

## BrokerCheck Report

# KNIGHT CAPITAL MARKETS LLC

CRD# 38379

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

Please contact FINRA with any concerns.

## About BrokerCheck®



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

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

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

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

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

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

- **How current is this information?**

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

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

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

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

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

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**Thank you for using FINRA BrokerCheck.**



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

[brokercheck.finra.org](http://brokercheck.finra.org)



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

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



## KNIGHT CAPITAL MARKETS LLC

CRD# 38379

SEC# 8-48230

### Main Office Location

100 MANHATTANVILLE ROAD  
PURCHASE, NY 10577

### Mailing Address

100 MANHATTANVILLE ROAD  
PURCHASE, NY 10577

### Business Telephone Number

914-251-5800

## 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 09/29/2000.

Its fiscal year ends in December.

### Firm History

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

### Firm Operations

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

### Disclosure Events

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

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

#### The following types of disclosures have been reported:

Type	Count
Regulatory Event	10

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

## Registration Withdrawal Information

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



**Date firm ceased business:** 12/31/2010

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



## Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 09/29/2000.

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.

### **KNIGHT CAPITAL MARKETS LLC**

**Doing business as KNIGHT CAPITAL MARKETS LLC**

**CRD#** 38379

**SEC#** 8-48230

### **Main Office Location**

100 MANHATTANVILLE ROAD  
PURCHASE, NY 10577

### **Mailing Address**

100 MANHATTANVILLE ROAD  
PURCHASE, NY 10577

### **Business Telephone Number**

914-251-5800



## Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

### Direct Owners and Executive Officers

<b>Legal Name &amp; CRD# (if any):</b>	KNIGHT CAPITAL HOLDINGS LLC
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Position</b>	SOLE MEMBER
<b>Position Start Date</b>	12/2009
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	Yes

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<b>Legal Name &amp; CRD# (if any):</b>	BUCKLEY, WILLIAM PATRICK 2101308
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	PRESIDENT & CEO
<b>Position Start Date</b>	09/2005
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	DUNHAM, TIMOTHY PHILIP 1016294
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF FINANCIAL OFFICER
<b>Position Start Date</b>	08/2004



## 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):** HARRIS, KENNETH CARTER  
2029429

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

**Position** MANAGING DIRECTOR

**Position Start Date** 01/2006

**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):** JEDWAB, JOSHUA  
2845887

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

**Position** CHIEF COMPLIANCE OFFICER

**Position Start Date** 06/1998

**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):** KEADY, KEVIN KENNEDY

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

	1081100
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	MANAGING DIRECTOR
<b>Position Start Date</b>	12/2005
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No
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<b>Legal Name &amp; CRD# (if any):</b>	REDDIN, IAN ALEXANDER 1635394
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	MANAGING DIRECTOR
<b>Position Start Date</b>	12/2002
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No
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## Firm Profile

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

### Indirect Owners

<b>Legal Name &amp; CRD# (if any):</b>	KNIGHT CAPITAL GROUP, INC
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	KNIGHT CAPITAL HOLDINGS LLC
<b>Relationship to Direct Owner</b>	SOLE MEMBER
<b>Relationship Established</b>	12/2009
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	Yes

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## Firm History

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

**This firm was previously:** KNIGHT CAPITAL MARKET, INC.  
**Date of Succession:** 09/29/2000  
**Predecessor CRD#:** 38379  
**Predecessor SEC#:** 8-48230  
**Description** THE APPLICANT HAS SUBSTANTIALLY ASSUMED THE ASSETS AND LIABILITIES OF THE PREDECESSOR. AS A RESULT, THERE HAS BEEN NO CHANGE IN OWNERSHIP OR CONTROL.

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**This firm was previously:** KNIGHT CAPITAL MARKET, INC.  
**Date of Succession:** 09/29/2000  
**Predecessor CRD#:** 38379  
**Predecessor SEC#:** 8-48230  
**Description** THE APPLICANT HAS SUBSTANCIALY ASSUMED THE ASSETTS AND LIABILITY OF THE PREDECESSOR. AS A RESULT, THERE HAS BEEN NO CHANGE IN OWNERSHIP OR CONTROL.

