

BrokerCheck Report

DRW SECURITIES, L.L.C.

CRD# 45908

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

Please contact FINRA with any concerns.

About BrokerCheck®



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

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

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

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

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

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

- **How current is this information?**

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

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

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

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

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

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Thank you for using FINRA BrokerCheck.



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

brokercheck.finra.org



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

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



DRW SECURITIES, L.L.C.

CRD# 45908

SEC# 8-51241

Main Office Location

540 WEST MADISON STREET
SUITE 2500
CHICAGO, IL 60661
Regulated by FINRA Chicago Office

Mailing Address

540 WEST MADISON STREET
SUITE 2500
CHICAGO, IL 60661

Business Telephone Number

312-542-1000

Report Summary for this Firm

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

Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Illinois on 01/07/1998.

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
- 24 Self-Regulatory Organizations
- 2 U.S. states and territories

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

This firm conducts 4 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm does not have referral or financial arrangements with other brokers or dealers.

Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	9



Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Illinois on 01/07/1998.

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.

DRW SECURITIES, L.L.C.

Doing business as DRW SECURITIES, L.L.C.

CRD# 45908

SEC# 8-51241

Main Office Location

540 WEST MADISON STREET
SUITE 2500
CHICAGO, IL 60661

Regulated by FINRA Chicago Office

Mailing Address

540 WEST MADISON STREET
SUITE 2500
CHICAGO, IL 60661

Business Telephone Number

312-542-1000



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): DRW HOLDINGS, LLC

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

Position MEMBER

Position Start Date 01/2000

Percentage of Ownership 75% or more

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

Is this a public reporting company? No

Legal Name & CRD# (if any): ARMOUR II, ROBERT WILLIAM

4447215

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

Position CHIEF COMPLIANCE OFFICER

Position Start Date 04/2009

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): CALDWELL, CHRISTOPHER ROBERT

4182335

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

Position DIRECTOR OF BROKER DEALER COMPLIANCE

Position Start Date 06/2015

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): CALIXTO, CHRIZITA
6564070

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

Position CHIEF FINANCIAL OFFICER

Position Start Date 10/2025

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): DRW ASSOCIATES LLC

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

Position MEMBER

Position Start Date 07/2018

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): DRW MANAGEMENT, LLC

Firm Profile



Direct Owners and Executive Officers (continued)

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

Position MANAGER

Position Start Date 11/2021

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): FOWLER, SCOTT ALAN
3004363

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

Position FINOP, COO, PFO, POO

Position Start Date 12/2017

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): GARCHIK, ADAM TODD
2967638

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

Position CEO

Position Start Date 01/2020

Percentage of Ownership Less than 5%

Firm Profile



Direct Owners and Executive Officers (continued)

Does this owner direct the management or policies of the firm? 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):	WILSON 2019 EXEMPT TRUST
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	DRW HOLDINGS, LLC
Relationship to Direct Owner	MEMBER
Relationship Established	01/2022
Percentage of Ownership	25% but less than 50%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	THE NORTHERN TRUST COMPANY OF DELAWARE
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	WILSON 2019 EXEMPT TRUST
Relationship to Direct Owner	TRUSTEE
Relationship Established	01/2022
Percentage of Ownership	Other General Partners
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	Yes

Legal Name & CRD# (if any):	WILSON, JENNIFER KATHARINE 7634234
Is this a domestic or foreign	Individual

Firm Profile



Indirect Owners (continued) entity or an individual?

