

**BrokerCheck Report**

**ABN AMRO CLEARING CHICAGO LLC**

CRD# 14020

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## About BrokerCheck®



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

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

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

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

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

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:

- o information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
- o information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

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

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

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

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

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

**Thank you for using FINRA BrokerCheck.**



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

[brokercheck.finra.org](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)



## ABN AMRO CLEARING CHICAGO LLC

CRD# 14020

SEC# 8-34354

### Main Office Location

175 WEST JACKSON BLVD  
STE 2050  
CHICAGO, IL 60604  
Regulated by FINRA Chicago Office

### Mailing Address

175 WEST JACKSON BLVD  
STE 2050  
CHICAGO, IL 60604

### Business Telephone Number

312-604-8000

## 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 06/30/1997.

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
- 51 U.S. states and territories

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

This firm conducts 2 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	78



## **Firm Profile**

This firm is classified as a limited liability company.

This firm was formed in Illinois on 06/30/1997.

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.

### **ABN AMRO CLEARING CHICAGO LLC**

**Doing business as ABN AMRO CLEARING CHICAGO LLC**

**CRD#** 14020

**SEC#** 8-34354

### **Main Office Location**

175 WEST JACKSON BLVD  
STE 2050  
CHICAGO, IL 60604

**Regulated by FINRA Chicago Office**

### **Mailing Address**

175 WEST JACKSON BLVD  
STE 2050  
CHICAGO, IL 60604

### **Business Telephone Number**

312-604-8000



## 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>	ABN AMRO CLEARING BANK N.V.
<b>Is this a domestic or foreign entity or an individual?</b>	Foreign Entity
<b>Position</b>	SHAREHOLDER
<b>Position Start Date</b>	08/2009
<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>	No

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<b>Legal Name &amp; CRD# (if any):</b>	CONNORS, TIMOTHY GERARD 1564269
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHICAGO BRANCH OFFICE MANAGER, ROP
<b>Position Start Date</b>	09/2010
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	DENNIS, MICHAEL GEORGE 4192184
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF COMMERCIAL OFFICER
<b>Position Start Date</b>	06/2019

## 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):** ENGELBERTS, PAULINE MATHILDE  
7350692

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

**Position** DIRECTOR, BOARD MEMBER

**Position Start Date** 04/2021

**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):** FLAHERTY, MEGAN ANN  
5212663

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

**Position** GENERAL COUNSEL

**Position Start Date** 09/2015

**Percentage of Ownership** Less than 5%

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** GILMORE, KEVIN MICHAEL

## Firm Profile



### Direct Owners and Executive Officers (continued)

	3150898
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	PRINCIPAL OPERATIONS OFFICER
<b>Position Start Date</b>	09/2018
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	No
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<b>Legal Name &amp; CRD# (if any):</b>	GREGORY, JAMES EDWARD 2425204
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHICAGO BRANCH OFFICE MANAGER
<b>Position Start Date</b>	10/2012
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	No
<hr/>	
<b>Legal Name &amp; CRD# (if any):</b>	HAGAR, GLEN ARTHUR 1132267
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	NY BRANCH OFFICE MANAGER
<b>Position Start Date</b>	08/2013
<b>Percentage of Ownership</b>	Less than 5%



## Firm Profile

### Direct Owners and Executive Officers (continued)

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** LIVIO, LUC DIDIER  
4631653

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

**Position** CHIEF RISK OFFICER

**Position Start Date** 10/2020

**Percentage of Ownership** Less than 5%

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** MANCUSI, MARIA  
1541127

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

**Position** CHIEF OPERATIONS OFFICER, PRINCIPAL OPERATIONS OFFICER

**Position Start Date** 04/2017

**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):** NOWAK, MICHAEL WILLIAM  
4576476





## Firm Profile

### Direct Owners and Executive Officers (continued)

<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF FINANCIAL OFFICER
<b>Position Start Date</b>	04/2017
<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>	NOWAK, MICHAEL WILLIAM 4576476
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	INTERIM CHIEF EXECUTIVE OFFICER
<b>Position Start Date</b>	12/2020
<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>	POOLER, ROBERT E 2817263
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	FINOP, PRINCIPAL FINANCIAL OFFICER
<b>Position Start Date</b>	04/2021
<b>Percentage of Ownership</b>	Less than 5%



