effective Date: 06/01/1987

Description: PARENT SHAREHOLDER



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	28	0

Disclosure Event Details

What you should know about reported disclosure events:

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

Regulatory - Final

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

Disclosure 1 of 28

Reporting Source: Regulator

Current Status: Final



Allegations: CALYON FINANCIAL, INC., AN EXCHANGE MEMBER ORGANIZATION REGISTERED WITH THE EXCHANGE TO TRANSACT NON-MEMBER CUSTOMER BUSINESS, WAS CENSURED AND FINED \$10,000 FOR THE FOLLOWING CONDUCT. CALYON FAILED TO OBTAIN (I) OUTSIDE BROKERAGE ACCOUNT STATEMENTS FOR 10 OF 129 (APPROXIMATELY 8%) ASSOCIATED PERSONS WHO INDICATED THEY HELD OUTSIDE BROKERAGE ACCOUNTS AND (II) UPDATED PERSONAL TRADING ACCOUNT FORMS FOR 7 OF 129 (APPROXIMATELY 5%) ASSOCIATED PERSONS. (CBOE RULES 4.2 - ADHERENCE TO LAW; 4.18 – PREVENTION OF THE MISUSE OF MATERIAL, NON-PUBLIC INFORMATION; 15.1 – MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION; SECTION 17(A) OF THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED (THE "ACT") AND RULES 17A-3 – RECORDS TO BE MADE BY CERTAIN EXCHANGE MEMBERS, BROKERS AND DEALERS AND 17A-4 – RECORDS TO BE PRESERVED BY CERTAIN MEMBERS, BROKERS AND DEALERS THEREUNDER; AND SECTION 15(F) OF THE ACT.)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 11/14/2007

Docket/Case Number: 07-0076

Principal Product Type: Options

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 02/21/2008

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

Other Sanctions Ordered: CALYON FINANCIAL, INC. SHALL BE AND HEREBY IS CENSURED AND FINED IN THE AMOUNT OF TEN THOUSAND DOLLARS (\$10,000).

Sanction Details: CALYON FINANCIAL, INC. SHALL BE AND HEREBY IS CENSURED AND FINED IN THE AMOUNT OF TEN THOUSAND DOLLARS (\$10,000).

Reporting Source: Firm

Current Status: Final



Allegations: THE FIMR NEITHER ADMITS OR DENIES THE ALLEGATIONS OF THE STATEMENT OF CHARGES FOR FILE NO. 07-0076. IN OR ABOUT APRIL 2007, CALYON FAILED TO OBTAIN 9I) OUTSIDE BROKERAGE ACCOUNT STATEMENTS FOR 10 OF 129 (APPROXIMATELY 8%) ASSOCIATED PERSONS WHO INDICATED THEY HELD OUTSIDE BROKERAGE ACCOUNTS AND (II) UPDATED PERSONAL TRADING ACCOUNT FORMS FOR 7 OF 129 (APPROXIMATELY 5%) ASSOCIATED PERSONS.

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED

Date Initiated: 11/14/2007

Docket/Case Number: 07-0076

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Stipulation and Consent

Resolution Date: 02/21/2008

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

Other Sanctions Ordered:

Sanction Details: RESULTED IN \$10,000 FINE AND CENSURE FOR THE FIRM, NEWEDGE FINANCIAL INC. FINE PAID BY NEWEDGE FINANCIAL INC. ON MARCH 10, 2008 TO THE CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED IN ACCORDANCE WITH THE OFFER OF SETTLEMENT SUBMITTED TO THE CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED ON JANAUARY 31, 2008.

Disclosure 2 of 28

Reporting Source: Regulator

Current Status: Final

Allegations: IT IS ALLEGED THAT THE ACTS, PRACTICES AND CONDUCT CONSTITUTE VIOLATIONS OF EXCHANGE RULES 4.2 AND 15.1; SECTIONS 15(C) AND 17(A) OF THE ACT, AND RULES 15C3-3, 17A-3, AND 17A-5 THEREUNDER BY CARR, IN THAT DURING THE PERIOD FROM ON OR ABOUT MAY 31, 2001 THROUGH ON OR ABOUT FEBRUARY 22, 2002, CARR'S WEEKLY AND



MONTH-END CUSTOMER RESERVE FORMULA COMPUTATION CONTAINED MATERIAL ERRORS AND OMISSIONS THAT RESULTED IN INACCURATE CUSTOMER RESERVE FORMULA COMPUTATIONS; CARR FILED THESE INACCURATE MONTH-END CUSTOMER RESERVE COMPUTATIONS WITH THE EXCHANGE; AND DURING THE PERIOD FROM ON OR ABOUT OCTOBER 5, 2001 THROUGH FEBRUARY 22, 2002, CARR'S WEEKLY AND MONTH-END CUSTOMER RESERVE FORMULA COMPUTATION CONTAINED MATERIAL ERRORS AND OMISSIONS THAT RESULTED IN CARR'S CUSTOMER RESERVE BANK ACCOUNT TO BE DEFICIENT.

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 02/28/2003

Docket/Case Number: 03-0002

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: 07/02/2003

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

Other Sanctions Ordered: A FORTY-FIVE THOUSAND DOLLAR (\$45,000) FINE AND A CENSURE.

Sanction Details: A FORTY-FIVE THOUSAND DOLLAR (\$45,000) FINE AND A CENSURE.

Regulator Statement CARR FUTURES, INC., AN EXCHANGE MEMBER ORGANIZATION, WAS CENSURED AND FINED \$45,000 FOR THE FOLLOWING CONDUCT. DURING THE PERIOD FROM ON OR ABOUT MAY 31, 2001 THROUGH ON OR ABOUT FEBRUARY 22, 2002, CARR'S WEEKLY AND MONTH-END CUSTOMER RESERVE FORMULA COMPUTATION CONTAINED MATERIAL ERRORS AND OMISSIONS THAT RESULTED IN INACCURATE CUSTOMER RESERVE FORMULA COMPUTATIONS; CARR FILED THESE INACCURATE MONTH-END CUSTOMER RESERVE COMPUTATIONS WITH THE EXCHANGE; AND DURING THE PERIOD FROM ON OR ABOUT OCTOBER 5, 2001 THROUGH FEBRUARY 22, 2002, CARR'S WEEKLY AND MONTH-END CUSTOMER RESERVE FORMULA COMPUTATION CONTAINED MATERIAL ERRORS AND OMISSIONS THAT RESULTED IN CARR'S CUSTOMER RESERVE BANK ACCOUNT TO BE DEFICIENT. IN ACCEPTING THE OFFER OF SETTLEMENT, THE COMMITTEE CONSIDERED THAT ON ALMOST EVERY DAY CARR



CARRIED SUFFICIENT CUSTOMER RESERVES IN ITS CUSTOMER FUTURES ACCOUNTS TO COVER ANY DEFICIENCIES IN THE SECURITIES ACCOUNTS. (CBOE RULES 4.2 - ADHERENCE TO LAW; 15.1 - MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION; SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "ACT") AND RULE 15C3-3 - CUSTOMER PROTECTION, THEREUNDER; SECTION 17(A) OF THE ACT AND RULES 17A-3 - RECORDS TO BE MADE BY CERTAIN EXCHANGE MEMBERS, BROKERS AND DEALERS AND 17A-5 - REPORTS TO BE MADE BY CERTAIN BROKERS AND DEALERS, THEREUNDER.)

