

BrokerCheck Report

TP ICAP GLOBAL MARKETS AMERICAS LLC

CRD# 2762

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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.

• **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.



TP ICAP GLOBAL MARKETS AMERICAS LLC

CRD# 2762

SEC# 8-12726

Main Office Location

200 VESEY STREET
6TH FLOOR
NEW YORK, NY 10285
Regulated by FINRA New York Office

Mailing Address

200 VESEY STREET
6TH FLOOR
NEW YORK, NY 10285

Business Telephone Number

201-984-6889

Report Summary for this Firm

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

Firm Profile

This firm is classified as a limited liability company.
This firm was formed in Delaware on 06/30/1998.
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
- 5 Self-Regulatory Organizations
- 35 U.S. states and territories

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

This firm conducts 8 types of businesses.

This firm is affiliated with financial or investment institutions.

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

Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	31

The number of disclosures from non-registered control affiliates is 26



Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 06/30/1998.

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.

TP ICAP GLOBAL MARKETS AMERICAS LLC

Doing business as TP ICAP GLOBAL MARKETS AMERICAS LLC

CRD# 2762

SEC# 8-12726

Main Office Location

200 VESEY STREET
6TH FLOOR
NEW YORK, NY 10285

Regulated by FINRA New York Office

Mailing Address

200 VESEY STREET
6TH FLOOR
NEW YORK, NY 10285

Business Telephone Number

201-984-6889



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): ICAP GLOBAL BROKING INC.

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

Position SOLE MEMBER

Position Start Date 10/2019

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): BERNARDO, SHAWN FRANCIS

2513376

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

Position CEO

Position Start Date 09/2021

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): GOULET, STEPHEN PAUL

4769810

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

Position SENIOR MANAGING DIRECT/GENERAL COUNSEL/SECRETARY

Position Start Date 08/2018

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): PEZEU, CHRISTIAN JEAN MICHEL
5661987

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

Position PRINCIPAL FINANCIAL OFFICER

Position Start Date 11/2017

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): ZAIDI, AMIR RAZA
2896402

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

Position CHIEF COMPLIANCE OFFICER

Position Start Date 11/2024

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):	TP ICAP AMERICAS HOLDINGS INC.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	ICAP GLOBAL BROKING INC.
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	03/2018
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	TP ICAP GROUP PLC
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	TP ICAP HOLDINGS LIMITED
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	12/2019
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):	TP ICAP 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	TP ICAP AMERICAS HOLDINGS INC.
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	03/2021
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm 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, 5 SROs and 35 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	01/28/1966

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	02/02/1966
NYSE American LLC	Approved	06/07/2023
Nasdaq PHLX LLC	Approved	04/01/2013
Nasdaq Stock Market	Approved	07/12/2006
New York Stock Exchange	Approved	06/07/2023



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Arizona	Approved	02/19/2002
California	Approved	07/01/1998
Colorado	Approved	05/25/1984
Connecticut	Approved	01/10/1967
Delaware	Approved	06/21/1984
District of Columbia	Approved	09/14/1984
Florida	Approved	04/27/1983
Georgia	Approved	07/02/1984
Idaho	Approved	06/07/2001
Illinois	Approved	08/29/1979
Indiana	Approved	08/16/1984
Iowa	Approved	02/03/1993
Kansas	Approved	06/22/1993
Kentucky	Approved	05/14/1984
Maine	Approved	06/12/1984
Maryland	Approved	05/29/1984
Massachusetts	Approved	07/31/1981
Michigan	Approved	09/25/1998
Minnesota	Approved	05/23/1984
Nebraska	Approved	04/04/2002
Nevada	Approved	10/07/1988
New Jersey	Approved	07/13/1983
New York	Approved	11/20/1981
North Carolina	Approved	01/17/2001
Ohio	Approved	04/09/2001
Oklahoma	Approved	03/05/2002
Pennsylvania	Approved	08/18/1970
Rhode Island	Approved	04/23/1984
South Carolina	Approved	05/16/1996
Texas	Approved	10/01/1998
Utah	Approved	08/08/1988
Vermont	Approved	06/25/1984
Virginia	Approved	05/10/1984

U.S. States & Territories	Status	Date Effective
Washington	Approved	05/25/1993
Wisconsin	Approved	07/08/1993



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 8 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 selling corporate debt securities

U S. government securities broker

Put and call broker or dealer or option writer

Trading securities for own account

Private placements of securities

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 refer or introduce customers to other brokers and dealers.

Name:	BOFA SECURITIES, INC.
CRD #:	283942
Business Address:	ONE BRYANT PARK NEW YORK, NY 10036
Effective Date:	05/13/2019
Description:	THE FIRM MAINTAINS A FULLY DISCLOSED CLEARING AGREEMENT WITH BOFA SECURITIES, INC.

Firm Operations

Industry Arrangements



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

Name: RQD CLEARING
Business Address: 1 WORLD TRADE CENTER
SUITE 47M
NEW YORK, NY 10007
Effective Date: 04/01/2024
Description: RECORDS CUSTODIAN/CLEARING FIRM OF OPTIONS

Name: BOFA SECURITIES, INC.
CRD #: 283942
Business Address: ONE BRYANT PARKK
NEW YORK, NY 10036
Effective Date: 05/13/2019
Description: THE FIRM MAINTAINS A FULLY DISCLOSED CLEARING AGREEMENT
WITH BOFA SECURITIES, INC.

Name: NEX SERVICES NORTH AMERICA LLC
Business Address: 4 TIMES SQUARE
14TH FLOOR
NEW YORK, NY 10036
Effective Date: 12/30/2016
Description: THE FIRM ARCHIVES CERTAIN HISTORICAL RECORDS THROUGH NEX
SERVICES NORTH AMERICA LLC.

Name: FIS FINANCIAL SYSTEMS LLC
Business Address: 504 TOTTENPOND ROAD
WALTHAM, MA 02154
Effective Date: 09/01/1999
Description: FIS FINANCIAL SYSTEMS LLC PROCESSED TRADES ON BEHALF OF
APPLICANT. FIS FINANCIAL SYSTEMS LLC MAINTAINS BOOKS AND
RECORDS FOR TRANSACTIONS.

Name: GLOBAL RELAY COMMUNICATIONS INC.
Business Address: 220 CAMBIE STREET
2ND FLOOR

Firm Operations



Industry Arrangements (continued)

VANCOUVER, BC V6B 2M9

Effective Date: 06/24/2014

Description: THE FIRM ARCHIVES RECORDS USING GLOBAL RELAY.

Name: SHADOW FINANCIAL SYSTEMS, INC.

Business Address: 1551 SOUTH WASHINGTON AVENUE
P.O. BOX 659754
PISCATAWAY, NJ 08854

Effective Date: 09/20/2013

Description: SHADOW FINANCIAL SYSTEMS, INC. PROVIDES SOFTWARE THAT ICAP MANAGES IN-HOUSE. THIS SOFTWARE PROVIDES THE ABILITY FOR ICAP TO PROCESS TRANSACTIONS DIRECTLY.

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

Name: BOFA SECURITIES, INC.

CRD #: 283942

Business Address: ONE BRYANT PARK
NEW YORK, NY 10036

Effective Date: 05/13/2019

Description: THE FIRM MAINTAINS A CLEARING DEPOSIT WITH BOFA SECURITIES, INC. PURSUANT TO A FULLY DISCLOSED CLEARING AGREEMENT.

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

Name: BOFA SECURITIES, INC.

CRD #: 283942

Business Address: ONE BRYANT PARK
NEW YORK, NY 10036

Effective Date: 05/13/2019

Description: THE FIRM CLEARS CERTAIN BUSINESS ON A DVP/RVP BASIS THROUGH BOFA SECURITIES, INC. PURSUANT TO A FULLY DISCLOSED CLEARING AGREEMENT.

Control Persons/Financing

This firm does have individuals who control its management or policies through agreement.

Name: DEMPSEY, DAVID MATHEW

CRD #: 4799998

Firm Operations



Industry Arrangements (continued)

Business Address: 200 VESEY STREET
6TH FLOOR
NEW YORK, NY 10285

Effective Date: 01/24/2019

Description: MR. DAVID DEMPSEY IS A CO-PRESIDENT OF ICAP CORPORATES LLC ("ICAP"), BUT OVERSEES ONLY THE FUTURES RELATED ACTIVITIES OF ICAP. MR. DEMPSEY DOES NOT ENGAGE IN THE SECURITIES BUSINESS OF ICAP, INCLUDING THE MANAGEMENT, SUPERVISION, SOLICITATION, CONDUCT OF BUSINESS, OR THE TRAINING OF PERSONS ASSOCIATED WITH ICAP IN CONNECTION WITH ICAP'S SECURITIES BUSINESS. IN ADDITION, MR. DEMPSEY DOES NOT ACT AS A REGISTERED REPRESENTATIVE OF ICAP.

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.

LIQUIDNET SINGAPORE PRIVATE LIMITED is under common control with the firm.

Business Address:	50 RAFFLES PLACE 41ST FLOOR SINGAPORE LAND TOWER SINGAPORE, SINGAPORE 048623
Effective Date:	10/30/2021
Foreign Entity:	Yes
Country:	SINGAPORE
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

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

CRD #:	103987
Business Address:	620 8TH AVE NEW YORK, NY 10018
Effective Date:	03/23/2021
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	INDIRECTLY UNDER COMMON CONTROL TROUGH TP ICAP GROUP PLC

LOUIS CAPITAL MARKETS UK, LLP is under common control with the firm.

Firm Operations



Organization Affiliates (continued)

Business Address: 130 WOOD STREET, 4TH FLOOR
LONDON, UNITED KINGDOM EC2V697

Effective Date: 07/31/2020

Foreign Entity: Yes

Country: UNITED KINGDOM

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

LOUIS CAPITAL MARKETS (HONG KON) LIMITED is under common control with the firm.

Business Address: 8 QUEENS ROAD CENTRAL-9TH FLOOR
HONG KONG, HONG KONG

Effective Date: 07/31/2020

Foreign Entity: Yes

Country: HONG KONG

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

LOUIS CAPITAL MARKETS FRANCE is under common control with the firm.

Business Address: 42 RUE WASHINGTON
PARIS, FRANCE 75008

Effective Date: 07/31/2020

Foreign Entity: Yes

Country: FRANCE

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP

Firm Operations



Organization Affiliates (continued)

GROUP PLC

MIDCAP PARTNERS LTD is under common control with the firm.

Business Address:	130 WOOD STREET, 4TH FLOOR LONDON, UNITED KINGDOM EC2V697
Effective Date:	07/31/2020
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

MIDCAP PARTNERS SAS is under common control with the firm.

Business Address:	42 RUE WASHINGTON PARIS, FRANCE 75008
Effective Date:	07/31/2020
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

LOUIS CAPITAL MARKETS ISRAEL LTD is under common control with the firm.

Business Address:	45 ROTHSCHILD BOULEVARD TEL-AVIV, ISRAEL 6578403
Effective Date:	07/31/2020
Foreign Entity:	Yes
Country:	ISRAEL
Securities Activities:	Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

TPSYNREX LTD is under common control with the firm.

Business Address: 20 BALDERTON STREET, LEVEL 6,
LONDON, UK W1K 6TL

Effective Date: 12/30/2016

Foreign Entity: Yes

Country: UK

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

TULLETT PREBON (POLSKA) SPOLKA AKCYJNA is under common control with the firm.

Business Address: UL. WSPÓINA 47/49
WARSAW, POLAND 00-684

Effective Date: 12/30/2016

Foreign Entity: Yes

Country: POLAND

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

TULLETT PREBON (SECURITIES) LIMITED is under common control with the firm.

Business Address: 155 BISHOPSGATE
LONDON, UNITED KINGDOM EC2M 3TQ

Effective Date: 12/30/2016

Foreign Entity: Yes

Firm Operations



Organization Affiliates (continued)

Country:	UK
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

TULLETT PREBON (EUROPE) LIMITED is under common control with the firm.

Business Address:	155 BISHOPSGATE LONDON, UK EC2M 3TQ
Effective Date:	12/30/2016
Foreign Entity:	Yes
Country:	UK
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

TULLETT PREBON (DUBAI) LIMITED is under common control with the firm.

Business Address:	GATE VILLAGE 1,LEVEL 1, SUITE 107/108 PO BOX 506787 DUBAI, UAE
Effective Date:	12/30/2016
Foreign Entity:	Yes
Country:	UAE
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

TULLETT PREBON (PHILIPPINES) INC is under common control with the firm.

Business Address:	25TH FLOOR RUFINO PACIFIC TOWER
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Firm Operations



Organization Affiliates (continued)

6784 AYALA AVENUE
MAKATI CITY, PHILIPPINES

Effective Date: 12/30/2016

Foreign Entity: Yes

Country: PHILIPPINES

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

PREBON YAMANE (INDIA) LIMITED is under common control with the firm.

Business Address: 4TH FLOOR, KALPATARU HERITAGE
127 MAHATMA GANDHI ROAD
FORT MUMBAI, INDIA 400 001

Effective Date: 12/30/2016

Foreign Entity: Yes

Country: INDIA

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

TULLETT PREBON (HONG KONG) LIMITED is under common control with the firm.

Business Address: SUITE 1001, 10TH FLOOR, CITIC TOWER
1 TIM MEI AVENUE
CENTRAL, HONG KONG

Effective Date: 12/30/2016

Foreign Entity: Yes

Country: HONG KONG

Securities Activities: Yes

Investment Advisory Activities: No

Firm Operations



Organization Affiliates (continued)

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

WALL STREET TULLETT PREBON SECURITIES LIMITED is under common control with the firm.

Business Address: 33-64 WALL ST. TOWER 13TH FLOOR
SURAWONG ROAD
BANGRAK BANGKOK, THAILAND 10500

Effective Date: 12/30/2016

Foreign Entity: Yes

Country: THAILAND

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

TULLETT PREBON (AUSTRALIA) PTY LIMITED is under common control with the firm.

Business Address: 60 MARGARET STREET
LEVEL 36
SYDNEY, AUSTRALIA

Effective Date: 12/30/2016

Foreign Entity: Yes

Country: AUSTRALIA

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

TULLETT PREBON (CANADA) LIMITED is under common control with the firm.

Business Address: 1 TORONTO STREET
SUITE 803
TORONTO, ONTARIO, CANADA M5C 2V6

Effective Date: 12/30/2016

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	Yes
Country:	CANADA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

TULLETT PREBON BRASIL S.A. CORRETORA DE VALORES E CÂMBIO is under common control with the firm.

Business Address:	RUA AMAURI, 255 - 8º ANDAR - JD. EUROPA SAO PAULO, BRAZIL CEP 01448-0
Effective Date:	12/30/2016
Foreign Entity:	Yes
Country:	BRAZIL
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

TULLETT PREBON MÉXICO SA DE CV is under common control with the firm.

Business Address:	AV. DE VASCO QUIROGA, NO. 1900, PISO 4 OFICINA 403 DELEGACIÓN ÁLVARO OBREGÓN COLONIA CENTRO DE CIUDAD SANTA FE, MEXICO C.P. 01210
Effective Date:	12/30/2016
Foreign Entity:	Yes
Country:	MEXICO
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

Firm Operations



Organization Affiliates (continued)

ICAP FOREIGN EXCHANGE BROKERAGE LTD is under common control with the firm.

Business Address:	11/F YWCA BLDG. 20 MYEONGDONG 11-GIL JUNG-GU, SEOUL
Effective Date:	08/06/2004
Foreign Entity:	Yes
Country:	SEOUL
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

ICAP AFRICAN BROKERS LIMITED (NOTE 1) is under common control with the firm.

Business Address:	PLOT 1679, 4TH FLOOR, AFRICAN RE-INSURANCE BLDG. KARIMU KOTUN STREET VICTORIA ISLAND, LAGOS STATE, NIGERIA
Effective Date:	07/06/2010
Foreign Entity:	Yes
Country:	NIGERIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

ICAP SECURITIES SOUTH AFRICA (PTY) LTD is under common control with the firm.

Business Address:	CENTRAL AVENUE 105 JOHANNESBURG-FINETOWN, GAUTENG-SOUTH AFRICA
Effective Date:	11/15/2010
Foreign Entity:	Yes
Country:	GAUTENG-SOUTH AFRICA
Securities Activities:	Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

GARBAN SOUTH AFRICA (PTY) LTD is under common control with the firm.

Business Address: P.O. BOX 1210
HOUGHTON, SOUTH AFRICA 2041

Effective Date: 07/18/1997

Foreign Entity: Yes

Country: SOUTH AFRICA

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

ICAP SECURITIES HONG KONG LTD is under common control with the firm.

Business Address: 29TH FLOOR, THE CENTER
99 QUEEN'S ROAD CENTRAL
HONG KONG, HONG KONG 8523

Effective Date: 12/10/2004

Foreign Entity: Yes

Country: HONG KONG

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

ICAP (MIDDLE EAST) WLL is under common control with the firm.

Business Address: WEST TOWER 2, KING FAISAL HIGHWAY, 43RD FLOOR
BAHRAIN FINANCIAL HARBOR
MANAMA, BAHRAIN

Effective Date: 02/15/1976

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	Yes
Country:	BAHRAIN
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

FIRST BROKERS SECURITIES LLC is under common control with the firm.

CRD #:	27369
Business Address:	1100 PLAZA FIVE JERSEY CITY, NJ 07311
Effective Date:	06/18/2015
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

PRONOUS ASSET MANAGEMENT is under common control with the firm.

Business Address:	HARBORSIDE FINANCIAL CENTER 1100 PLAZA 5, 12TH FLOOR JERSEY CITY, NJ 07311
Effective Date:	09/07/1999
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

Firm Operations



Organization Affiliates (continued)

ICAP BROKERS PTY LIMITED is under common control with the firm.

Business Address:	9 CASTLEREAGH STREET LEVEL 26 SYDNEY, AUSTRALIA
Effective Date:	09/07/1999
Foreign Entity:	Yes
Country:	AUSTRALIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

ICAP (HONG KONG) LIMITED is under common control with the firm.

Business Address:	8 CONNAUGHT ROAD CENTRAL CHATER HOUSE, 12TH FLOOR CENTRAL HONG KONG, CHINA
Effective Date:	09/07/1999
Foreign Entity:	Yes
Country:	CHINA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

ICAP FINANCIAL PRODUCTS PTE LTD is under common control with the firm.

Business Address:	6 BATTERY ROAD #41-01 SINGAPORE, SINGAPORE 049909
Effective Date:	04/10/2003
Foreign Entity:	Yes
Country:	SINGAPORE
Securities Activities:	Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

ICAP PHILIPPINES INC is under common control with the firm.

Business Address: 28TH FLOOR YUCHENGCO TOWER
RCBC PLAZA 6819 AYALA AVENUE
MAKATI CITY, PHILIPPINES

Effective Date: 01/28/2004

Foreign Entity: Yes

Country: PHILIPPINES

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

ICAP AP (SINGAPORE) PTE LIMITED is under common control with the firm.

Business Address: 6 BATTERY ROAD #41-01
SINGAPORE, SINGAPORE

Effective Date: 01/06/2000

Foreign Entity: Yes

Country: SINGAPORE

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

ICAP SECURITIES CO. LTD is under common control with the firm.

Business Address: 55 WAVE PLACE BUILDING
13TH FLOOR, WIRELESS ROAD, LUMPINI
BANGKOK, THAILAND

Effective Date: 03/04/2003

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	Yes
Country:	THAILAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

ICAP IL INDIA PRIVATE LIMITED is under common control with the firm.

Business Address:	202 DALAMAL TOWERS NARIMAN POINT MUMBAI, INDIA
Effective Date:	01/01/2001
Foreign Entity:	Yes
Country:	INDIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

ICAP NEW ZEALAND LIMITED is under common control with the firm.

Business Address:	LEVEL 6 107 CUSTOMHOUSE QUAY WELLINGTON, NEW ZEALAND
Effective Date:	10/03/2003
Foreign Entity:	Yes
Country:	NEW ZEALAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

Firm Operations



Organization Affiliates (continued)

ICAP TOTAN SECURITIES CO. LTD is under common control with the firm.

Business Address:	SUMITOMO SHIN-TORANOMON BUILDING, 8F 4-3-9 TORANOMON, MINATO-KU TOKYO, JAPAN
Effective Date:	01/01/2000
Foreign Entity:	Yes
Country:	JAPAN
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

PT ICAP INDONESIA is under common control with the firm.

Business Address:	PLAZA 89 3RD FLOOR SUITE 1204 J1. H.R. RASUNA SAID, KAV. X-7/6 JAKARTA, INDONESIA
Effective Date:	12/30/2016
Foreign Entity:	Yes
Country:	INDONESIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

ICAP SCANDINAVIA A/S is under common control with the firm.

Business Address:	RENTEMESTERVEJ 142400 KØBENHAVN COPENHAGEN, DENMARK
Effective Date:	09/07/1999
Foreign Entity:	Yes
Country:	DENMARK
Securities Activities:	Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

ICAP DEUTSCHLAND GMBH is under common control with the firm.

Business Address: STEPHANSTRASSE 3
FRANKFURT AM MAIN, GERMANY 60313

Effective Date: 05/23/2003

Foreign Entity: Yes

Country: GERMANY

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

ICAP ASIA EQUITIES LTD is under common control with the firm.

Business Address: 2 BROADGATE
LONDON, UNITED KINGDOM EC2M 7UR

Effective Date: 03/12/2008

Foreign Entity: Yes

Country: UNITED KINGDOM

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

ICAP EUROPE LTD is under common control with the firm.

Business Address: 2 BROADGATE
LONDON, UNITED KINGDOM EC2M 7UR

Effective Date: 09/07/1999

Foreign Entity: Yes

Firm Operations



Organization Affiliates (continued)

Country:	UNITED KINGDOM
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

ICAP WCLK LTD is under common control with the firm.

Business Address:	2 BROADGATE LONDON, UNITED KINGDOM EC2M 7UR
Effective Date:	09/07/1999
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

ICAP SECURITIES LTD is under common control with the firm.

Business Address:	2 BROADGATE LONDON, UNITED KINGDOM EC2M 7UR
Effective Date:	09/07/1999
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

AMANAHA BUTLER (MALAYSIA) SDN BHD is under common control with the firm.

Business Address:	16/F BANGUANAN AMANAH CAPITAL 82 JALAN RAJA CHULAN
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Firm Operations



Organization Affiliates (continued)

	KUALA LUMPUR, MAYLASIA
Effective Date:	09/07/1999
Foreign Entity:	Yes
Country:	MAYLASIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

THE LINK ASSET AND SECURITIES COMPANY LIMITED ("TLASC LTD") is under common control with the firm.