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**This firm was previously:** TRIMARK SECURITIES, L.P.  
**Date of Succession:** 08/01/1998  
**Predecessor CRD#:** 38379  
**Predecessor SEC#:** 8-48230  
**Description** THE APPLICANT CHANGED FROM AN L.P. TO A CORP.; THERE WAS NO CHANGE IN CONTROL OR OWNERSHIP. THE CORP SUCCEEDED TO AND IS CONTINUING THE BUSINESS OF THE LIMITED PARTNERSHIP AS IT ACUQUIRED SUBSTANTIALLY ALL ITS ASSETS AND ASSUMED SUBSTANTIALLY ALL ITS LIABILITIES

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## Firm Operations



### Registrations

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

**This firm is no longer registered.**

**The firm's registration was from 04/13/1995 to 03/29/2011.**



## Firm Operations

### Types of Business

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

**This firm currently conducts 5 types of businesses.**

#### Types of Business

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

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

Trading securities for own account

Private placements of securities

Other - 10Y THE APPLICANT'S BUSINESS CONSISTS EXCLUSIVELY OF TRADING EXCHANGE-LISTED SECURITIES OVER-THE-COUNTER. THE APPLICANT IS ALSO APPROVED TO ARRANGE TRANSACTIONS IN LISTED SECURITIES TRADED OVER THE COUNTER.

#### Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.

This firm does not engage in other non-securities business.

Non-Securities Business Description:

## **Firm Operations**



### **Clearing Arrangements**

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

### **Introducing Arrangements**

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

## Firm Operations

### Industry Arrangements



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

**Name:** MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

**CRD #:** 7691

**Business Address:** 101 HUDSON STREET  
7TH FLOOR  
JERSEY CITY, NJ 07302

**Effective Date:** 06/06/2003

**Description:** KNIGHT CAPITAL MARKETS (38379) CLEARS ALL OF ITS THIRD MARKET TRADES ON A FULLY DISCLOSED BASIS WITH BROADCAST COURT CORRESPONDENT CLEARING.

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

**Name:** MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

**CRD #:** 7691

**Business Address:** 101 HUDSON STREET  
7TH FLOOR  
JERSEY CITY, NJ 07302

**Effective Date:** 06/06/2003

**Description:** KNIGHT CAPITAL MARKETS (38379) CLEARS ALL OF ITS THIRD MARKET TRADES ON A FULLY DISCLOSED BASIS WITH BROADCAST COURT CORRESPONDENT CLEARING.

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

**Name:** MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

**CRD #:** 7691

**Business Address:** 101 HUDSON STREET  
7TH FLOOR  
JERSEY CITY, NJ 07302

**Effective Date:** 06/06/2003

**Description:** KNIGHT CAPITAL MARKETS (38379) CLEARS ALL OF ITS THIRD MARKET TRADES ON A FULLY DISCLOSED BASIS WITH BROADCAST COURT CORRESPONDENT CLEARING.

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#### Control Persons/Financing

**This firm does not have individuals who control its management or policies through agreement.**

## Firm Operations



### Industry Arrangements (continued)

**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.

**ASTOR ASSET MANAGEMENT, LLC is under common control with the firm.**

<b>CRD #:</b>	116408
<b>Business Address:</b>	111 SOUTH WACKER DRIVE, SUITE CHICAGO, IL 60606
<b>Effective Date:</b>	10/01/2010
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	ASTOR ASSET MANAGEMENT, LLC AND KNIGHT CAPITAL MARKETS LLC ARE EACH WHOLLY OWNED SUBSIDIARIES OF KNIGHT CAPITAL HOLDINGS LLC, WHICH IS IN TURN A WHOLLY OWNED SUBSIDIARY OF KNIGHT CAPITAL GROUP, INC.