Reporting Source: Firm

Current Status: Final

Allegations: IT IS ALLEGED THAT THE ACTS, PRACTICES AND CONDUCT CONSTITUTE VIOLATIONS OF EXCHANGE RULES 4.2 AND 15.1; SECTIONS 15(C) AND 17 (A) OF THE ACT, AND RULES 15C3-3, 17A-3, AND 17A-5 THEREUNDER BY CARR, IN THAT DURING THE PERIOD FROM ON OR ABOUT MAY 31, 2001 THROUGH ON OR ABOUT FEBRUARY 22, 2002, CARR'S WEEKLY AND MONTH-END CUSTOMER RESERVE FORMULA COMPUTATION CONTAINED MATERIAL ERRORS AND OMISSIONS THAT RESULTED IN INACCURATE CUSTOMER RESERVE FORMULA COMPUTATIONS; CARR FILED THESE INACCURATE MONTH-END CUSTOMER RESERVE COMPUTATIONS WITH THE EXCHANGE; AND DURING THE PERIOD FROM ON OR ABOUT OCTOBER 5, 2001 THROUGH FEBRUARY 22, 2002, CARR'S WEEKLY AND MONTH-END CUSTOMER RESERVE FORMULA COMPUTATION CONTAINED MATERIAL ERRORS AND OMISSIONS THAT RESULTED IN CARR'S CUSTOMER RESERVE BANK ACCOUNT TO BE DEFICIENT.

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 11/14/2002

Docket/Case Number: 03-0002

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: 07/02/2003



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

Other Sanctions Ordered:

Sanction Details: THE SANCTION TO BE IMPOSED SHALL CONSIST OF A \$45,000 FINE AND CENSURE.

Firm Statement CARR ACCEPTED OFFER OF SETTLEMENT (\$45,000 FINE) CONCERNING CBOE 2002 AUDIT FIND OF VIOLATIONS OF SEC RULE 15C3-3. INACCURATE MONTH END CUSTOMER RESERVE COMPUTATIONS WITH THE EXCHANGE FROM MAY 31, 2001 THROUGH FEBRUARY 22, 2002. ALSO WEEKLY AND MONTH-END CUSTOMER RESERVE FORMULA COMPUTATION CONTAINED MATERIAL ERRORS AND OMISSIONS THAT RESULTED IN CARR'S CUSTOMER RESERVE BANK ACCOUNT TO BE DEFICIENT.

Disclosure 3 of 28

Reporting Source: Regulator

Current Status: Final

Allegations: CFTC RELEASE NO. 4780-03, DATED APRIL 29, 2003, AND DOCKET NO. 03-10, DATED APRIL 22, 2003: THE COMMODITY FUTURES TRADING COMMISSION ("COMMISSION" OR "CFTC") HAS REASON TO BELIEVE THAT CARR FUTURES INC. ("CARR") HAS VIOLATED SECTION 4G OF THE COMMODITY EXCHANGE ACT, AS AMENDED ("ACT"), 7 U.S.C. SECTION 6G (2000) AND COMMISSION REGULATIONS 1.31 AND 1.35, 17 C.F.R. SECTIONS 1.31 AND 1.35 (2002). THEREFORE, THE CFTC DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT A PUBLIC ADMINISTRATIVE PROCEEDING BE, AND HEREBY IS, INSTITUTED TO DETERMINE WHETHER CARR HAS ENGAGED IN THE VIOLATIONS AS SET FORTH HEREIN AND TO DETERMINE WHETHER ANY ORDER SHOULD BE ISSUED IMPOSING REMEDIAL SANCTIONS.

Initiated By: COMMODITY FUTURES TRADING COMMISSION

Date Initiated: 04/22/2003

Docket/Case Number: 03-10

Principal Product Type: Futures - Commodity

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CIVIL PENALTY AND UNDERTAKING



Resolution:	Order
Resolution Date:	04/22/2003
Sanctions Ordered:	Monetary/Fine \$75,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	UNDERTAKING.
Sanction Details:	IT IS ORDERED THAT: (1) CARR SHALL CEASE AND DESIST FROM VIOLATING SECTION 4G OF THE ACT AND REGULATIONS 1.31 AND 1.35; (2) CARR SHALL PAY A CIVIL PENALTY IN THE AMOUNT OF \$75,000 WITHIN 10 DAYS OF THE DATE OF THE ENTRY OF THIS ORDER. IF THIS AMOUNT IS NOT PAID IN FULL WITHIN 15 DAYS OF THE DUE DATE, CARR SHALL BE PROHIBITED AUTOMATICALLY FROM THE PRIVILEGES OF ALL REGISTERED ENTITIES, AND, IF REGISTERED WITH THE CFTC, SUCH REGISTRATION SHALL BE SUSPENDED AUTOMATICALLY UNTIL IT HAS SHOWN TO THE SATISFACTION OF THE CFTC THAT PAYMENT OF THE FULL AMOUNT OF THE PENALTY WITH INTEREST THEREON TO THE DATE OF THE PAYMENT HAS BEEN MADE; AND (3) CARR SHALL COMPLY WITH ITS UNDERTAKINGS THAT NEITHER CARR NOR ANY OF ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES SHALL TAKE ANY ACTION OR MAKE ANY PUBLIC STATEMENT DENYING, DIRECTLY OR INDIRECTLY, ANY ALLEGATION OR FINDING IN THE ORDER, OR CREATING, OR TENDING TO CREATE, THE IMPRESSION THAT THE ORDER IS WITHOUT A FACTUAL BASIS; PROVIDED, HOWEVER, THAT NOTHING IN THIS PROVISION AFFECTS CARR'S: (I) TESTIMONIAL OBLIGATIONS; OR (II) RIGHT TO TAKE APPROPRIATE LEGAL POSITIONS IN ORDER PROCEEDINGS TO WHICH THE CFTC IS NOT A PARTY.
Regulator Statement	CARR HAS SUBMITTED AN OFFER OF SETTLEMENT IN WHICH IT NEITHER ADMITS NOR DENIES THE ALLEGATIONS OF THE COMPLAINT OR THE FINDINGS IN THIS ORDER. THE CFTC FINDS FOLLOWING: (1) DURING THE COURSE OF AN INVESTIGATION OF TRADE PRACTICE VIOLATIONS BY A FLOOR BROKER, THE CFTC'S DIVISION OF ENFORCEMENT ("DIVISION") REQUESTED THAT CARR, A REGISTERED FUTURES COMMISSION MERCHANT ("FCM"), PRODUCE ITS CANCELLED AND UNFILLED ORDER TICKETS FOR ITS CUSTOMERS' FUTURES ORDERS IN THE CHICAGO MERCANTILE EXCHANGE'S S&P 500 STOCK INDEX ("S&P") FUTURE CONTRACT. CARR WAS UNABLE TO PRODUCE THESE RECORDS FOR 52 OF THE 118 REQUESTED DATES. CARR'S FAILURE TO PRODUCE THESE RECORDS IMPAIRED THE DIVISION'S ABILITY TO FULLY INVESTIGATE THE FLOOR BROKER'S ORDER-FILING ACTIVITIES. THIS WAS A SERIOUS RECORDKEEPING FAILURE THAT CONCERNED REQUIRED RECORDS DIRECTLY RELEVANT TO THE DIVISION'S INVESTIGATION OF THE FLOOR BROKER. THE CFTC FINDS THAT CARR VIOLATED SECTION 4G OF THE ACT AND REGULATIONS 1.31 AND 1.35.