Business Address:	THE COURTYARD 12 SUTTON ROAD LONDON, UK W1D 4AD
Effective Date:	04/07/2008
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

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

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



Disclosure Events

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

	Pending	Final	On Appeal
Regulatory Event	0	31	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 31

Reporting Source: Regulator

Current Status: Final



Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS AND NASDAQ RULES PROHIBITING POTENTIALLY MANIPULATIVE TRADING, IN VIOLATION OF NASDAQ RULES GENERAL 9, SECTION 20(A) AND GENERAL 9, SECTION 1(A). THE FINDINGS STATED THAT THE FIRM LACKED A SUPERVISORY SYSTEM REASONABLY DESIGNED TO DETECT POTENTIAL SPOOFING AND LAYERING ACTIVITY. IN NOVEMBER 2023, THE FIRM IMPLEMENTED A SURVEILLANCE REPORT INTENDED TO DETECT INSTANCES OF POTENTIAL SPOOFING AND LAYERING BUT DID NOT ESTABLISH WRITTEN SUPERVISORY PROCEDURES THAT IDENTIFIED THE REPORT, WHO WAS RESPONSIBLE FOR ITS REVIEW, HOW IT SHOULD BE REVIEWED, OR THE FREQUENCY OF REVIEW. IN MARCH 2025, THE FIRM ESTABLISHED WRITTEN SUPERVISORY PROCEDURES TO ADDRESS USE OF THE SURVEILLANCE REPORT IT HAD IMPLEMENTED IN NOVEMBER 2023, INCLUDING BY IDENTIFYING THE REPORT, THE PARTY RESPONSIBLE FOR ITS REVIEW, THE ACTIONS TO BE TAKEN BY THE REVIEWER, AND THE FREQUENCY OF REVIEW. IN ADDITION, THE FIRM'S SURVEILLANCE PARAMETERS WERE TOO NARROW TO REASONABLY DETECT INSTANCES WHEN CUSTOMERS POTENTIALLY MARKED THE CLOSE. AS A RESULT OF THE FIRM'S UNREASONABLY NARROW SURVEILLANCE PARAMETERS, IT FAILED TO IDENTIFY RED FLAGS OF MARKING THE CLOSE IN 45 TRANSACTIONS. IN MARCH 2023, THE FIRM REVISED ITS PROCEDURES, IMPLEMENTING AN AUTOMATED EXCEPTION-BASED SURVEILLANCE REPORT WITH EXPANDED PARAMETERS DESIGNED TO IDENTIFY RED FLAGS OF MARKING THE CLOSE TRANSACTIONS. FURTHER, THE FIRM'S REVIEW PARAMETERS UNREASONABLY LIMITED THE FIRM'S SURVEILLANCE FOR POTENTIAL WASH TRADES TO TRADES THAT OCCURRED IN THE SAME MILLISECOND. MANIPULATIVE WASH TRADING IS NOT LIMITED TO TRADES THAT OCCUR IN THE SAME MILLISECOND. BY LIMITING ITS REVIEW TO TRANSACTIONS OCCURRING IN THE SAME MILLISECOND, THE FIRM FAILED TO IDENTIFY RED FLAGS OF WASH TRADING IN EIGHT TRANSACTIONS. IN APRIL 2022, THE FIRM AMENDED ITS PROCEDURES TO EXPAND THE REVIEW PARAMETERS FOR WASH TRADE SURVEILLANCE.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 04/04/2025

Docket/Case Number: 2021072004802

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: 04/04/2025

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

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

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$80,000, OF WHICH \$40,000 IS PAYABLE TO NASDAQ, AND REQUIRED TO COMPLY WITH THE UNDERTAKING THAT IS ENUMERATED IN THE AWC.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS AND NASDAQ RULES PROHIBITING POTENTIALLY MANIPULATIVE TRADING, IN VIOLATION OF NASDAQ RULES GENERAL 9, SECTION 20(A) AND GENERAL 9, SECTION 1(A). THE FINDINGS STATED THAT THE FIRM LACKED A SUPERVISORY SYSTEM REASONABLY DESIGNED TO DETECT POTENTIAL SPOOFING AND LAYERING ACTIVITY. IN NOVEMBER 2023, THE FIRM IMPLEMENTED A SURVEILLANCE REPORT INTENDED TO DETECT INSTANCES OF POTENTIAL SPOOFING AND LAYERING BUT DID NOT ESTABLISH WRITTEN SUPERVISORY PROCEDURES THAT IDENTIFIED THE REPORT, WHO WAS RESPONSIBLE FOR ITS REVIEW, HOW IT SHOULD BE REVIEWED, OR THE FREQUENCY OF REVIEW. IN MARCH 2025, THE FIRM ESTABLISHED WRITTEN SUPERVISORY PROCEDURES TO ADDRESS USE OF THE SURVEILLANCE REPORT IT HAD IMPLEMENTED IN NOVEMBER 2023, INCLUDING BY IDENTIFYING THE REPORT, THE PARTY RESPONSIBLE FOR ITS REVIEW, THE ACTIONS TO BE



TAKEN BY THE REVIEWER, AND THE FREQUENCY OF REVIEW. IN ADDITION, THE FIRM'S SURVEILLANCE PARAMETERS WERE TOO NARROW TO REASONABLY DETECT INSTANCES WHEN CUSTOMERS POTENTIALLY MARKED THE CLOSE. AS A RESULT OF THE FIRM'S UNREASONABLY NARROW SURVEILLANCE PARAMETERS, IT FAILED TO IDENTIFY RED FLAGS OF MARKING THE CLOSE IN 45 TRANSACTIONS. IN MARCH 2023, THE FIRM REVISED ITS PROCEDURES, IMPLEMENTING AN AUTOMATED EXCEPTION-BASED SURVEILLANCE REPORT WITH EXPANDED PARAMETERS DESIGNED TO IDENTIFY RED FLAGS OF MARKING THE CLOSE TRANSACTIONS. FURTHER, THE FIRM'S REVIEW PARAMETERS UNREASONABLY LIMITED THE FIRM'S SURVEILLANCE FOR POTENTIAL WASH TRADES TO TRADES THAT OCCURRED IN THE SAME MILLISECOND. MANIPULATIVE WASH TRADING IS NOT LIMITED TO TRADES THAT OCCUR IN THE SAME MILLISECOND. BY LIMITING ITS REVIEW TO TRANSACTIONS OCCURRING IN THE SAME MILLISECOND, THE FIRM FAILED TO IDENTIFY RED FLAGS OF WASH TRADING IN EIGHT TRANSACTIONS. IN APRIL 2022, THE FIRM AMENDED ITS PROCEDURES TO EXPAND THE REVIEW PARAMETERS FOR WASH TRADE SURVEILLANCE.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 04/04/2025

Docket/Case Number: 2021072004802

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: 04/04/2025

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

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$80,000, OF WHICH \$40,000 IS PAYABLE TO NASDAQ, AND REQUIRED TO COMPLY WITH THE UNDERTAKING THAT IS ENUMERATED IN THE AWC.



Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS AND FINRA RULES PROHIBITING POTENTIALLY MANIPULATIVE TRADING. THE FINDINGS STATED THAT THE FIRM LACKED A SUPERVISORY SYSTEM REASONABLY DESIGNED TO DETECT POTENTIAL SPOOFING AND LAYERING ACTIVITY. THE FIRM IMPLEMENTED A SURVEILLANCE REPORT INTENDED TO DETECT INSTANCES OF POTENTIAL SPOOFING AND LAYERING BUT DID NOT ESTABLISH WSPS THAT IDENTIFIED THE REPORT OR HOW IT WAS TO BE REVIEWED. THE FIRM LATER REVISED ITS WSPS TO ADDRESS USE OF THE SURVEILLANCE REPORT, INCLUDING BY DESCRIBING THE REPORT, THE PARTY RESPONSIBLE FOR ITS REVIEW, THE ACTIONS TO BE TAKEN BY THE REVIEWER, AND THE FREQUENCY OF REVIEW. IN ADDITION, THE FIRM'S SURVEILLANCE PARAMETERS WERE TOO NARROW TO REASONABLY DETECT INSTANCES IN WHICH CUSTOMERS POTENTIALLY MARKED THE CLOSE. THE FIRM LATER REVISED THE PARAMETERS IT USED TO CONDUCT REVIEWS OF DAILY TRADING BLOTTERS TO IDENTIFY POTENTIAL MARKING THE CLOSE. THE REVISED PARAMETERS UNREASONABLY LIMITED THE FIRM'S SURVEILLANCE FOR MARKING THE CLOSE TO TRANSACTIONS THAT WERE EXECUTED IN THE LAST FIVE MINUTES OF TRADING AND COMPRISED GREATER THAN 25 PERCENT OF THAT DAY'S TRADING VOLUME IN THE SECURITY BEING TRADED. AS A RESULT OF THE FIRM'S UNREASONABLY NARROW SURVEILLANCE PARAMETERS, THE FIRM FAILED TO IDENTIFY RED FLAGS OF MARKING THE CLOSE IN 45 TRANSACTIONS. THE FIRM LATER REVISED ITS PROCEDURES, IMPLEMENTING AN AUTOMATED EXCEPTION-BASED SURVEILLANCE REPORT WITH EXPANDED PARAMETERS DESIGNED TO IDENTIFY RED FLAGS OF MARKING THE CLOSE TRANSACTIONS. THE FINDINGS ALSO STATED THAT THE FIRM'S SURVEILLANCE PARAMETERS WERE TOO NARROW TO REASONABLY IDENTIFY POTENTIALLY MANIPULATIVE WASH TRADES. THE FIRM'S REVIEW PARAMETERS UNREASONABLY LIMITED THE FIRM'S SURVEILLANCE FOR POTENTIAL WASH TRADES TO TRADES THAT OCCURRED IN THE SAME MILLISECOND. BY LIMITING ITS REVIEW TO TRANSACTIONS OCCURRING IN THE SAME MILLISECOND, THE FIRM FAILED TO IDENTIFY RED FLAGS OF WASH TRADING IN EIGHT TRANSACTIONS. THE FIRM LATER AMENDED ITS PROCEDURES TO EXPAND THE REVIEW PARAMETERS FOR WASH TRADE SURVEILLANCE.

Initiated By: FINRA



Date Initiated: 04/04/2025

Docket/Case Number: 2021072004801

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: 04/04/2025

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

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

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED A TOTAL OF \$80,000, OF WHICH \$40,000 IS PAYABLE TO FINRA, AND REQUIRED TO COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE ORDER. THE REMAINDER OF THE FINE WILL BE PAYABLE TO THE NASDAQ STOCK MARKET LLC. FINE PAID IN FULL ON APRIL 9, 2025.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS AND FINRA RULES PROHIBITING POTENTIALLY MANIPULATIVE TRADING. THE FINDINGS STATED THAT THE FIRM LACKED A SUPERVISORY SYSTEM REASONABLY DESIGNED TO DETECT POTENTIAL SPOOFING AND LAYERING ACTIVITY. THE FIRM IMPLEMENTED A SURVEILLANCE REPORT INTENDED TO DETECT INSTANCES OF POTENTIAL SPOOFING AND LAYERING BUT DID NOT ESTABLISH WSPS THAT



IDENTIFIED THE REPORT OR HOW IT WAS TO BE REVIEWED. THE FIRM LATER REVISED ITS WSPS TO ADDRESS USE OF THE SURVEILLANCE REPORT, INCLUDING BY DESCRIBING THE REPORT, THE PARTY RESPONSIBLE FOR ITS REVIEW, THE ACTIONS TO BE TAKEN BY THE REVIEWER, AND THE FREQUENCY OF REVIEW. IN ADDITION, THE FIRM'S SURVEILLANCE PARAMETERS WERE TOO NARROW TO REASONABLY DETECT INSTANCES IN WHICH CUSTOMERS POTENTIALLY MARKED THE CLOSE. THE FIRM LATER REVISED THE PARAMETERS IT USED TO CONDUCT REVIEWS OF DAILY TRADING BLOTTERS TO IDENTIFY POTENTIAL MARKING THE CLOSE. THE REVISED PARAMETERS UNREASONABLY LIMITED THE FIRM'S SURVEILLANCE FOR MARKING THE CLOSE TO TRANSACTIONS THAT WERE EXECUTED IN THE LAST FIVE MINUTES OF TRADING AND COMPRISED GREATER THAN 25 PERCENT OF THAT DAY'S TRADING VOLUME IN THE SECURITY BEING TRADED. AS A RESULT OF THE FIRM'S UNREASONABLY NARROW SURVEILLANCE PARAMETERS, THE FIRM FAILED TO IDENTIFY RED FLAGS OF MARKING THE CLOSE IN 45 TRANSACTIONS. THE FIRM LATER REVISED ITS PROCEDURES, IMPLEMENTING AN AUTOMATED EXCEPTION-BASED SURVEILLANCE REPORT WITH EXPANDED PARAMETERS DESIGNED TO IDENTIFY RED FLAGS OF MARKING THE CLOSE TRANSACTIONS. THE FINDINGS ALSO STATED THAT THE FIRM'S SURVEILLANCE PARAMETERS WERE TOO NARROW TO REASONABLY IDENTIFY POTENTIALLY MANIPULATIVE WASH TRADES. THE FIRM'S REVIEW PARAMETERS UNREASONABLY LIMITED THE FIRM'S SURVEILLANCE FOR POTENTIAL WASH TRADES TO TRADES THAT OCCURRED IN THE SAME MILLISECOND. BY LIMITING ITS REVIEW TO TRANSACTIONS OCCURRING IN THE SAME MILLISECOND, THE FIRM FAILED TO IDENTIFY RED FLAGS OF WASH TRADING IN EIGHT TRANSACTIONS. THE FIRM LATER AMENDED ITS PROCEDURES TO EXPAND THE REVIEW PARAMETERS FOR WASH TRADE SURVEILLANCE.

Initiated By: FINRA

Date Initiated: 04/04/2025

Docket/Case Number: 2021072004801

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: 04/04/2025

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

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED A TOTAL OF \$80,000, OF WHICH \$40,000 IS PAYABLE TO FINRA, AND REQUIRED TO COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE ORDER. THE REMAINDER OF THE FINE WILL BE PAYABLE TO THE NASDAQ STOCK MARKET LLC.

Disclosure 3 of 31

Reporting Source: Regulator

Current Status: Final

Allegations: ON MARCH 9, 2020, THE FIRM FAILED TO ADHERE TO THE REQUIREMENTS OF THE PHLX RULES WHEN UTILIZING THE QCC ORDER DESIGNATION BY EXECUTING AN ORDER IMPROPERLY DESIGNATED AS A QCC, WHICH DID NOT QUALIFY AS A QCC BECAUSE THE OPTIONS AND THE EQUITY COMPONENTS WERE NOT FULLY HEDGED IN RELATION TO EACH OTHER. AS A RESULT OF THE FOREGOING CONDUCT, THE FIRM VIOLATED PHLX RULES OPTIONS 8, SECTION 30(E), OPTIONS 3, SECTION 12(A)(3)(F) AND GENERAL 9, SECTION 1(C). IN ADDITION, THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WSPS, AND THE SYSTEM FOR APPLYING SUCH PROCEDURES, THAT WERE REASONABLY DESIGNED TO PREVENT AND DETECT, INsofar AS PRACTICABLE, VIOLATIONS OF THE PHLX RULES CONCERNING QCC ORDER DESIGNATION. AS A RESULT OF THE FOREGOING CONDUCT, THE FIRM VIOLATED PHLX RULE GENERAL 9, SECTIONS 20(H) AND 1(C).

Initiated By: NASDAQ PHLX LLC

Date Initiated: 10/04/2023

Docket/Case Number: 2020.08.0235

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: 10/04/2023

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

Other Sanctions Ordered:

Sanction Details: FIRM CONSENTED TO THE IMPOSITION OF A CENSURE AND A \$15,000 FINE

Reporting Source: Firm

Current Status: Final

Allegations: ON MARCH 9, 2020, THE FIRM INCORRECTLY UTILIZED THE QCC ORDER DESIGNATION BY EXECUTING AN ORDER DESIGNATED AS A QCC, WHICH DID NOT QUALIFY AS A QCC, AS THE OPTION AND EQUITY COMPONENTS WERE NOT FULLY HEDGED IN RELATION TO EACH OTHER. ADDITIONALLY, THE FIRM FAILED TO REVIEW THE TRANSACTION AS A PART OF ITS REVIEW OF QCC TRANSACTIONS.

Initiated By: NASDAQ PHLX LLC

Date Initiated: 10/04/2023

Docket/Case Number: 2020.08.0235

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: 10/04/2023

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

Other Sanctions Ordered:

Sanction Details: FIRM CONSENTED TO THE IMPOSITION OF A CENSURE AND A \$15,000 FINE

Disclosure 4 of 31

Reporting Source: Regulator



Current Status:	Final
Allegations:	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT THE "NO REMUNERATION" (NR) INDICATOR ON TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES. THE FINDINGS STATED THAT THE FIRM EARNED A MARK-UP OR MARK-DOWN ON ONE LEG OF THE TRANSACTION, BUT NOT ON THE OTHER LEG OF THE TRANSACTION. THE FIRM INCORRECTLY DETERMINED THE APPLICABILITY OF NR INDICATOR REPORTING OBLIGATIONS WITH RESPECT TO THESE TRANSACTIONS AND FAILED TO REPORT THE LEG OF THE TRANSACTION ON WHICH IT DID NOT EARN A MARK-UP OR MARK-DOWN USING THE NR INDICATOR. THE FIRM WAS UNAWARE OF THE NR INDICATOR REPORTING ISSUES UNTIL FINRA NOTIFIED IT, AND IT LATER FIXED THE REPORTING ISSUE. HOWEVER, THE FIRM'S REMEDIATION WAS NOT EFFECTIVE WITH RESPECT TO U.S. TREASURY SECURITIES BECAUSE OF A CODING ERROR THAT MISIDENTIFIED COUNTERPARTIES TO U.S. TREASURY TRANSACTIONS. AS A RESULT, ALTHOUGH THE FIRM DID NOT EARN A COMMISSION, MARK-UP OR MARK-DOWN ON THE TRANSACTIONS, THE FIRM INACCURATELY REPORTED TRANSACTIONS IN TRACE-ELIGIBLE U.S. TREASURY SECURITIES WITH NON-BROKER-DEALER CUSTOMERS WITHOUT THE NR INDICATOR WHEN THEY SHOULD HAVE BEEN REPORTED WITH THE NR INDICATOR. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE FIRM'S TRANSACTION REPORTING OBLIGATIONS FOR TRACE-ELIGIBLE SECURITIES. THE FIRM'S SUPERVISION OF ITS TRACE REPORTING WAS NOT REASONABLE BECAUSE IT DID NOT HAVE ANY WRITTEN PROCEDURES WITH RESPECT TO REVIEWING THE NR INDICATOR, NOR DID IT HAVE A PROCESS TO CHECK THE ACCURACY OF THE NR INDICATOR.</p>
Initiated By:	FINRA
Date Initiated:	09/18/2023
Docket/Case Number:	2020067552001
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: 09/18/2023

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

Sanctions Ordered: Censure
Monetary/Fine \$400,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$400,000 AND REQUIRED TO REMEDIATE THE TRACE REPORTING ISSUES IDENTIFIED IN THE AWC AND IMPLEMENT A SUPERVISORY SYSTEM, INCLUDING WSPS, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE FINRA RULES. FINE PAID IN FULL ON SEPTEMBER 28, 2023.

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 "NO REMUNERATION" (NR) INDICATOR ON TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES. THE FINDINGS STATED THAT THE FIRM EARNED A MARK-UP OR MARK-DOWN ON ONE LEG OF THE TRANSACTION, BUT NOT ON THE OTHER LEG OF THE TRANSACTION. THE FIRM INCORRECTLY DETERMINED THE APPLICABILITY OF NR INDICATOR REPORTING OBLIGATIONS WITH RESPECT TO THESE TRANSACTIONS AND FAILED TO REPORT THE LEG OF THE TRANSACTION ON WHICH IT DID NOT EARN A MARK-UP OR MARK-DOWN USING THE NR INDICATOR. THE FIRM WAS UNAWARE OF THE NR INDICATOR REPORTING ISSUES UNTIL FINRA NOTIFIED IT, AND IT LATER FIXED THE REPORTING ISSUE. HOWEVER, THE FIRM'S REMEDIATION WAS NOT EFFECTIVE WITH RESPECT TO U.S. TREASURY SECURITIES BECAUSE OF A CODING ERROR THAT MISIDENTIFIED COUNTERPARTIES TO U.S. TREASURY TRANSACTIONS. AS A RESULT, ALTHOUGH THE FIRM DID NOT EARN A COMMISSION, MARK-UP OR MARK-DOWN ON THE TRANSACTIONS, THE FIRM INACCURATELY REPORTED TRANSACTIONS IN TRACE-ELIGIBLE U.S. TREASURY SECURITIES WITH NON-BROKER-DEALER CUSTOMERS WITHOUT THE NR INDICATOR WHEN THEY SHOULD HAVE BEEN REPORTED WITH THE NR INDICATOR. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO ACHIEVE



COMPLIANCE WITH THE FIRM'S TRANSACTION REPORTING OBLIGATIONS FOR TRACE-ELIGIBLE SECURITIES. THE FIRM'S SUPERVISION OF ITS TRACE REPORTING WAS NOT REASONABLE BECAUSE IT DID NOT HAVE ANY WRITTEN PROCEDURES WITH RESPECT TO REVIEWING THE NR INDICATOR, NOR DID IT HAVE A PROCESS TO CHECK THE ACCURACY OF THE NR INDICATOR.

Initiated By: FINRA

Date Initiated: 09/18/2023

Docket/Case Number: 2020067552001

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/18/2023

Sanctions Ordered: Censure
Monetary/Fine \$400,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$400,000 AND REQUIRED TO REMEDIATE THE TRACE REPORTING ISSUES IDENTIFIED IN THE AWC AND IMPLEMENT A SUPERVISORY SYSTEM, INCLUDING WSPS, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE FINRA RULES.

Disclosure 5 of 31

Reporting Source: Firm

Current Status: Final

Allegations: ON JUNE 1, 2021, THE NFA'S BUSINESS CONDUCT COMMITTEE FILED A COMPLAINT ALLEGING THAT THE FIRM VIOLATED NFA COMPLIANCE RULE 2-10(A) BY FAILING TO KEEP FULL, COMPLETE, AND SYSTEMATIC RECORDS OF ORAL COMMUNICATIONS FOR CERTAIN BROKERS FOR AN APPROXIMATE 18 MONTH PERIOD RELATING TO ITS BUSINESS OF DEALING IN COMMODITY INTERESTS. DURING AN EXAMINATION BY NFA IN 2020, THE FIRM WAS UNABLE TO PRODUCE AUDIO RECORDINGS FOR FIVE BROKERS BECAUSE IT HAD NOT RETAINED THEM. ACCORDING TO THE COMPLAINT,



THE FIRM SET THE RECORDING RETENTION PERIOD FOR TWO ASSOCIATED PERSONS (APS) AND THREE OTHERS TO 96 HOURS WHEN THE FIRM MOVED BROKERS IN SEPTEMBER 2018 FROM OFFICES IN NEW JERSEY TO ITS CURRENT NEW YORK OFFICE. THE COMPLAINT ALSO ALLEGES VIOLATIONS OF NFA COMPLIANCE RULE 2-9(A) FOR A FAILURE TO SUPERVISE. THE COMPLAINT ALLEGES THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SYSTEM TO SUPERVISE ITS APS' RECORDKEEPING ACTIVITIES AND COMMUNICATIONS. ACCORDING TO THE COMPLAINT, THE FIRM DID NOT HAVE A WRITTEN POLICY TO REGULARLY CHECK VOICE SYSTEMS UNTIL JANUARY 2020. IN ADDITION TO THE FIRM'S DEFICIENT PROGRAM TO OVERSEE EMPLOYEES' RECORDKEEPING ACTIVITIES, THE FIRM ALLEGEDLY UTILIZED INADEQUATE PROCEDURES TO REVIEW AND SUPERVISE APS' ORAL COMMUNICATIONS. ADDITIONALLY, NFA ALLEGES THAT THE FIRM'S POLICY DISREGARDS AN UNDERTAKING IMPOSED AGAINST THE FIRM'S AFFILIATE COMPANY (IN AN UNRELATED MATTER NOT INVOLVING ALLEGATIONS CONCERNING BOOKS AND RECORDS VIOLATIONS), WHICH REQUIRED INCREASED RANDOM REVIEWS OF VOICE-BROKERING ACTIVITIES TO ENHANCE THE AFFILIATE'S SUPERVISORY PROGRAM. THE COMPLAINT ALSO ALLEGES THAT THE FIRM UTILIZED INADEQUATE SUPERVISORY PROCEDURES TO REVIEW APS' ELECTRONIC COMMUNICATIONS SINCE THE FIRM DID NOT ADOPT AND IMPLEMENT WRITTEN PROCEDURES REGARDING THE OVERSIGHT OF THOSE COMMUNICATIONS

Initiated By: NATIONAL FUTURES ASSOCIATION

Date Initiated: 06/01/2021

Docket/Case Number: 21-BCC-008

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 08/20/2021

Sanctions Ordered: Monetary/Fine \$150,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS FINED \$150,000 TO NFA WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF THIS DECISION

**Firm Statement**

ON AUGUST 5, 2021, NFA'S HEARING PANEL ISSUED A DECISION ACCEPTING TULLETT PREBON FINANCIAL SERVICES LLC'S SETTLEMENT OFFER AND ORDERED IT TO PAY A FINE OF \$150,000 TO NFA WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF THIS DECISION. THE DECISION BECAME FINAL ON AUGUST 20, 2021

Disclosure 6 of 31**Reporting Source:**

Regulator

Current Status:

Final

Allegations:

WITHOUT ADMITTING OR DENYING THE FINDINGS, ICAP CORPORATES LLC (THE "FIRM", "RESPONDENT", OR "ICAP") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM, ACTING THROUGH A FLOOR BROKER AND ASSOCIATED PERSON OF THE FIRM (THE "FLOOR BROKER"), MATCHED (THAT IS, "CROSSED") ON THE PHLX TWO ORDERS THAT IT RECEIVED FROM ONE OF ICAP'S BROKER-DEALER CUSTOMERS, BUT THE SELLING CUSTOMER RECEIVED AN INFERIOR PRICE WITHOUT THE CUSTOMER'S KNOWLEDGE AND CONSENT IN VIOLATION OF PHLX RULES 764(A)(1) AND 707.

THE FINDINGS STATED THAT THE ORDERS WERE TO PURCHASE FOR THE BROKER-DEALER CUSTOMER (THE "PURCHASING CUSTOMER") AND TO SELL FOR A CUSTOMER OF THE PURCHASING CUSTOMER (THE "SELLING CUSTOMER"), EQUIVALENT QUANTITIES OF THE NOVEMBER 39 CALL OPTIONS OF A CERTAIN COMPANY ("XYZ"). ICAP'S FLOOR BROKER CROSSED THE TWO ORDERS AT \$0.79, THEN CANCELLED THE \$0.79 EXECUTION AND EXECUTED A TRADE AT \$0.77.

THE FINDINGS ALSO STATED THAT THE FIRM'S WRITTEN SUPERVISORY PROCEDURES ("WSPS") AND SUPERVISORY SYSTEM WERE NOT REASONABLY DESIGNED TO GUIDE ITS FLOOR BROKERAGE PERSONNEL IN THE PROPER CANCELLATION AND ADJUSTMENT OF TRADES, AND PREVENT AND DETECT, INsofar AS PRACTICABLE, TRADE CANCELLATIONS AND ADJUSTMENTS THAT COULD RESULT IN INFERIOR EXECUTIONS TO CUSTOMERS, IN VIOLATION OF THE FIRM'S DUTY OF BEST EXECUTION.