Company through which indirect ownership is established	WILSON 2019 EXEMPT TRUST
Relationship to Direct Owner	TRUSTEE
Relationship Established	12/2021
Percentage of Ownership	Other General Partners
Does this owner direct the management or policies of the firm?	No
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, 24 SROs and 2 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	11/23/1998

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	01/31/2024
BOX Exchange LLC	Approved	06/06/2018
Cboe BYX Exchange, Inc.	Approved	11/01/2010
Cboe BZX Exchange, Inc.	Approved	09/01/2009
Cboe C2 Exchange, Inc.	Approved	01/22/2016
Cboe EDGA Exchange, Inc.	Approved	05/25/2010
Cboe EDGX Exchange, Inc.	Approved	05/27/2010
Cboe Exchange, Inc.	Approved	11/23/1998
Investors' Exchange LLC	Approved	09/21/2017
Long-Term Stock Exchange, Inc.	Approved	04/17/2020
MEMX LLC	Approved	07/10/2020
MIAX PEARL, LLC	Approved	11/14/2017
Miami International Securities Exchange, LLC	Approved	08/31/2015
NYSE American LLC	Approved	12/02/2016
NYSE Arca, Inc.	Approved	09/04/2002

NYSE National, Inc.	Approved	05/18/2018
NYSE Texas, Inc.	Approved	10/02/2017
Nasdaq GEMX, LLC	Approved	10/06/2014
Nasdaq ISE, LLC	Approved	10/06/2011
Nasdaq MRX, LLC	Approved	03/08/2016
Nasdaq PHLX LLC	Approved	08/06/2015
Nasdaq Stock Market	Approved	09/02/2009
Nasdaq Texas, LLC	Approved	02/01/2016
New York Stock Exchange	Approved	12/02/2016

Firm Operations



Registrations (continued)

U.S. States & Territories	Status	Date Effective
New York	Approved	05/01/2024
Texas	Approved	05/03/2024

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 4 types of businesses.

Types of Business

Exchange member engaged in floor activities

U S. government securities dealer

Put and call broker or dealer or option writer

Trading securities for own account

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: MAREX CAPITAL MARKETS INC.
CRD #: 161014
Business Address: 140 EAST 45TH STREET
 10TH FLOOR
 NEW YORK, NY 10017
Effective Date: 06/02/2021
Description: MAREX CAPITAL MARKETS INC. CLEARS THE APPLICANT'S TRANSACTIONS, CARRIES ITS TRADING ACCOUNTS, AND MAINTAINS CERTAIN RECORDS.

Name: GOLDMAN, SACHS & CO.
CRD #: 361
Business Address: 71 S WACKER DR.
 CHICAGO, IL 60606
Effective Date: 04/08/2016
Description: GOLDMAN, SACHS & CO CLEARS THE APPLICANTS'S TRANSACTIONS, CARRIES ITS TRADING ACCOUNTS, AND MAINTAINS CERTAIN RECORDS.

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: 08/01/2023
Description: BOFA SECURITIES, INC. CLEARS THE APPLICANTS TRANSACTIONS, CARRIES ITS TRADING ACCOUNTS, AND MAINTAINS CERTAIN OF ITS RECORDS.

Name: CIBC WORLD MARKETS INC.
Business Address: 161 BAY STREET
 TORONTO, CANADA M5J 2S8
Effective Date: 10/01/2017

Firm Operations



Industry Arrangements (continued)

Description: CIBC WORLD MARKETS INC. CLEARS THE APPLICANT'S TRANSACTIONS, CARRIES ITS TRADING ACCOUNTS, AND MAINTAINS CERTAIN OF ITS RECORDS.

Name: SG AMERICAS SECURITIES, LLC

CRD #: 128351

Business Address: 245 PARK AVENUE
NEW YORK, NY 10167

Effective Date: 09/08/2015

Description: SG AMERICAS SECURITIES, LLC CLEARS THE APPLICANT'S TRANSACTIONS, CARRIES ITS TRADING ACCOUNTS, AND MAINTAINS CERTAIN OF ITS RECORDS.

Name: ABN AMRO CLEARING USA LLC

CRD #: 14020

Business Address: 175 W. JACKSON
SUITE 400
CHICAGO, IL 60604

Effective Date: 08/01/2005

Description: ABN CLEARS THE APPLICANT'S TRANSACTIONS, CARRIES ITS TRADING ACCOUNTS, AND MAINTAINS CERTAIN OF ITS RECORDS.

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

Control Persons/Financing

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

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

CUMBERLAND SECURITIES LLC is under common control with the firm.