Reporting Source: Firm

Current Status: Final

Allegations: CFTC RELEASE NO. 4708-03, DATED APRIL 29, 2003, AND DOCKET NO. 03-10, DATED APRIL 22, 2003: THE COMMODITY FUTURES TRADING COMMISSION ("COMMISSION" OR "CFTC") HAS REASON TO BELIEVE THAT CARR FUTURES INC. ("CARR") HAS VIOLATED SECTION 4G OF THE COMMODITY EXCHANGE ACT, AS AMENDED ("ACT"), 7 U.S.C. SECTION 6G (2000) AND COMMISSION REGULATIONS 1.31 AND 1.35, 17 C.F.R. SECTIONS 1.31 AND 1.35 (2002). THEREFORE, THE CFTC DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT A PUBLIC ADMINISTRATIVE PROCEEDING BE, AND HEREBY IS, INSTITUTED TO DETERMINE WHETHER CARR HAS ENGAGED IN THE VIOLATIONS AS SET FORTH HEREIN AND TO DETERMINE WHETHER ANY ORDER SHOULD BE ISSUED IMPOSING REMEDIAL SANCTIONS.

Initiated By: COMMODITY FUTURES TRADING COMMISSION

Date Initiated: 04/22/2003

Docket/Case Number: 03-10

Principal Product Type: Futures - Commodity

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CIVIL PENALTY AND UNDERTAKING

Resolution: Order

Resolution Date: 04/22/2003

Sanctions Ordered: Monetary/Fine \$75,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: UNDERTAKING

Sanction Details: IT IS ORDERED THAT: (1) CARR SHALL CEASE AND DESIST FROM VIOLATING SECTION 4G OF THE ACT AND REGULATIONS 1.31 AND 1.35; (2) CARR SHALL PAY A CIVIL PENALTY IN THE AMOUNT OF \$75,000 WITHIN 10 DAYS OF THE DATE OF THE ENTRY OF THIS ORDER. IF THIS AMOUNT IS NOT PAID IN FULL WITHIN 15 DAYS OF THE DUE DATE, CARR SHALL BE PROHIBITED AUTOMATICALLY FROM THE PRIVILEGES OF ALL REGISTERED ENTITIES, AND IF REGISTERED WITH THE CFTC, SUCH REGISTRATION SHALL BE SUSPENDED AUTOMATICALLY UNTIL IT HAS SHOWN TO THE



SATISFACTION OF THE CFTC THAT PAYMENT OF THE FULL AMOUNT OF THE PENALTY WITH INTERES THEREON TO THE DATE OF THE PAYMENT HAS BEEN MADE; AND (3) CARR SHALL COMPLY WITH ITS UNDERTAKINGS THAT NEITHER CARR NOR ANY OF ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES SHALL TAKE ANY ACTION OR MAKE ANY PUBLIC STATEMENT DENYING, DIRECTLY OR INDIRECTLY, ANY ALLEGATION OR FINDING IN THE ORDER, OR CREATING, OR TENDING TO CREATE, THE IMPRESSION THAT THE ORDER IS WITHOUT FACTUAL BASIS; PROVIDED, HOWEVER, THAT NOTHING IN THIS PROVISION AFFECTS CARR'S: (I) TESTIMONIAL OBLIGATIONS; OR (II) RIGHT TO TAKE APPROPRIATE LEGAL POSITIONS IN ORDER PROCEEDINGS TO WHICH THE CFTC IS NOT A PARTY.

Firm Statement

CARR HAS SUBMITTED AN OFFER OF SETTLEMENT IN WHICH IT NEITHER ADMITS NOR DENIES THE ALLEGATIONS OF THE COMPLAINT OR THE FINDS IN THIS ORDER. THE CFTC FINDS FOLLOWING: (1) DURING THE COURSE OF AN INVESTIGATION OF TRADE PRACTICE VIOLATIONS BY A FLOOR BORKER THE CFTC'S DIVISION OF ENFORCEMENT ("DIVISION") REQUESTED THAT CARR, A REGISTERED FUTURES COMMISSION MERCHANT ("FCM"), PRODUCE ITS CANCELLED AND UNFILLED ORDER TICKETS FOR ITS CUSTOMERS' FUTURES ORDERS IN THE CHICAGO MERCANTILE EXCHANGE'S S&P 500 STOCK INDEX ("S&P") FUTURE CONTRACT. CARR WAS UNABLE TO PRODUCE THESE RECORDS FOR 52 OF THE 118 REQUESTED DATES. CARR'S FAILURE TO PRODUCET HESE RECORDS IMPAIRED THE DIVISION'S ABILITY TO FULLY INVESTIGATE THE FLOOR BROKER'S ORDER-FILLING ACTIVITIES. THIS WAS A SERIOUS RECORDKEEPING FAILURE THAT CONCERNED REQUIRED RECORDS DIRECTLY RELEVANT TO THE DIVISION'S INVESTIGATION OF THE FLOOR BROKER. THE CFTC FINDS THAT CARR VIOLATED SECTION 4G OF THE ACT AND REGULATIONS 1.31 AND 1.35.

Disclosure 4 of 28

Reporting Source:	Firm
Current Status:	Final
Appealed To and Date Appeal Filed:	N/A
Allegations:	CHICAGO MERCANTILE EXCHANGE CLEARING HOUSE FINANCE COMMITTEE ALLEGED THAT CARR VIOLATED RULES 930, 970.A.4, 971.A., 970.D. AND 971. IN THAT CARR HAD CERTAIN DEFICIENCIES IN ACCOUNTING & MARGIN DEFICIT CALCULATIONS WHICH AFFECTED REGULATORY CAPITAL AND THE REQUIRED AMOUNT OF EXCESS SEGREGATED AND SECURED FUNDS.