Initiated By:

NASDAQ PHLX LLC

Date Initiated:

12/19/2019

Docket/Case Number:

2016052030901

Principal Product Type:

Options

Other Product Type(s):**Principal Sanction(s)/Relief**

**Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Acceptance, Waiver & Consent(AWC)**Resolution Date:** 12/19/2019**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No**Sanctions Ordered:** Censure
Monetary/Fine \$25,000.00**Other Sanctions Ordered:****Sanction Details:** THE FIRM WAS CENSURED AND FINED \$25,000.**Regulator Statement** DURING THE INVESTIGATION OF THIS MATTER, ICAP PAID \$3,992 IN RESTITUTION TO THE PURCHASING CUSTOMER FOR THE BENEFIT OF THE SELLING CUSTOMER THAT HAD RECEIVED THE INFERIOR EXECUTION.**Reporting Source:** Firm**Current Status:** Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND ENTRY OF FINDINGS DESCRIBED IN THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT. THE FINDINGS PROVIDE THAT ON NOVEMBER 1, 2016, THE FIRM, ACTING THROUGH A FLOOR BROKER AND ASSOCIATED PERSON OF THE FIRM, CROSSED ON THE PHLX TWO ORDERS THAT IT RECEIVED FROM ONE OF THE FIRM'S BROKER-DEALER CUSTOMERS. THE ORDERS WERE TO PURCHASE FOR THE BROKER-DEALER CUSTOMER (THE "PURCHASING CUSTOMER") AND TO SELL FOR THE CUSTOMER OF THE PURCHASING CUSTOMER (THE "SELLING CUSTOMER"), EQUIVALENT QUANTITIES OF THE NOVEMBER 39 CALL OPTIONS OF A CERTAIN COMPANY. ICAP'S FLOOR BROKER CROSSED THE TWO ORDERS AT \$0.79, THEN CANCELLED THE \$0.79 EXECUTION AND EXECUTED A TRADE AT \$0.77. THE SELLING CUSTOMER THEREBY RECEIVED AN INFERIOR PRICE WITHOUT THE CUSTOMER'S KNOWLEDGE AND CONSENT, IN VIOLATION OF PHLX RULE 764(A)(1) AND 707. THE FINDINGS ALSO PROVIDED THAT, DURING THE PERIOD BETWEEN NOVEMBER 1, 2016 AND APRIL 17, 2018, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES AND SUPERVISORY SYSTEM WERE NOT



REASONABLY DESIGNED TO GUIDE ITS FLOOR BROKERAGE PERSONNEL IN THE PROPER CANCELLATION AND ADJUSTMENT OF TRADES, AND PREVENT AND DETECT, INsofar AS PRACTICABLE, TRADE CANCELLATIONS AND ADJUSTMENTS THAT COULD RESULT IN VIOLATIONS OF PHLX RULE 764(A)(1), IN VIOLATION OF PHLX RULES 748(H) AND 707. DURING THE INVESTIGATION OF THIS MATTER, THE FIRM PAID \$3,992 IN RESTITUTION TO THE PURCHASING CUSTOMER FOR THE BENEFIT OF THE SELLING CUSTOMER THAT HAD RECEIVED THE INFERIOR EXECUTION.

Initiated By: NASDAQ PHLX LLC

Date Initiated: 12/19/2019

Docket/Case Number: 2016052030901

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/19/2019

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

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS DESCRIBED IN THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT. THE FIRM WAS CENSURED AND FINED \$25,000. THE FINE AMOUNT WILL BE PAID UPON REQUEST OF THE PHLX BILLING DEPARTMENT,

Firm Statement WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS DESCRIBED IN THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WHICH WAS ACCEPTED BY THE PHLX ON DECEMBER 18, 2019. THE FIRM WAS CENSURED AND FINED \$25,000. THE FINE AMOUNT WILL BE DIRECT DEBITED FROM THE ACCOUNT FOR THE FIRM THAT NASDAQ CURRENTLY HAS ON FILE. DURING THE INVESTIGATION OF THIS MATTER, THE FIRM PAID \$3,992 IN RESTITUTION TO THE PURCHASING CUSTOMER FOR THE BENEFIT OF THE SELLING CUSTOMER.



Disclosure 7 of 31

Reporting Source:	Firm
Current Status:	Final
Allegations:	CME EXCHANGE COMPLIANCE IMPOSED A SUMMARY FINE OF \$1,000 ON ICAP ENERGY LLC BECAUSE IT BELIEVED THAT ON THREE (3) OCCASIONS IN MAY 2018, ICAP ENERGY LLC DID NOT REPORT A BLOCK TRADE TO THE EXCHANGE IN A TIMELY MANNER OR WITH AN ACCURATE EXECUTION TIME TO THE EXCHANGE. THESE BLOCK TRADES WERE EXECUTED IN SEPTEMBER 2018, DECEMBER 2018, AND MARCH 2019 BTIC ON S&P 500 TOTAL RUN INDEX FUTURES IN VIOLATION OF CME RULE 526.F. (THIS VIOLATION DID NOT RESULT IN FINANCIAL HARM TO CUSTOMERS). ICAP PAID A FINE OF \$1,000.
Initiated By:	CME
Date Initiated:	07/30/2018
Docket/Case Number:	CME RSRH-18-5143
Principal Product Type:	Futures - Commodity
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Other
Resolution Date:	08/31/2018
Sanctions Ordered:	Monetary/Fine \$1,000.00
Other Sanctions Ordered:	
Sanction Details:	CME EXCHANGE COMPLIANCE IMPOSED A SUMMARY FINE OF \$1,000 ON ICAP ENERGY LLC BECAUSE IT BELIEVED THAT ON THREE (3) OCCASIONS IN MAY 2018, ICAP ENERGY LLC DID NOT REPORT A BLOCK TRADE TO THE EXCHANGE IN A TIMELY MANNER OR WITH AN ACCURATE EXECUTION TIME TO THE EXCHANGE. THESE BLOCK TRADES WERE EXECUTED IN SEPTEMBER 2018, DECEMBER 2018, AND MARCH 2019 BTIC ON S&P 500 TOTAL RUN INDEX FUTURES IN VIOLATION OF CME RULE 526.F. (THIS VIOLATION DID NOT RESULT IN FINANCIAL HARM TO CUSTOMERS). ICAP PAID A FINE OF \$1,000.

Disclosure 8 of 31



Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, ICAP CORPORATES LLC ("ICAP" OR "RESPONDENT") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT ICAP RECEIVED AN ORDER FROM ANOTHER BROKER-DEALER TO CROSS A SPREAD TRANSACTION IN THE AUGUST 200 AND AUGUST 230 CALL OPTIONS OF A PUBLIC LIMITED COMPANY. ICAP EXECUTED THE TRANSACTION AT A NET PRICE OF \$7.20 ON ANOTHER U.S. OPTIONS EXCHANGE DESPITE KNOWLEDGE OF AN OFFER IN THE CROWD ON PHLX AT A BETTER PRICE OF \$7.00.

Initiated By: NASDAQ PHLX LLC

Date Initiated: 01/16/2019

Docket/Case Number: 2015045362101

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/16/2019

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

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

Other Sanctions Ordered: PLUS INTEREST

Sanction Details: THE FIRM WAS CENSURED, FINED \$5,000, AND ORDERED TO PAY \$4,000, PLUS INTEREST, IN RESTITUTION TO THE BROKER-DEALER.

Reporting Source: Firm



Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND ENTRY OF FINDINGS DESCRIBED IN THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT. THE FINDINGS PROVIDE THAT ON MAY 1, 2015, ICAP RECEIVED AN ORDER FROM ANOTHER BROKER-DEALER TO CROSS A SPREAD TRANSACTION IN THE AUGUST 200 AND AUGUST 230 CALL OPTIONS OF A PUBLIC LIMITED COMPANY, AND THAT ICAP EXECUTED THE TRANSACTION AT A NET PRICE OF \$7.20 ON ANOTHER U.S. OPTIONS EXCHANGE DESPITE KNOWLEDGE OF AN OFFER IN THE CROWD ON THE PHLX AT A BETTER PRICE OF \$7.00.
Initiated By:	NASDAQ PHLX LLC
Date Initiated:	01/16/2019
Docket/Case Number:	2015045362101
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	RESTITUTION FINE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	01/16/2019
Sanctions Ordered:	Censure Monetary/Fine \$5,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	PLUS INTEREST
Sanction Details:	THE FIRM WAS CENSURED, FINED \$5,000, AND ORDERED TO PAY \$4,000, PLUS INTEREST, IN RESTITUTION TO THE BROKER-DEALER.
Firm Statement	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND ENTRY OF FINDINGS DESCRIBED IN THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT. THE FINDINGS PROVIDE THAT ON MAY 1, 2015, ICAP RECEIVED AN ORDER FROM ANOTHER BROKER-DEALER TO CROSS A SPREAD TRANSACTION IN THE AUGUST 200 AND AUGUST 230 CALL OPTION OF A PUBLIC LIMITED COMPANY, AND THAT ICAP EXECUTED THE TRANSACTION AT A NET PRICE OF \$7.20 ON ANOTHER U.S. OPTIONS EXCHANGE DESPITE KNOWLEDGE OF AN OFFER IN THE CROWD ON THE PHLX AT A BETTER PRICE OF \$7.00. THE FIRM WAS CENSURED, FINED \$5,000, AND ORDERED TO PAY \$4,000, PLUS INTEREST FROM MAY 1,



2015 UNTIL THE DATE THAT THE AWC WAS ACCEPTED BY THE PHLX REVIEW COUNCIL, IN RESTITUTION TO THE BROKER-DEALER.

Disclosure 9 of 31

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE CME ISSUED A SUMMARY FINE OF \$1,000 AGAINST UNITED ICAP, A DIVISION OF ICAP CORPORATES LLC, IN ACCORDANCE WITH CME RULE 512. THE CME IDENTIFIED FIVE (5) OCCASIONS DURING MAY 2016 WHERE ICAP DID NOT REPORT BLOCK TRADES IN A TIMELY MANNER TO THE EXCHANGE IN VIOLATION OF NYMEX RULE 526.F.
Initiated By:	NYMEX
Date Initiated:	12/22/2016
Docket/Case Number:	NYME RSRH-16-4345
Principal Product Type:	Futures - Commodity
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Other
Resolution Date:	01/09/2017
Sanctions Ordered:	Monetary/Fine \$1,000.00
Other Sanctions Ordered:	
Sanction Details:	THE CME ISSUED A SUMMARY FINE OF \$1,000 AGAINST UNITED ICAP, A DIVISION OF ICAP CORPORATES LLC, IN ACCORDANCE WITH CME RULE 512. THE CME IDENTIFIED FIVE (5) OCCASIONS DURING MAY 2016 WHERE ICAP DID NOT REPORT BLOCK TRADES IN A TIMELY MANNER TO THE EXCHANGE IN VIOLATION OF NYMEX RULE 526.F.

Disclosure 10 of 31

Reporting Source:	Firm
Current Status:	Final
Allegations:	IN ACCORDANCE WITH AN OFFER OF SETTLEMENT FROM ICAP



CORPORATES, LLC ("ICAP"), IN WHICH ICAP NEITHER ADMITTED NOR DENIED THE FACTUAL ALLEGATIONS OR RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, A PANEL OF THE NYMEX BUSINESS CONDUCT COMMITTEE ("PANEL") FOUND THAT DURING THE TIME PERIOD OF JANUARY 2012 THROUGH JUNE 2013, ICAP EXECUTED MULTIPLE BLOCK TRADES FOR CUSTOMERS THAT WERE NOT REPORTED TO THE EXCHANGE WITHIN THE APPLICABLE TIME LIMIT FOLLOWING EXECUTION, INCORRECTLY REPORTED THE TRUE AND ACCURATE TIME OF EXECUTION OF BLOCK TRADES TO THE EXCHANGE, AND ALSO INCORRECTLY REPORTED EXCHANGE FOR SWAP ("EFS") TRANSACTIONS AS BLOCK TRADES TO THE EXCHANGE. THE PANEL CONCLUDED THAT ICAP VIOLATED EXCHANGE RULE 526.F. ("BLOCK TRADES") AND LEGACY EXCHANGE RULE 538.G ("EXCHANGE FOR RELATED POSITIONS"). THE PANEL ORDERED ICAP TO PAY A FINE TO THE EXCHANGE IN THE AMOUNT OF \$40,000. THIS ACTION BECAME FINAL ON MAY 28, 2015 AND EFFECTIVE JUNE 1, 2015. ICAP HAS PAID THE FINE.

Initiated By: NYMEX

Date Initiated: 05/28/2015

Docket/Case Number: NYME 12-8963-BC

Principal Product Type: Futures - Commodity

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/01/2015

Sanctions Ordered: Monetary/Fine \$40,000.00

Other Sanctions Ordered:

Sanction Details: IN ACCORDANCE WITH AN OFFER OF SETTLEMENT FROM ICAP CORPORATES, LLC ("ICAP"), IN WHICH ICAP NEITHER ADMITTED NOR DENIED THE FACTUAL ALLEGATIONS OR RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, A PANEL OF THE NYMEX BUSINESS CONDUCT COMMITTEE ("PANEL") FOUND THAT DURING THE TIME PERIOD OF JANUARY 2012 THROUGH JUNE 2013, ICAP EXECUTED MULTIPLE BLOCK TRADES FOR CUSTOMERS THAT WERE NOT REPORTED TO THE EXCHANGE WITHIN THE APPLICABLE TIME LIMIT FOLLOWING EXECUTION, INCORRECTLY REPORTED THE TRUE AND ACCURATE TIME OF EXECUTION



OF BLOCK TRADES TO THE EXCHANGE, AND ALSO INCORRECTLY REPORTED EXCHANGE FOR SWAP ("EFS") TRANSACTIONS AS BLOCK TRADES TO THE EXCHANGE. THE PANEL CONCLUDED THAT ICAP VIOLATED EXCHANGE RULE 526.F. ("BLOCK TRADES") AND LEGACY EXCHANGE RULE 538.G ("EXCHANGE FOR RELATED POSITIONS"). THE PANEL ORDERED ICAP TO PAY A FINE TO THE EXCHANGE IN THE AMOUNT OF \$40,000. THIS ACTION BECAME FINAL ON MAY 28, 2015 AND EFFECTIVE JUNE 1, 2015. ICAP HAS PAID THE FINE.

Disclosure 11 of 31

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE COMPLIANCE DEPARTMENT OF ICE FUTURES U.S., INC. ALLEGES THAT ICAP MAY HAVE VIOLATED EXCHANGE RULE 6.08(A)(I) IN FOUR (4) INSTANCES ON SEPTEMBER 4, 2013 AND ONE (1) INSTANCE ON SEPTEMBER 24, 2013 BY FAILING TO PROPERLY PREPARE ORDER TICKETS. ICAP PAID A SUMMARY FINE OF \$5,000.
Initiated By:	ICE FUTURES U.S., INC. ("ICE")
Date Initiated:	08/06/2014
Docket/Case Number:	ICE 2013-134/2013-153
Principal Product Type:	Futures - Commodity
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Other
Resolution Date:	08/06/2014
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	THE COMPLIANCE DEPARTMENT OF ICE FUTURES U.S., INC. ALLEGES THAT ICAP MAY HAVE VIOLATED EXCHANGE RULE 6.08(A)(I) IN FOUR (4) INSTANCES ON SEPTEMBER 4, 2013 AND ONE (1) INSTANCE ON SEPTEMBER 24, 2013 BY FAILING TO PROPERLY PREPARE ORDER TICKETS. ICAP PAID A SUMMARY FINE OF \$5,000.



Disclosure 12 of 31

Reporting Source: Regulator

Current Status: Final

Allegations: THE BUSINESS CONDUCT COMMITTEE ("COMMITTEE"), PURSUANT TO RULE 960.2(F) OF THE RULES OF NASDAQ PHLX LLC ("EXCHANGE RULES"), AND UPON INFORMATION AND BELIEF, HEREBY AUTHORIZES THE ISSUANCE OF THIS STATEMENT OF CHARGES AND ALLEGES THAT THIS MATTER INVOLVES THE IMPROPER USE BY THE FIRM ("ICAP" OR THE "FIRM"), A MEMBER ORGANIZATION OF THE NASDAQ PHLX LLC (THE "EXCHANGE" OR "PHLX"), OF QUALIFIED CONTINGENT TRADES ("QCTS") TO CLAIM AN EXEMPTION FROM THE PROHIBITION AGAINST TRADING THROUGH PROTECTED QUOTATIONS IN REGULATION NMS STOCKS SET FORTH IN RULE 611(A) OF REGULATION NMS PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT"), AND ITS IMPROPER USE OF QUALIFIED CONTINGENT CROSSES ("QCCS"), WHICH AFFECTS THE ORDER EXPOSURE REQUIREMENT ON THE EXCHANGE FOR OPTIONS TRANSACTIONS EXECUTED ON THE FLOOR OF THE EXCHANGE. IT ALSO INVOLVES ICAP'S FAILURE TO COMPLY WITH THE APPLICABLE RECORDKEEPING, AUDIT TRAIL AND SUPERVISORY RULES OF THE EXCHANGE.

THE FINDINGS STATED THAT DURING THE PERIOD BETWEEN APRIL 1, 2013 AND SEPTEMBER 30, 2016 (THE "RELEVANT PERIOD"), FINRA'S INVESTIGATED AND REVIEWED ICAP'S HANDLING AND EXECUTION OF QCT AND QCC TRANSACTIONS TO DETERMINE WHETHER THE FIRM HAD EXECUTED THE COMPONENTS OF SUCH TRANSACTIONS AT OR NEAR THE SAME TIME AND WHILE FULLY HEDGED IN RELATION TO EACH OTHER, CREATED AN ACCURATE ELECTRONIC AUDIT TRAIL OF THE TRANSACTIONS IN THE EXCHANGE'S FLOOR BROKER MANAGEMENT SYSTEM (THE "FBMS"), AND MAINTAINED ACCURATE RECORDS OF THE TRANSACTIONS. BASED ON ITS INVESTIGATION AND REVIEW, FINRA DETERMINED THAT DURING THE RELEVANT PERIOD, ICAP HAD EXECUTED NUMEROUS TRANSACTIONS AS QCTS AND QCCS THAT DID NOT QUALIFY AS QCTS OR QCCS, AND HAD FAILED TO MAINTAIN AN ACCURATE AUDIT TRAIL RELATING TO SUCH TRANSACTIONS INTO THE EXCHANGE'S FBMS. SPECIFICALLY, ICAP EXECUTED 75 CONTINGENT TRANSACTIONS THAT DID NOT QUALIFY AS QCTS AND FOR AN EXEMPTION FROM RULE 611(A) OF REGULATION NMS PROMULGATED UNDER THE EXCHANGE ACT, IN THAT THE OPTIONS AND EQUITY COMPONENTS OF EACH TRANSACTION WERE NOT EXECUTED AT OR NEAR THE SAME TIME. ICAP EXECUTED SEVEN CONTINGENT TRANSACTIONS AS QCTS THAT DID NOT QUALIFY AS QCTS AND FOR AN EXEMPTION FROM RULE 611(A) OF REGULATION NMS



PROMULGATED UNDER THE EXCHANGE ACT, IN THAT THE OPTIONS AND EQUITY COMPONENTS OF EACH TRANSACTION WERE NOT ADEQUATELY HEDGED IN RELATION TO EACH OTHER. ICAP EXECUTED SEVEN TRANSACTIONS AS QCCS THAT DID NOT QUALIFY AS QCCS, IN THAT THE OPTIONS AND EQUITY COMPONENTS OF EACH TRANSACTION WERE NOT ADEQUATELY HEDGED IN RELATION TO OTHER. ICAP EXECUTED TWO TRANSACTIONS AS QCCS THAT DID NOT QUALIFY AS QCCS BECAUSE THEY WERE IMPROPERLY COMPRISED OF MULTIPLE ORIGINATING PARTIES. ICAP FAILED IN 51 INSTANCES TO KEEP AN ACCURATE RECORD OF THE TIME IT HAD TRANSMITTED THE EQUITY COMPONENT OF A QCT TRANSACTION TO AN EQUITY BROKER FOR EXECUTION. ICAP FAILED TO MAINTAIN AN ACCURATE AUDIT TRAIL BY ENTERING INTO THE EXCHANGE'S FBMS INACCURATE INFORMATION CONCERNING THE DELTA AND/OR INITIATING SIDE OF FIVE SEPARATE OPTIONS TRANSACTIONS IT HAD DESIGNATED AS QCCS.

THE FINDINGS ALSO STATED THAT FINRA REVIEWED THE FIRM'S WRITTEN SUPERVISORY PROCEDURES ("WSPS") AND SUPERVISORY SYSTEM AND DETERMINED THAT DURING THE RELEVANT PERIOD, ICAP'S WSPS AND SUPERVISORY SYSTEM WERE NOT REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH APPLICABLE QCT AND QCC RULES.

Initiated By:	NASDAQ PHLX LLC
Date Initiated:	06/01/2017
Docket/Case Number:	2014040118901
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:	06/07/2017
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 IS CENSURED AND FINED \$75,000.

Regulator Statement

THE DECISION OF THE BUSINESS CONDUCT COMMITTEE ("COMMITTEE") OF NASDAQ PHLX LLC (THE "EXCHANGE") IN THE MATTER IS AS FOLLOWS:

THE FIRM MADE AN OFFER OF SETTLEMENT, STIPULATION OF FACTS AND CONSENT TO SANCTIONS.

RESPONDENT AGREES THAT THE DECISION TO BE ISSUED SHALL BE FINAL, AND WAIVES ANY RIGHT TO A REVIEW OF THE DECISION OR ANY OTHER PHASE OR ASPECT OF THIS PROCEEDING BY THE BOARD OF DIRECTORS OF THE EXCHANGE; BY THE U.S. SECURITIES AND EXCHANGE COMMISSION; BY ANY FEDERAL OR STATE COURT; OR IN ANY OTHER FORUM OR BY ANY OTHER MEANS.

THE COMMITTEE ACCEPTS THE FOREGOING STIPULATION OF FACTS AND ON THE BASIS THEREOF FINDS THAT RESPONDENT VIOLATED RULE 611(A) OF REGULATION NMS AND RULE 17A-3(A)(6)(I) PROMULGATED UNDER THE EXCHANGE ACT, AND EXCHANGE RULES 707, 748(H), 760, 1063(E)(I) AND 1064(E).

THE COMMITTEE BELIEVES THAT THE SANCTIONS PROPOSED BY RESPONDENT IN ITS OFFER SERVE THE PUBLIC INTEREST, ARE SUFFICIENTLY REMEDIAL UNDER THE CIRCUMSTANCES, AND REPRESENT A PROPER DISCHARGE OF THE EXCHANGE'S REGULATORY RESPONSIBILITIES UNDER THE EXCHANGE ACT OF 1934.

RESPONDENT MADE AND ENTERED INTO THIS OFFER PURSUANT TO EXCHANGE RULE 960.7, WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR VIOLATIONS, SOLELY FOR THE PURPOSES OF THIS PROCEEDING AND TO SETTLE AND CONCLUDE ALL DISCIPLINARY ACTION BY THE EXCHANGE BASED ON OR ARISING OUT OF THE FACTS SET FORTH IN THE STIPULATION. RESPONDENT AGREED THAT THE OFFER SHALL BE SUBJECT TO APPROVAL BY THE COMMITTEE AND THAT THE DETERMINATION OF THE COMMITTEE WHETHER TO ACCEPT OR REJECT SUCH OFFER SHALL BE FINAL AND THAT RESPONDENT MAY NOT SEEK REVIEW THEREOF.

IF RESPONDENT FAILS TO PAY THE FINE WITHIN 30 CALENDAR DAYS OF THE DATE OF THIS DECISION, OR FAILS TO COMPLY WITH ANY OTHER SANCTION BY THE DATE SET FORTH HEREIN, THE COMMITTEE SHALL DECLARE RESPONDENT TO BE IN MATERIAL BREACH OF ITS AGREEMENT AND MAY TAKE WHATEVER ACTIONS IT DEEMS NECESSARY TO RESPOND TO THE BREACH, INCLUDING, BUT NOT LIMITED TO, RESCINDING THIS



DECISION AND ALLOWING THE MATTER TO PROCEED IN ACCORDANCE WITH EXCHANGE RULES 960.1 THROUGH 960.12.