## Firm Profile

### Direct Owners and Executive Officers (continued)

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** SCHELLENS, RUTGER VINCENT CONSTANTIJN  
6268503

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

**Position** DIRECTOR

**Position Start Date** 07/2017

**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):** TAYLOR, TIMOTHY JAMES  
1640795

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

**Position** PRINCIPAL OPERATIONS OFFICER

**Position Start Date** 09/2018

**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):** TYRICHTROVA, MONIKA ALEXANDRA  
4487708

## Firm Profile



### Direct Owners and Executive Officers (continued)

<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF COMPLIANCE OFFICER
<b>Position Start Date</b>	09/2011
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	No
<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>	ABN AMRO BANK N.V.
<b>Is this a domestic or foreign entity or an individual?</b>	Foreign Entity
<b>Company through which indirect ownership is established</b>	ABN AMRO CLEARING BANK N.V.
<b>Relationship to Direct Owner</b>	SHAREHOLDER
<b>Relationship Established</b>	08/2009
<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>	No
<hr/>	
<b>Legal Name &amp; CRD# (if any):</b>	STICHTING ADMINISTRATIEKANTOOR CONTINUÏTEIT ABN AMRO BANK
<b>Is this a domestic or foreign entity or an individual?</b>	Foreign Entity
<b>Company through which indirect ownership is established</b>	ABN AMRO BANK N.V.
<b>Relationship to Direct Owner</b>	SHAREHOLDER
<b>Relationship Established</b>	11/2015
<b>Percentage of Ownership</b>	50% but less than 75%
<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>	STICHTING ADMINISTRATIEKANTOOR BEHEER FINANCIËLE INSTELLINGEN
<b>Is this a domestic or foreign entity or an individual?</b>	Foreign Entity

## Firm Profile



### Indirect Owners (continued)

<b>Company through which indirect ownership is established</b>	ABN AMRO BANK N.V.
<b>Relationship to Direct Owner</b>	SHAREHOLDER
<b>Relationship Established</b>	09/2011
<b>Percentage of Ownership</b>	25% but less than 50%
<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 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 51 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	09/12/1985

### SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

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	04/23/1984
BOX Exchange LLC	Approved	05/07/2012
Cboe BYX Exchange, Inc.	Approved	10/01/2010
Cboe BZX Exchange, Inc.	Approved	10/15/2008
Cboe C2 Exchange, Inc.	Approved	09/24/2010
Cboe EDGA Exchange, Inc.	Approved	05/25/2010
Cboe EDGX Exchange, Inc.	Approved	05/27/2010
Cboe Exchange, Inc.	Approved	03/19/1984
Investors' Exchange LLC	Approved	07/25/2016
MEMX LLC	Approved	10/01/2020
MIAX Emerald, LLC	Approved	03/01/2019
MIAX PEARL, LLC	Approved	02/06/2017
Miami International Securities Exchange, LLC	Approved	03/07/2013
NYSE American LLC	Approved	06/30/1997
NYSE Arca, Inc.	Approved	03/23/1998

NYSE Chicago, Inc.	Approved	07/14/2004
NYSE National, Inc.	Approved	06/18/2018
Nasdaq BX, Inc.	Approved	03/27/2007
Nasdaq GEMX, LLC	Approved	09/11/2013
Nasdaq ISE, LLC	Approved	05/01/2000
Nasdaq MRX, LLC	Approved	02/10/2016
Nasdaq PHLX LLC	Approved	09/12/1985
Nasdaq Stock Market	Approved	07/12/2006
New York Stock Exchange	Approved	03/17/1995





## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	01/09/2001
Alaska	Approved	07/16/2004
Arizona	Approved	08/19/1997
Arkansas	Approved	12/08/2009
California	Approved	10/06/1997
Colorado	Approved	07/23/1999
Connecticut	Approved	03/15/2004
Delaware	Approved	05/23/1997
District of Columbia	Approved	01/13/2010
Florida	Approved	07/01/1996
Georgia	Approved	07/29/1997
Hawaii	Approved	09/23/2010
Idaho	Approved	05/24/2000
Illinois	Approved	06/12/1985
Indiana	Approved	05/20/1996
Iowa	Approved	05/30/1996
Kansas	Approved	09/03/1997
Kentucky	Approved	01/09/2007
Louisiana	Approved	07/30/1997
Maine	Approved	09/17/2010
Maryland	Approved	05/21/1997
Massachusetts	Approved	05/14/1996
Michigan	Approved	10/13/1997
Minnesota	Approved	01/02/2004
Mississippi	Approved	07/15/1997
Missouri	Approved	06/13/1997
Montana	Approved	10/14/2010
Nebraska	Approved	05/18/2006
Nevada	Approved	09/24/1996
New Hampshire	Approved	12/09/2010
New Jersey	Approved	07/01/1997
New Mexico	Approved	11/03/2010
New York	Approved	10/29/1997

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	05/11/2006
North Dakota	Approved	03/31/2011
Ohio	Approved	05/20/1997
Oklahoma	Approved	03/15/2011
Oregon	Approved	02/21/1997
Pennsylvania	Approved	01/30/2002
Rhode Island	Approved	05/10/2011
South Carolina	Approved	10/06/2009
South Dakota	Approved	04/19/2011
Tennessee	Approved	09/18/1997
Texas	Approved	05/14/1997
Utah	Approved	07/28/1997
Vermont	Approved	06/10/1997
Virginia	Approved	09/19/2001
Washington	Approved	08/19/1997
West Virginia	Approved	07/08/2011
Wisconsin	Approved	05/20/1997
Wyoming	Approved	06/13/2011

## 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 2 types of businesses.**

#### Types of Business

Exchange member engaged in exchange commission business other than floor activities

Put and call broker or dealer or option writer

#### Other Types of Business

This firm does effect transactions in commodities, commodity futures, or commodity options.

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

Non-Securities Business Description:

## **Firm Operations**



### **Clearing Arrangements**

**This firm does 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:** COGNIZANT WORLDWIDE LIMITED  
**Business Address:** PADDINGTON CENTRAL  
 1 KINGDOM STREET  
 LONDON, UNITED KINGDOM W2 6BD  
**Effective Date:** 08/31/2018  
**Description:** ENTERPRISE WIDE CONSOLIDATION OF DATA CENTER.

**Name:** SCHWAB COMPLIANCE TECHNOLOGIES, INC.  
**Business Address:** 150 S. WACKER DR.  
 SUITE 200  
 CHICAGO, IL 60606  
**Effective Date:** 08/24/2010  
**Description:** SCHWAB COMPLIANCE TECHNOLOGIES, INC. IS A SUCCESSOR ENTITY TO COMPLIANCE 11. COMPLIANCE ARCHIVE SOLUTION CAPTURING VARIOUS DISCLOSURES, SUCH AS, PERSONAL ACCOUNT STATEMENTS AND OUTSIDE BUSINESS ACTIVITIES.

**Name:** GLOBAL RELAY COMMUNICATIONS INC.  
**Business Address:** 121 W. WACKER  
 33RD FLOOR  
 CHICAGO, IL 60601  
**Effective Date:** 11/08/2013  
**Description:** ELECTRONIC COMMUNICATIONS ARCHIVE SOLUTION.