Initiated By: CHICAGO MERCANTILE EXCHANGE
Date Initiated: 12/23/1999
Docket/Case Number: 99-CH-9906
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: 12/23/1999
Sanctions Ordered: Monetary/Fine \$25,000.00
Other Sanctions Ordered: N/A
Sanction Details: N/A
Firm Statement PURSUANT TO THE OFFER OF SETTLEMENT CARR FUTURES INC. NEITHER ADMITTED NOR DENIED THE VIOLATIONS, THE CLEARING HOUSE FINANCE COMMITTEE FOUND THAT RESPONDENT VIOLATED CME RULES 930, 970 AND 971 IN THAT IT HAD CERTAIN DEFICIENCIES IN ACCOUNTING AND MARGIN DEFICIT CALCULATIONS WHICH AFFECTED REGULATORY CAPITAL AND THE AMOUNT OF EXCESS SEGREGATED AND SECURED FUNDS. AS A RESULT, THE RESPONDENT WAS BELOW CME REGULATORY CAPITAL AT THE END OF MAY 1999.

Disclosure 5 of 28

Reporting Source: Firm
Current Status: Final
Appealed To and Date Appeal Filed: N/A
Allegations: THE EXCHANGE ALLEGED A VIOLATION OF RULE 220.18 FOR LATE PERFORMANCE BY THE BUYER FOR A PAYMENT RELATED TO A TENDER NOTICE FOR THE DECEMBER 1998 NATURAL GAS CONTRACT.
Initiated By: NEW YORK MERCANTILE EXCHANGE
Date Initiated: 01/25/1999
Docket/Case Number:



Principal Product Type:	Futures - Commodity
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	NONE
Resolution:	Decision
Resolution Date:	02/09/1999
Sanctions Ordered:	Monetary/Fine \$1,000.00
Other Sanctions Ordered:	N/A
Sanction Details:	N/A
Firm Statement	THE NYMEX COMPLIANCE DEPARTMENT ISSUED A NOTICE OF ASSESSMENT ASSESSING A PENALTY OF \$1000 TO THE APPLICANT FOR LATE PERFORMANCE UNDER RULE 220.18 OF THE NATURAL GAS CONTRACT.

Disclosure 6 of 28

Reporting Source:	Firm
Current Status:	Final
Appealed To and Date Appeal Filed:	N/A
Allegations:	LME ALLEGED THAT APPLICANT FAILED TO FILE REPORTS FOR LARGE FUTURES POSITIONS DURING THE PERIOD JANUARY THROUGH MARCH 1998.
Initiated By:	LONDON METALS EXCHANGE
Date Initiated:	04/19/1999
Docket/Case Number:	99/411
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:	N/A



Resolution:	Settled
Resolution Date:	08/19/1999
Sanctions Ordered:	Monetary/Fine \$75,000.00
Other Sanctions Ordered:	N/A
Sanction Details:	N/A
Firm Statement	<p>APPLICANT ACCEPTED THE FINDINGS OF THE LME AND BEGAN TO IMMEDIATELY REPORT IN ACCORDANCE WITH THE APPLICABLE LME REGULATION AND WAS FINED GBP 50,000.00. FOR THE PURPOSES OF THIS FILING THE AMOUNT OF THE ACTUAL FINE (GBP 50,000) WAS CONVERTED AT A RATE OF 1.50USD/GBP OR TO A USD EQUIVALENT OF USD 75,000.00</p>

Disclosure 7 of 28

Reporting Source:	Firm
Current Status:	Final
Allegations:	<p>CBOT ALLEGED THAT APPLICANT VIOLATED REGULATION 332.02, IN THAT IT FAILED TO SUBMIT ONLY THE BRACKET INFORMATION SUBMITTED TO IT BY THE MEMBERS EXECUTING THE TRADES ON THE RECORD OF TRANSACTIONS SUBMITTED TO THE CLEARING HOUSE AND REGULATION 332.08, IN THAT THE FIRM FAILED TO MAKE ALL TRADE DATA SUBMISSIONS IN A CORRECT MANNER.</p>
Initiated By:	CHICAGO BOARD OF TRADE
Date Initiated:	02/01/1999
Docket/Case Number:	98-RFT-177
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	08/19/1999
Sanctions Ordered:	Monetary/Fine \$1,000.00



Other Sanctions Ordered:	N/A
Sanction Details:	N/A
Firm Statement	THE BUSINESS CONDUCT COMMITTEE OF THE CHICAGO BOARD OF TRADE VOTED TO ACCEPT AN OFFER OF SETTLEMENT SUBMITTED BY APPLICANT. WITHOUT ADMITTING OR DENYING ANY VIOLATION, APPLICANT AGREED TO PAY A FINE OF \$1,000.

Disclosure 8 of 28

Reporting Source:	Firm
Current Status:	Final
Appealed To and Date Appeal Filed:	N/A
Allegations:	LIFFE ALLEGED THAT TWO TRADERS REGISTERED WITH APPLICANT EXECUTED CROSS TRADES DURING THE APT TRADING SESSION OF THE GERMAN GOVERNMENT BOND ("BUND") FUTURES CONTRACT CONTRARY TO THE PROVISIONS OF RULE 4.9.1 WHICH PROSCRIBE THE PRE-ARRANGEMENT OF TRADES.
Initiated By:	LONDON FINANCIAL FUTURES AND OPTIONS EXCHANGE
Date Initiated:	02/17/1998
Docket/Case Number:	S98/13
Principal Product Type:	Futures - Financial
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Settled
Resolution Date:	05/28/1998
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	ONE OF THE REGISTERED TRADERS OF APPLICANT WAS ALSO FINED GBP 2,000.00.
Sanction Details:	N/A



Firm Statement APPLICANT ACCEPTED CULPABILITY FOR CERTAIN ASPECTS OF THE INCIDENT INVOLVING THE TRADERS AND DID NOT REQUEST TO BE DISCHARGED FROM THE PROCEEDINGS AND WAS FINED GBP 3333.00. FOR THE PURPOSE OF THIS FILING THE FINE WAS CONVERTED AT A RATE OF 1.50 USD/GBP FOR A U.S. DOLLAR EQUIVALENT OF \$5000.00

Disclosure 9 of 28

Reporting Source: Firm

Current Status: Final

Appealed To and Date Appeal Filed: N/A

Allegations: THE LIFFE ALLEGED THAT ON 06/12/1997 TWO TRADERS OF APPLICANT EXECUTED CROSS TRANSACTIONS DURING THE APT TRADING SESSION OF THE GERMAN GOVERNMENT BOND ("BUND") FUTURES CONTRACT CONTRARY TO THE PROVISIONS OF RULE 4.9.1 WHICH PROSCRIBED THE PRE-ARRANGEMENT OF TRADES

Initiated By: LONDON INTERNATIONAL FINANCIAL FUTURES AND OPTIONS EXCHANGE

Date Initiated: 02/17/1998

Docket/Case Number: S98/12

Principal Product Type: Futures - Financial

Other Product Type(s): N/A

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

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

Resolution: Settled

Resolution Date: 05/28/1998

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered: ONE OF THE LIFFE REGISTERED TRADERS WAS FINED GBP 2,666.00 IN ADDITION TO THE FINE LEVIED ON THE APPLICANT.