CRD #:	13970
Business Address:	540 W MADISON ST CHICAGO, IL 60661
Effective Date:	10/29/2019
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	ENTITIES ARE UNDER COMMON CONTROL.

DRW EXECUTION SERVICES, LLC is under common control with the firm.

CRD #:	290408
Business Address:	540 WEST MADISON SUITE 2500 CHICAGO, IL 60661
Effective Date:	09/04/2017
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	THE APPLICANT IS UNDER COMMON CONTROL DRW EXECUTION SERVICES, LLC.



Organization Affiliates (continued)

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	9	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 9

Reporting Source: Regulator
Current Status: Final



Allegations: DRW SECURITIES, L.L.C. VIOLATED CBOE EDGA RULES 4.7 AND 4.15 IN THAT THE FIRM FAILED TO ACCURATELY REPORT THE ACCOUNT HOLDER TYPE FOR NEW ORDER EVENTS TO THE CAT CENTRAL REPOSITORY.

Initiated By: CBOE EDGA EXCHANGE, INC.

Date Initiated: 06/18/2025

Docket/Case Number: FILE NO. URE-291-08/STAR NO. 20230777266

Principal Product Type: Options

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 06/26/2025

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 \$275,000.00

Other Sanctions Ordered:

Sanction Details: A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$275,000.

Reporting Source: Firm

Current Status: Final

Allegations: A CODE MALFUNCTION CAUSED DRW TO REPORT CERTAIN NEW ORDER EVENTS WITH INCORRECT VALUES FOR THE ACCOUNTHOLDERTYPE, A NON-COMPARED AGAINST FIELD, FROM JULY 2020 THROUGH JANUARY 2024. THIS MATTER DID NOT REVEAL EVIDENCE THAT EITHER DRW FAILED TO REPORT OR FAILED TO TIMELY REPORT DATA TO THE CAT CENTRAL REPOSITORY FOR ANY ORDER EVENT, NOR DID IT REVEAL THAT DRW'S PROCEDURES WERE INADEQUATE OR THAT IT LACKED SUPERVISION.

Initiated By: FINRA



Date Initiated: 06/26/2025

Docket/Case Number: URE-291-08/STAR NO. 20230777266

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/26/2025

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

Other Sanctions Ordered:

Sanction Details: DRW NEITHER ADMITTED NOR DENIED THAT VIOLATIONS OF EXCHANGE RULES HAD BEEN COMMITTED AND CONSENTED TO A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$275,000.

Disclosure 2 of 9

Reporting Source: Regulator

Current Status: Final

Allegations: BETWEEN AUGUST AND DECEMBER 2022, THE FIRM WAS REGISTERED AS A MARKET MAKER ON ISE. DURING AUGUST AND SEPTEMBER 2022 ("REVIEW PERIOD 1 "), THE FIRM VIOLATED ISE RULE OPTIONS 2, SECTION 4(B)(4) BY EXCEEDING THE MAXIMUM ALLOWABLE QUOTE SPREAD MILLIONS OF TIMES OVER THE COURSE OF 28 TRADING DATES FOR THE OPTIONS CLASSES IN WHICH THE FIRM WAS APPOINTED. FURTHER, IN DECEMBER 2022 ("REVIEW PERIOD 2"), THE FIRM VIOLATED ISE RULE OPTIONS 2, SECTION 4(B)(4) BY EXCEEDING THE MAXIMUM ALLOWABLE QUOTE SPREAD HUNDREDS OF THOUSANDS OF TIMES OVER THE COURSE OF SIX TRADING DATES FOR THE OPTIONS CLASSES IN WHICH THE FIRM WAS APPOINTED. FINALLY, DURING THE PERIOD AUGUST 2022 THROUGH DECEMBER 2022 (THE "SUPERVISORY REVIEW PERIOD"), THE FIRM VIOLATED ISE RULE OPTIONS 9, SECTIONS 2 AND 1 FOR FAILING TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM THAT WAS REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH ISE RULES CONCERNING ALLOWABLE QUOTE WIDTHS.