**KNIGHT CAPITAL ASIA LIMITED is under common control with the firm.**

<b>Business Address:</b>	SUITE 4506-4509 45/F TWO INTL FINANCE 8 FINANCE STREET CENTRAL, HONG KONG
<b>Effective Date:</b>	11/19/2009
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	CHINA
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	INDIRECT SUBSIDIARY OF KNIGHT CAPITAL GROUP, INC.

**Firm Operations****Organization Affiliates (continued)****KNIGHT CLEARING SERVICES LLC is under common control with the firm.**

**Business Address:** 545 WASHINGTON BLVD.  
JERSEY CITY, NJ 07310

**Effective Date:** 07/22/2009

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** KNIGHT CLEARING SERVICES LLC IS A INDIRECT WHOLLY OWNED SUBSIDIARY OF KNIGHT CAPITAL GROUP, INC. (PARENT COMPANY).

**KNIGHT CAPITAL EUROPE LIMITED is under common control with the firm.**

**Business Address:** CITY PLACE HOUSE  
55 BASINGHALL STREET  
LONDON, UNITED KINGDOM EC2V 5DU

**Effective Date:** 05/14/2009

**Foreign Entity:** Yes

**Country:** UNITED KINGDOM

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** KNIGHT CAPITAL EUROPE LIMITED IS A INDIRECT WHOLLY OWNED SUBSIDIARY OF KNIGHT CAPITAL GROUP, INC. (PARENT COMPANY).

**KNIGHT LIBERTAS LLC is under common control with the firm.**

**CRD #:** 124790

**Business Address:** ONE GREENWICH OFFICE PARK, SOUTH  
SECOND FL., 51 EAST WEAVER STREET  
GREENWICH, CT 06831

**Effective Date:** 07/11/2008

**Foreign Entity:** No

**Country:**

**Firm Operations****Organization Affiliates (continued)**

**Securities Activities:** Yes  
**Investment Advisory Activities:** Yes  
**Description:** INDIRECT SUBSIDIARY OF KNIGHT CAPITAL GROUP, INC.

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**KNIGHT TRANSITION MANAGEMENT LLC is under common control with the firm.**

**CRD #:** 147732  
**Business Address:** TWO PRUDENTIAL PLAZA  
 180 NORTH STETSON AVENUE, SUITE 3650  
 CHICAGO, IL 60601  
**Effective Date:** 07/11/2008  
**Foreign Entity:** No  
**Country:**  
**Securities Activities:** No  
**Investment Advisory Activities:** Yes  
**Description:** INDIRECT SUBSIDIARY OF KNIGHT CAPITAL GROUP, INC.

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**KNIGHT BONDPOINT, INC. is under common control with the firm.**

**CRD #:** 102580  
**Business Address:** MONARCH TOWER  
 3424 PEACHTREE ROAD NE, SUITE 1625  
 ATLANTA, GA 30326  
**Effective Date:** 10/02/2006  
**Foreign Entity:** No  
**Country:**  
**Securities Activities:** Yes  
**Investment Advisory Activities:** No  
**Description:** INDIRECT SUBSIDIARY OF KNIGHT CAPITAL GROUP, INC.

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**KNIGHT DIRECT LLC is under common control with the firm.**

**CRD #:** 135924

## Firm Operations



### Organization Affiliates (continued)

**Business Address:** 545 WASHINGTON BLVD.  
JERSEY CITY, NJ 07310

**Effective Date:** 03/13/2009

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** INDIRECT SUBSIDIARY OF KNIGHT CAPITAL GROUP, INC.

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**KNIGHT EQUITY MARKETS, L.P. is under common control with the firm.**

**CRD #:** 38599

**Business Address:** 545 WASHINGTON BLVD.  
JERSEY CITY, NJ 07310

**Effective Date:** 05/01/1995

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** THE FIRM IS A WHOLLY OWNED INDIRECTLY HELD SUBSIDIARY OF KNIGHT CAPITAL GROUP INC. (PARENT COMPANY)

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**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.