Sanction Details: N/A

Firm Statement APPLICANT ACCEPTED CULPABILITY FOR CERTAIN ASPECTS OF THE INCIDENT INVOLVING THE TRADERS AND DID NOT REQUEST TO BE DISCHARGED FROM THE PROCEEDINGS AND WAS FINED GBP 3333.00. FOR THE PURPOSE OF THIS FILING THE FINE WAS CONVERTED AT A RATE



OF 1.50 USD/GBP FOR A U.S. DOLLAR EQUIVALENT OF \$5000.00

Disclosure 10 of 28

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE CBOT BCC ISSUED PRELIMINARY CHARGES THAT APPLICANT APPARENTLY VIOLATED REGULATION 332.02, 332.05 AND 332.08 WITH RESPECT TO THE SUBMISSION OF TRADE DATA.
Initiated By:	CHICAGO BOARD OF TRADE
Date Initiated:	09/04/1998
Docket/Case Number:	98-RFT-77
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:	N/A
Resolution:	Settled
Resolution Date:	11/02/1998
Sanctions Ordered:	Monetary/Fine \$1,500.00
Other Sanctions Ordered:	N/A
Sanction Details:	N/A
Firm Statement	WITHOUT ADMITTING OR DENYING ANY VIOLATION APPLICANT AGREED TO PAY A FINE IN THE AMOUNT OF \$1500.00 WITH RESPECT TO THE ABOVE LISTED REGULATIONS.

Disclosure 11 of 28

Reporting Source:	Firm
Current Status:	Final
Allegations:	ALLEGED LATE SUBMISSION OF TRADE DATA TO THE CLEARING CORP.
Initiated By:	CHICAGO BOARD OF TRADE CLEARING CORP.
Date Initiated:	08/05/1997



Docket/Case Number:	UNAVAILABLE
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:	N/A
Resolution:	Order
Resolution Date:	08/05/1997
Sanctions Ordered:	Monetary/Fine \$2,701.00
Other Sanctions Ordered:	N/A
Sanction Details:	N/A
Firm Statement	APPLICANT WAS ORDER TO PAY A FINE IN THE AMOUNT OF \$2701.00 FOR FAILURE TO SUBMITTED TRADES ON A TIMELY BASIS TO THE CLEARING CORPORATION.

Disclosure 12 of 28

Reporting Source:	Firm
Current Status:	Final
Allegations:	OCC ALLEGED APPLICANT VIOLATED OCC RULES 2108, 2112(B) AND 2106(B) IN THAT APPLICANT DID NOT ESTABLISH AND MAINTAIN A BANK ACCOUNT AT A CLEARING BANK IN THE COUNTRY OF ORIGIN IN ORDER TO EFFECT SETTLEMENT FOR AN ITALIAN LIRA CONTRACT.
Initiated By:	OPTIONS CLEARING CORPORATION
Date Initiated:	08/20/1997
Docket/Case Number:	97-1
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:	N/A



Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	10/10/1997
Sanctions Ordered:	Censure
Other Sanctions Ordered:	APPLICANT CONSENTED TO THE ISSUANCE OF LETTER OF CAUTION AND AGREED TO REVIEW ITS PROCEDURES FOR ESTABLISHING SETTLEMENT BANK ACCOUNTS.
Sanction Details:	N/A
Firm Statement	APPLICANT WITHOUT ADMITTING OR DENYING THE ALLEGATION SETTLED THE PRELIMINARY CHARGES BY ACCEPTING A LETTER OF CAUTION AND AGREEING TO REVIEW ITS PROCEDURES FOR ESTABLISHING BANK ACCOUNTS TO COMPLY WITH OCC REQUIREMENTS FOR BANKING ARRANGEMENTS FOR SETTLEMENTS DENOMINATED IN FOREIGN CURRENCIES.

Disclosure 13 of 28

Reporting Source:	Firm
Current Status:	Final
Allegations:	CBOT ALLEGED APPLICANT VIOLATED CBOT REGULATION 332.08 IN THAT IT FAILED TO MAKE ALL TRADE DATA SUBMISSIONS IN A CORRECT MANNER.
Initiated By:	CHICAGO BOARD OF TRADE
Date Initiated:	07/03/1997
Docket/Case Number:	96-RRR-365
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:	N/A
Resolution:	Settled
Resolution Date:	10/06/1997
Sanctions Ordered:	Monetary/Fine \$1,000.00
Other Sanctions Ordered:	N/A



Sanction Details:	N/A
Firm Statement	WITHOUT NEITHER ADMITTING OR DENYING ANY ALLEGED VIOLATIONS APPLICANT AGREED TO PAY A FINE IN THE AMOUNT OF \$1000.00 WITH RESPECT TO THE ABOVE REGULATION.

Disclosure 14 of 28

Reporting Source:	Firm
Current Status:	Final
Appealed To and Date Appeal Filed:	N/A
Allegations:	LIFFE FOUND APPLICANT TO HAVE VIOLATED RULE 2.2.6 IN THAT IT FAILED TO TRANSFER TO THE LONDON CLEARING HOUSE THE REQUIRED AMOUNT OF DELIVERABLE GERMAN GOVERNMENT BOND CONTRACT ("BUNDS") BY THE REQUIRED TIME IN BREACH OF TERM 17.01 OF SUCH CONTRACT.
Initiated By:	LONDON FINANCIAL FUTURES AND OPTIONS EXCHANGE
Date Initiated:	07/10/1996
Docket/Case Number:	D96/97
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:	N/A
Resolution:	Decision
Resolution Date:	08/21/1996
Sanctions Ordered:	Monetary/Fine \$75,000.00
Other Sanctions Ordered:	N/A. EXACT AMOUNT OF FINE WAS 50,000 POUND STERLING. THE ABOVE USD FINE AMOUNT IS APPROXIMATE USING A CONVERSION RATE OF \$1.50 USD/GBP.
Sanction Details:	N/A
Firm Statement	APPLICANT WAS FINED GBP 50,000.00.



Disclosure 15 of 28

Reporting Source:	Firm
Current Status:	Final
Appealed To and Date Appeal Filed:	N/A
Allegations:	CBOT ALLEGED VIOLATIONS OF CBOT REGULATIONS 332.02, 332.05 AND 332.08 REGARDING LATE SUBMISSION OF TRADE DATA.
Initiated By:	CHICAGO BOARD OF TRADE
Date Initiated:	03/18/1996
Docket/Case Number:	95-RRR-276
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:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/18/1996
Sanctions Ordered:	Monetary/Fine \$500.00
Other Sanctions Ordered:	N/A
Sanction Details:	N/A
Firm Statement	APPLICANT CONSENTED TO A FINE IN THE AMOUNT OF \$500 WHILE NEITHER ADMITTING OR DENYING ALLEDGED VIOLATIONS.