Initiated By: NASDAQ ISE, LLC



Date Initiated: 04/30/2025
Docket/Case Number: 2022.10.0408
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: 04/30/2025
Sanctions Ordered: Censure
 Monetary/Fine \$25,500.00
Other Sanctions Ordered: AN UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES
Sanction Details: THE FIRM CONSENTED TO THE IMPOSITION OF A CENSURE, A FINE IN THE AMOUNT OF \$25,500, AND AN UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES

Reporting Source: Firm
Current Status: Final
Allegations: BETWEEN AUGUST AND DECEMBER 2022, DRW SECURITIES, LLC ("DRW" OR "FIRM"), REGISTERED AS A MARKET MAKER ON ISE, EXCEEDED THE MAXIMUM ALLOWABLE QUOTE SPREAD DURING 28 TRADING DATES IN AUGUST AND SEPTEMBER 2022 AND DURING SIX TRADING DATES IN THE DECEMBER 2022 PERIOD. ADDITIONALLY, DRW FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM TO ENSURE COMPLIANCE WITH ISE RULES REGARDING ALLOWABLE QUOTE WIDTHS IN VIOLATION OF ISE RULE OPTIONS 9, SECTIONS 2 AND 1.
Initiated By: NASDAQ ISE, LLC
Date Initiated: 04/30/2025
Docket/Case Number: 2022.10.0408
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:	04/30/2025
Sanctions Ordered:	Censure Monetary/Fine \$25,500.00
Other Sanctions Ordered:	AN UNDERTAKING TO REVISE THE FIRM'S WSPS
Sanction Details:	THE FIRM CONSENTED TO THE IMPOSITION OF A CENSURE, A FINE IN THE AMOUNT OF \$25,500, AND AN UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES.
Firm Statement	THE FIRM CONSENTED TO THE IMPOSITION OF A CENSURE, A FINE IN THE AMOUNT OF \$24,000, AND AN UNDERTAKING TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.

Disclosure 3 of 9

Reporting Source:	Regulator
Current Status:	Final
Allegations:	BETWEEN AUGUST AND SEPTEMBER 2022 (THE "QUOTE SPREAD REVIEW PERIOD"), THE FIRM WAS REGISTERED AS A MARKET MAKER ON PHLX. DURING THE QUOTE SPREAD REVIEW PERIOD, THE FIRM VIOLATED PHLX RULE OPTIONS 2, SECTION 4(C)(1) BY EXCEEDING THE MAXIMUM ALLOWABLE QUOTE SPREAD MILLIONS OF TIMES OVER THE COURSE OF 27 TRADING DATES FOR THE OPTIONS CLASSES IN WHICH THE FIRM WAS APPOINTED. DURING THE PERIOD AUGUST 2022 THROUGH DECEMBER 2022 (THE "SUPERVISORY REVIEW PERIOD"), THE FIRM VIOLATED PHLX RULES GENERAL 9, SECTIONS 20(H) AND 1 (C)(1) FOR FAILING TO ESTABLISH ADEQUATE SUPERVISORY SYSTEMS AND CONTROLS THAT WERE AN UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO PREVENT AND DETECT, INsofar AS PRACTICABLE, VIOLATIONS OF PHLX RULES CONCERNING ALLOWABLE QUOTE WIDTHS.
Initiated By:	NASDAQ PHLX, LLC
Date Initiated:	04/30/2025
Docket/Case Number:	2022.10.0408



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: 04/30/2025

Sanctions Ordered: Censure
Monetary/Fine \$24,000.00

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

Sanction Details: THE FIRM CONSENTED TO THE IMPOSITION OF A CENSURE, A FINE IN THE AMOUNT OF \$500, AND AN UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES

Reporting Source: Firm

Current Status: Final

Allegations: BETWEEN AUGUST AND SEPTEMBER 2022, DRW SECURITIES, LLC ("DRW") OR "FIRM") REGISTERED AS A MARKET MAKER ON PHLX VIOLATED PHLX RULE OPTIONS 2, SECTION 4(C)(1) BY EXCEEDING THE MAXIMUM ALLOWABLE QUOTE OVER THE COURSE OF 27 TRADING DATES FOR THE OPTIONS CLASSES IN WHICH THE FIRM WAS APPOINTED. DURING THE PERIOD AUGUST 2022 THROUGH DECEMBER 2022, THE FIRM VIOLATED PHLX RULES GENERAL 9, SECTIONS 20(H) AND 1 (C)(1) FOR FAILING TO ESTABLISH ADEQUATE SUPERVISORY SYSTEMS AND CONTROLS THAT WERE REASONABLY DESIGNED TO PREVENT AND DETECT, INSOFAR AS PRACTICABLE, VIOLATIONS OF PHLX RULES CONCERNING ALLOWABLE QUOTE WIDTHS.

Initiated By: NASDAQ PHLX LLC

Date Initiated: 04/30/2025

Docket/Case Number: 2022.10.0408

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:	04/30/2025
Sanctions Ordered:	Censure Monetary/Fine \$24,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM CONSENTED TO THE IMPOSITION OF A CENSURE, A FINE IN THE AMOUNT OF \$24,000, AND AN UNDERTAKING TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.
Firm Statement	THE FIRM CONSENTED TO THE IMPOSITION OF A CENSURE, A FINE IN THE AMOUNT OF \$24,000, AND AN UNDERTAKING TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.

Disclosure 4 of 9

Reporting Source:	Regulator
Current Status:	Final
Allegations:	IN DECEMBER 2022 (THE "QUOTE SPREAD REVIEW PERIOD"), THE FIRM WAS REGISTERED AS A MARKET MAKER ON NOM. DURING THE QUOTE SPREAD REVIEW PERIOD, THE FIRM VIOLATED NOM RULE OPTIONS 2, SECTION 5(D)(2) BY EXCEEDING THE MAXIMUM ALLOWABLE QUOTE SPREAD HUNDREDS OF THOUSANDS OF TIMES OVER THE COURSE OF SIX TRADING DATES FOR THE OPTIONS CLASSES IN WHICH THE FIRM WAS APPOINTED. FURTHER, FROM AUGUST 2022 THROUGH DECEMBER 2022 (THE "SUPERVISORY REVIEW PERIOD"), THE FIRM VIOLATED NASDAQ RULES GENERAL 9, SECTIONS 20(A) AND L(A) FOR FAILING TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM THAT WAS REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH NOM RULES CONCERNING ALLOWABLE QUOTE WIDTHS.
Initiated By:	NASDAQ STOCK MARKET
Date Initiated:	04/30/2025
Docket/Case Number:	2022.10.0408
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: 04/30/2025

Sanctions Ordered: Censure
Monetary/Fine \$500.00

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

Sanction Details: THE FIRM CONSENTED TO THE IMPOSITION OF A CENSURE, A FINE IN THE AMOUNT OF \$500, AND AN UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES

Reporting Source: Firm

Current Status: Final

Allegations: BETWEEN AUGUST AND SEPTEMBER 2022, DRW SECURITIES, LLC ("DRW") OR "FIRM") REGISTERED AS A MARKET MAKER ON NOM VIOLATED NOM RULE OPTIONS 2, SECTION 5(D)(1) BY EXCEEDING THE MAXIMUM ALLOWABLE QUOTE OVER THE COURSE OF 6 TRADING DATES FOR THE OPTIONS CLASSES IN WHICH THE FIRM WAS APPOINTED. DURING THE PERIOD AUGUST 2022 THROUGH DECEMBER 2022, THE FIRM VIOLATED NASDAQ RULES GENERAL 9, SECTIONS 20(A) AND 1(A) FOR FAILING TO ESTABLISH ADEQUATE SUPERVISORY SYSTEMS AND CONTROLS THAT WERE REASONABLY DESIGNED TO PREVENT AND DETECT, INSOFAR AS PRACTICABLE, VIOLATIONS OF NOM RULES CONCERNING ALLOWABLE QUOTE WIDTHS.