(ASSOCIATED CASE PHLX ENFORCEMENT # 2017- 07, AND FINRA CASE NUMBERS 20150452874, 20150455489, 20150461413, 20160493350, 20160498818, 20160515814, AND 20160522229)

Reporting Source: Firm

Current Status: Final

Allegations: THE FIRM SUBMITTED AN OFFER OF SETTLEMENT, STIPULATION OF FACTS AND CONSENT TO SANCTIONS SOLELY TO SETTLE THIS MATTER, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR VIOLATIONS, CONSENTED TO THE FINDINGS AND SANCTIONS. THE ALLEGATIONS/FINDINGS PROVIDE THAT DURING THE PERIOD OF APRIL 1, 2013 AND SEPTEMBER 30, 2016 (I) THE FIRM EXECUTED 75 CONTINGENT TRANSACTIONS THAT DID NOT QUALIFY AS A QCT, IN VIOLATION OF RULE 611(A) OF REGULATION NMS AND PHLX RULE 707, WHERE THE OPTION AND EQUITY COMPONENTS OF EACH TRANSACTION WERE NOT EXECUTED AT OR NEAR THE SAME TIME; (II) THE FIRM EXECUTED 7 CONTINGENT TRANSACTIONS AS QCTS, IN VIOLATION OF RULE 611(A) OF REGULATION NMS AND PHLX RULE 707, WHERE THE OPTION AND EQUITY COMPONENTS OF EACH TRANSACTION WERE NOT ADEQUATELY HEDGED IN RELATION TO EACH OTHER; (III) THE FIRM EXECUTED 7 CONTINGENT TRANSACTIONS AS QCCS THAT DID NOT QUALIFY AS QCCS, IN VIOLATION OF PHLX RULES 707 AND 1064(E), WHERE THE OPTION AND EQUITY COMPONENTS OF EACH TRANSACTION WERE NOT ADEQUATELY HEDGED IN RELATION TO EACH OTHER; (IV) THE FIRM EXECUTED 2 TRANSACTIONS AS QCCS THAT DID NOT QUALIFY AS QCCS, IN VIOLATION OF PHLX RULES 707 AND 1064(E) BECAUSE THEY WERE IMPROPERLY COMPRISED OF MULTIPLE ORIGINATING PARTIES; (V) THE FIRM FAILED IN 51 INSTANCES TO KEEP AN ACCURATE RECORD OF THE TIME IT HAD TRANSMITTED THE EQUITY COMPONENT OF A CONTINGENT ORDER TO AN EQUITY BROKER FOR EXECUTION IN VIOLATION OF SEC RULE 17A-3(A)(6)(I), AND PHLX RULE 707 AND 760; (VI) THE FIRM FAILED TO MAINTAIN AN ACCURATE AUDIT TRAIL BY ENTERING INTO THE EXCHANGE'S FLOOR BROKER MANAGEMENT SYSTEM INACCURATE INFORMATION CONCERNING THE DELTA AND/OR INITIATING SIDE OF 5 SEPARATE OPTIONS TRANSACTIONS IT HAD DESIGNATED AS QCCS IN VIOLATION OF PHLX RULES 707 AND 1063(E)(I); AND (VII) THE FIRM FAILED TO ESTABLISH AND MAINTAIN ADEQUATE WSPS AND AN ADEQUATE SYSTEM OF SUPERVISION TO ENSURE THAT THE EQUITY AND OPTION COMPONENTS OF QCT AND QCC TRANSACTIONS WERE APPROPRIATELY HEDGED IN RELATION TO EACH OTHER AND THAT SUCH TRANSACTIONS WERE OTHERWISE EVALUATED,



HANDLED AND EXECUTED IN ACCORDANCE WITH APPLICABLE RULES AND REGULATIONS IN VIOLATION OF PHLX RULES 707 AND 748(H).

Initiated By: NASDAQ PHLX LLC

Date Initiated: 06/01/2017

Docket/Case Number: 20140401189

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: 06/07/2017

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

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR VIOLATIONS, THE FIRM CONSENTED TO A CENSURE AND A FINE OF \$75,000. THE FIRM WILL PAY THE FINE UPON NOTIFICATION FROM THE NASDAQ PHLX REGARDING PAYMENT OF THE FINE.

Firm Statement THE FIRM, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR VIOLATIONS, AND SOLELY FOR THE PURPOSE OF SETTLING THIS MATTER SUBMITTED AN OFFER OF SETTLEMENT, STIPULATION OF FACTS AND CONSENT TO THE NASDAQ PHLX EXCHANGE. THE NASDAQ PHLX EXCHANGE ACCEPTED THE FIRM'S SUBMISSION AND ISSUED ITS DECISION ON JUNE 7, 2017.

Disclosure 13 of 31

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 INDIVIDUALS ASSOCIATED WITH IT REPORTED POTENTIAL DISCLOSABLE EVENTS ON THEIR ANNUAL COMPLIANCE QUESTIONNAIRES, YET THE FIRM DID NOT INVESTIGATE THE EVENTS OR TIMELY AMEND THE INDIVIDUALS' FORMS U4. THE FINDINGS STATED THAT SIMILARLY, THE FIRM'S PAYROLL



DEPARTMENT PROCESSED WAGE GARNISHMENT ORDERS FOR ASSOCIATED PERSONS THAT INDICATED THAT THERE WERE UNSATISFIED LIENS OR JUDGMENTS ASSOCIATED WITH THE GARNISHMENT ACTION, BUT THE FIRM DID NOT TIMELY AMEND THE INDIVIDUALS' FORMS U4. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO IMPLEMENT AN ADEQUATE SUPERVISORY SYSTEM TO REVIEW ASSOCIATED PERSONS' ANNUAL COMPLIANCE QUESTIONNAIRE RESPONSES FOR REPORTABLE EVENTS. SIMILARLY, THE FIRM HAD INADEQUATE SUPERVISORY PROCEDURES TO ENSURE THAT THE FIRM'S PAYROLL DEPARTMENT NOTIFIED COMPLIANCE OR SUPERVISORY PERSONNEL TO DETERMINE WHETHER A GARNISHMENT ORDER INVOLVED A REPORTABLE EVENT.

Initiated By: FINRA

Date Initiated: 10/24/2016

Docket/Case Number: 2014038964301

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: 10/24/2016

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 \$40,000.00

Other Sanctions Ordered: FINES PAID IN FULL ON NOVEMBER 8, 2016.

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

Reporting Source: Firm

Current Status: Final

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



TO THE SANCTIONS AND ENTRY OF FINDINGS DESCRIBED IN THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT. THE FINDINGS PROVIDE THAT: FROM JANUARY 2010 THROUGH DECEMBER 2013 (THE "RELEVANT PERIOD"), SEVEN (7) INDIVIDUALS ASSOCIATED WITH THE FIRM REPORTED POTENTIAL DISCLOSABLE EVENTS ON THEIR ACQS, YET THE FIRM DID NOT INVESTIGATE THE EVENTS OR TIMELY AMEND THE INDIVIDUALS' FORMS U4; DURING THE RELEVANT PERIOD, THE FIRM'S PAYROLL DEPARTMENT PROCESSED WAGE GARNISHMENT ORDERS FOR THREE (3) ASSOCIATED PERSONS THAT INDICATE THAT THERE WERE UNSATISFIED LIENS OR JUDGMENTS ASSOCIATED WITH THE GARNISHMENT ACTION, BUT THE FIRM DID NOT TIMELY AMEND THE INDIVIDUALS' FORMS U4; THE FIRM FAILED TO IMPLEMENT AN ADEQUATE SUPERVISORY SYSTEM TO REVIEW ASSOCIATED PERSONS' ACQ RESPONSES FOR REPORTABLE EVENTS; AND THAT THE FIRM HAD INADEQUATE SUPERVISORY PROCEDURES TO ENSURE THAT THE FIRM'S PAYROLL DEPARTMENT NOTIFIED COMPLIANCE OR SUPERVISORY PERSONNEL TO DETERMINE WHETHER A GARNISHMENT ORDER INVOLVED A REPORTABLE EVENT.

Initiated By:	FINRA
Date Initiated:	10/24/2016
Docket/Case Number:	2014038964301
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:	10/24/2016
Sanctions Ordered:	Censure Monetary/Fine \$40,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND WILL PAY THE FINE UPON NOTIFICATION FROM FINRA'S FINANCE DEPARTMENT REGARDING PAYMENT OF THE FINE.



Disclosure 14 of 31

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 ADEQUATE SUPERVISORY SYSTEMS AND CONTROLS IN PLACE, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW AND REASONABLE WRITTEN SUPERVISORY PROCEDURES, WITH RESPECT TO THE EXECUTION OF CUSTOMER ORDERS THAT INVOLVED TRADE ERRORS OR CUSTOMER ACCOMMODATIONS IN THE PROFIT AND LOSS ACCOUNT UNDER \$250.
Initiated By:	FINRA
Date Initiated:	12/29/2015
Docket/Case Number:	2013037264901
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:	12/29/2015
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 \$10,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$10,000. FINE PAID IN FULL JANUARY 6, 2016.

Reporting Source: Firm



Current Status:	Final
Allegations:	VIOLATIONS OF NASD RULE 3010 AND FINRA RULE 2010 FOR FAILURE TO HAVE ADEQUATE SUPERVISORY SYSTEMS AND CONTROLS IN PLACE WITH RESPECT TO TRADE ERRORS OR CUSTOMER ACCOMMODATIONS IN THE FIRM'S P&L ACCOUNT (WHERE THE TOTAL PROFIT OR LOSS ON THE TRADE WAS \$250 OR LESS) DURING THE REVIEW PERIOD OF APRIL 1, 2013 TO JUNE 30, 2013.
Initiated By:	FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
Date Initiated:	12/29/2015
Docket/Case Number:	20130372649-01
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	OPTIONS
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	A FINE OF \$10,000 FOR VIOLATIONS OF NASD RULE 3010 AND FINRA RULE 2010.
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/29/2015
Sanctions Ordered:	Censure Monetary/Fine \$10,000.00
Other Sanctions Ordered:	
Sanction Details:	ACCEPTANCE, WAIVER AND CONSENT ("AWC") WITHOUT ADMITTING OR DENYING THE FINDINGS. FINE PAID IN FULL ON JANUARY 6, 2016.
Firm Statement	VIOLATIONS OF NASD RULE 3010 AND FINRA RULE 2010 FOR FAILURE TO HAVE ADEQUATE SUPERVISORY SYSTEMS AND CONTROLS IN PLACE WITH RESPECT TO TRADE ERRORS OR CUSTOMER ACCOMMODATIONS IN THE FIRM'S P&L ACCOUNT (WHERE THE TOTAL PROFIT OR LOSS ON THE TRADE WAS \$250 OR LESS) DURING THE REVIEW PERIOD OF APRIL 1, 2013 TO JUNE 30, 2013.

Disclosure 15 of 31

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 S1 TRANSACTIONS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE CORPORATE DEBT SECURITIES TO TRACE WITHIN 15 MINUTES OF THE TIME OF EXECUTION.

Initiated By: FINRA

Date Initiated: 03/18/2015

Docket/Case Number: 2013035960501

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: 03/18/2015

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 \$15,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$15,000. FINE PAID IN FULL ON MARCH 31, 2015.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA CONDUCTED SEPARATE REVIEWS OF THE FIRM'S COMPLIANCE WITH TRADE REPORTING AND COMPLIANCE ENGINE REQUIREMENTS COVERING THE PERIOD OF OCTOBER 1, 2012 THROUGH DECEMBER 31, 2012, AND JULY 1, 2013 AND SEPTEMBER 30, 2013. FINRA ALLEGED THAT DURING THE FIRST REVIEW PERIOD THE FIRM FAILED TO REPORT TO TRACE WITHIN 15 MINUTES OF THE TIME OF EXECUTION 350 S1 TRANSACTIONS IN TRACE -ELIGIBLE CORPORATE DEBT SECURITIES WHICH CONSTITUTED 4.04% OF THE S1 TRANSACTIONS IN TRACE-



ELIGIBLE CORPORATE DEBT SECURITIES THAT THE FIRM SHOULD HAVE REPORTED TO TRACE DURING THE PERIOD, AND THAT DURING THE SECOND REVIEW PERIOD THE FIRM FAILED TO REPORT TO TRACE WITHIN 15 MINUTES OF THE TIME OF EXECUTION 6.77% OF THE S1 TRANSACTIONS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES THAT THE FIRM SHOULD HAVE BEEN REPORTED TO TRACE DURING THE PERIOD.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY

Date Initiated: 03/18/2015

Docket/Case Number: 20130359605-01

Principal Product Type: Debt - Corporate

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: MONETARY/FINE \$15,000

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/18/2015

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 TO SETTLE THE 2 MATTERS AND WILL PAY THE FINE UPON NOTIFICATION FROM FINRA'S FINANCE DEPARTMENT REGARDING PAYMENT OF THE FINE.

Disclosure 16 of 31

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 CREATE OR IMPLEMENT AN ADEQUATE SUPERVISORY SYSTEM, OR ADOPT AND MAINTAIN ADEQUATE WRITTEN SUPERVISORY PROCEDURES, REASONABLY DESIGNED TO MONITOR BUSINESS ENTERTAINMENT TO ENSURE THAT EXPENSES INCURRED CONFORMED TO REGULATORY REQUIREMENTS AND TO SAFEGUARD AGAINST POTENTIAL OR ACTUAL



CONFLICTS OF INTEREST. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM AND PROCEDURES WERE INADEQUATE FOR SEVERAL REASONS. THE FIRM GENERALLY DID NOT REQUIRE, AND GENERALLY DID NOT OBTAIN, ITEMIZED RECEIPTS FOR ENTERTAINMENT REIMBURSEMENT CLAIMS. AS A RESULT, THE FIRM WAS UNABLE TO EVALUATE WHETHER THE EXPENSES IN THE ENTERTAINMENT EXPENSE SUBMISSIONS INCLUDED ANY IMPROPER GIFTS TO CUSTOMERS OVER THE \$100 PER PERSON, PER YEAR LIMITATION SET FORTH IN FINRA RULE 3220. THE FIRM ALSO DID NOT AGGREGATE OR COMPARE ENTERTAINMENT EXPENSES INCURRED OVER TIME. THE FIRM'S EXPENSE SYSTEM WAS NOT DESIGNED FOR, AND DID NOT PERMIT, THE IDENTIFICATION OF ALL PERSONS ENTERTAINED AND THEIR RESPECTIVE AFFILIATIONS. FIRM SUPERVISORS ROUTINELY APPROVED EXPENSE REPORTS THAT OMITTED NAMES OF CLIENT ATTENDEES AND THEIR AFFILIATION, AND CONTAINED INCONSISTENT INFORMATION REGARDING THE NUMBER OF ATTENDEES. WITHOUT REQUIRING THAT BUSINESS ENTERTAINMENT EXPENSE SUBMISSIONS INCLUDE THE NAME OF EVERY PERSON ENTERTAINED AND THEIR RESPECTIVE EMPLOYER, THE FIRM WAS NOT IN A POSITION TO GUARD AGAINST POTENTIAL OR ACTUAL CONFLICTS AND ENSURE THAT THE EXPENSES WERE LEGITIMATE BUSINESS EXPENSES AND NOT IMPROPER ATTEMPTS TO INFLUENCE EMPLOYEES OF OTHERS. WITHOUT THE IDENTITY OF EVERYONE ENTERTAINED, A MEMBER FIRM WOULD NOT BE IN A POSITION TO REASONABLY ENSURE THAT ITS ENTERTAINMENT PRACTICES ARE CONSISTENT WITH APPLICABLE DOMESTIC AND FOREIGN LAWS IN THE EVENT THAT ANY PUBLIC OFFICIALS, INCLUDING FOREIGN OFFICIALS, ARE AMONG THE PERSONS ENTERTAINED. THE FINDINGS ALSO STATED THAT THE FIRM'S EXPENSE RECORDS FOR BUSINESS ENTERTAINMENT WERE FREQUENTLY INACCURATE AND INCOMPLETE. SPECIFICALLY, THE EXPENSE REPORTS, AND CONSEQUENTLY, THE FIRM'S EXPENSE RECORDS, INACCURATELY LISTED "ICAP" AS THE CLIENT ENTERTAINED, INCORRECTLY INDICATED THAT ONE CLIENT COMPANY WAS ENTERTAINED WHEN MULTIPLE COMPANIES WERE ENTERTAINED, AND/OR DID NOT RECORD THE NAMES OF ALL THE INDIVIDUALS ENTERTAINED AND THEIR AFFILIATION.

Initiated By: FINRA
Date Initiated: 12/05/2014
Docket/Case Number: 2014039995801
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: 12/05/2014

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

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$800,000. FINE PAID IN FULL ON DECEMBER 15, 2014.

Reporting Source: Firm

Current Status: Final

Allegations: SECTION 17(A), AND RULE 17A-3 THEREUNDER, OF THE SECURITIES EXCHANGE ACT OF 1934, NASD RULES 3010 AND 3110, AND FINRA RULES 2010 AND 4511. FINRA ALLEGED THAT ICAP CORPORATES LLC FAILED TO ESTABLISH AND MAINTAIN A REASONABLE SUPERVISORY SYSTEM AND PROCEDURES REGARDING BUSINESS ENTERTAINMENT BETWEEN JANUARY 2011 AND DECEMBER 2013, AND MAINTAINED INCOMPLETE AND INACCURATE EXPENSE RECORDS FOR BUSINESS ENTERTAINMENT FROM AT LEAST JANUARY 2011 THROUGH AT LEAST DECEMBER 2012.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA")

Date Initiated: 12/05/2014

Docket/Case Number: 2014039995801

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:	12/05/2014
Sanctions Ordered:	Censure Monetary/Fine \$800,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS DESCRIBED IN THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT. THEREFORE, THE FIRM WAS CENSURED AND FINED \$800,000. THE FINE WAS PAID IN FULL ON 12/15/2014.
Firm Statement	FINRA FOUND THAT THE FIRM DID NOT ESTABLISH AND MAINTAIN A REASONABLE SUPERVISORY SYSTEM AND PROCEDURES REGARDING BUSINESS ENTERTAINMENT BETWEEN JANUARY 2011 AND DECEMBER 2013 SINCE: (1) THE FIRM DID NOT REQUIRE ITEMIZED RECEIPTS FOR ENTERTAINMENT REIMBURSEMENTS; (2) SUPERVISORS WHO APPROVED REIMBURSEMENTS DID NOT RECEIVE ADEQUATE AND/OR ACCURATE DESCRIPTIVE INFORMATION REGARDING WHAT EXPENSES REPRESENTED AND THE IDENTITY OF EACH ATTENDEE AT AN EVENT; (3) THE FIRM DID NOT AGGREGATE OR COMPARE ENTERTAINMENT EXPENSES INCURRED OVER TIME; AND (4) THE FIRM'S EXPENSE SYSTEM WAS NOT DESIGNED FOR, AND DID NOT PERMIT, THE IDENTIFICATION OF ALL PERSONS ENTERTAINED AND THEIR RESPECTIVE AFFILIATIONS. BASED ON THE FOREGOING, FINRA FOUND THAT THE FIRM VIOLATED NASD RULES 3010(A) AND 3010(B), AND FINRA RULE 2010. FINRA ALSO FOUND THAT THE FIRM MAINTAINED INCOMPLETE AND INACCURATE EXPENSE RECORDS FOR BUSINESS ENTERTAINMENT FROM AT LEAST JANUARY 2011 THROUGH AT LEAST DECEMBER 2012, SINCE EXPENSE RECORDS: (1) OFTEN LISTED THE FIRM AS THE CLIENT ENTERTAINED; (2) INCORRECTLY INDICATED THAT ONE CLIENT COMPANY WAS ENTERTAINED WHEN MULTIPLE COMPANIES WERE ENTERTAINED; AND/OR (3) DID NOT RECORD NAMES OF ALL INDIVIDUALS ENTERTAINED AND THEIR RESPECTIVE AFFILIATIONS. BASED ON THE FOREGOING, FINRA FOUND THAT THE FIRM VIOLATED SECTION 17(A), AND RULE 17A-3 THEREUNDER, OF THE SECURITIES EXCHANGE ACT OF 1934, NASD RULE 3110, AND FINRA RULES 4511 AND 2010. THE FIRM NEITHER ADMITTED NOR DENIED THE FINDINGS.

Disclosure 17 of 31

Reporting Source:	Regulator
Current Status:	Final



Allegations: RULE 17A-3 OF THE SECURITIES EXCHANGE ACT OF 1934, FINRA RULES 2010, 4511, 6730(C)(8), NASD 3110 - ICAP CORPORATES, LLC FOR APPROXIMATELY 12 WEEKS, EFFECTED TRANSACTIONS IN SECURITIES THAT WERE ELIGIBLE TO BE REPORTED TO FINRA'S TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) BUT FAILED TO ACCURATELY REPORT THE CORRECT EXECUTION TIME FOR ALL OF ITS TRANSACTIONS INVOLVING AGENCY DEBT SECURITIES THAT FINRA REVIEWED AND MANY TRANSACTIONS INVOLVING ASSET-BACK SECURITIES. THE FIRM FAILED TO SHOW THE RECEIPT TIME ON ORDER TICKETS FOR SOME TRANSACTIONS THAT FINRA REVIEWED INVOLVING AGENCY DEBT SECURITIES. THE FIRM FAILED TO MAINTAIN ACCURATE RECORDS.

Initiated By: FINRA

Date Initiated: 09/26/2013

Docket/Case Number: 2012030639101

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: 09/26/2013

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 \$7,500.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$7,500.

FINE PAID IN FULL ON NOVEMBER 14, 2013.



Reporting Source:	Firm
Current Status:	Final
Allegations:	FINRA CONDUCTED A REVIEW OF THE FIRM'S COMPLIANCE WITH TRADE REPORTING AND COMPLIANCE ENGINE REQUIREMENTS DURING THE PERIOD OF SEPTEMBER 28, 2011 THROUGH DECEMBER 24, 2011. FINRA ALLEGED THAT THE FIRM FAILED TO ACCURATELY REPORT TO TRACE THE CORRECT EXECUTION TIME FOR THE 32 TRANSACTIONS THAT FINRA REVIEWED INVOLVING AGENCY DEBT SECURITIES, AND 19 OF 33 TRANSACTIONS THAT FINRA REVIEWED INVOLVING ASSET BACKED SECURITIES, IN VIOLATION OF FINRA RULE 6730(C)(8). FINRA ALSO ALLEGED THAT THE FIRM FAILED TO SHOW THE TIME OF RECEIPT ON ORDER TICKETS FOR 15 OF THE 32 TRANSACTIONS THAT FINRA REVIEWED INVOLVING AGENCY DEBT SECURITIES, IN VIOLATION OF RULE 17A-3 OF THE SECURITIES EXCHANGE ACT OF 1934, NASD RULE 3110 (FOR CONDUCT BEFORE DECEMBER 5, 2011), AND FINRA RULE 4511 (FOR CONDUCT AFTER DECEMBER 4, 2011), AND 2010.
Initiated By:	FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
Date Initiated:	09/26/2013
Docket/Case Number:	2012030639101
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:	09/26/2013
Sanctions Ordered:	Censure Monetary/Fine \$7,500.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND WILL PAY THE FINE UPON NOTIFICATION FROM FINRA'S FINANCE DEPARTMENT REGARDING PAYMENT OF THE FINE.



Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>SEC RULES 10B-10, 17A-3, 17A-4, FINRA RULES 6380A, 6622, 7230A, 7330, 7450, NASD RULE 3110 - ICAP CORPORATES LLC FAILED TO REPORT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) THE CORRECT SYMBOL INDICATING THE CAPACITY IN WHICH THE FIRM EXECUTED TRANSACTIONS IN REPORTABLE SECURITIES. THE FIRM FAILED TO REPORT TO THE FNTRF LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES AND INCORRECTLY REPORTED THE SECOND LEG OF "RISKLESS" PRINCIPAL TRANSACTIONS AS "PRINCIPAL" TO THE FNTRF. THE FIRM FAILED TO SUBMIT TO THE FNTRF FOR THE OFFSETTING, "RISKLESS" PORTION OF "RISKLESS" PRINCIPAL TRANSACTIONS IN DESIGNATED SECURITIES EITHER A CLEARING-ONLY REPORT WITH A CAPACITY INDICATOR OF "RISKLESS PRINCIPAL" OR A NON-TAPE, NON-CLEARING REPORT WITH A CAPACITY INDICATOR OF "RISKLESS PRINCIPAL." THE FIRM FAILED TO REPORT TO THE OTC REPORTING FACILITY (OTCRF) THE CORRECT SYMBOL INDICATING THE CAPACITY IN WHICH THE FIRM EXECUTED TRANSACTIONS IN REPORTABLE SECURITIES. THE FIRM FAILED TO REPORT TO THE OTCRF LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES; THE FIRM FAILED TO SUBMIT TO THE OTCRF FOR THE OFFSETTING, "RISKLESS" PORTION OF "RISKLESS" PRINCIPAL TRANSACTIONS IN DESIGNATED SECURITIES, EITHER A CLEARING-ONLY REPORT WITH A CAPACITY INDICATOR OF "RISKLESS PRINCIPAL" OR A NON-TAPE, NON-CLEARING REPORT WITH A CAPACITY INDICATOR OF "RISKLESS PRINCIPAL." THE FIRM TRANSMITTED REPORTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT CONTAINED AN INCORRECT CAPACITY, INACCURATE ORDER ENTRY TIMES AND INCORRECT CODES AND THE FIRM FAILED TO SUBMIT OR IMPROPERLY SUBMITTED CERTAIN REPORTS. THE FIRM PROVIDED WRITTEN NOTIFICATIONS TO ITS CUSTOMERS THAT CONTAINED INACCURATE OR INCOMPLETE INFORMATION, INCLUDING FAILURE TO DISCLOSE THAT THE TRANSACTION WAS EXECUTED AT AN AVERAGE PRICE, FAILURE TO DISCLOSE THE CORRECT TYPE OF REMUNERATION AND FAILURE TO DISCLOSE ITS CORRECT CAPACITY. THE FIRM FAILED TO SHOW THE CORRECT TIME OF ENTRY ON BROKERAGE ORDER MEMORANDA; THE FIRM'S TRADING LEDGER FAILED TO ACCURATELY INDICATE THAT PRINCIPAL SALES WERE LONG OR SHORT IN NUMEROUS INSTANCES. THE FIRM ALSO DOCUMENTED THE INCORRECT REMUNERATION ON ITS ORDER RECORDS IN SEVERAL INSTANCES. THE FIRM FAILED TO PRESERVE FOR A PERIOD OF NOT LESS THAN THREE YEARS, THE FIRST TWO IN AN ACCESSIBLE PLACE, BROKERAGE ORDER MEMORANDA AND ONE CUSTOMER CONFIRMATION. THE FIRM FAILED TO PRESERVE FOR A PERIOD OF NOT LESS THAN SIX YEARS, THE FIRST TWO IN AN ACCESSIBLE PLACE, A TRADING LEDGER OR OTHER COMPARABLE</p>



TRADING RECORD IN SEVERAL INSTANCES.