Disclosure 16 of 28

Reporting Source:	Firm
Current Status:	Final
Appealed To and Date Appeal Filed:	N/A
Allegations:	THE CBOT ALLEGED APPLICANT VIOLATED CBOT REGULATIONS 332.05, 332.05 AND 332.08.
Initiated By:	CHICAGO BOARD OF TRADE



Date Initiated: 05/10/1995
Docket/Case Number: 94-RRR-360
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: N/A
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 05/10/1995
Sanctions Ordered: Monetary/Fine \$250.00
Other Sanctions Ordered: N/A
Sanction Details: N/A
Firm Statement WHILE NEITHER ADMITTING OR DENYING CHARGES APPLICANT PAID A FINE IN THE AMOUNT OF \$250.0 TO SETTLE ALLEGED CBOT REGULATIONS 332.05, 332.05 AND 332.08 REGARDING LATE TRADE SUBMISSIONS.

Disclosure 17 of 28

Reporting Source: Firm
Current Status: Final
Appealed To and Date Appeal Filed: N/A
Allegations: THE CBOT ALLEGED APPLICANT VIOLATED CBOT REGULATION 332.02,332.05, 332.08 AND 465.01 REGARDING LATE TRADE DATA SUBMISSION.
Initiated By: CHICAGO BOARD OF TRADE
Date Initiated: 05/18/1993
Docket/Case Number: 92-RRR-433
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:	N/A
Resolution:	Settled
Resolution Date:	05/18/1993
Sanctions Ordered:	Monetary/Fine \$750.00
Other Sanctions Ordered:	N/A
Sanction Details:	N/A
Firm Statement	APPLICANT PAID \$750.00 TO SETTLE PRELIMINARY CHARGED ALLEGING VIOLATIONS OF CBOT REGULATION 332.02,332.05, 332.08 AND 465.01 REGARDING LATE TRADE DATA SUBMISSION.

Disclosure 18 of 28

Reporting Source:	Firm
Current Status:	Final
Appealed To and Date Appeal Filed:	N/A
Allegations:	CBOT ALLEGED VIOLATIONS OF CBOT REGULATION 332.08 REGARDING UNTIMELY SUBMISSION OF TRADE DATA.
Initiated By:	CHICAGO BOARD OF TRADE
Date Initiated:	10/07/1992
Docket/Case Number:	92-RRR-268
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:	N/A
Resolution:	Settled
Resolution Date:	10/07/1992
Sanctions Ordered:	Monetary/Fine \$500.00
Other Sanctions Ordered:	N/A
Sanction Details:	N/A



Firm Statement APPLICANT PAID A FIN OF \$500.00 TO SETTLE PRELIMINARY CHARGES ISSUED ALLEGING VIOLATIONS OF CBOT REGULATION 332.08 REGARDING UNTIMELY SUBMISSION OF TRADE DATA.

Disclosure 19 of 28

Reporting Source: Firm

Current Status: Final

Appealed To and Date Appeal Filed: N/A

Allegations: ALLEGED PROCEDURAL VIOLATIONS WITH RESPECT TO OPTION EXERCISES.

Initiated By: CHICAGO BOARD OF TRADE CLEARING CORP.

Date Initiated: 10/19/1991

Docket/Case Number: UNAVAILABLE

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: N/A

Resolution: Decision

Resolution Date: 02/20/1992

Sanctions Ordered: Monetary/Fine \$12,500.00

Other Sanctions Ordered: N/A

Sanction Details: N/A

Firm Statement THE EXECUTIVE COMMITTEE OF THE BOARD OF GOVERNORS ORDERED A FINE IN THE AMOUNT OF \$12,500 BE LEVIED FOR FAILURE TO COMPLETE OPTION EXERCISE PROCESSING PROCEDURE IN A TIMELY MANNER.

Disclosure 20 of 28

Reporting Source: Firm

Current Status: Final



Appealed To and Date Appeal Filed:	N/A
Allegations:	CBOT ALLEDGED APPLICANT VIOLATIONS OF CBOT REGULATION 332.08 REGARDING UNTIMELY TRADE SUBMISSIONS.
Initiated By:	CHICAGO BOARD OF TRADE
Date Initiated:	12/10/1991
Docket/Case Number:	91-RRR-104
Principal Product Type:	No Product
Other Product Type(s):	N/A
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Settled
Resolution Date:	12/10/1991
Sanctions Ordered:	Monetary/Fine \$1,000.00
Other Sanctions Ordered:	N/A
Sanction Details:	N/A
Firm Statement	APPLICANT SETTLED CHARGED AND CONSENT TO A FINE IN THE AMOUNT OF \$1000.00

Disclosure 21 of 28

Reporting Source:	Firm
Current Status:	Final
Appealed To and Date Appeal Filed:	N/A
Allegations:	PHLX ALLEGED VIOLATIONS OF EXCHANGE RULE 705 AND SEC RULES 15C3-3, 17A-5 AND 153-A.
Initiated By:	PHILADELPHIA STOCK EXCHANGE
Date Initiated:	10/09/1990
Docket/Case Number:	90-17
Principal Product Type:	No Product



Other Product Type(s):	N/A
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	10/09/1990
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	N/A
Sanction Details:	N/A
Firm Statement	APPLICANT CONSENT TO A \$5000 FINE WITHOUT ADMITTING OR DENYING ALLEGED VIOLATIONS.

Disclosure 22 of 28

Reporting Source:	Firm
Current Status:	Final
Appealed To and Date Appeal Filed:	N/A
Allegations:	THE CBOT ALLEGED THAT APPLICANT VIOLATED CBOT REGULATION 332.02, 332.05 AND 332.08 REGARDING LATE TRADE DATA SUBMISSIONS AND INACCURATE TIMESTAMPS.
Initiated By:	CHICAGO BOARD OF TRADE
Date Initiated:	03/25/1998
Docket/Case Number:	97-RFT-177
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:	N/A
Resolution:	Settled
Resolution Date:	05/04/1998



Sanctions Ordered:	Monetary/Fine \$500.00
Other Sanctions Ordered:	N/A
Sanction Details:	N/A
Firm Statement	THE APPLICANT WAS FINED \$500.00 FOR VIOLATIONS OF CBOT REGULATIONS 332.02, 332.05 AND 332.08.

Disclosure 23 of 28

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE CME ALLEGED THAT APPLICANT FAILED TO SUBMIT TO THE EXCHANGE TIMESTAMP AND THE EXECUTION TIME FOR EXCHANGE FOR PHYSICAL ("EFP") TRANSACTIONS WITH SUFFICIENT ACCURACY
Initiated By:	CHICAGO MERCANTILE EXCHANGE
Date Initiated:	01/16/1998
Docket/Case Number:	98-5443-CTRT
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:	N/A
Resolution:	Settled
Resolution Date:	02/17/1998
Sanctions Ordered:	Monetary/Fine \$2,500.00
Other Sanctions Ordered:	N/A
Sanction Details:	N/A
Firm Statement	THE APPLICANT WAS FINED \$2500.00 FOR A MINOR VIOLATION OF CME RULE 536.