Initiated By: NASDAQ OPTIONS MARKET LLC

Date Initiated: 04/30/2025

Docket/Case Number: 2022.10.0408

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: 04/30/2025

Sanctions Ordered: Censure
Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM CONSENTED TO THE IMPOSITION OF A CENSURE, A FINE IN THE AMOUNT OF \$500.00, AND AN UNDERTAKING TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.

Firm Statement THE FIRM CONSENTED TO THE IMPOSITION OF A CENSURE, A FINE IN THE AMOUNT OF \$24,000, AND AN UNDERTAKING TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.

Disclosure 5 of 9

Reporting Source: Regulator

Current Status: Final

Allegations: DRW: (I) FAILED TO SUPERVISE THE TRADING ACTIVITY OF ITS U.S. EQUITY INDEX OPTIONS DESK SO AS TO ASSURE COMPLIANCE WITH EXCHANGE RULE 4.1; AND (II) FAILED TO SUPERVISE THE TRADING ACTIVITY OF ITS U.S. EQUITY INDEX OPTIONS DESK SO AS TO ASSURE COMPLIANCE WITH EXCHANGE RULE 4.1. (VIOLATION OF EXCHANGE RULES 4.1 AND 4.2)

Initiated By: CBOE EXCHANGE, INC.

Date Initiated: 12/15/2017

Docket/Case Number: 17-0063/ 20150448574

Principal Product Type: Options

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 12/29/2017



Sanctions Ordered:	Censure Monetary/Fine \$800,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	AS A RESULT OF THE CONDUCT DESCRIBED ABOVE, A TOTAL FINE OF \$1,250,000, OF WHICH \$800,000 SHALL BE PAID TO CBOE EXCHANGE, INC. AND \$450,000 SHALL BE PAID TO CBOE FUTURES EXCHANGE, A TOTAL DISGORGEMENT IN THE AMOUNT OF \$257,056, OF WHICH \$100,000 SHALL BE PAID TO CBOE EXCHANGE, INC. AND \$157,056 SHALL BE PAID TO CBOE FUTURES EXCHANGE, AND A CENSURE.
Sanction Details:	AS A RESULT OF THE CONDUCT DESCRIBED ABOVE, A TOTAL FINE OF \$1,250,000, OF WHICH \$800,000 SHALL BE PAID TO CBOE EXCHANGE, INC. AND \$450,000 SHALL BE PAID TO CBOE FUTURES EXCHANGE, A TOTAL DISGORGEMENT IN THE AMOUNT OF \$257,056, OF WHICH \$100,000 SHALL BE PAID TO CBOE EXCHANGE, INC. AND \$157,056 SHALL BE PAID TO CBOE FUTURES EXCHANGE, AND A CENSURE.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	AS PART OF ITS TRADING STRATEGY, THE USEIO DESK PARTICIPATED IN THE CBOE'S SPECIAL OPENING QUOTATION RELATING TO CERTAIN VIX CONTRACTS. THE DESK PARTICIPATED BY SUBMITTING MINIMUM INCREMENT AND STRATEGY ORDERS COMPOSED OF A STRIP OF CONSTITUENT OPTIONS TO REPLACE THE DESK'S EXPIRING VEGA. WITHOUT ADMITTING OR DENYING, THE COMPANY CONSENTED TO A FINE AND CENSURE IN CONNECTION WITH THIS ACTIVITY. SPECIFICALLY, DRW: (I) FAILED TO SUPERVISE THE TRADING ACTIVITY OF ITS U.S. EQUITY INDEX OPTIONS DESK SO AS TO ASSURE COMPLIANCE WITH EXCHANGE RULE 4.1; AND (II) FAILED TO SUPERVISE THE TRADING ACTIVITY OF ITS U.S. EQUITY INDEX OPTIONS DESK SO AS TO ASSURE COMPLIANCE WITH EXCHANGE RULE 4.1. (VIOLATION OF EXCHANGE RULES 4.1 AND 4.2)
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	12/15/2017
Docket/Case Number:	17-0063/ 20150448574
Principal Product Type:	Options
Other Product Type(s):	FUTURES
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief	FINE