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

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

#### Control Persons/Financing

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

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



## Firm Operations

### Organization Affiliates

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

**This firm is, directly or indirectly:**

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

**ABN AMRO CLEARING INVESTMENTS B.V. is under common control with the firm.**

<b>Business Address:</b>	GUSTAV MAHLERLAAN 10 AMSTERDAM, NETHERLANDS 1082 PP
<b>Effective Date:</b>	06/23/2014
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	NETHERLANDS
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	ENTITY IS UNDER COMMON CONTROL WITH THE APPLICANT THROUGH ABN AMRO BANK N.V.

**ABN AMRO FUNDING USA LLC is under common control with the firm.**

<b>Business Address:</b>	100 PARK AVENUE 17TH FLOOR NEW YORK, NY 10017
<b>Effective Date:</b>	04/26/2010
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	ENTITY IS UNDER COMMON CONTROL WITH APPLICANT THROUGH ABN AMRO BANK N.V.

**ABN AMRO SECURITIES (USA) LLC is under common control with the firm.**

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

**CRD #:** 151796

**Business Address:** 100 PARK AVENUE  
NEW YORK, NY 10017

**Effective Date:** 04/01/2010

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** ENTITY IS UNDER COMMON CONTROL WITH THE APPLICANT THROUGH ABN AMRO BANK N.V.

**ABN AMRO GLOBAL CUSTODY SERVICES N.V. is under common control with the firm.**

**Business Address:** GUSTAV MAHLERLAAN 10  
AMSTERDAM, NETHERLANDS 1082 PP

**Effective Date:** 08/04/2009

**Foreign Entity:** Yes

**Country:** NETHERLANDS

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** ENTITY IS UNDER COMMON CONTROL WITH THE APPLICANT THROUGH ABN AMRO BANK N.V.

**ABN AMRO CLEARING SYDNEY PTY LTD is under common control with the firm.**

**Business Address:** LEVEL 11, 580 GEORGE STREET  
NEW SOUTH WALES  
SYDNEY, AUSTRALIA 2000

**Effective Date:** 08/04/2009

**Foreign Entity:** Yes

**Country:** AUSTRALIA

**Securities Activities:** Yes

## Firm Operations



### Organization Affiliates (continued)

**Investment Advisory Activities:** No

**Description:** ENTITY IS UNDER COMMON CONTROL WITH THE APPLICANT THROUGH ABN AMRO BANK N.V.

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#### **ABN AMRO CLEARING SYDNEY NOMINEES PTY LIMITED is under common control with the firm.**

**Business Address:** LEVEL 11, 580 GEORGE STREET  
NEW SOUTH WALES  
SYDNEY, AUSTRALIA 2000

**Effective Date:** 08/04/2009

**Foreign Entity:** Yes

**Country:** AUSTRALIA

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** ENTITY IS UNDER COMMON CONTROL WITH THE APPLICANT THROUGH ABN AMRO BANK N.V.

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#### **ABN AMRO CLEARING SINGAPORE PTE LTD is under common control with the firm.**

**Business Address:** ONE RAFFLES QUAY  
LEVEL 26 SOUTH TOWER  
SINGAPORE, SINGAPORE 048583

**Effective Date:** 08/04/2009

**Foreign Entity:** Yes

**Country:** SINGAPORE

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** ENTITY IS UNDER COMMON CONTROL WITH THE APPLICANT THROUGH ABN AMRO BANK N.V.

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#### **ABN AMRO CLEARING TOKYO CO. LIMITED is under common control with the firm.**

**Business Address:** 39F, ATAGO GREEN HILLS MORI TOWER  
2-5-1 ATAGO, MINATO-KU  
TOKYO, JAPAN

## Firm Operations



### Organization Affiliates (continued)

**Effective Date:** 08/04/2009  
**Foreign Entity:** Yes  
**Country:** JAPAN  
**Securities Activities:** Yes  
**Investment Advisory Activities:** No  
**Description:** ENTITY IS UNDER COMMON CONTROL WITH THE APPLICANT THROUGH ABN AMRO BANK N.V.