Disclosure 24 of 28

Reporting Source:	Firm
Current Status:	Final



Allegations:	THE CBOT ALLEGED THAT APPLICANT FAILED TO TIMELY NOTIFY THE EXCHANGE THAT A PROJECT A TERMINAL OPERATOR'S AUTHORITY HAD BEEN REVOKED AND THAT APPLICANT PERMITTEDS OTHER EMPLOYEES TO ENTER PROJECT A ORDERS UNDER A LOGION ID OTHER THAN THEIR OWN.
Initiated By:	CHICAGO BOARD OF TRADE
Date Initiated:	05/28/1998
Docket/Case Number:	98-INV-12C
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Settled
Resolution Date:	07/17/1998
Sanctions Ordered:	Censure
Other Sanctions Ordered:	N/A
Sanction Details:	N/A
Firm Statement	THE APPLICANT CONSENTED TO THE ISSUANCE OF A REPRIMAND WITH RESPECT TO CBOT REGULATION 9B.07.

Disclosure 25 of 28

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE CLEARING HOUSE COMMITTEE FOUND THE APPLICANT FAILED TO IMPROVE ITS TRADE DATA SUBMISSION PERCENTAGE AS DIRECTED BY THE COMMITTEE IN VIOLATION OF CME RULE 809.B.
Initiated By:	CHICAGO MERCANTILE EXCHANGE
Date Initiated:	05/04/1999
Docket/Case Number:	99-CH-9904
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: NONE

Resolution: Settled

Resolution Date: 06/21/1999

Sanctions Ordered: Monetary/Fine \$2,000.00

Other Sanctions Ordered: NONE

Sanction Details: N/A

Firm Statement

PURSUANT TO THE FINDINGS IN WHICH APPLICANT NEITHER ADMITTED OR DENIED THE FINDINGS, THE APPLICANT WAS FINED \$2000.00. APPLICANT CAN HAVE THE FINE SUSPENDED AND WAIVED IF IT CAN SUSTAIN AN INTRA-DAY SUBMISSION PERCENTAGE EQUAL TO OR GREATER THAN 80% FOR THE MONTHS OF MAY, JUNE AND JULY 1999. PAYMENT OF FINE WAS EVENTUALLY SUSPENDED AS APPLICANT'S INTRA-DAY TRADE SUBMISSION IMPROVED IN ACCORDANCE WITH EXCHANGE PARAMETERS.

Disclosure 26 of 28

Reporting Source: Firm

Current Status: Final

Appealed To and Date Appeal Filed: N/A

Allegations: THE CLEARING HOUSE FINANCE COMMITTEE FOUND THE APPLICANT VIOLATED CME RULES 970.A.4, 971.A,980.A, 980.B IN THAT APPLICANT HAD CERTAIN ACCOUNTING DEFICIENCIES IN COMPUTING REGULATORY CAPITAL AND THE REQUIRED AMOUNT OF EXCESS SEGREGATED AND SECURED FUNDS.

Initiated By: CHICAGO MERCANTILE EXCHANGE

Date Initiated: 12/11/1998

Docket/Case Number: 98-CH-9802

Principal Product Type: No Product

Other Product Type(s): N/A



Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	NONE
Resolution:	Settled
Resolution Date:	12/21/1998
Sanctions Ordered:	Monetary/Fine \$50,000.00
Other Sanctions Ordered:	N/A
Sanction Details:	N/A
Firm Statement	PURSUANT TO THE OFFER OF SETTLEMENT THE APPLICANT NEITHER ADMITTED OR DENIED THE VIOLATIONS AND WAS FINED \$50,000

Disclosure 27 of 28

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEE SUMMARY
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE, INC.
Date Initiated:	03/12/1999
Docket/Case Number:	99-0012
Principal Product Type:	Options
Other Product Type(s):	N/A
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CENSURED. ADDITIONALLY ORDERED TO COMPLETE UNDERTAKING
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	07/09/1999
Sanctions Ordered:	Censure Monetary/Fine \$50,000.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	CARR FUTURES, INC., AN EXCHANGE MEMBER ORGANIZATION, WAS



FINED \$50,000 AND CENSURED. IN ADDITION, CARR WAS ORDERED TO COMPLETE THE FOLLOWING UNDERTAKINGS:

A. CARR SHALL RETAIN AN INDEPENDENT CERTIFIED ACCOUNTING FIRM TO ASSIST CARR IN REVIEWING, DRAFTING OR UPDATING, ON A TASK BY TASK BASIS, ALL CRITICAL ACCOUNTING PROCEDURES AND INTERNAL CONTROLS NECESSARY TO ASSIST CARR TO REASONABLY INSURE THAT IT MAINTAINS CURRENT BOOKS AND RECORDS AND THAT ITS ACCOUNTING PROCEDURES AND INTERNAL CONTROLS ARE ADEQUATE TO COMPLY WITH REGULATORY REQUIREMENTS, INCLUDING THE PROPER COMPUTATION OF ITS NET CAPITAL, THE ACCURATE COMPUTATION OF CUSTOMER RESERVE REQUIREMENTS, AND AN ACCURATE AGING OF BANK RELATED ITEMS ON ITS GENERAL LEDGER.

B. WITHIN 2 MONTHS, CARR WILL PRESENT ITS REVISED PROCEDURES TO THE EXCHANGE'S DEPARTMENT OF FINANCIAL AND SALES PRACTICE COMPLIANCE ("THE DEPARTMENT"), AND MAKE KNOWLEDGEABLE CARR REPRESENTATIVES AVAILABLE TO CONSULT WITH THE DEPARTMENT REGARDING ANY ASPECTS OF THE PROCEDURES.

C. WITHIN 4 MONTHS, CARR WILL SUBMIT TO THE DEPARTMENT A REPORT WHICH DETAILS ALL CARR ACCOUNTING PROCEDURES SET FORTH IN PARAGRAPHS A AND B ABOVE.

Regulator Statement

DURING THE PERIOD ENDING JUNE 30, 1998, CARR OVERSTATED ITS NET CAPITAL BY \$8,448,887, AND DURING THE PERIOD ENDING SEPTEMBER 30, 1998, CARR OVERSTATED ITS NET CAPITAL BY \$20,569,492. AT SEPTEMBER 30, 1998, AS ADJUSTED FOR THE OVERSTATEMENT, CARR HAD EXCESS NET CAPITAL OF APPROXIMATELY \$84 MILLION. DURING THE AFOREMENTIONED PERIODS, CARR FAILED TO UPDATE ITS GENERAL LEDGER TO REFLECT APPROXIMATELY 852 AGED BANK RELATED ITEMS. AT JUNE 30, 1998, AS ADJUSTED FOR THE OVERSTATEMENT, CARR HAD EXCESS NET CAPITAL OF APPROXIMATELY \$75 MILLION. DURING THE PERIOD ENDING JUNE 30, 1998, CARR UNDERSTATED ITS CUSTOMER RESERVE REQUIREMENT BY \$10,375,600. AT JUNE 30, 1998, AS ADJUSTED FOR THE UNDERSTATEMENT, CARR HAD EXCESS RESERVE DEPOSIT OF APPROXIMATELY \$71 MILLION AND CARR FILED AN INACCURATE CUSTOMER RESERVE COMPUTATION WITH THE EXCHANGE. IN ADDITION, CARR FAILED TO IMPLEMENT ADEQUATE SUPERVISORY CONTROLS TO ENSURE COMPLIANCE WITH EXCHANGE RULES AND THE ACT WITH RESPECT TO ITS BANK ACCOUNT RECONCILIATION'S. (CBOE RULES 4.2 AND 15.1 AND SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934 (THE "ACT") AND RULE 15C3-3 THEREUNDER AND SECTION 17(A) OF THE ACT AND RULE 17A-3 AND 17A-5 THEREUNDER.)