Sought:	DISGORGEMENT
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	12/29/2017
Sanctions Ordered:	Censure Monetary/Fine \$800,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	AS A RESULT OF THE CONDUCT DESCRIBED ABOVE, A TOTAL FINE OF \$1,250,000, OF WHICH \$800,000 SHALL BE PAID TO CBOE EXCHANGE, INC. AND \$450,000 SHALL BE PAID TO CBOE FUTURES EXCHANGE, A TOTAL DISGORGEMENT IN THE AMOUNT OF \$257,056, OF WHICH \$100,000 SHALL BE PAID TO CBOE EXCHANGE, INC. AND \$157,056 SHALL BE PAID TO CBOE FUTURES EXCHANGE, AND A CENSURE.
Sanction Details:	AS A RESULT OF THE CONDUCT DESCRIBED ABOVE, A TOTAL FINE OF \$1,250,000, OF WHICH \$800,000 SHALL BE PAID TO CBOE EXCHANGE, INC. AND \$450,000 SHALL BE PAID TO CBOE FUTURES EXCHANGE, A TOTAL DISGORGEMENT IN THE AMOUNT OF \$257,056, OF WHICH \$100,000 SHALL BE PAID TO CBOE EXCHANGE, INC. AND \$157,056 SHALL BE PAID TO CBOE FUTURES EXCHANGE, AND A CENSURE.
Firm Statement	INQUIRY BEGAN IN 2014, THE FIRM DECIDED TO SETTLE IN 2017.

Disclosure 6 of 9

Reporting Source:	Regulator
Current Status:	Final
Allegations:	IT IS ALLEGED THAT DRW, ON NUMEROUS OCCASIONS, FAILED TO GRANT PRIORITY TO THE HIGHEST BID AND/OR LOWEST OFFER WHEN SUCH BID OR OFFER WAS AVAILABLE. (VIOLATIONS OF EXCHANGE RULE 6.45B)
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	04/06/2017
Docket/Case Number:	FILE NO. 17-0034 / STAR NO. 20150467862
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	



Resolution: Decision & Order of Offer of Settlement

Resolution Date: 04/03/2019

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 \$2,500.00

Other Sanctions Ordered:

Sanction Details: A CENSURE AND A FINE OF \$2,500.

Reporting Source: Firm

Current Status: Final

Allegations: THE CBOE HAS ALLEGED THAT THE FIRM VIOLATED EXCHANGE RULE 6.45B FOR FAILURE TO GRANT PRIORITY TO THE HIGHEST BID AND/OR LOWEST OFFER.

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 04/06/2017

Docket/Case Number: 14-0200 & 17-0034

Principal Product Type: Index Option(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: DISCIPLINARY PROCEEDINGS.

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 04/03/2019

Sanctions Ordered: Censure
Monetary/Fine \$2,500.00

Other Sanctions Ordered:

Sanction Details: THIS MATTER WAS COMBINED WITH 14-0200 FOR A TOTAL FINE FOR BOTH



OF 2500.00

Disclosure 7 of 9

Reporting Source:	Regulator
Current Status:	Final
Allegations:	AFTER A CONTESTED HEARING, DRW SECURITIES, L.L.C., AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$15,000 FOR FAILING TO REGISTER TWO ASSOCIATED PERSONS AS A PROPRIETARY TRADER (PT) WITH THE EXCHANGE IN WEBCRD. (EXCHANGE RULE 3.6A - QUALIFICATION AND REGISTRATION OF TRADING PERMIT HOLDERS AND ASSOCIATED PERSONS)
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	03/12/2015
Docket/Case Number:	15-0034 / 20150446531
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Decision
Resolution Date:	05/25/2016
Sanctions Ordered:	Censure Monetary/Fine \$15,000.00
Other Sanctions Ordered:	
Sanction Details:	A \$15,000 FINE AND A CENSURE.