	<b>Pending</b>	<b>Final</b>	<b>On Appeal</b>
Regulatory Event	0	10	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 10

**Reporting Source:** Regulator

**Current Status:** Final



**Allegations:** FINRA RULE 7230A, NASD RULE 2110 (OR FINRA RULE 2010), NASD RULES 3340, 6130(G): FOR A PERIOD, THE FIRM FAILED TO REPORT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY THE CORRECT SYMBOL INDICATING THE CAPACITY OF THE CONTRA PARTY IN MULTIPLE TRANSACTIONS IN REPORTABLE SECURITIES. THE FIRM TRANSMITTED SEVERAL TRADE REPORTS FOR ODD-LOT TRADES AND FAILED TO REPORT THE TRANSACTIONS WITH THE REQUIRED ODD-LOT MODIFIER OF .RO TO THE NASD/NASDAQ TRADE REPORTING FACILITY OR FINRA/NASDAQ TRADE REPORTING FACILITY. DURING A REVIEWED PERIOD FOR THE FIRM'S COMPLIANCE WITH NASD RULE 3340, IT WAS DISCOVERED THAT THE FIRM EFFECTED SEVERAL TRANSACTIONS IN A SECURITY WHILE A TRADING HALT WAS IN EFFECT WITH RESPECT TO THAT SECURITY.

**Initiated By:** FINRA

**Date Initiated:** 12/14/2012

**Docket/Case Number:** [2009017016501](#)

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

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

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

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/14/2012

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

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

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$82,500 (\$67,500 FOR THE FINRA RULE 7230A VIOLATIONS, \$7,500 FOR THE NASD RULE 6130(G) VIOLATIONS AND \$7,500 FOR THE NASD RULE 3340 VIOLATIONS). FINE PAID



IN FULL ON 1/7/2013.

## Disclosure 2 of 10

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC RULES 10A-1, 200(G) OF REGULATION SHO, NASD RULE 6130(D) - KNIGHT CAPITAL MARKETS, LLC FAILED TO REPORT TO THE NASDAQ MARKET CENTER THE CORRECT SYMBOL INDICATING THAT TRANSACTIONS IN REPORTABLE SECURITIES WERE SHORT SALES. THE FIRM EXECUTED SHORT SALE ORDERS AND FAILED TO PROPERLY MARK THEM AS SHORT. THE FIRM EFFECTED SHORT SALES OF SECURITIES REGISTERED ON A NATIONAL SECURITIES EXCHANGE AT OR BELOW THE PRICE AT WHICH THE LAST SALE OF EACH SECURITY, REGULAR WAY, WAS REPORTED PURSUANT TO AN EFFECTIVE TRANSACTION REPORTING PLAN.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	01/20/2010
<b>Docket/Case Number:</b>	<a href="#">2007011354201</a>
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	REPORTABLE SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	01/20/2010
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$15,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED



TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS;  
THEREFORE, THE FIRM IS CENSURED AND FINED \$15,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** SEC RULE 200(G) OF REGULATION SHO, NASD RULES 6130(D) AND SEC RULE 10A-1. PLEASE REFER TO NOTICE OF ACCEPTANCE OF LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. 2007011354201.

**Initiated By:** FINRA

**Date Initiated:** 01/20/2010

**Docket/Case Number:** [2007011354201](#)

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

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** A CENSURE AND A FINE OF \$15,000

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 01/20/2010

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

**Other Sanctions Ordered:**

**Sanction Details:** A CENSURED AND A FINE OF \$15000.00.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE FINDINGS, KNIGHT CAPITAL MARKETS LLC CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$15,000.