Initiated By: FINRA
Date Initiated: 01/06/2011
Docket/Case Number: 2009016999101
Principal Product Type: Equity - OTC
Other Product Type(s): REPORTABLE SECURITIES, DESIGNATED SECURITIES
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/06/2011

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 \$23,500.00

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 \$23,500.

Reporting Source: Firm

Current Status: Final

Allegations: THE FINRA DEPARTMENT OF MARKET REGULATION ALLEGED THAT DURING THEIR REVIEW PERIOD (1) THE FIRM FAILED TO REPORT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY ("NTRF") THE CORRECT SYMBOL INDICATING THE CAPACITY IN WHICH THE FIRM EXECUTED 284 TRANSACTIONS IN REPORTABLE SECURITIES, IN VIOLATION OF FINRA RULE 7230A; (2) THE FIRM FAILED TO REPORT TO THE NTRF TWO LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES; THE FIRM INCORRECTLY REPORTED THE SECOND LEG OF SEVEN "RISKLESS" PRINCIPAL TRANSACTIONS AS "PRINCIPAL" TO THE NTRF; THE FIRM



FAILED TO REPORT TO THE NTRF, FOR THE OFFSETTING, RISKLESS PORTION OF SEVEN RISKLESS PRINCIPAL TRANSACTIONS IN DESIGNATED SECURITIES, EITHER A CLEARING ONLY REPORT WITH A CAPACITY INDICATOR OF RISKLESS PRINCIPAL, OR A NON-TAPE, NON-CLEARING REPORT WITH A CAPACITY INDICATOR OF RISKLESS PRINCIPAL, IN VIOLATION OF FINRA RULE 6380A; (3) THE FIRM FAILED TO REPORT TO THE OTC REPORTING FACILITY ("ORF") THE CORRECT SYMBOL INDICATING THE CAPACITY IN WHICH THE FIRM EXECUTED SIX TRANSACTIONS IN REPORTABLE SECURITIES, IN VIOLATION OF FINRA RULE 7330; (4) THE FIRM FAILED TO REPORT TO THE ORF 28 LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES; THE FIRM FAILED TO SUBMIT TO THE ORF, FOR THE OFFSETTING, RISKLESS PORTION OF 14 RISKLESS PRINCIPAL TRANSACTIONS IN DESIGNATED SECURITIES, EITHER A CLEARING-ONLY REPORT WITH A CAPACITY INDICATOR OF RISKLESS PRINCIPAL, OR A NON-TAPE, NON-CLEARING REPORT WITH A CAPACITY INDICATOR OF RISKLESS PRINCIPAL, IN VIOLATION OF FINRA RULE 6622; (5) THE FIRM TRANSMITTED TO ORDER AUDIT TRAIL SYSTEM ("OATS") 26 REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA., IN VIOLATION OF FINRA RULE 7450; (6) THE FIRM ON 15 OCCASIONS PROVIDED WRITTEN NOTIFICATIONS TO ITS CUSTOMERS THAT CONTAINED INACCURATE OR INCOMPLETE INFORMATION, IN VIOLATION OF SEC RULE 10B-10; (7) THE FIRM FAILED TO SHOW THE CORRECT TIME OF ENTRY ON THE MEMORANDUM OF 23 BROKERAGE ORDERS; THE FIRM'S TRADING LEDGER FAILED TO ACCURATELY INDICATE THAT PRINCIPAL SALES WERE LONG OR SHORT IN 365 INSTANCES; THE FIRM DOCUMENTED THE INCORRECT REMUNERATION ON ITS ORDER RECORDS IN TWO INSTANCES, IN VIOLATION OF SEC RULE 17A-3 AND NASD RULE 3110; (8) THE FIRM FAILED TO PRESERVE FOR A PERIOD OF NOT LESS THAN 3 YEARS, THE FIRST TWO IN AN ACCESSIBLE PLACE, THE MEMORANDUM OF FOUR BROKERAGE ORDERS AND ONE CUSTOMER CONFIRMATION; THE FIRM FAILED TO PRESERVE FOR A PERIOD OF NOT LESS THAN SIX YEARS, THE FIRST TWO IN AN ACCESSIBLE PLACE, A TRADING LEDGER OR OTHER COMPARABLE TRADING RECORD IN THREE INSTANCES, IN VIOLATION OF SEC RULE 17A-4 AND NASD RULE 3110.

Initiated By:	FINANCIAL INDUSTRY REGULATORY AUTHORITY
Date Initiated:	01/06/2011
Docket/Case Number:	20090169991-01
Principal Product Type:	Equity - OTC
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief	MONETARY FINE

**Sought:****Resolution:** Acceptance, Waiver & Consent(AWC)**Resolution Date:** 01/06/2011**Sanctions Ordered:** Censure
Monetary/Fine \$23,500.00**Other Sanctions Ordered:****Sanction Details:** FIRM WAS FINED \$23,500.00 TO BE PAID BY 01/21/2011.**Disclosure 19 of 31****Reporting Source:** Regulator**Current Status:** Final

Allegations: SEC RULES 10B-10, 200(G), 203(B)(1) OF REGULATION SHO, NASD RULES 2110, 3010, 4632(A), 6130(D), 6620(A), 6955(A) - ICAP CORPORATES LLC FAILED, WITHIN 90 SECOND AFTER EXECUTION, TO TRANSMIT LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES TO THE OTC REPORTING FACILITY (OTCRF) AND FAILED TO DESIGNATE SOME OF THE LAST SALE REPORTS AS LATE. THE FIRM FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES TO THE NASD/NASDAQ TRADE REPORTING FACILITY (NNTRF); FAILED TO DESIGNATE SOME OF THE REPORTS AS LATE AND FAILED TO REPORT THE CORRECT TIME OF EXECUTION FOR SOME REPORTS. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF NASD RULES 4632(A), 6130(D) AND 6620(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF NASD RULE 2110. THE FIRM FAILED TO REPORT TO THE NNTRF THE CORRECT TIME OF EXECUTION IN LAST SALE REPORTS OF TRANSACTIONS IN REPORTABLE SECURITIES; THE CORRECT SYMBOL INDICATING WHETHER THE TRANSACTION WAS A BUY, SELL, SELL SHORT OR CROSS FOR REPORTABLE SECURITIES TRANSACTIONS; AND THE CORRECT SYMBOL INDICATING THE CAPACITY IN WHICH IT EXECUTED REPORTABLE SECURITIES TRANSACTIONS; AND THE FIRM INCORRECTLY REPORTED THE SECOND LEG OF "RISKLESS" PRINCIPAL TRANSACTIONS AS "AGENT" TO THE NNTRF. THE FIRM FAILED TO TRANSMIT REPORTABLE ORDER EVENTS (ROES) ON SEVERAL BUSINESS DAYS; AND EXECUTED SHORT SALE ORDERS AND FAILED TO PROPERLY MARK THEM AS SHORT. THE FIRM ACCEPTED SHORT SALE ORDERS IN AN EQUITY SECURITY FROM ANOTHER PERSON, OR EFFECTED SHORT SALES IN AN EQUITY SECURITY FOR ITS OWN ACCOUNT, WITHOUT BORROWING THE SECURITY OR ENTERING INTO A BONA FIDE ARRANGEMENT TO BORROW THE SECURITY;



OR HAVING REASONABLE GROUNDS TO BELIEVE THAT THE SECURITY COULD BE BORROWED SO THAT IT COULD BE DELIVERED ON THE DATE DELIVERY IS DUE; AND DOCUMENTING COMPLIANCE WITH SEC RULE 203(B)(1) OF REGULATION SHO. THE FIRM FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS ITS CORRECT CAPACITY IN TRANSACTIONS AND WHEN IT ACTED AS PRINCIPAL FOR ITS OWN ACCOUNT, FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS THAT IT WAS A MARKET MAKER IN EACH SUCH SECURITY. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING ORDER HANDLING, TRADE REPORTING, ORDER MARKING, SHORT SALE REPORTING AND ORDER AUDIT TRAIL SYSTEM (OATS) REPORTING.

Initiated By:	FINRA
Date Initiated:	12/28/2009
Docket/Case Number:	2006006490301
Principal Product Type:	Equity - OTC
Other Product Type(s):	REPORTABLE SECURITIES, DESIGNATED SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/28/2009
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 \$75,000.00
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 \$75,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING ORDER HANDLING, TRADE REPORTING, ORDER MARKING, SHORT SALE



REPORTING AND OATS REPORTING WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Reporting Source:

Firm

Current Status:

Final

Allegations:

THE FINRA DEPARTMENT OF MARKET REGULATION ALLEGED THAT (1) DURING THE PERIOD FROM MAY 1, 2006 THROUGH AUGUST 31, 2006, ICAP CORPORATES LLC (THE "FIRM") FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE OTC REPORTING FACILITY ("OTCRF") CERTAIN LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES, AND FAILED TO DESIGNATE CERTAIN OF SUCH LAST SALE REPORTS AS LATE, IN ALLEGED VIOLATION OF NASD RULE 6620(A) AND NASD RULE 2110; (2) DURING THE PERIOD OF JANUARY 1, 2007 THROUGH APRIL 30, 2007, THE FIRM FAILED WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE NASD/NASDAQ TRADE REPORTING FACILITY ("TRF") CERTAIN LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES, IN ALLEGED VIOLATION OF NASD RULE 4632(A) AND NASD RULE 2110; (3) DURING MAY 1, 2008 THROUGH AUGUST 31, 2008, THE FIRM FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE TRF CERTAIN LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES, AND FAILED TO DESIGNATE CERTAIN OF SUCH LAST SALE REPORTS AS LATE, AND FAILED TO REPORT THE CORRECT TIME OF EXECUTION FOR CERTAIN OF SUCH REPORTS, IN ALLEGED VIOLATION OF NASD RULES 4632(A), 6130(D), AND NASD RULE 2110; (4) ON CERTAIN DAYS OVER A 5 DAY PERIOD IN 2007 (A) THE FIRM FAILED TO REPORT TO THE TRF THE CORRECT TIME OF EXECUTION IN CERTAIN LAST SALE REPORTS OF TRANSACTIONS IN REPORTABLE SECURITIES; THE CORRECT SYMBOL INDICATING WHETHER THE TRANSACTION WAS A BUY, SELL, SELL SHORT, OR CROSS FOR CERTAIN TRANSACTIONS IN REPORTABLE SECURITIES; AND THE CORRECT SYMBOL INDICATING THE CAPACITY IN WHICH THE FIRM EXECUTED CERTAIN TRANSACTIONS IN REPORTABLE SECURITIES; AND INCORRECTLY REPORTED THE SECOND LEG OF CERTAIN "RISKLESS" PRINCIPAL TRANSACTIONS AS "AGENT" TO THE TRF, IN ALLEGED VIOLATION OF NASD RULE 6130(D); (B) THE FIRM FAILED TO TRANSMIT CERTAIN REPORTABLE ORDER EVENTS ("ROES") ON THREE BUSINESS DAYS DURING THE REVIEW PERIOD, IN ALLEGED VIOLATION OF NASD RULE 6955(A); (C) THE FIRM EXECUTED CERTAIN SHORT SALE ORDERS AND FAILED TO PROPERLY MARK THE ORDERS AS SHORT DURING THE REVIEW PERIOD, IN ALLEGED VIOLATION OF SEC RULE 200(G) OF REGULATION SHO; (D) THE FIRM, ON CERTAIN OCCASIONS, ACCEPTED A SHORT SALE ORDER IN AN EQUITY SECURITY FROM ANOTHER PERSON, OR EFFECTED A SHORT SALE IN AN EQUITY SECURITY FOR ITS OWN ACCOUNT, WITHOUT (I) BORROWING THE



SECURITY, OR ENTERING INTO A BONA-FIDE ARRANGEMENT TO BORROW THE SECURITY; OR (II) HAVING REASONABLE GROUNDS TO BELIEVE THAT THE SECURITY COULD BE BORROWED SO THAT IT COULD BE DELIVERED ON THE DATE DELIVERY IS DUE; AND (III) DOCUMENTING COMPLIANCE WITH SEC RULE 203(B)(1) OF REGULATION SHO, IN ALLEGED VIOLATION OF SEC RULE 203(B)(1) OF REGULATION SHO; (E) THE FIRM FAILED ON CERTAIN OCCASIONS TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN THE TRANSACTION, AND ON CERTAIN OCCASIONS WHEN IT ACTED AS PRINCIPAL FOR ITS OWN ACCOUNT, FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER THAT IT WAS A MARKET MAKER IN EACH SUCH SECURITY, IN ALLEGED VIOLATION OF SEC RULE 10B-10; (F) 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 THE NASD, CONCERNING ORDER HANDLING, TRADE REPORTING, ORDER MARKING, SHORT SALE REPORTING, AND OATS REPORTING. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR A STATEMENT AS TO HOW THE COMPLETION OF THE STEP(S) INCLUDED IN THE WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED, IN ALLEGED VIOLATION OF NASD RULES 2110 AND 3010.

Initiated By:	FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA")
Date Initiated:	12/28/2009
Docket/Case Number:	AWC 20060064903-01
Principal Product Type:	Equity - OTC
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	MONETARY/FINE, UNDERTAKING
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/28/2009
Sanctions Ordered:	Censure Monetary/Fine \$75,000.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO AND PAID A MONETARY PENALTY IN THE AMOUNT OF



\$75,000, AND TO AN UNDERTAKING THAT, WITHIN 30 BUSINESS DAYS OF THE DATE OF THE AWC, THE FIRM PROVIDE A REPRESENTATION THAT THE FIRM HAS REVISED ITS WRITTEN SUPERVISORY PROCEDURES FOR ORDER HANDLING, TRADE REPORTING, ORDER MARKING, SHORT SALE REPORTING AND OATS REPORTING TO ADDRESS HOW THE COMPLETION OF THE STEPS INCLUDED IN THE WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED.

Disclosure 20 of 31

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 3010, INTERPRETATIVE MATERIAL 2110-5 - ICAP CORPORATES LLC'S CREDIT DEFAULT SWAP (CDS) DESK MANAGER AND PERSONNEL AT OTHER CDS INTERDEALER BROKERS DISCUSSED CUSTOMERS' PROPOSED BROKERAGE FEE RATE REDUCTIONS THROUGH NUMEROUS COMMUNICATIONS AFTER INDIVIDUAL CUSTOMER FIRMS PERIODICALLY SOUGHT TO RENEGOTIATE THE CDS BROKERAGE FEES THEY PAID BY TRANSMITTING SCHEDULES OF THEIR PROPOSED BROKERAGE RATE REDUCTIONS TO INDIVIDUAL BROKER DEALERS. WHILE MANY OF THE COMMUNICATIONS INVOLVED ONE-TO-ONE DISCUSSIONS BETWEEN THE ICAP CDS DESK MANAGER AND PERSONNEL FROM ANOTHER CDS INTERDEALER FIRM, THE COMMUNICATIONS FREQUENTLY REFERRED TO SIMILAR TYPES OF INTERACTIONS ABOUT THE SCHEDULES INVOLVING ADDITIONAL INTERDEALER FIRMS. THE FIRM'S SUPERVISORY SYSTEMS WERE NOT REASONABLY DESIGNED TO DETECT SUCH INAPPROPRIATE SHARING OF INFORMATION CONCERNING CUSTOMERS' PROPOSED BROKERAGE FEE RATES. THE FIRM FAILED TO INITIATE A SUFFICIENTLY TIMELY OR DETAILED INVESTIGATORY REVIEW OF ALL COMMUNICATIONS TO INDEPENDENTLY ASSESS THE CUSTOMERS' CONCERNS UPON LEARNING OF THEM. THE FIRM FAILED TO REASONABLY INQUIRE FURTHER INTO THE NATURE OF COMMUNICATIONS OF WHICH ITS PERSONNEL WERE AWARE BETWEEN THE CDS DESK MANAGER AND OTHER INTERDEALER BROKERS TO DETERMINE IF COMMUNICATIONS RAISED CONCERNS ABOUT INAPPROPRIATE SHARING OF INFORMATION CONCERNING PROPOSED BROKERAGE FEE RATES.
Initiated By:	FINRA
Date Initiated:	03/23/2009
Docket/Case Number:	2006005158301
Principal Product Type:	Other
Other Product Type(s):	CREDIT DEFAULT SWAPS (CDS)



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/23/2009

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 \$2,800,000.00

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 \$2.8 MILLION DOLLARS.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 2110 AND 3010 AND INTERPRETATIVE MATERIAL 2110-5. FINRA ALLEGED THAT A FORMER EMPLOYEE OF THE FIRM, WHO WAS UNTIL LATE 2006 THE MANAGER OF THE FIRM'S CDS DESK ENGAGED IN A NUMBER OF IMPROPER COMMUNICATIONS WITH PERSONNEL AT OTHER CDS INTERDEALER BROKERS CONCERNING REACTIONS TO BROKERAGE FEE RATE REDUCTIONS PROPOSED THROUGHOUT THE MARKET BY CERTAIN BANK DEALERS. FINRA ALSO ALLEGED THAT THE FIRM'S SUPERVISORY SYSTEMS, AT THE TIME, WERE NOT REASONABLY DESIGNED TO DETECT SUCH COMMUNICATIONS BY THE DESK'S MANAGER, AND THAT THE FIRM FAILED TO INITIATE SUFFICIENTLY TIMELY OR DETAILED REVIEWS OF CERTAIN COMMUNICATIONS AND DID NOT REASONABLY INQUIRE FURTHER INTO CERTAIN COMMUNICATIONS TO ASSESS IF THEY WERE INAPPROPRIATE.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY

Date Initiated: 03/23/2009

Docket/Case Number: 2006005158301



Principal Product Type:	Other
Other Product Type(s):	CREDIT DEFAULT SWAPS
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	MONETARY/FINE \$2,800,000.00
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/23/2009
Sanctions Ordered:	Censure Monetary/Fine \$2,800,000.00
Other Sanctions Ordered:	CENSURE, MONETARY/FINE \$2,800,000 (CONSISTING OF A \$1.8 MILLION FINE FOR SUPERVISION VIOLATIONS AND A \$1 MILLION FINE FOR VIOLATIONS OF NASD RULE 2110 AND IM-2110-5).
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS.
Firm Statement	<p>STAFF OF FINRA'S MARKET REGULATION DEPARTMENT (THE "STAFF"), AS OF THE INITIATION DATE OF THIS AWC, IS CONDUCTING AN INQUIRY INTO THE ACTIVITIES OF INTERDEALER BROKERAGE FIRMS IN CONNECTION WITH THE DETERMINATION OF THE COMMISSION RATES PAID TO THEM BY CERTAIN DEALERS FOR SUCCESSFULLY ARRANGING TRADES BETWEEN THEM AND OTHER DEALERS IN CREDIT DEFAULT SWAPS. THE FIRM COOPERATED WITH THE STAFF IN THIS INQUIRY BY RESPONDING TO REQUESTS FOR DOCUMENTS, TESTIMONY AND OTHER INFORMATION, AND IN MARCH 2009, WITHOUT ADMITTING OR DENYING FINDINGS, THE FIRM ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT WITH FINRA TO CONCLUDE THE MATTER.</p> <p>THE FORMER DESK MANAGER THAT IS THE SUBJECT OF THE FIRM'S AWC LEFT THE FIRM IN LATE 2006 TO BECOME EMPLOYED BY ANOTHER INTERDEALER BROKER. FINRA ALLEGED THAT THIS PERSON ENGAGED IN A NUMBER OF COMMUNICATIONS WITH PERSONNEL AT OTHER CDS INTERDEALER BROKERS CONCERNING REACTIONS TO PROPOSED BROKERAGE FEE RATE REDUCTIONS PROPOSED THROUGHOUT THE MARKET BY CERTAIN BANK DEALERS. FINRA ALLEGED THAT THE FIRM, THROUGH THE DESK MANAGER'S CONDUCT, VIOLATED NASD RULE 2110 (STANDARDS OF COMMERCIAL HONOR AND PRINCIPALS OF TRADE) AND IM-2110-5 (CONDUCT THAT ATTEMPTS IMPROPERLY TO INFLUENCE ANOTHER MEMBER OR PERSON ASSOCIATED WITH A MEMBER.) FINRA ALSO ALLEGED THAT THE FIRM'S SUPERVISORY SYSTEMS, AT THE TIME, WERE NOT REASONABLY DESIGNED TO DETECT SUCH COMMUNICATIONS BY THE DESK MANAGER, AND THAT THE FIRM DID NOT REASONABLY INQUIRE FURTHER INTO CERTAIN COMMUNICATIONS TO ASSESS IF THEY</p>



WERE INAPPROPRIATE.

Disclosure 21 of 31

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD MARKETPLACE RULE 6955(A) AND NASD CONDUCT RULE 2110-THE FIRM FAILED TO TIMELY REPORT TO OATS REPORTABLE ORDER EVENTS (ROES). THE FIRM SUBMITTED TO OATS REPORTS WITH RESPECT TO EQUITY SECURITIES TRADED ON THE NASDAQ STOCK MARKET THAT WERE NOT IN THE ELECTRONIC FORM PRESCRIBED BY NASD AND WERE REPAIRABLE. THE SUBJECT REPORTS WERE REJECTED BY THE OATS SYSTEM AND NOTICE OF SUCH REJECTION WAS MADE AVAILABLE TO THE FIRM ON THE OATS WEBSITE. THE FIRM DID NOT CORRECT OR REPLACE THE SUBJECT REPORTS. THE FIRM TRANSMITTED TO OATS REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA.
Initiated By:	NASD
Date Initiated:	11/23/2005
Docket/Case Number:	20050000118-01
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:	11/23/2005
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Monetary/Fine \$5,000.00
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 FINED \$5,000.

Reporting Source:	Firm
Current Status:	Final
Allegations:	NASD REGULATION ALLEDGED FIRM TRANSMITTED CERTAIN ELECTRONIC OATS INFORMATION THAT WAS INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED. ADDITIONALLY, THE NASD ALLEGED THAT THE FIRM SUBMITTED CERTAIN REPORTS THAT WERE NOT DELIVERED IN THE PRESCRIBED FORMAT AND WERE REJECTED BY THE OATS SYSTEM AND WERE REPAIRABLE.
Initiated By:	NASD
Date Initiated:	11/23/2005
Docket/Case Number:	2005000011801
Principal Product Type:	Equity - OTC
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/23/2005
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	\$5,000.00 FINE TO BE PAID UPON NOTIFICATION BY THE NASD FINANCE DEPT.
Firm Statement	THE MATTER STEMMED FROM INACCURATE CODING OF PROPRIETARY TRADING ACCOUNTS BY THE FIRMS ORDER MANAGEMENT SYSTEM AND OATS VENDOR. CERTAIN PROPRIETARY TRADES WERE SUMBITTED INTO THE OATS SYSTEM THAT WERE NOT REQUIRED TO BE REPORTED INTO THE OATS SYSTEM. AS SUCH, THESE TRADES DID NOT AND WOULD NOT HAVE A NEW-ORDER OATS ENTRY ASSOCIATED WITH THE PROPRIETARY EXECUTION. THE ERRONEOUSLY REPORTED TRADES COULD NOT BE DELETED OR REPAIRED ONCE ENTERED INTO THE OATS SYSTEM. THE FIRM, ALONG WITH THE OUTSIDE OATS REPORTING VENDOR RECODED



THE ACCOUNTS IN QUESTION AND TAKEN ADDITIONAL STEPS TO RECONCILE THIS ISSUE.

Disclosure 22 of 31

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD CONDUCT RULES 2110 AND 3010; RESPONDENT FAILED WITHIN 90 SECONDS AFTER EXECUTION, TRANSMIT THROUGH ACT LAST SALE REPORTS OF TRANSACTIONS THAT WAS REQUIRED TO REPORT; AND FAILED TO DESIGNATE THROUGH ACT SUCH LAST SALE REPORT AS LATE. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES AND REGULATIONS CONCERNING TRADE REPORTING.
Initiated By:	NASD
Date Initiated:	03/22/2005
Docket/Case Number:	CLG050029
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/22/2005
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$11,000.00
Other Sanctions Ordered:	UNDERTAKING; WITHIN 30 DAYS OF AWC, THE FIRM IS REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING TRADE



REPORTING.