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE CHICAGO BOARD OPTIONS EXCHANGE HAS ALLEGED THAT THE FIRM FAILED TO REGISTER (2) ASSOCIATED PERSONS AS PROPRIETARY TRADER(S) (PT) WITH THE CHICAGO BOARD OPTIONS EXCHANGE IN WEBCRD.



Initiated By: CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated: 03/12/2015
Docket/Case Number: 20150446531
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Decision
Resolution Date: 06/01/2016
Sanctions Ordered: Censure
 Monetary/Fine \$15,000.00
Other Sanctions Ordered:
Sanction Details: 15000.00 FINE
Firm Statement FINE WAS PAID AND MATTER IS RESOLVED.

Disclosure 8 of 9

Reporting Source: Regulator
Current Status: Final
Allegations: DRW, ON A LIMITED NUMBER OF OCCASIONS, FAILED TO GRANT PRIORITY TO THE HIGHEST BID AND/OR LOWEST OFFER WHEN SUCH BID OR OFFER WAS DISPLAYED. VIOLATIONS OF EXCHANGE RULES 6.45A AND 6.45B.
Initiated By: CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated: 12/26/2014
Docket/Case Number: 14-0200 AND 17-0034/20150467862 AND 20150439292
Principal Product Type: Options
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:



Resolution: Decision & Order of Offer of Settlement
Resolution Date: 04/03/2019
Sanctions Ordered: Censure
 Monetary/Fine \$2,500.00
Other Sanctions Ordered: A \$2,500 FINE AND A CENSURE.
Sanction Details: A \$2,500 FINE AND A CENSURE.

Reporting Source: Firm
Current Status: Final
Allegations: THE CBOE HAS ALLEGED THAT THE FIRM VIOLATED EXCHANGE RULES 6.45A AND 6.45B FOR FAILURE TO GRANT PRIORITY TO THE HIGHEST BID AND/OR LOWEST OFFER.
Initiated By: CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated: 12/26/2014
Docket/Case Number: 14-0200
Principal Product Type: Index Option(s)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought: DISCIPLINARY PROCEEDINGS.
Resolution: Decision & Order of Offer of Settlement
Resolution Date: 04/03/2019
Sanctions Ordered: Censure
 Monetary/Fine \$2,500.00
Other Sanctions Ordered:
Sanction Details: TOTAL FINE WAS 2500.00 FOR BOTH MATTERS 14-200 & 17-0034.
Firm Statement THIS MATTER WAS COMBINED WITH MATTER 17-0034

Disclosure 9 of 9

Reporting Source: Regulator



Current Status: Final

Allegations: DRW SECURITIES, L.L.C. ("DRW"), A CBOE TRADING PERMIT HOLDER, WAS CENSURED AND FINED \$20,000 FOR THE FOLLOWING CONDUCT. DRW OPERATED WHILE BELOW ITS MINIMUM NET CAPITAL REQUIREMENT OF \$250,000. (CBOE RULES 4.2, 13.1 AND SECTION 15(C) OF THE ACT AND RULE 15C3-1 THEREUNDER.)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 01/23/2012

Docket/Case Number: 11-0042

Principal Product Type: Options

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 03/07/2012

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

Other Sanctions Ordered:

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

Reporting Source: Firm

Current Status: Final

Allegations: SPREADSHEET KEYSTROKE ERROR RESULTING IN NET CAPITAL VIOLATION.

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE, INC.

Date Initiated: 01/23/2012

Docket/Case Number: 11-0042

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:	Decision
Resolution Date:	03/21/2012
Sanctions Ordered:	Censure Monetary/Fine \$20,000.00
Other Sanctions Ordered:	NONE.
Sanction Details:	20000.00 FINE
Firm Statement	FINE WAS PAID AND MATTER IS RESOLVED.

End of Report



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