#### Disclosure 3 of 10

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** SEC RULE 11AC1-1, NASD RULES 2110, 3010, 3320, 5220(E), 5262 - KNIGHT CAPITAL MARKETS, LLC, AN ITS/CAES MARKET MAKER, PURCHASED OR



SOLD ITS/CAES SECURITIES, WHETHER IN A PRINCIPAL CAPACITY OR AS AN AGENT, AT A PRICE THAT WAS LOWER THAN THE BID OR HIGHER THAN THE OFFER DISPLAYED FROM AN ITS PARTICIPANT EXCHANGE OR ITS/CAES MARKET MAKER; ORDERS PRESENTED TO THE FIRM AT THE FIRM'S PUBLISHED BID OR OFFER IN AN AMOUNT UP TO ITS PUBLISHED QUOTATION SIZE FAILED TO EXECUTE THE ORDERS UPON PRESENTMENT AND THEREBY FAILED TO HONOR ITS PUBLISHED QUOTATION; THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING NASD RULE 5220(E); AND FAILED TO MAINTAIN CONTINUOUS TWO-SIDED QUOTATIONS IN THE ABSENCE OF THE GRANT OF AN EXCUSED WITHDRAWAL OR A FUNCTIONAL EXCUSED WITHDRAWAL BY NASD.

**Initiated By:** NASD

**Date Initiated:** 09/05/2006

**Docket/Case Number:** [2005000086301](#)

**Principal Product Type:** Other

**Other Product Type(s):** ITS/CAES SECURITIES

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

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

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 09/05/2006

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

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

**Other Sanctions Ordered:** UNDEDRTAKING

**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 \$40,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO NASD RULE 5220(E) WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS



AWC BY THE NAC.

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD ALLEGED THAT THE FIRM DID NOT COMPLY WITH SEC RULE 11AC1-1, NASD RULES 2110, 3010, 3320, 5220(E), 5262 AND THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING NASD RULE 5220(E).
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	09/05/2006
<b>Docket/Case Number:</b>	20050000863-01
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	ITS/CAES SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	09/05/2006
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$40,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, KNIGHT CAPITAL MARKETS, LLC AGREED TO RESOLVE THE MATTER BY ACCEPTING A CENSURE, A 40,000 FINE AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO NASD RULE 5220(E) WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.
<b>Firm Statement</b>	KNIGHT CAPITAL MARKETS, LLC AGREED TO A CENSURE AND A FINE TO SETTLE THE MATTER WITH NASD REGULATION PURSUANT TO AN AWC ACCEPTED ON SEPTEMBER 5, 2006.



**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULES 2110, 3010, 6420(C) - RESPONDENT MEMBER FAILED TO REPORT THE CORRECT TIME OF EXECUTION THROUGH THE NASDAQ MARKET CENTER IN LAST SALE REPORTS OF TRANSACTIONS IN ELIGIBLE SECURITIES. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD CONCERNING ACCURATE TRADE REPORTING.

**Initiated By:** NASD

**Date Initiated:** 07/19/2005

**Docket/Case Number:** [CLG050106](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/19/2005

**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 \$12,000.00

**Other Sanctions Ordered:** UNDERTAKING: REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES REGARDING ACCURATE TRADE REPORTING WITHIN 30 BUSINESS DAYS.

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



<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD REGULATION ALLEGED THAT THE FIRM DID NOT COMPLY WITH NASD RULES 2110,3010,6420(C)AND THAT THE FIRM FAILED TO REPORT THE CORRECT TIME OF EXECUTION THROUGH THE NASDAQ MARKET CENTER FOR CERTAIN TRANSACTIONS.
<b>Initiated By:</b>	NASD REGULATION, INC.
<b>Date Initiated:</b>	07/19/2005
<b>Docket/Case Number:</b>	<a href="#">CLG050106</a>
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	\$12,000 FINE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	07/19/2005
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$12,000.00
<b>Other Sanctions Ordered:</b>	REVISIONS OF THE FIRM'S WRITTEN SUPERVISORY PROCEDURES RELATING TO TRADE REPORTING.
<b>Sanction Details:</b>	THE FIRM WAS FINE \$12,000.
<b>Firm Statement</b>	KCM AGREED TO RESOLVE THE MATTER BY PAYING A 12,000 FINE.