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 \$11,000.

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUBMIT TRANSACTIONS TO ACT ON A TIMELY BASIS

Initiated By: NASD

Date Initiated: 01/19/2005

Docket/Case Number: CLG050029 AWC

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/22/2005

Sanctions Ordered: Censure
Monetary/Fine \$11,000.00

Other Sanctions Ordered: UNDERTAKING; WITHIN 30 DAYS OF AWC, THE FIRM WILL REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING TRADE REPORTING.

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM WAS CENSURED AND FINED\$11,000.00 PAID ON 3/28/2005

Firm Statement GARB FAILED, WITHIN 90 SEC OF EXECUTION TO TRANSMIT THROUGH ACT 79 LAST SALE REPORTS OF TRANSACTION IN NMM SECURITIES AND 2 LAST REPORTS IN NASDAQ SMALL CAP THESE TRANSACTIONS CONSTITUTE 61% OF THE TRANSACTIONS REVIEWED THAT GARB WAS REQUIRED TO REPORT TO ACT DURING THE REVIEW PERIOD.



Disclosure 23 of 31

Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>**04/04/2002** STIPULATION AND CONSENT FILED BY NYSE DIVISION OF ENFORCEMENT AND PENDING CONSENTED TO FINDINGS:</p> <p>GARBAN CONSENTED TO FINDINGS THAT IT: 1. VIOLATED SEC RULE 15C3-3(E) IN THAT THE FIRM ERRONEOUSLY COMPUTED THE CUSTOMER RESERVE FORMULA AS A RESULT OF ITS FAILURE TO RECORD CERTAIN OVERDRAFTS IN ITS BOOKS AND RECORDS; 2. VIOLATED SEC RULE 17A-5 AND EXCHANGE RULE 476(A)(10) IN THAT THE FIRM FILED AN INACCURATE FOCUS REPORT DATED JANUARY 29, 1999 IN WHICH CERTAIN INVENTORY POSITIONS WERE IMPROPERLY RECORDED AND CERTAIN PROFIT/(LOSS) WAS IMPROPERLY BOOKED; 3. VIOLATED EXCHANGE RULE 345A IN THAT THE FIRM ALLOWED AN INDIVIDUAL TO CONTINUE TO PERFORM DUTIES AS A REGISTERED PERSON AFTER FAILING TO COMPLY WITH THE EXCHANGE'S CONTINUING EDUCATION REQUIREMENTS; 4. VIOLATED SEC RULES 17A-3 AND 17A-4 AND EXCHANGE RULE 440 IN THAT THE FIRM FAILED TO MAKE AND PRESERVE ACCURATE BOOKS AND RECORDS CONCERNING: (1) THE FIRM'S CAPITAL COMPUTATION; (2) CERTAIN AGE ITEMS; (3) THE FIRM'S JANUARY 29, 1999 FOCUS REPORT; AND (4) THE PREPARATION OF FORMS 600TC; AND 5. VIOLATED EXCHANGE RULE 342 IN THAT THE FIRM FAILED TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE SUPERVISORY CONTROLS OVER CERTAIN BUSINESS ACTIVITIES, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, WITH RESPECT TO: (1) EMPLOYEES' COMPLIANCE WITH THE CONTINUING EDUCATION REQUIREMENTS OF EXCHANGE RULE 345A; (2) THE CREATION AND MAINTENANCE OF ACCURATE BOOKS AND RECORDS; (3) THE IMPLEMENTATION OF PROCEDURES TO SUPERVISE ITS BUSINESS ON THE FLOOR OF THE EXCHANGE; AND (4) THE PREPARATION AND FILING OF FORMS 600TC. CONSENT TO A CENSURE AND FINE OF \$55,000.</p>
Initiated By:	NEW YORK STOCK EXCHANGE
Date Initiated:	04/04/2002
Docket/Case Number:	HPD# 02-107
Principal Product Type:	Other
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	



Resolution:	Decision
Resolution Date:	06/28/2002
Sanctions Ordered:	Censure Monetary/Fine \$55,000.00
Other Sanctions Ordered:	
Sanction Details:	**05/28/2002** DECISION 02-107 ISSUED BY NYSE HEARING PANEL DECISION: VIOLATED SEC RULE 15C3-3(E) BY ERRONEOUSLY COMPUTING CUSTOMER RESERVE FORMULA; SEC RULE 17A-5 AND EXCHANGE RULE 476(A)(10) BY FILING INACCURATE FOCUS REPORT; EXCHANGE RULE 345A BY ALLOWING AN INDIVIDUAL TO PERFORM DUTIES AS A REGISTERED PERSON AFTER FAILING TO COMPLY WITH CONTINUING EDUCATION REQUIREMENTS; SEC RULES 17A-3 AND 17A-4 AND EXCHANGE RULE 440 BY FAILING TO MAKE AND PRESERVE ACCURATE BOOKS AND RECORDS WITH RESPECT TO CERTAIN RECORDS; EXCHANGE RULE 342 BY FAILING TO REASONABLY SUPERVISE CERTAIN BUSINESS ACTIVITIES - CONSENT TO CENSURE AND \$55,000 FINE.
Regulator Statement	**06/28/2002** THE DECISION IS NOW FINAL AND IS EFFECTIVE IMMEDIATELY. CONTACT: PEGGY GERMINO (212) 656-8450.

Reporting Source:	Firm
Current Status:	Final
Allegations:	**04/04/2002** STIPULATION AND CONSENT FILED BY NYSE DIVISION OF ENFORCEMENT AND PENDING CONSENTED TO FINDINGS: GARBAN CONSENTED TO FINDING THAT IT: 1. VIOLATED SEC RULE 15C3-3(E) IN THAT THE FIRM ERRONEOUSLY COMPUTED THE CUSTOMER RESERVE FORMULA AS A RESULT OF ITS FAILURE TO RECORD CERTAIN OVERDRAFTS IN ITS BOOKS AND RECORDS; 2. VIOLATED SEC RULE 17A-5 AND EXCHANGE RULE 476(A)(10) IN THAT THE FIRM FILED AN INACCURATE FOCUS REPORT DATED JANUARY 29, 1999 IN WHICH CERTAIN INVENTORY POSITIONS WERE IMPROPERLY RECORDED AND CERTAIN PROFIT/(LOSS) WAS IMPROPERLY BOOKED; 3. VIOLATED EXCHANGE RULE 345A IN THAT THE FIRM ALLOWED AN INDIVIDUAL TO CONTINUE TO PERFORM DUTIES AS A REGISTERED PERSON AFTER FAILING TO COMPLY WITH THE EXCHANGE'S CONTINUING EDUCATION REQUIREMENTS; 4. VIOLATED SEC RULES 17A-3 AND 17A-4 AND EXCHANGE RULE 440 IN THAT THE FIRM FAILED TO MAKE AND PRESERVE ACCURATE BOOKS AND RECORDS CONCERNING: (1) THE FIRM'S CAPITAL COMPUTATION; (2) CERTAIN AGE ITEMS; (3) THE FIRM'S JANUARY 29, 1999 FOCUS REPORT; (4) THE PREPARATION OF FORMS 600TC; AND (5) VIOLATED EXCHANGE RULE 342 IN THAT THE FIRM FAILED TO REASONABLY SUPERVISE AND IMPLEMENT



ADEQUATE SUPERVISORY CONTROLS OVER CERTAIN BUSINESS ACTIVITIES, INCLUDING A SEPARATE SYSTEM FOR FOLLOW-UP AND REVIEW, WITH RESPECT TO: (1) EMPLOYEES' COMPLIANCE WITH THE CONTINUING EDUCATION REQUIREMENTS OF EXCHANGE RULE 345A; (2) THE CREATION AND MAINTENANCE OF ACCURATE BOOK AND RECORDS; (3) THE IMPLEMENTATION OF AND MAINTENANCE OF ACCURATE BOOKS AND RECORDS; (3) THE IMPLEMENTATION OF PROCEDURES TO SUPERVISE ITS BUSINESS ON THE FLOOR OF THE EXCHANGE; AND (4) THE PREPARATION AND FILING OF FORMS 600TC. CONSENT TO A CENSURE AND FINE OF \$55,000.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 04/04/2002

Docket/Case Number: HPD# 02-107

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: 06/28/2002

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

Other Sanctions Ordered:

Sanction Details: PAID IN FULL FINE OF \$55,000.00 TO THE NYSE ON JULY 03, 2002.

Firm Statement **06/28/2002** THE DECISION IS NOW FINAL AND IS EFFECTIVE IMMEDIATELY. CONTACT: PEGGY GERMINO (212) 565-8450.

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Reporting Source: Regulator

Current Status: Final

Allegations: 12/14/00GS: NASD RULES 4632(A), 6420(A), 2110 - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT THROUGH ACT LAST SALE REPORTS OF TRANSACTIONS IN NNM, ELIGIBLE, AND ACT ELIGIBLE



SECURITIES.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS**Date Initiated:** 11/21/2000**Docket/Case Number:** CMS000232**Principal Product Type:** Equity - OTC**Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Acceptance, Waiver & Consent(AWC)**Resolution Date:** 11/21/2000**Sanctions Ordered:** Censure
Monetary/Fine \$10,000.00**Other Sanctions Ordered:****Sanction Details:** SUBMITTED A LETTER OF ACCEPTANCE, WAIVER, AND CONSENT IN WHICH THE FIRM WAS CENSURED AND FINED \$10,000.**Reporting Source:** Firm**Current Status:** Final**Allegations:** APPLICANT FAILED, WITHIN 90 SECONDS AFTER EXECUTION TO TRANSMIT THROUGH ACT TWO(2); FORTY SIX(46); FORTY NINE(49) LAST SALE REPORTS OF TRANSACTION IN NASDAQ NATIONAL MARKET SECURITIES AND FAILED TO DESIGNATE THROUGH ACT SUCH LAST SALE REPORTS AS LATE.**Initiated By:** NASD REGULATION INC.**Date Initiated:** 09/08/2000**Docket/Case Number:** WAIVER & CONSENT NO. CMS000232 AWC**Principal Product Type:** Equity - OTC**Other Product Type(s):****Principal Sanction(s)/Relief Sought:** Censure


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

Resolution Date: 11/20/2000

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

Other Sanctions Ordered:
Sanction Details: A FINE OF \$10,000.00 WAS PAID

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Reporting Source: Regulator

Current Status: Final

Allegations: 09/18/00EC: NASD 6240(A)(2) AND 2110 - RESPONDENT MEMBER FIRM FAILED TO REPORT TO FIPS TRANSACTIONS IN FIPS SECURITIES WITHIN FIVE MINUTES AFTER EXECUTION CONSTITUTING A PATTERN OR PRACTICE OF LATE REPORTING AND IS CONSIDERED CONDUCT INCONSISTENT WITH HIGH STANDARDS OF COMMERCIAL HONOR AND JUST AND EQUITABLE PRINCIPLES OF TRADE.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 09/11/2000

Docket/Case Number: CMS000198

Principal Product Type: No Product

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

Resolution Date: 09/11/2000

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:
Sanction Details: A FINE OF \$5,000.00



01-16-01, \$5,000 PAID 10/05/00, INVOICE 00-MS-658

Reporting Source: Firm

Current Status: Final

Allegations: FIRM FAILED TO REPORT FIPS TRANSACTIONS IN COMPLIANCE WITH NASD RULES AND REGULATIONS

Initiated By: NASD REGULATION

Date Initiated: 09/11/2000

Docket/Case Number: CMS000198

Principal Product Type: Debt - Corporate

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/11/2000

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: FINE OF \$5000.00 AGAINST APPLICANT PAID ON OR ABOUT 09/19/2000 AND NO PORTION WAS WAIVED

Firm Statement FIRM FAILED TO REPORT TO FIPS 52 TRANSACTIONS IN FIPS SECURITIES WITHIN 5 MINUTES OF EXECUTION, DURING THE PERIOD APRIL 19, 1999 TO JULY 20, 1999. SUCH CONDUCT CONSTITUTES A PATTERN OR PRACTICE OF LATE REPORTING AND IS CONSIDERED CONDUCT INCONSISTENT WITH HIGH STANDARDS OF COMMERCIAL HONOR AND JUST AND EQUITABLE PRINCIPLES OF TRADE.

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Reporting Source: Regulator

Current Status: Final

Allegations: 07/21/99GK: ON JULY 15, 1999, DISTRICT NO. 10 NOTIFIED



RESPONDENT GARBAN CORPORATES LLC THAT THE LETTER OF AWC NO. C10990110 WAS ACCEPTED; THEREFORE, THE FIRM IS CENSURED AND FINED \$3,000 - (MARKETPLACE RULES 4632, 6420 AND 6620 - RESPONDENT MEMBER SUBMITTED TRADE REPORTS LATE IN NASDAQ NATIONAL MARKET SECURITIES WITHOUT THE ".SLD" MODIFIER, TRADE REPORTS LATE IN CONSOLIDATED QUOTATION SERVICES SECURITIES WITHOUT THE ".SLD" MODIFIER, AND TRADE REPORTS LATE IN OTC EQUITY SECURITIES WITHOUT THE ".SLD" MODIFIER, SOME OF WHICH WERE REPORTED WITH A ".T" MODIFIER IN ERROR).

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 07/15/1999

Docket/Case Number: C10990110

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/15/1999

Sanctions Ordered: Censure
Monetary/Fine \$3,000.00

Other Sanctions Ordered:

Sanction Details: FINED

Regulator Statement 02-01-00, \$3,000 PAID ON 7/26/99, INVOICE #99-10-657

Reporting Source: Firm

Current Status: Final

Allegations: OUT OF 519 TRANSACTIONS EFFECTED BETWEEN FEB.9, 1998 AND FEB. 23, 1998, APPLICANT SUBMITTED 3 TRADE REPORTS LATE IN NASDAQ NATIONAL MARKET SECURITIES WITHOUT THE .SLD MODIFIER; 22 TRADES REPORTED IN CQS SECURITIES WITHOUT .SLD MODIFIER AND 29 TRADE REPORTS LATE IN OTC EQUITY SECURITIES WITHOUT THE .SLD MODIFIER.

Initiated By: NASD REGULATION, INC.



Date Initiated: 11/06/1998
Docket/Case Number: C10990110
Principal Product Type: Equity - OTC
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought: FINED 3,000.00
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 07/15/1999
Sanctions Ordered: Censure
 Monetary/Fine \$3,000.00
Other Sanctions Ordered:
Sanction Details: APPLICANT ACCEPTED AND CONSENTED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO THE FINDINGS. APPLICANT CONSENTED TO THE IMPOSITION OF A CENSURE AND A MONETARY FINE OF \$3,000, WHICH WAS PAID.
Firm Statement THIS FILING IS FOR APPLICANT ONLY

Disclosure 27 of 31

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 09/17/1998
Docket/Case Number: C10980004
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/17/1998

Sanctions Ordered: Censure
Monetary/Fine \$4,485.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

ON SEPTEMBER 17, 1998, DISTRICT NO. 10 NOTIFIED RESPONDENTS GARBAN CORPORATES, GP AND HARRY PAPIRMAN THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C10980004 WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$4,485, JOINTLY AND SEVERALLY - (MSRB RULES G-2 AND G-3 - RESPONDENT MEMBER, ACTING THROUGH RESPONDENT PAPIRMAN, EFFECTED MUNICIPAL SECURITIES TRANSACTIONS, PUBLIC CUSTOMER PURCHASES, AND PUBLIC CUSTOMER SALES WITHOUT HAVING A QUALIFIED MUNICIPAL SECURITIES PRINCIPAL).

03-16-99, \$4,485 PAID J&S ON 10/26/98, INVOICE #98-10-789

Reporting Source: Firm

Current Status: Final

Allegations: FIRM ACTING THROUGH HARRY PAPIRMAN, (FORMER EMPLOYEE) EFFECTED 14 MUNICIPAL SECURITIES TRANSACTIONS WITHOUT HAVING A QUALIFIED MUNICIPAL SECURITIES PRINCIPAL, VIOLATING MSRB RULES G-2 AND G-3

Initiated By: NASD REGULATION

Date Initiated: 02/20/1998

Docket/Case Number: WAIVER & CONSENT C10980004

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINED \$4,485.00

Resolution: Acceptance, Waiver & Consent(AWC)



Resolution Date: 09/17/1998

Sanctions Ordered: Censure
Monetary/Fine \$4,485.00

Other Sanctions Ordered:

Sanction Details: APPLICANT AND PAPIRMAN (FORMER EMPLOYEE) ACCEPTED AND
CONSENTED, WITHOUT ADMITTING OR DENYING ALLEGATIONS.
APPLICANT AGREED TO CENSURE AND PAID FINE OF \$4,485.00

Disclosure 28 of 31

Reporting Source: Regulator

Current Status: Final

Allegations: Not Provided

Initiated By: TEXAS STATE SECURITIES BOARD

Date Initiated: 09/24/1997

Docket/Case Number: REV-1221

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 09/24/1997

Sanctions Ordered: Revocation/Expulsion/Denial

Other Sanctions Ordered:

Sanction Details: ON SEPTEMBER 24, 1997, THE SECURITIES
COMMISSIONER ENTERED AN EX PARTE ORDER AGAINST MKI SECURITIES
CORPORATION. RESPONDENT FAILED TO SUBMIT REQUESTED
INFORMATION. PURSUANT TO SECTION 14.A(6) AND 14.A(7) OF THE
SECURITIES ACT AN ORDER REVOKING REGISTRATION WAS ISSUED.

Regulator Statement CONTACT: JOYCE MILLER (512) 305-8390



Reporting Source: Firm

Current Status: Final

Allegations: FIRM,ACTING THROUGH PAPIRMAN, EFFECTED 14 MUNICIPAL SECURITIES TRANSACTIONS WITHOUT HAVING A QUALIFIED MUNICIPAL SECURITIES PRINCIPAL, VIOLATING MSRB RULES G-2 AND G-3

Initiated By: TEXAS SECURITIES BOARD

Date Initiated: 02/20/1998

Docket/Case Number: REV-1221

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 09/17/1998

Sanctions Ordered: Revocation/Expulsion/Denial

Other Sanctions Ordered:

Sanction Details: APPLICANT AND PAPIRMAN ACCEPTED AND CONSENTED, WITHOUT ADMITTING OR DENYING ALLEGATIONS.

Firm Statement THIS FILING IS FOR APPLICANT ONLY

Disclosure 29 of 31

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 08/03/1995

Docket/Case Number: CMS950096 AWC

Principal Product Type:

Other Product Type(s):



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/31/1995

Sanctions Ordered: Monetary/Fine \$2,500.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement MARKET SURVEILLANCE COMMITTEE (MSC) COMPLAINT NO. CMS950096 AWC (AWC) FILED AGAINST MKI SECURITIES CORP. (MKIS) ON AUGUST 3, 1995 ALLEGING VIOLATIONS OF SECTION 2 OF SCHEDULE G TO THE ASSOCIATION'S BY-LAWS IN THAT MKIS ENTERED, CAUSED TO BE ENTERED OR FAILED TO REPORT THIRTY-SEVEN THIRD MARKET TRANSACTIONS CONTRARY TO THE PROVISIONS OF SCHEDULE G.

AS SANCTIONS, THE MSC IMPOSED A FINE OF \$2,500. THE AWC BECAME FINAL ON OCTOBER 31, 1995.

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO REPORT THROUGH THE AUTOMATED CONFIRMATION TRANSACTION (ACT) SERVICE.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 03/13/1995

Docket/Case Number: CMS950096 AWC

Principal Product Type: Debt - Corporate

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE OF \$2,500.00

Resolution: Acceptance, Waiver & Consent(AWC)



Resolution Date: 10/31/1995
Sanctions Ordered: Monetary/Fine \$2,500.00
Other Sanctions Ordered:
Sanction Details: APPLICANT ACCEPTED AND COSENTED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO THE FINDINGS BY THE NASD. APPLICANT WAS FINED \$2,500.

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Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 06/14/1972
Docket/Case Number: N-V-189
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Decision
Resolution Date: 09/14/1972
Sanctions Ordered: Monetary/Fine \$25.00
Other Sanctions Ordered:
Sanction Details:
Regulator Statement NASDAQ COMPLAINT N-V-189 FILED 6-14-72
8-8-72: FINE PAID
7-31-72: FINED \$25.00
9-14-72: FINAL

Reporting Source: Firm
Current Status: Final



Allegations: NO VOLUME COMPLAINT.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 06/14/1972

Docket/Case Number: N-V-189

Principal Product Type: Debt - Corporate

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE \$25.

Resolution: Decision

Resolution Date: 07/31/1972

Sanctions Ordered: Monetary/Fine \$25.00

Other Sanctions Ordered:

Sanction Details: THE APPLICANT WAS FINED \$25 BY THE NASD FOR FAILURE TO ENTER DAILY VOLUME REPORTS FOR SELECTED SECURITIES ON MARCH 20,, 30 AND APRIL 12 (1972) IN VIOLATION OF SCHEDULE D, PART I, SECTION C3(C)(I) OF THE NASD BY-LAWS.

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Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 10/06/1966

Docket/Case Number: NY-1020

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

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

Resolution: Decision
Resolution Date: 04/29/1967
Sanctions Ordered: Censure
Monetary/Fine \$1,000.00

Other Sanctions Ordered:**Sanction Details:**

Regulator Statement NY-1020 FILED 10/06/66.
DEC. 03/30/67. CENSURE, FINE \$1000 & COSTS \$58.25.
TO BE FINAL 04/29/67.
FINAL - FINE & COSTS PAID.

Reporting Source: Firm

Current Status: Final

Allegations: VIOLATION OF SECTION 1 OF ARTICLE III OF THE RULES OF FAIR PRACTICE. ALLEGED VIOLATIONS OF FREE-RIDING AND WITHHOLDING INTERPRETATION.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 10/06/1966

Docket/Case Number: N/A

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

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINED 1,000.00

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/30/1997

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

Other Sanctions Ordered:



Sanction Details:

ON 3/30/67, MERKIN & COMPANY (NOW GARBAN CORPORATES LLC) WAS FINED \$1,000 AND ASSESSED COSTS OF THE PROCEEDINGS BY NASD FOR VIOLATION OF SECTION I OF ARTICLE III OF THE RULES OF FAIR PRACTICE.

Disclosure Events for Non-Registered Control Affiliates



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

	Pending	Final	On Appeal
Regulatory Event	1	24	0
Civil Event	1	0	0



Disclosure Event Details

Regulatory - Final

Disclosure 1 of 24

Reporting Source:	Firm
Affiliate:	ICAP SECURITIES LIMITED
Current Status:	Final
Allegations:	EXCHANGE RULE 4.07 AND 4.07(Q)(II)(A) ON MARCH 18, 2015 BY AN EMPLOYEE OF ICAP SECURITIES LTD. BY FAILING TO REPORT 3 BLOCK TRADES WITHIN 15 MINUTES OF ITS EXECUTION AND BY FAILING TO INDICATE IN ITS RECORDS THAT THE TRADE WAS TO BE EXECUTED. ICAP SECURITIES LTD. PAID A SUMMARY FINE OF \$2500
Initiated By:	ICE FUTURES US INC
Date Initiated:	07/01/2015
Docket/Case Number:	2015-042B
Principal Product Type:	Futures - Commodity
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Other
Resolution Date:	07/01/2015
Sanctions Ordered:	Monetary/Fine \$2,500.00
Other Sanctions Ordered:	SUMMARY FINE
Sanction Details:	EXCHANGE RULE 4.07 AND 4.07(Q)(II)(A) ON MARCH 18, 2015 BY AN EMPLOYEE OF ICAP SECURITIES LTD. BY FAILING TO REPORT 3 BLOCK TRADES WITHIN 15 MINUTES OF ITS EXECUTION AND BY FAILING TO INDICATE IN ITS RECORDS THAT THE TRADE WAS TO BE EXECUTED. ICAP SECURITIES LTD. PAID A SUMMARY FINE OF \$2500

Disclosure 2 of 24

Reporting Source:	Firm
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Affiliate:	ICAP SECURITIES LIMITED
Current Status:	Final
Allegations:	THE COMEX RULE 512 COMMITTEE, PURSUANT TO RULE 512, ASSESSED A FINE OF \$1000 AGAINST ICAP SECURITIES LTD. FOR ITS VIOLATION OF COMEX RULE 526F FOR FAILING TO PROPERLY REPORT 9 BLOCK TRADES IN AUGUST 2018 TO THE COMEX. ICAP SECURITIES LTD. PAID A SUMMARY FINE OF \$1000.
Initiated By:	COMMODITY EXCHANGE INC
Date Initiated:	12/07/2018
Docket/Case Number:	RSRH-18-5332
Principal Product Type:	Futures - Commodity
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Other
Resolution Date:	12/07/2018
Sanctions Ordered:	Monetary/Fine \$1,000.00
Other Sanctions Ordered:	
Sanction Details:	THE COMEX RULE 512 COMMITTEE, PURSUANT TO RULE 512, ASSESSED A FINE OF \$1000 AGAINST ICAP SECURITIES LTD. FOR ITS VIOLATION OF COMEX RULE 526F FOR FAILING TO PROPERLY REPORT 9 BLOCK TRADES IN AUGUST 2018 TO THE COMEX. ICAP SECURITIES LTD. PAID A SUMMARY FINE OF \$1000.