Reporting Source:	Firm
Current Status:	Final
Appealed To and Date Appeal Filed:	N/A
Allegations:	DURING AN EXAMINATION OF APPLICANT'S BOOKS AND RECORDS DURING 1998, THE CBOE FOIUND THE APPLICANT VIOLATED CBOE RULES 4.2 AND 15.1 AND SECURITIES AND EXCHANGE ACT OF 1934 SECTIONS 15C AND 17A, AND SECURITIES AND EXCHANGE RULES 15C3-3 AND 17A-3 AND 17A-5.
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	06/04/1999
Docket/Case Number:	99-0012
Principal Product Type:	No Product
Other Product Type(s):	N/A
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	1) RETENTION OF INDEPENDENT CPA TO ASSIST APPLICANT IN THE DRAFTING ALL CRITICAL ACCOUNTING PROCEDURES AND CONTROLS. 2) SUBMISSION OF REVISED PROPOSED PROCEDURES WITHIN 2 MONTHS OF ACCEPTANCE OF BCC DECISION. 3) SUBMISSION OF APPLICANTS FINAL ACCOUNTING PROCEDURES WITHIN 4 MONTHS ACCEPTANCE OF BCC DECISION.
Resolution:	Settled
Resolution Date:	07/09/1999
Sanctions Ordered:	Censure Monetary/Fine \$50,000.00
Other Sanctions Ordered:	NONE
Sanction Details:	N/A
Firm Statement	PURSUANT TO A LETTER OF CONSENT SUBMITTED BY THE APPLICANT WHEREIN IT NEITHER ADMITTED OR DENIED THE VIOLATIONS, THE CBOE ACCEPTED SUCH LETTER OF CONSENT WITH CERTAIN UNDERTAKINGS AND IMPOSED A \$50,000 FINE AND CENSURE OF THE APPLICANT.

Disclosure 28 of 28

Reporting Source: Firm



Current Status: Final

Appealed To and Date Appeal Filed: N/A

Allegations: THE FLOOR PRACTICES COMMITTEE, FINANCIAL DIVISION, FOUND THAT ON 08/28/1998, 08/31/1998 AND 09/04/1998, APPLICANT PLACED E-MINI S&P 500 FUTURES CUSTOMER ORDERS ON THE GLOBEX SYSTEM IN EXCESS OF THE MAXIMUM NUMBER OF CONTRACTS (15) IN VIOLATION OF CME RULE 557, A MINOR OFFENSE.

Initiated By: CHICAGO MERCANTILE EXCHANGE

Date Initiated: 03/09/1999

Docket/Case Number: 98-5941-FP

Principal Product Type: Futures - Financial

Other Product Type(s): E-MINI S&P 500 FUTURES CONTRACTS

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

Other Sanction(s)/Relief Sought: NONE

Resolution: Settled

Resolution Date: 03/15/1999

Sanctions Ordered: Monetary/Fine \$1,000.00

Other Sanctions Ordered:

Sanction Details: PURSUANT TO THE OFFER OF SETTLEMENT, APPLICANT NEITHER ADMITTED OR DENIED THE FINDINGS AND IN ACCORDANCE WITH THE TERMS OF THE SETTLEMENT OFFER AGREED TO PAY A FINE IN THE AMNOUNT OF \$1000.00.

Firm Statement COMPLETE.



Disclosure Events for Non-Registered Control Affiliates

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

	Pending	Final	On Appeal
Criminal	1	0	0



Disclosure Event Details

Criminal - Pending Charge

Disclosure 1 of 1

Reporting Source:	Firm
Affiliate:	SOCIETE GENERAL S.A.
Current Status:	Pending
Status Date:	
Charge Details:	(1) ONE COUNT OF "AGGRAVATED MONEY LAUNDERING", (2) EQUIVALENT TO A FELONY, (3) IN FRANCE, PLEAS ARE NOT ENTERED WHEN CHARGED, (4) PRODUCT TYPE IS BANKING.
Felony:	Yes
Court Details:	TRIBUNAL DE GRANDE INSTANCE DE PARIS, 11E CHAMBRE 4E SECTION-PARIS, FRANCE- CASE NO. 9818469054
Charge Date:	07/19/2006
Disposition Details:	PRETRIAL
Firm Statement	<p>BY ORDER DATED JULY 20, 2006, SOCIETE GENERAL ("SG") WAS FORMALLY CHARGED BY A FRANCH INVESTIGATING MAGISTRATE AND REFERRED TO THE PARIS CRIMINAL COURT FOR TRIAL. SG, A BANK HEADQUARTERED IN PARIS, FRANCE, IS THE 50% PARENT OF NEWEDGE USA, LLC AND NEWEDGE FINANCIAL INC. THREE OTHER BANKS AND MORE THAN 130 INDIVIDUALS, INCLUDING EXECUTIVES AND TOP MANAGEMENT OF THESE BANKS, HAVE ALSO BEEN REFERRED FOR TRIAL IN THE SAME MATTER. THE CHARGES AGAINST SG ARE FOR "AGGRAVATED MONEY LAUNDERING" IN PROCESSING CHEKC CASHING TRANSACTIONS BETWEEN FRANCE AND ISREAL FROM EARLY 1998 TO DECEMBER 2001. MORE SPECIFICALLY, THE INVESTIGATING MAGISTRATE ALLEGES THAT STOLEN CHECKS WERE SENT TO ISREAL, WHERE THEY WERE CASHED BY A LOCAL BANK OR BY A LOCAL EXCHANGE OFFICE. THE CHECKS WERE THEN RETURNED BY THE ISREALI BANK TO A FRENCH CORRESPONDENT BANK, ON OF WHICH WAS SG. SG THEN ALLEGEDELY FORWARDED THE CHECKS TO THE FRENCH CLEARING HOUSE, WHICH IN TURN FORWARDED THEM FOR PAYMENT TO THE BANK ON WHICH THEY WERE DRAWN. THE INVESTIGATING MAGISTRATE'S DECISION TO FILE CHARGES AGAINST SG CONTRADICTED THE PREVIOUS FORMAL RECOMENDATION OF THE FRENGC STATE PROSECUTOR, FOLLOWING AN INVESTIGATION THAT LASTED OVER 6 YEARS, THAT THE CASE BE DISMISSED BECAUSE OF INSUFFICIENT EVIDENCE. THE REFERENCED PROCEEDINGS RELATE SOLEY TO THE ULTIMATE PARENT COMPANY OF THE REGISTRANT IN</p>



PARIS, FRANCE AND HAVE NO BEARING ON OR RELATIONSHIP TO THE BUSINESS OF THE REGISTRANT.

End of Report



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