#### Disclosure 5 of 10

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC RULE 11AC1-5(B) - RESPONDENT MEMBER MADE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED FOR EXECUTION FROM ANY PERSON THAT FAILED TO INCLUDE ALL COVERED ORDERS AS REQUIRED.
<b>Initiated By:</b>	NASD



**Date Initiated:** 11/15/2004  
**Docket/Case Number:** CMS040177  
**Principal Product Type:** Other  
**Other Product Type(s):** NATIONAL MARKET SYSTEM SECURITIES  
**Principal Sanction(s)/Relief Sought:**  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 11/15/2004  
**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 \$6,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$6,000.

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**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** FAILURE TO INCLUDE ALL COVERED ORDERS AS REQUIRED BY SEC RULE 11AC1-5 ON THE FIRM'S MARCH REPORT.  
**Initiated By:** NASD  
**Date Initiated:** 11/15/2004  
**Docket/Case Number:** CMS040177  
**Principal Product Type:** Equity Listed (Common & Preferred Stock)  
**Other Product Type(s):**



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

**Other Sanction(s)/Relief Sought:** \$6,000 FINE.

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 11/15/2004

**Sanctions Ordered:** Censure  
Monetary/Fine \$6,000.00

**Other Sanctions Ordered:**

**Sanction Details:** AWC ACCEPTED 11/15/2004. CENSURE AND FINE OF \$6,000.

#### Disclosure 6 of 10

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULE 6130(D) AND SEC RULE 11AC1-4 - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE FINDINGS THAT IT FAILED TO IMMEDIATELY DISPLAY CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION, WHEN EACH SUCH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED ITS BID OR OFFER IN EACH SUCH SECURITY; OR WHEN THE ORDER WAS PRICED EQUAL ITS BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SUCH SECURITY, AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMIS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH ITS BID OR OFFER IN EACH SUCH SECURITY.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS

**Date Initiated:** 03/05/2002

**Docket/Case Number:** CMS020042

**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:** 03/05/2002  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$7,500.00

**Other Sanctions Ordered:**

**Sanction Details:** NONE

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, KNIGHT CAPITAL ACCEPTED AND CONSENTED TO FINDINGS BY NASD REGULATION THAT IT DID NOT IMMEDIATELY DISPLAY 4 CUSTOMER LIMIT ORDERS AND THAT IT DID NOT REPORT THE CONTRA-SIDE EXECUTING BROKER IN 25 TRANSACTIONS IN ELIGIBLE SECURITIES.

**Initiated By:** NASD REGULATION, INC.

**Date Initiated:** 03/05/2002

**Docket/Case Number:** CMS020042AWC

**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:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 03/05/2002

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

**Other Sanctions Ordered:**

**Sanction Details:** THE DISPOSITION RESULTED IN A \$7,500 MONETARY FINE WHICH WAS PAID ON MARCH 26,2002. \$5000 FINE FOR THE ALLEGED VIOLATIONS OF SEC RULE 11AC1-4 AND \$2500 FINE FOR THE ALLEGED VIOLATIONS OF NASD MARKETPLACE RULE 6130.

**Firm Statement** KNIGHT CAPITAL AGREED TO A CENSURE AND A FINE TO SETTLE THE MATTER WITH NASD REGULATION PURSUANT TO AN AWC ACCEPTED ON MARCH 5, 2002.



## Disclosure 7 of 10

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	01-04-00, NASD RULES 2110 AND 3110 - RESPONDENT MEMBER FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS AND WITH APPLICABLE NASD RULES RELATING TO POTENTIALLY IMPROPER OR ILLEGAL TRADING ACTIVITIES NEAR THE CLOSE OF THE MARKET.
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
<b>Date Initiated:</b>	11/24/1999
<b>Docket/Case Number:</b>	CMS990150
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	11/24/1999
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING TO IMPLEMENT WRITTEN SUPERVISORY PROCEDURES CONCERNING ABOVE ALLEGATIONS TO BE PROVIDED TO THE NASD WITHIN 60 DAYS OF ACCEPTANCE OF AWC.
<b>Sanction Details:</b>	FINED \$5,000
<b>Regulator Statement</b>	05-22-00, \$5,000 PAID ON 1/03/00, INVOICE #99-MS-1037

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FAILURE TO ESTABLISH WRITTEN SUPERVISORY PROCEDURES IN CONNECTION WITH TRADING ACTIVITIES NEAR THE CLOSE OF THE



MARKET.