Disclosure 3 of 24

Reporting Source:	Firm
Affiliate:	ICAP SECURITIES LIMITED
Current Status:	Final
Allegations:	PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ICAP SECURITIES LTD. NEITHER ADMITTED OR DENIED THE RULE VIOLATION THE CME FOUND THAT ON NOVEMBER 16, 2011 ICAP SECURITIES LTD FAILED TO TIMELY REPORT A BLOCK TRADE. ICAP SECURITIES LTD PAID A FINE OF



\$10,000.00
Initiated By: CHICAGO MERCANTILE EXCHANGE
Date Initiated: 08/26/2013
Docket/Case Number: 12-8852BC
Principal Product Type: Futures - Financial
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 08/26/2019
Sanctions Ordered: Monetary/Fine \$10,000.00
Other Sanctions Ordered:
Sanction Details: PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ICAP SECURITIES LTD. NEITHER ADMITTED OR DENIED THE RULE VIOLATION THE CME FOUND THAT ON NOVEMBER 16, 2011 ICAP SECURITIES LTD FAILED TO TIMELY REPORT A BLOCK TRADE. ICAP SECURITIES LTD PAID A FINE OF \$10,000.00

Disclosure 4 of 24

Reporting Source: Firm
Affiliate: TULLETT PREBON AMERICAS CORP
Current Status: Final
Allegations: ON SEPTEMBER 13, 2019, CONTROL AFFILIATE TULLETT PREBON AMERICAS CORP. (TPAC), WITHOUT ADMITTING OR DENYING ANY OF THE FINDINGS OR CONCLUSIONS THEREIN, CONSENTED TO A COMMODITY FUTURES TRADING COMMISSION(CFTC)ORDER ALLEGING THAT DURING THE COURSE OF A CFTC INVESTIGATION, AT LEAST ONE TPAC BROKER MADE FALSE OR MISLEADING STATEMENTS OF MATERIAL FACTS, OR OMITTED TO STATE MATERIAL FACTS, TO CFTC STAFF CONCERNING THE SUBJECT OF THE INVESTIGATION. THE CFTC FOUND THESE STATEMENTS VIOLATED SECTIONS 6(C)(2) OF THE COMMODITY EXCHANGE ACT (CEA), AND THAT THESE STATEMENTS WERE MADE WITHIN THE SCOPE OF THE BROKER'S EMPLOYMENT OR OFFICE AT TPAC, AND THEREFORE THAT



VIOLATION IS DEEMED TO BE THE ACT, OMISSION, OR FAILURE OF TPAC AS STRICT LIABILITY IS IMPOSED UPON PRINCIPALS FOR THE ACTIONS OF THEIR AGENTS ACTING WITHIN THE SCOPE OF THEIR EMPLOYMENT PURSUANT TO SECTION 2(A)(1)(B) OF THE CEA, AND CFTC REGULATION 1.2.

Initiated By: U.S. COMMODITY FUTURES TRADING COMMISSION

Date Initiated: 09/13/2019

Docket/Case Number: 19-24

Principal Product Type: Other

Other Product Type(s): U.S. DOLLAR MEDIUM TERM INTEREST RATE SWAPS

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

Other Sanction(s)/Relief Sought: UNDERTAKINGS

Resolution: Order

Resolution Date: 09/13/2019

Sanctions Ordered: Monetary/Fine \$2,000,000.00

Other Sanctions Ordered: TPAC HAS AGREED TO COMPLY WITH CERTAIN UNDERTAKINGS INCLUDING TO PERMIT CERTAIN LIMITATIONS ON PUBLIC STATEMENTS, PROVIDE COOPERATION TO THE CFTC, AND PROVIDE WRITTEN NOTICE TO THE CFTC OF CHANGES TO ITS CONTACT INFORMATION, AS SET FORTH IN THE ORDER ISSUED BY THE CFTC.

Sanction Details: CIVIL MONETARY PENALTY IN THE AMOUNT OF \$2,000,000. PAID 9/18/2019

Disclosure 5 of 24

Reporting Source: Firm

Affiliate: TULLETT PREBON AMERICAS CORP

Current Status: Final

Allegations: ON SEPTEMBER 13, 2019, CONTROL AFFILIATE TULLETT PREBON AMERICAS CORP (TPAC), WITHOUT ADMITTING OR DENYING ANY OF THE FINDINGS OR CONCLUSIONS THEREIN, CONSENTED TO A COMMODITY FUTURES TRADING COMMISSION (CFTC) ORDER ALLEGING THAT, DURING THE PERIOD OF OCTOBER 12, 2012 TO AT LEAST DECEMBER 2014, TPAC FAILED TO HAVE IN PLACE AN ADEQUATE SUPERVISORY SYSTEM AND FAILED TO DILIGENTLY SUPERVISE BROKERS ON ITS U.S. DOLLAR MEDIUM



TERM INTEREST RATE SWAPS DESK TO PREVENT AND DETECT POTENTIAL VIOLATIONS OF THE FEDERAL COMMODITIES LAWS. SPECIFICALLY, TPAC KNEW OR SHOULD HAVE KNOWN THAT CERTAIN TPAC BROKERS CONVEYED FALSE OR MISLEADING INFORMATION TO TPAC CUSTOMERS RELATING TO, AMONG OTHER THINGS, CERTAIN EXECUTED TRADES AND BIDS AND OFFERS, YET FAILED TO TAKE ADEQUATE STEPS IN RESPONSE. TPAC HAD POLICIES THAT PROHIBITED CONVEYING FALSE OR MISLEADING INFORMATION TO CUSTOMERS, BUT TPAC FAILED TO IMPLEMENT PROCEDURES TO MONITOR FOR AND PREVENT THE TYPES OF FALSE OR MISLEADING STATEMENTS THAT ARE THE SUBJECT OF THIS ORDER, EVEN AFTER A TPAC EMPLOYEE QUESTIONED THE BROKERS' PRACTICES. THE CFTC FOUND THAT TPAC FAILED TO SUPERVISE DILIGENTLY ITS OFFICERS, EMPLOYEES, AND AGENTS AND DID NOT HAVE SUFFICIENT PROCEDURES IN PLACE TO DETECT AND DETER MISCONDUCT, IN VIOLATION OF CFTC REGULATION 166.3

Initiated By:	U.S. COMMODITY FUTURES TRADING COMMISSION
Date Initiated:	09/13/2019
Docket/Case Number:	19-25
Principal Product Type:	Other
Other Product Type(s):	U.S. DOLLAR MEDIUM TERM INTEREST RATE SWAPS
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	CIVIL MONETARY PENALTY, UNDERTAKINGS
Resolution:	Order
Resolution Date:	09/13/2019
Sanctions Ordered:	Monetary/Fine \$11,000,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	TPAC HAS AGREED TO COMPLY WITH CERTAIN UNDERTAKINGS INCLUDING TO ENHANCE TPAC'S SUPERVISION OF THE U.S. DOLLAR MEDIUM TERM INTEREST RATE SWAP DESK, TO PERMIT CERTAIN LIMITATIONS ON PUBLIC STATEMENTS, PROVIDE COOPERATION TO THE CFTC, AND PROVIDE WRITTEN NOTICE TO THE CFTC OF CHANGES TO ITS CONTACT INFORMATION, AS SET FORTH IN THE ORDER ISSUED BY THE CFTC.
Sanction Details:	CIVIL MONETARY PENALTY IN THE AMOUNT OF ELEVEN MILLION DOLLARS (\$11,000,000.00). PAID SEPTEMBER 18, 2019.



Disclosure 6 of 24

Reporting Source:	Firm
Affiliate:	ICAP ENERGY LLC
Current Status:	Final
Allegations:	NODX COMPLIANCE IMPOSED A SUMMERY FINE OF \$5,500 BECAUSE IT BELIEVED THAT ON FOUR (4) OCCASIONS FROM DECEMBER 2016 THROUGH FEBRUARY 2017, ICAP ENERGY LLC REPORTED BLOCK TRADES TO THE EXCHANGE LATER THAN FIFTEEN (15) MINUTES AFTER EXECUTION, IN VIOLATION OF EXCHANGE RULE 4.6.2(F). (THIS VIOLATION DID NOT RESULT IN FINANCIAL HARM TO CUSTOMERS.) ICAP PAID A FINE OF \$5,500.
Initiated By:	NODAL EXCHANGE ("NODX")
Date Initiated:	01/02/2018
Docket/Case Number:	NODX 2017_3_8_CD058
Principal Product Type:	Futures - Commodity
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Other
Resolution Date:	01/02/2018
Sanctions Ordered:	Monetary/Fine \$5,500.00
Other Sanctions Ordered:	
Sanction Details:	NODX COMPLIANCE IMPOSED A SUMMERY FINE OF \$5,500 BECAUSE IT BELIEVED THAT ON FOUR (4) OCCASIONS FROM DECEMBER 2016 THROUGH FEBRUARY 2017, ICAP ENERGY LLC REPORTED BLOCK TRADES TO THE EXCHANGE LATER THAN FIFTEEN (15) MINUTES AFTER EXECUTION, IN VIOLATION OF EXCHANGE RULE 4.6.2(F). (THIS VIOLATION DID NOT RESULT IN FINANCIAL HARM TO CUSTOMERS.) ICAP PAID A FINE OF \$5,500.

Disclosure 7 of 24



Reporting Source:	Firm
Affiliate:	ICAP ENERGY LLC
Current Status:	Final
Allegations:	CBOT IMPOSED A SUMMARY FINE OF \$2,000 ON ICAP ENERGY LLC BECAUSE IT BELIEVED THAT ON TEN (10) OCCASIONS FROM JANUARY 2016 THROUGH FEBRUARY 2016, ICAP ENERGY LLC DID NOT REPORT BLOCK TRADES IN A TIMELY MANNER AND/OR MISREPORTED THE EXECUTION TIME OF THE BLOCK TRADE TO THE EXCHANGE IN VIOLATION OF CBOT RULE 526.F.(THIS VIOLATION DID NOT RESULT IN FINANCIAL HARM TO CUSTOMERS). ICAP PAID A FINE OF \$2,000.
Initiated By:	CBOT
Date Initiated:	09/15/2016
Docket/Case Number:	CBOT 16-0006
Principal Product Type:	Futures - Commodity
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Other
Resolution Date:	10/07/2016
Sanctions Ordered:	Monetary/Fine \$2,000.00
Other Sanctions Ordered:	
Sanction Details:	CBOT IMPOSED A SUMMARY FINE OF \$2,000 ON ICAP ENERGY LLC BECAUSE IT BELIEVED THAT ON TEN (10) OCCASIONS FROM JANUARY 2016 THROUGH FEBRUARY 2016, ICAP ENERGY LLC DID NOT REPORT BLOCK TRADES IN A TIMELY MANNER AND/OR MISREPORTED THE EXECUTION TIME OF THE BLOCK TRADE TO THE EXCHANGE IN VIOLATION OF CBOT RULE 526.F.(THIS VIOLATION DID NOT RESULT IN FINANCIAL HARM TO CUSTOMERS). ICAP PAID A FINE OF \$2,000.

Disclosure 8 of 24

Reporting Source:	Firm
Affiliate:	ICAP ENERGY LLC



Current Status:	Final
Allegations:	CBOT IMPOSED A SUMMARY FINE OF \$2,000 ON ICAP ENERGY LLC BECAUSE IT BELIEVED THAT ON TEN (10) OCCASIONS FROM JANUARY 2016 THROUGH FEBRUARY 2016, ICAP ENERGY LLC DID NOT REPORT BLOCK TRADES IN A TIMELY MANNER AND/OR MISREPORTED THE EXECUTION TIME OF THE BLOCK TRADE TO THE EXCHANGE IN VIOLATION OF CBOT RULE 526.F.(THIS VIOLATION DID NOT RESULT IN FINANCIAL HARM TO CUSTOMERS). ICAP PAID A FINE OF \$2,000.
Initiated By:	CBOT
Date Initiated:	09/15/2016
Docket/Case Number:	CBOT 16-4170
Principal Product Type:	Futures - Commodity
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Other
Resolution Date:	10/07/2016
Sanctions Ordered:	Monetary/Fine \$2,000.00
Other Sanctions Ordered:	
Sanction Details:	CBOT IMPOSED A SUMMARY FINE OF \$2,000 ON ICAP ENERGY LLC BECAUSE IT BELIEVED THAT ON TEN (10) OCCASIONS FROM JANUARY 2016 THROUGH FEBRUARY 2016, ICAP ENERGY LLC DID NOT REPORT BLOCK TRADES IN A TIMELY MANNER AND/OR MISREPORTED THE EXECUTION TIME OF THE BLOCK TRADE TO THE EXCHANGE IN VIOLATION OF CBOT RULE 526.F.(THIS VIOLATION DID NOT RESULT IN FINANCIAL HARM TO CUSTOMERS). ICAP PAID A FINE OF \$2,000.

Disclosure 9 of 24

Reporting Source:	Firm
Affiliate:	PVM FUTURES INC
Current Status:	Final
Allegations:	PURSUANT TO AN OFFER OF SETTLEMENT THAT PVM FUTURES, INC.



("PVM") IN WHICH PVM NEITHER ADMITTED NOR DENIED THE FACTUAL ALLEGATIONS OR RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED AND FOR PURPOSES OF SETTling THIS MATTER, THE COMEX FOUND THAT DURING THE TIME PERIOD FROM FEBRUARY 2012 TO JANUARY 2013, PVM EXECUTED MULTIPLE BLOCK TRADES FOR CUSTOMERS IN VARIOUS EXCHANGE CONTRACTS THAT WERE NOT REPORTED TO THE EXCHANGE WITHIN THE APPLICABLE TIME LIMIT FOLLOWING EXECUTION AND ALSO MISREPORTED TO THE EXCHANGE THE TRUE AND ACCURATE TIME OF EXECUTION OF MULTIPLE BLOCK TRADES. PVM ALSO FAILED TO MAINTAIN ACCURATE WRITTEN OR ELECTRONIC RECORDS OF THE BLOCK TRADE TRANSACTIONS. SPECIFICALLY, THE ORDER TICKETS AND OTHER RECORDS PVM EMPLOYED TO RECORD BLOCK TRADES CONTAINED INACCURATE TIMING INFORMATION AND PVM DID NOT HAVE ACCURATE AND RELIABLE TIME-KEEPING MECHANISMS IN PLACE TO BASE THE TIME OF EXECUTION. IN CONNECTION WITH THIS CONDUCT, PVM FAILED TO DILIGENTLY SUPERVISE ITS EMPLOYEES OR AGENTS IN ITS REPORTING OF BLOCK TRADES TO THE EXCHANGE.

THE COMEX CONCLUDED THAT PVM VIOLATED EXCHANGE RULES 526.F. ("BLOCK TRADES"), 536 ("RECORDKEEPING REQUIREMENTS FOR PIT, GLOBEX, AND NEGOTIATED TRADES"), 432.I. ("GENERAL OFFENSES - MISSTATEMENT") AND 432.W ("GENERAL OFFENSES-SUPERVISION"). IN ACCORDANCE WITH THE SETTLEMENT OFFER, THE PANEL ORDERED PVM TO PAY A FINE TO THE EXCHANGE IN THE AMOUNT OF \$20,000. THIS ACTION BECAME FINAL ON APRIL 29, 2014 AND EFFECTIVE MAY 1, 2014.

Initiated By:	COMEX
Date Initiated:	04/29/2014
Docket/Case Number:	CEI 12-8924-BC
Principal Product Type:	Futures - Commodity
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	05/01/2014
Sanctions Ordered:	Monetary/Fine \$20,000.00
Other Sanctions Ordered:	

**Sanction Details:**

PURSUANT TO AN OFFER OF SETTLEMENT THAT PVM FUTURES, INC. ("PVM") IN WHICH PVM NEITHER ADMITTED NOR DENIED THE FACTUAL ALLEGATIONS OR RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED AND FOR PURPOSES OF SETTling THIS MATTER, THE COMEX FOUND THAT DURING THE TIME PERIOD FROM FEBRUARY 2012 TO JANUARY 2013, PVM EXECUTED MULTIPLE BLOCK TRADES FOR CUSTOMERS IN VARIOUS EXCHANGE CONTRACTS THAT WERE NOT REPORTED TO THE EXCHANGE WITHIN THE APPLICABLE TIME LIMIT FOLLOWING EXECUTION AND ALSO MISREPORTED TO THE EXCHANGE THE TRUE AND ACCURATE TIME OF EXECUTION OF MULTIPLE BLOCK TRADES. PVM ALSO FAILED TO MAINTAIN ACCURATE WRITTEN OR ELECTRONIC RECORDS OF THE BLOCK TRADE TRANSACTIONS. SPECIFICALLY, THE ORDER TICKETS AND OTHER RECORDS PVM EMPLOYED TO RECORD BLOCK TRADES CONTAINED INACCURATE TIMING INFORMATION AND PVM DID NOT HAVE ACCURATE AND RELIABLE TIME-KEEPING MECHANISMS IN PLACE TO BASE THE TIME OF EXECUTION. IN CONNECTION WITH THIS CONDUCT, PVM FAILED TO DILIGENTLY SUPERVISE ITS EMPLOYEES OR AGENTS IN ITS REPORTING OF BLOCK TRADES TO THE EXCHANGE.

THE COMEX CONCLUDED THAT PVM VIOLATED EXCHANGE RULES 526.F. ("BLOCK TRADES"), 536 ("RECORDKEEPING REQUIREMENTS FOR PIT, GLOBEX, AND NEGOTIATED TRADES"), 432.I. ("GENERAL OFFENSES - MISSTATEMENT") AND 432.W ("GENERAL OFFENSES-SUPERVISION"). IN ACCORDANCE WITH THE SETTLEMENT OFFER, THE PANEL ORDERED PVM TO PAY A FINE TO THE EXCHANGE IN THE AMOUNT OF \$20,000. THIS ACTION BECAME FINAL ON APRIL 29, 2014 AND EFFECTIVE MAY 1, 2014.

Disclosure 10 of 24**Reporting Source:**

Firm

Affiliate:

PVM FUTURES INC

Current Status:

Final

Allegations:

PURSUANT TO AN OFFER OF SETTLEMENT THAT PVM FUTURES, INC. ("PVM") IN WHICH PVM NEITHER ADMITTED NOR DENIED THE FACTUAL ALLEGATIONS OR RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED AND FOR PURPOSES OF SETTling THIS MATTER, THE NYMEX FOUND THAT DURING THE TIME PERIOD FROM FEBRUARY 2012 TO JANUARY 2013, PVM EXECUTED MULTIPLE BLOCK TRADES FOR CUSTOMERS IN VARIOUS EXCHANGE CONTRACTS THAT WERE NOT REPORTED TO THE EXCHANGE WITHIN THE APPLICABLE TIME LIMIT FOLLOWING EXECUTION AND ALSO MISREPORTED TO THE EXCHANGE THE TRUE AND ACCURATE TIME OF EXECUTION OF MULTIPLE BLOCK TRADES. PVM ALSO FAILED TO MAINTAIN



ACCURATE WRITTEN OR ELECTRONIC RECORDS OF THE BLOCK TRADE TRANSACTIONS. SPECIFICALLY, THE ORDER TICKETS AND OTHER RECORDS PVM EMPLOYED TO RECORD BLOCK TRADES CONTAINED INACCURATE TIMING INFORMATION AND PVM DID NOT HAVE ACCURATE AND RELIABLE TIME-KEEPING MECHANISMS IN PLACE TO BASE THE TIME OF EXECUTION. IN CONNECTION WITH THIS CONDUCT, PVM FAILED TO DILIGENTLY SUPERVISE ITS EMPLOYEES OR AGENTS IN ITS REPORTING OF BLOCK TRADES TO THE EXCHANGE.

THE NYMEX CONCLUDED THAT PVM VIOLATED EXCHANGE RULES 526.F. ("BLOCK TRADES"), 536 ("RECORDKEEPING REQUIREMENTS FOR PIT, GLOBEX, AND NEGOTIATED TRADES"), 432.I. ("GENERAL OFFENSES - MISSTATEMENT") AND 432.W ("GENERAL OFFENSES-SUPERVISION"). IN ACCORDANCE WITH THE SETTLEMENT OFFER, THE PANEL ORDERED PVM TO PAY A FINE TO THE EXCHANGE IN THE AMOUNT OF \$80,000. THIS ACTION BECAME FINAL ON APRIL 29, 2014 AND EFFECTIVE MAY 1, 2014.

Initiated By:	NYMEX
Date Initiated:	04/29/2014
Docket/Case Number:	NYME 13-9267-BC
Principal Product Type:	Futures - Commodity
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	05/01/2014
Sanctions Ordered:	Monetary/Fine \$80,000.00
Other Sanctions Ordered:	
Sanction Details:	PURSUANT TO AN OFFER OF SETTLEMENT THAT PVM FUTURES, INC. ("PVM") IN WHICH PVM NEITHER ADMITTED NOR DENIED THE FACTUAL ALLEGATIONS OR RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED AND FOR PURPOSES OF SETTLING THIS MATTER, THE NYMEX FOUND THAT DURING THE TIME PERIOD FROM FEBRUARY 2012 TO JANUARY 2013, PVM EXECUTED MULTIPLE BLOCK TRADES FOR CUSTOMERS IN VARIOUS EXCHANGE CONTRACTS THAT WERE NOT REPORTED TO THE EXCHANGE WITHIN THE APPLICABLE TIME LIMIT FOLLOWING EXECUTION AND ALSO



MISREPORTED TO THE EXCHANGE THE TRUE AND ACCURATE TIME OF EXECUTION OF MULTIPLE BLOCK TRADES. PVM ALSO FAILED TO MAINTAIN ACCURATE WRITTEN OR ELECTRONIC RECORDS OF THE BLOCK TRADE TRANSACTIONS. SPECIFICALLY, THE ORDER TICKETS AND OTHER RECORDS PVM EMPLOYED TO RECORD BLOCK TRADES CONTAINED INACCURATE TIMING INFORMATION AND PVM DID NOT HAVE ACCURATE AND RELIABLE TIME-KEEPING MECHANISMS IN PLACE TO BASE THE TIME OF EXECUTION. IN CONNECTION WITH THIS CONDUCT, PVM FAILED TO DILIGENTLY SUPERVISE ITS EMPLOYEES OR AGENTS IN ITS REPORTING OF BLOCK TRADES TO THE EXCHANGE.

THE NYMEX CONCLUDED THAT PVM VIOLATED EXCHANGE RULES 526.F. ("BLOCK TRADES"), 536 ("RECORDKEEPING REQUIREMENTS FOR PIT, GLOBEX, AND NEGOTIATED TRADES"), 432.I. ("GENERAL OFFENSES - MISSTATEMENT") AND 432.W ("GENERAL OFFENSES-SUPERVISION"). IN ACCORDANCE WITH THE SETTLEMENT OFFER, THE PANEL ORDERED PVM TO PAY A FINE TO THE EXCHANGE IN THE AMOUNT OF \$80,000. THIS ACTION BECAME FINAL ON APRIL 29, 2014 AND EFFECTIVE MAY 1, 2014.

Disclosure 11 of 24

Reporting Source:	Firm
Affiliate:	TULLETT PREBON EUROPE LIMITED
Current Status:	Final
Allegations:	ON SIX OCCASIONS DURING JULY 2013 AND FOUR OCCASIONS DURING DECEMBER 2013, TULLETT PREBON (EUROPE) LTD. DID NOT REPORT BLOCK TRADES IN A TIMELY MANNER TO THE EXCHANGE.
Initiated By:	NYMEX
Date Initiated:	04/17/2014
Docket/Case Number:	NYME RSRH-13-2263 & NYMEX RSRH-13-1751
Principal Product Type:	Futures - Commodity
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Other



Resolution Date: 04/17/2014

Sanctions Ordered: Monetary/Fine \$2,500.00

Other Sanctions Ordered:

Sanction Details: PURSUANT TO RULE 512, TULLETT PREBON (EUROPE) LTD. WAS COLLECTIVELY ISSUED A \$2,500 FINE FOR ITS VIOLATIONS OF NYMEX RULE 526.F.

Disclosure 12 of 24

Reporting Source: Firm

Affiliate: ICAP ENERGY LLC

Current Status: Final

Allegations: NODX COMPLIANCE IMPOSED A SUMMERY FINE OF \$2,500 BECAUSE IT BELIEVED THAT ON FIVE (5) OCCASIONS, TWO OF WHICH WERE RELATED EVENTS, FROM JUNE 2014 THROUGH AUGUST 2014, ICAP ENERGY LLC DID NOT REPORT BLOCK TRADES TO THE EXCHANGE IN ACCORDANCE WITH EXCHANGE RULE 4.6.2(F). (THIS VIOLATION DID NOT RESULT IN FINANCIAL HARM TO CUSTOMERS.) ICAP PAID A FINE OF \$2,500.