**Initiated By:** NASD REGULATION INC.  
**Date Initiated:** 09/28/1995  
**Docket/Case Number:** CMS990150  
**Principal Product Type:** Equity Listed (Common & Preferred Stock)  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Censure  
**Other Sanction(s)/Relief Sought:** FINE  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 11/23/1999  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$5,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** FINE OF \$5000.00 PAID ON 12/29/1999 BY APPLICANT

#### Disclosure 8 of 10

**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** NASD REGULATION ALLEGED THAT TRIMARK SECURITIES (KNIGHT CAPITAL MARKETS, LLC) ENTERED INTO NASDAQ SYS. 31 REPORTS OF RISKLESS PRINCIPLE TRANSACTIONS IN PREFERRED HEALTHCARE CONTRARY TO THE PROVISIONS OF SEC. 2(D)(3) OF SCHEDULE G TO ASSOCIATIONS BY-LAWS.  
**Initiated By:** NASD, REGULATION, INC.  
**Date Initiated:** 04/27/1993  
**Docket/Case Number:** CMS930019  
**Principal Product Type:** Equity - OTC  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Other



<b>Other Sanction(s)/Relief Sought:</b>	TRIMARK SECURITIES (KNIGHT CAPITAL MARKETS, LLC) AGREED TO A \$1000 FINE.
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	07/07/1993
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	TRIMARK SECURITIES (KNIGHT CAPITAL MARKETS, LLC) AGREED TO ACCEPT A FINE OF \$1000 FROM THE MARKET SURVEILLANCE COMMITTEE TO RESOLVE THE MATTER.
<b>Firm Statement</b>	THE FIRM ENTERED RISKLESS PRINCIPLE TRANSACTIONS INTO THE NASDAQ SYSTEM IN CONTRAVENTION OF THE ASSOCIATIONS BY-LAWS.

#### Disclosure 9 of 10

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD REGULATION, INC. ALLEGED THAT TRIMARK SECURITIES (KNIGHT CAPITAL MARKETS LLC) DID NOT FILL ORDERS, DID NOT PROVIDE BEST EXECUTION, DID NOT REFLECT ORDERS IN ITS QUOTE AND NEEDED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.
<b>Initiated By:</b>	NASD REGULATION, INC.
<b>Date Initiated:</b>	05/24/1999
<b>Docket/Case Number:</b>	CMS990042
<b>Principal Product Type:</b>	Equity - OTC
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	TRIMARK (KNIGHT CAPITAL MARKETS, LLC) WAS FINED \$8000 AND WAS CENSURED.
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	05/24/1999
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$8,000.00
<b>Other Sanctions Ordered:</b>	



**Sanction Details:** \$8,000 FINE PAID 5/24/1999.

**Firm Statement** TRIMARK SECURITIES (KNIGHT CAPITAL MARKETS, LLC) AGREED TO ACCEPT AN AWC TO RESOLVE THE MATTER ON 5/24/99. THE FIRM AGREED TO A \$8,000 FINE AND TO RECEIVE A CENSURE.

### Disclosure 10 of 10

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 04/23/1997

**Docket/Case Number:** CMS960231

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 04/23/1997

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

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement** LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. CMS960231 AWC. ON APRIL 23, 1997, TRIMARK SECURITIES, L.P. (TRIM) WAS NOTIFIED THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) IT SUBMITTED WAS ACCEPTED BY THE MARKET REGULATION AND THE NATIONAL BUSINESS CONDUCT COMMITTEES. THE AWC ALLEGES THAT TRIM VIOLATED NASD CONDUCT RULES 2110 AND 3010 AND MARKETPLACE RULES 6130 AND 6420 FOR FAILING TO REPORT OR INACCURATELY REPORTING TRANSACTIONS TO THE AUTOMATED CONFIRMATION TRANSACTION SERVICE



(ACT). TRIM WAS FINED \$20,000.