Initiated By: NODAL EXCHANGE ("NODX")

Date Initiated: 01/12/2015

Docket/Case Number: NODX 2014_7_1_CD022

Principal Product Type: Futures - Commodity

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Other

Resolution Date: 02/02/2015

Sanctions Ordered: Monetary/Fine \$2,500.00

Other Sanctions Ordered:

Sanction Details: NODX COMPLIANCE IMPOSED A SUMMERY FINE OF \$2,500 BECAUSE IT BELIEVED THAT ON FIVE (5) OCCASIONS, TWO OF WHICH WERE RELATED EVENTS, FROM JUNE 2014 THROUGH AUGUST 2014, ICAP ENERGY LLC DID



NOT REPORT BLOCK TRADES TO THE EXCHANGE IN ACCORDANCE WITH EXCHANGE RULE 4.6.2(F). (THIS VIOLATION DID NOT RESULT IN FINANCIAL HARM TO CUSTOMERS.) ICAP PAID A FINE OF \$2,500.

Disclosure 13 of 24

Reporting Source:	Firm
Affiliate:	ICAP ENERGY LLC
Current Status:	Final
Allegations:	NODX COMPLIANCE IMPOSED A FINE OF \$3,750 ON ICAP ENERGY LLC BECAUSE IT BELIEVED THAT ON THREE (3) OCCASIONS FROM DECEMBER 2014 THROUGH MARCH 2015, ICAP ENERGY LLC REPORTED BLOCK TRADES TO THE EXCHANGE LATER THAN FIFTEEN (15) MINUTES AFTER EXECUTION, IN VIOLATION OF EXCHANGE RULE 4.6.2(F). (THESE VIOLATIONS DID NOT RESULT IN FINANCIAL HARM TO CUSTOMERS.) ICAP PAID A FINE OF \$3,750.
Initiated By:	NODAL EXCHANGE ("NODX")
Date Initiated:	09/28/2015
Docket/Case Number:	NODX 2015_1_14_CD028
Principal Product Type:	Futures - Commodity
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Other
Resolution Date:	10/19/2015
Sanctions Ordered:	Monetary/Fine \$3,750.00
Other Sanctions Ordered:	
Sanction Details:	NODX COMPLIANCE IMPOSED A FINE OF \$3,750 ON ICAP ENERGY LLC BECAUSE IT BELIEVED THAT ON THREE (3) OCCASIONS FROM DECEMBER 2014 THROUGH MARCH 2015, ICAP ENERGY LLC REPORTED BLOCK TRADES TO THE EXCHANGE LATER THAN FIFTEEN (15) MINUTES AFTER EXECUTION, IN VIOLATION OF EXCHANGE RULE 4.6.2(F). (THESE VIOLATIONS DID NOT RESULT IN FINANCIAL HARM TO CUSTOMERS.) ICAP PAID A FINE OF \$3,750.



Disclosure 14 of 24

Reporting Source:	Firm
Affiliate:	ICAP ENERGY LLC
Current Status:	Final
Allegations:	NODAL EXCHANGE COMPLIANCE IMPOSED A SUMMARY FINE OF \$1,750 ON ICAP ENERGY LLC BECAUSE IT BELIEVED THAT ON ONE (1) OCCASION IN JUNE 2015, ICAP ENERGY LLC REPORTED A BLOCK TRADE TO THE EXCHANGE LATER THAN FIFTEEN (15) MINUTES AFTER EXECUTION, IN VIOLATION OF EXCHANGE RULE 4.6.2(F). (THIS VIOLATION DID NOT RESULT IN FINANCIAL HARM TO CUSTOMERS). ICAP PAID A FINE OF \$1,750.
Initiated By:	NODAL EXCHANGE ("NODX")
Date Initiated:	02/05/2016
Docket/Case Number:	NODX 2015_7_13_CD034
Principal Product Type:	Futures - Commodity
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Other
Resolution Date:	02/26/2016
Sanctions Ordered:	Monetary/Fine \$1,750.00
Other Sanctions Ordered:	
Sanction Details:	NODAL EXCHANGE COMPLIANCE IMPOSED A SUMMARY FINE OF \$1,750 ON ICAP ENERGY LLC BECAUSE IT BELIEVED THAT ON ONE (1) OCCASION IN JUNE 2015, ICAP ENERGY LLC REPORTED A BLOCK TRADE TO THE EXCHANGE LATER THAN FIFTEEN (15) MINUTES AFTER EXECUTION, IN VIOLATION OF EXCHANGE RULE 4.6.2(F). (THIS VIOLATION DID NOT RESULT IN FINANCIAL HARM TO CUSTOMERS). ICAP PAID A FINE OF \$1,750.

Disclosure 15 of 24

Reporting Source:	Firm
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Affiliate:	ICAP ENERGY LLC
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE VIOLATION OF ANY EXCHANGE RULES, ICAP ENERGY LLC ("ICAP") ENTERED INTO A SETTLEMENT AGREEMENT WITH ICE. THE SETTLEMENT AGREEMENT ALLEGES THAT AN EMPLOYEE OF THE FIRM TRANSACTED AN ACCOMMODATION TRADE (BUY AND SELL) THAT ENABLED THE COUNTERPARTY TO THE TRANSACTION TO CORRECT AN ERRONEOUS ALLOCATION AND MOVE A POSITION FROM ONE PROPRIETARY ACCOUNT BELONGING TO THE COUNTERPARTY TO ANOTHER PROPRIETARY ACCOUNT BELONGING TO THE COUNTERPARTY IN VIOLATION OF RULE 4.02(C). ICAP PAID A FINE OF \$7,500 AND AGREED TO CEASE AND DESIST FROM FUTURE VIOLATIONS.
Initiated By:	ICE FUTURES U.S., INC. ("ICE")
Date Initiated:	09/08/2015
Docket/Case Number:	ICE 2013-042B
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:	CEASE AND DESIST FROM FUTURE VIOLATIONS OF EXCHANGE RULE 4.02(C) - TRADE PRACTICES
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/08/2015
Sanctions Ordered:	Monetary/Fine \$7,500.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE VIOLATION OF ANY EXCHANGE RULES, ICAP ENERGY LLC ("ICAP") ENTERED INTO A SETTLEMENT AGREEMENT WITH ICE. THE SETTLEMENT AGREEMENT ALLEGES THAT AN EMPLOYEE OF THE FIRM TRANSACTED AN ACCOMMODATION TRADE (BUY AND SELL) THAT ENABLED THE COUNTERPARTY TO THE TRANSACTION TO CORRECT AN ERRONEOUS ALLOCATION AND MOVE A POSITION FROM ONE PROPRIETARY ACCOUNT BELONGING TO THE COUNTERPARTY TO ANOTHER PROPRIETARY ACCOUNT BELONGING TO THE COUNTERPARTY IN VIOLATION OF RULE 4.02(C). ICAP PAID A FINE OF \$7,500 AND AGREED TO CEASE AND DESIST FROM FUTURE VIOLATIONS.



Disclosure 16 of 24

Reporting Source:	Firm
Affiliate:	ICAP ENERGY LLC
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE VIOLATION OF ANY EXCHANGE RULES, ICAP ENERGY LLC ("ICAP") ENTERED INTO A SETTLEMENT AGREEMENT WITH THE ICE FUTURES U.S., INC. THE SETTLEMENT ALLEGES THAT ICAP MAY HAVE VIOLATED EXCHANGE RULE 4.07(B) IN TWO (2) INSTANCES IN WHICH IT SUBMITTED BLOCK TRADES TO THE EXCHANGE WHICH WERE BELOW THE MQR, AND EXCHANGE RULE 4.07(C) IN 15 INSTANCES IN WHICH IT REPORTED TRADES TO THE EXCHANGE OUTSIDE OF THE 15 MINUTE REPORTING WINDOW. ICAP PAID A FINE OF \$26,250 AND AGREED TO CEASE AND DESIST FROM FUTURE VIOLATIONS OF EXCHANGE RULE 4.07(B) AND 4.07(C).
Initiated By:	ICE FUTURES U.S., INC. ("ICE")
Date Initiated:	09/23/2014
Docket/Case Number:	2013-0024
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:	CEASE AND DESIST FROM FUTURE VIOLATIONS OF EXCHANGE RULES 4.07(B) AND 4.07(C).
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/23/2014
Sanctions Ordered:	Monetary/Fine \$26,250.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE VIOLATION OF ANY EXCHANGE RULES, ICAP ENERGY LLC ("ICAP") ENTERED INTO A SETTLEMENT AGREEMENT WITH THE ICE FUTURES U.S., INC. THE SETTLEMENT ALLEGES THAT ICAP MAY HAVE VIOLATED EXCHANGE RULE 4.07(B) IN TWO (2) INSTANCES IN WHICH IT SUBMITTED BLOCK TRADES TO THE EXCHANGE WHICH WERE BELOW THE MQR, AND EXCHANGE RULE 4.07(C) IN 15 INSTANCES IN WHICH IT REPORTED TRADES TO THE EXCHANGE OUTSIDE OF THE 15 MINUTE REPORTING WINDOW. ICAP PAID A FINE OF



\$26,250 AND AGREED TO CEASE AND DESIST FROM FUTURE VIOLATIONS OF EXCHANGE RULE 4.07(B) AND 4.07(C).

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Reporting Source:	Firm
Affiliate:	ICAP EUROPE LTD.
Current Status:	Final
Allegations:	ON SEPTEMBER 25, 2013, CONTROL AFFILIATE ICAP EUROPE LIMITED (IEL) ENTERED INTO A SETTLEMENT AGREEMENT WITH THE FINANCIAL CONDUCT AUTHORITY (FCA) RELATING TO THE INVOLVEMENT OF CERTAIN BROKERS IN THE ATTEMPTED MANIPULATION OF YEN LIBOR BY BANK TRADERS BETWEEN OCTOBER 2006 AND JANUARY 2011. THE FCA FOUND BREACHES OF PRINCIPLES 3 AND 5 OF THE FCA'S PRINCIPLES OF BUSINESS. UNDER THE TERMS OF THE SETTLEMENT, IEL HAS AGREED TO PAY A PENALTY OF £14 MILLION TO THE FCA.
Initiated By:	FINANCIAL CONDUCT AUTHORITY ("FCA")
Date Initiated:	09/25/2013
Docket/Case Number:	
Principal Product Type:	Other
Other Product Type(s):	YEN DERIVATIVES AND CASH DEPOSITS.
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Decision
Resolution Date:	09/25/2013
Sanctions Ordered:	Monetary/Fine \$22,000,000.00
Other Sanctions Ordered:	
Sanction Details:	A PENALTY OF 14 MILLION POUNDS WAS PAID ON OCTOBER 9, 2013.

Disclosure 18 of 24

Reporting Source:	Firm
Affiliate:	ICAP EUROPE LTD.



Current Status:	Final
Allegations:	ON SEPTEMBER 25, 2013, CONTROL AFFILIATE ICAP EUROPE LIMITED (IEL) ENTERED INTO A SETTLEMENT AGREEMENT WITH THE COMMODITY FUTURES TRADING COMMISSION (CFTC) RELATING TO THE INVOLVEMENT OF CERTAIN BROKERS IN THE ATTEMPTED MANIPULATION OF YEN LIBOR BY BANK TRADERS BETWEEN OCTOBER 2006 AND JANUARY 2011. THE CFTC FOUND VIOLATIONS OF SECTION 6(C), 6(D) AND 9(A)(2) OF THE COMMODITY EXCHANGE ACT. UNDER THE TERMS OF THE SETTLEMENT, IEL HAS AGREED TO PAY A PENALTY OF \$65 MILLION TO THE CFTC.
Initiated By:	U.S. COMMODITY FUTURES TRADING COMMISSION ("CFTC")
Date Initiated:	09/25/2013
Docket/Case Number:	
Principal Product Type:	Other
Other Product Type(s):	YEN DERIVATIVES AND CASH DEPOSITS.
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	CIVIL MONETARY PENALTY, UNDERTAKING
Resolution:	Order
Resolution Date:	09/25/2013
Sanctions Ordered:	Monetary/Fine \$65,000,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	IEL, ALONG WITH ICAP PLC, HAVE AGREED TO COMPLY WITH UNDERTAKINGS TO IMPLEMENT CERTAIN COMPLIANCE AND SUPERVISORY CONTROLS AND ENHANCEMENTS AS SET FORTH IN THE ORDER ISSUED BY THE CFTC.
Sanction Details:	A PENALTY OF \$65,000,000.00 WAS PAID ON OCTOBER 4, 2013.

Disclosure 19 of 24

Reporting Source:	Firm
Affiliate:	ICAP FUTURES LLC
Current Status:	Final
Allegations:	ICAP FUTURES LLC ENTERED INTO A SETTLEMENT AGREEMENT FOR ALLEGEDLY VIOLATING THE ICE EXCHANGE RULE 6.08(A)(I) IN TWO (2)



INSTANCES BY FAILING TO PREPARE ORDER TICKETS.

Initiated By: INTERCONTINENTAL EXCHANGE ("ICE")

Date Initiated: 10/27/2009

Docket/Case Number: 2008-044

Principal Product Type: Futures - Commodity

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/27/2009

Sanctions Ordered: Monetary/Fine \$1,000.00

Other Sanctions Ordered:

Sanction Details: ICAP FUTURES LLC ENTERED INTO A SETTLEMENT AGREEMENT FOR ALLEGEDLY VIOLATING THE ICE EXCHANGE RULE 6.08(A)(I) IN TWO (2) INSTANCES BY FAILING TO PREPARE ORDER TICKETS.

Disclosure 20 of 24

Reporting Source: Firm

Affiliate: ICAP FUTURES LLC

Current Status: Final

Allegations: ICAP FUTURES LLC ENTERED INTO A SETTLEMENT AGREEMENT FOR ALLEGEDLY VIOLATING THE ICE EXCHANGE RULE 6.08(A)(I) BY FAILING TO PROPERLY TIME STAMP (6) ORDER TICKETS; BY FAILING TO RECORD A COMMODITY CODE ON 34 ORDER TICKETS; AND, BY FAILING TO HAVE A UNIQUE ACCOUNT IDENTIFIER ON 8 ORDER TICKETS.

Initiated By: INTERCONTINENTAL EXCHANGE ("ICE")

Date Initiated: 05/12/2010

Docket/Case Number: 2010-005

Principal Product Type: Futures - Commodity

Other Product Type(s):



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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/12/2010

Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: ICAP FUTURES LLC ENTERED INTO A SETTLEMENT AGREEMENT FOR ALLEGEDLY VIOLATING THE ICE EXCHANGE RULE 6.08(A)(I) BY FAILING TO PROPERLY TIME STAMP (6) ORDER TICKETS; BY FAILING TO RECORD A COMMODITY CODE ON 34 ORDER TICKETS; AND, BY FAILING TO HAVE A UNIQUE ACCOUNT IDENTIFIER ON 8 ORDER TICKETS.

Disclosure 21 of 24

Reporting Source: Firm

Affiliate: ICAP FUTURES LLC

Current Status: Final

Allegations: ICAP FUTURES LLC ENTERED INTO A SETTLEMENT AGREEMENT FOR ALLEGEDLY VIOLATING THE ICE EXCHANGE RULE 4.31(C) BY FAILING TO REPORT A BLOCK TRADE WITHIN (5) MINUTIES OF EXECUTION.

Initiated By: INTERCONTINENTAL EXCHANGE ("ICE")

Date Initiated: 04/30/2010

Docket/Case Number: 2010-009

Principal Product Type: Futures - Commodity

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/30/2010



Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: ICAP FUTURES LLC ENTERED INTO A SETTLEMENT AGREEMENT FOR ALLEGEDLY VIOLATING THE ICE EXCHANGE RULE 4.31(C) BY FAILING TO REPORT A BLOCK TRADE WITHIN (5) MINUTIES OF EXECUTION.

Disclosure 22 of 24

Reporting Source: Firm

Affiliate: ICAP FUTURES LLC

Current Status: Final

Allegations: THE CTR SUBCOMMITTEE CONCLUDED THAT ICAP FUTURES LLC VIOLATED: REGULATION 332.08, IN THAT THE FIRM FAILED TO MAKE ALL TRADE DATA SUBMISSIONS IN A CORRECT MANNER.

Initiated By: CHICAGO BOARD OF TRADE

Date Initiated: 11/22/2006

Docket/Case Number: 06-RFT-036

Principal Product Type: Futures - Commodity

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/22/2006

Sanctions Ordered: Monetary/Fine \$2,500.00

Other Sanctions Ordered:

Sanction Details: THE CTR SUBCOMMITTEE CONCLUDED THAT ICAP FUTURES LLC VIOLATED: REGULATION 332.08, IN THAT THE FIRM FAILED TO MAKE ALL TRADE DATA SUBMISSIONS IN A CORRECT MANNER.

Disclosure 23 of 24

Reporting Source: Firm



Affiliate: ICAP FUTURES LLC

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING ANY VIOLATION, ICAP FUTURES LLC CONSENTED TO THE ENTRY OF A CONCLUSION THAT THE FLOOR GOVERNORS COMMITTEE HAD REASON TO BELIEVE THE FIRM VIOLATED: REGULATION 9B.13, IN THAT CROSS TRADES EXECUTED BY ICAP FUTURES EMPLOYEES WERE NOT ENTERED IN ACCORDANCE WITH THE PRESCRIBED TIME REQUIREMENTS AND PROCEDURES.

Initiated By: CHICAGO BOARD OF TRADE

Date Initiated: 07/11/2006

Docket/Case Number: 2006-INV-1A

Principal Product Type: Futures - Commodity

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/11/2006

Sanctions Ordered: Monetary/Fine \$22,500.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING ANY VIOLATION, ICAP FUTURES LLC CONSENTED TO THE ENTRY OF A CONCLUSION THAT THE FLOOR GOVERNORS COMMITTEE HAD REASON TO BELIEVE THE FIRM VIOLATED: REGULATION 9B.13, IN THAT CROSS TRADES EXECUTED BY ICAP FUTURES EMPLOYEES WERE NOT ENTERED IN ACCORDANCE WITH THE PRESCRIBED TIME REQUIREMENTS AND PROCEDURES. \$22,500.00 PAID IN FULL.

Disclosure 24 of 24

Reporting Source: Firm

Affiliate: ICAP FUTURES LLC

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE VIOLATION OF ANY EXCHANGE



RULES, ICAP FUTURES LLC ("ICAP") ENTERED INTO A SETTLEMENT AGREEMENT WITH THE ICE FUTURES U.S., INC. THE SETTLEMENT ALLEGES THAT ICAP MAY HAVE VIOLATED EXCHANGE RULE 27.22(B) IN ONE (1) INSTANCE WHEN EMPLOYEES ENGAGED IN PRE-EXECUTION COMMUNICATIONS, AND EXCHANGE RULE 6.08(B)(I) IN TWO (2) INSTANCES WHEN EMPLOYEES FAILED TO TIME STAMP ORDERS UPON RECEIPT. ICAP PAID A FINE OF \$20,000 AND AGREED TO CEASE AND DESIST FROM FUTURE VIOLATIONS OF EXCHANGE RULE 27.22(B)

Initiated By:	ICE FUTURES U.S., INC. ("ICE")
Date Initiated:	05/18/2010
Docket/Case Number:	2009-026
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:	CEASE AND DESIST FROM FUTURES VIOLATIONS OF EXCHANGE RUL3 27.22(B)
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	06/28/2010
Sanctions Ordered:	Monetary/Fine \$20,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE VIOLATION OF ANY EXCHANGE RULES, ICAP FUTURES LLC ("ICAP") ENTERED INTO A SETTLEMENT AGREEMENT WITH THE ICE FUTURES U.S., INC. THE SETTLEMENT ALLEGES THAT ICAP MAY HAVE VIOLATED EXCHANGE RULE 27.22(B) IN ONE (1) INSTANCE WHEN EMPLOYEES ENGAGED IN PRE-EXECUTION COMMUNICATIONS, AND EXCHANGE RULE 6.08(B)(I) IN TWO (2) INSTANCES WHEN EMPLOYEES FAILED TO TIME STAMP ORDERS UPON RECEIPT. ICAP PAID A FINE OF \$20,000 AND AGREED TO CEASE AND DESIST FROM FUTURE VIOLATIONS OF EXCHANGE RULE 27.22(B)



Regulatory - Pending

Disclosure 1 of 1

Reporting Source:	Firm
Affiliate:	ICAP SECURITIES LIMITED
Current Status:	Pending
Allegations:	ON OCTOBER 19, 2018, THE GENERAL ATTORNEY'S OFFICE FRANKFURT AM MAIN NOTIFIED ICAP SECURITIES LIMITED (FRANKFURT BRANCH) ('ISL'), THAT ADMINISTRATIVE OFFENCE PROCEEDINGS HAVE BEEN INITIATED AGAINST ISL IN CONNECTION WITH CRIMINAL INVESTIGATIONS INTO TWO FORMER EMPLOYEES AND A FORMER DIRECTOR OF ISL SUSPECTED OF AIDING AND ABETTING TAX EVASION FOR THE BENEFIT OF A THIRD PARTY BETWEEN 2007 AND 2008. THE ATTORNEY GENERAL'S OFFICE IS CONSIDERING IMPOSING A CORPORATE ADMINISTRATIVE FINE AGAINST ISL OR CONFISCATING THE EARNINGS THAT ISL DERIVED FROM THE UNDERLYING ALLEGED CRIMINAL CONDUCT BY THE FORMER EMPLOYEES AND FORMER DIRECTOR. NOT ALL DETAILS OF THE ALLEGED WRONGDOING OR OF THE CASE AGAINST ISL ARE YET AVAILABLE
Initiated By:	GENERAL ATTORNEYS OFFICE FRANKFURT AM MAIN
Date Initiated:	10/19/2018
Docket/Case Number:	
Principal Product Type:	Other
Other Product Type(s):	GERMAN LISTED EQUITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Sanctions Ordered:	
Other Sanctions Ordered:	
Sanction Details:	ON OCTOBER 19, 2018, THE GENERAL ATTORNEY'S OFFICE FRANKFURT AM MAIN NOTIFIED ICAP SECURITIES LIMITED (FRANKFURT BRANCH) ('ISL'), THAT ADMINISTRATIVE OFFENCE PROCEEDINGS HAVE BEEN INITIATED AGAINST ISL IN CONNECTION WITH CRIMINAL INVESTIGATIONS INTO TWO FORMER EMPLOYEES AND A FORMER DIRECTOR OF ISL SUSPECTED OF AIDING AND ABETTING TAX EVASION FOR THE BENEFIT OF A THIRD PARTY BETWEEN 2007 AND 2008. THE ATTORNEY GENERAL'S OFFICE IS CONSIDERING IMPOSING A CORPORATE ADMINISTRATIVE FINE



AGAINST ISL OR CONFISCATING THE EARNINGS THAT ISL DERIVED FROM THE UNDERLYING ALLEGED CRIMINAL CONDUCT BY THE FORMER EMPLOYEES AND FORMER DIRECTOR. NOT ALL DETAILS OF THE ALLEGED WRONGDOING OR OF THE CASE AGAINST ISL ARE YET AVAILABLE.



Civil - Pending

Disclosure 1 of 1

Reporting Source:	Firm
Affiliate:	ICAP SECURITIES LIMITED
Current Status:	Pending
Allegations:	ON OCTOBER 19, 2018, THE GENERAL ATTORNEY'S OFFICE FRANKFURT AM MAIN NOTIFIED ICAP SECURITIES LIMITED (FRANKFURT BRANCH) ('ISL'), THAT ADMINISTRATIVE OFFENCE PROCEEDINGS HAVE BEEN INITIATED AGAINST ISL IN CONNECTION WITH CRIMINAL INVESTIGATIONS INTO TWO FORMER EMPLOYEES AND A FORMER DIRECTOR OF ISL SUSPECTED OF AIDING AND ABETTING TAX EVASION FOR THE BENEFIT OF A THIRD PARTY BETWEEN 2007 AND 2008. THE ATTORNEY GENERAL'S OFFICE IS CONSIDERING IMPOSING A CORPORATE ADMINISTRATIVE FINE AGAINST ISL OR CONFISCATING THE EARNINGS THAT ISL DERIVED FROM THE UNDERLYING ALLEGED CRIMINAL CONDUCT BY THE FORMER EMPLOYEES AND FORMER DIRECTOR. NOT ALL DETAILS OF THE ALLEGED WRONGDOING OR OF THE CASE AGAINST ISL ARE YET AVAILABLE.
Initiated By:	GENERAL ATTORNEY'S OFFICE FRANKFURT AM MAIN
Court Details:	GENERALSTAATSANWALTSCHAFT FRANKFURT AM MAIN (GENERAL ATTORNEY'S OFFICE FRANKFURT AM MAIN) DOCKET NUMBER: 7 ER 105/18 - 1111 JS 24212/18
Date Court Action Filed:	10/19/2018
Date Notice/Process Served:	10/18/2019
Principal Product Type:	Other
Other Product Types:	GERMAN LISTED EQUITIES
Relief Sought:	Civil Penalty(ies)/Fine(s)
Other Relief Sought:	DISGORGEMENT

End of Report



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