\*\*\*\$20,000.00 PAID ON 6/6/97, INVOICE #97-MS-231\*\*\*

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD REGULATION, INC. ALLEGED THAT TRIMARK SECURITIES (KNIGHT CAPITAL MARKETS, LLC) DID NOT CONFORM WITH NASD RULES 6130, 6420, 2110 AND 2010 WITH RESPECT TO CERTAIN ORDERS HANDLED IN DECEMBER OF 1995.

**Initiated By:** NASD REGULATION, INC.

**Date Initiated:** 04/23/1997

**Docket/Case Number:** CMS960231

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** TRIMARK SECURITIES (KNIGHT CAPITAL MARKETS, LLC) WAS FINED

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 04/23/1997

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

**Other Sanctions Ordered:**

**Sanction Details:** TRIMARK (KNIGHT CAPITAL MARKETS, LLC) AGREED TO PAY A FINE OF \$20,000 (\$10,000 FOR TRADE REPORTING AND \$10,000 FOR SUPERVISION)

**Firm Statement** TRIMARK SECURITIES (KNIGHT CAPITAL MARKETS, LLC) AGREED TO RESOLVE THE MATTER WITH AN AWC. THE TERMS INCLUDED A \$20,000 FINE. (\$10,000 FOR TRADE REPORTING AND \$10,000 FOR SUPERVISION.)



## 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.

	<b>Pending</b>	<b>Final</b>	<b>On Appeal</b>
Regulatory Event	0	1	0



## Disclosure Event Details

### Regulatory - Final

#### Disclosure 1 of 1

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	KNIGHT FINANCIAL PRODUCTS, LLC
<b>Current Status:</b>	Final
<b>Allegations:</b>	AS PART OF A GLOBAL SETTLEMENT BY THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") WITH SPECIALISTS ON CERTAIN REGIONAL AND OPTIONS EXCHANGES, THE COMMISSION ALLEGED THAT, FROM 1999 THROUGH 2004, IN ITS CAPACITY AS A SPECIALIST, KNIGHT FINANCIAL PRODUCTS, LLC ("KFP") FAILED TO EXECUTE CERTAIN CUSTOMER ORDERS IN A MANNER REASONABLY NECESSARY TO MAINTAIN A FAIR AND ORDERLY MARKET BY EXECUTING CERTAIN PROPRIETARY ORDERS IN A MANNER THAT ALLEGEDLY DISADVANTAGED THOSE CUSTOMER ORDERS IN ALLEGED VIOLATION SECTION 11(B) OF THE SECURITIES EXCHANGE ACT OF 1934, RULE 11B-1 THEREUNDER, AND CERTAIN EXCHANGE RULES. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, KFP CONSENTED TO THE ENTRY OF THE COMMISSION'S ORDER ON MARCH 4, 2009 AND ON MARCH 12, 2009, KFP PAID DISGORGEMENT TO THE COMMISSION OF \$1.7 MILLION AND A MONETARY PENALTY IN THE AMOUNT OF \$340,000.
<b>Initiated By:</b>	SECURITIES AND EXCHANGE COMMISSION
<b>Date Initiated:</b>	03/04/2009
<b>Docket/Case Number:</b>	ADMIN. PROCEEDING FILE NO. 3-13393
<b>Principal Product Type:</b>	Index Option(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST CENSURE DISGORGEMENT
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	03/04/2009
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$2,040,000.00 Disgorgement/Restitution



Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:**

FINE OF \$340,000.00 AND A DISGORGEMENT OF \$1,700,000.00

**Firm Statement**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, KFP CONSENTED TO THE ENTRY OF THE COMMISSION'S ORDER, WHICH WAS ISSUED BY THE COMMISSION ON MARCH 4, 2009 AND ON MARCH 12, 2009, KFP PAID DISGORGEMENT TO THE COMMISSION OF \$1.7 MILLION AND A MONETARY PENALTY IN THE AMOUNT OF \$340,000.

## End of Report



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