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**ABN AMRO CLEARING HONG KONG LIMITED is under common control with the firm.**

**Business Address:** LEVEL 70, INTERNATIONAL COMMERCE CENTRE  
 1 AUSTIN ROAD WEST  
 KOWLOON, HONG KONG  
**Effective Date:** 08/04/2009  
**Foreign Entity:** Yes  
**Country:** CHINA  
**Securities Activities:** Yes  
**Investment Advisory Activities:** No  
**Description:** ENTITY IS UNDER COMMON CONTROL WITH THE APPLICANT THROUGH ABN AMRO BANK N.V.

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

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

**ABN AMRO CLEARING BANK N.V. is a Foreign Bank and controls the firm.**

**Business Address:** GUSTAV MAHLERLAAN 10  
 AMSTERDAM, NETHERLANDS 1082 PP  
**Effective Date:** 09/26/2011



## Firm Operations



### Organization Affiliates (continued)

**Description:** ENTITY IS A DIRECT OWNER OF APPLICANT

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**ABN AMRO BANK N.V. is a Foreign Bank and controls the firm.**

**Business Address:** GUSTAV MAHLERLAAN 10  
AMSTERDAM, NETHERLANDS 1082 PP

**Effective Date:** 08/04/2009

**Description:** ENTITY IS AN INDIRECT OWNER OF APPLICANT

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## 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	78	0

## Disclosure Event Details

### What you should know about reported disclosure events:

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

### Regulatory - Final

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

### Disclosure 1 of 78

**Reporting Source:** Firm  
**Current Status:** Final



**Allegations:** ICE FUTURES EUROPE (IFEU) ALLEGED THAT AACC BREACHED IFEU RULE B.3A.3 BY PROVIDING DIRECT ELECTRONIC ACCESS (DEA) TO A CLIENT FIRM BETWEEN JANUARY 7, 2020, AND APRIL 2, 2020 IN WHICH IFEU OBSERVED A PATTERN OF DISORDERLY TRADING BY THE CLIENT FIRM IN THE BRENT/ WTI SPREADS. AACC HAS AGREED, WITHOUT ADMITTING OR DENYING THE ALLEGED BREACHES, TO SETTLE THE CHARGE BY PAYING A TOTAL SETTLEMENT AMOUNT OF GBP 30,000; THE PAYMENT WAS PROCESSED ON APRIL 20, 2021. AACC ALSO AGREED NOT TO PROVIDE DEA TO THE CLIENT FIRM FOR A PERIOD OF ONE YEAR FROM APRIL 20, 2021.

**Initiated By:** ICE FUTURES EUROPE (IFEU)

**Date Initiated:** 04/20/2021

**Docket/Case Number:** CIRCULAR 21/064

**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:** Settled

**Resolution Date:** 04/20/2021

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

**Other Sanctions Ordered:**

**Sanction Details:** ICE FUTURES EUROPE (IFEU) ALLEGED THAT AACC BREACHED IFEU RULE B.3A.3 BY PROVIDING DIRECT ELECTRONIC ACCESS (DEA) TO A CLIENT FIRM BETWEEN JANUARY 7, 2020, AND APRIL 2, 2020 IN WHICH IFEU OBSERVED A PATTERN OF DISORDERLY TRADING BY THE CLIENT FIRM IN THE BRENT/ WTI SPREADS. AACC HAS AGREED, WITHOUT ADMITTING OR DENYING THE ALLEGED BREACHES, TO SETTLE THE CHARGE BY PAYING A TOTAL SETTLEMENT AMOUNT OF GBP 30,000; THE PAYMENT WAS PROCESSED ON APRIL 20, 2021. AACC ALSO AGREED NOT TO PROVIDE DEA TO THE CLIENT FIRM FOR A PERIOD OF ONE YEAR FROM APRIL 20, 2021.

## Disclosure 2 of 78

**Reporting Source:** Firm



<b>Current Status:</b>	Final
<b>Allegations:</b>	PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC NEITHER ADMITTED NOR DENIED THE RULE VIOLATION UPON WHICH THE PENALTY IS BASED, ON NOVEMBER 19, 2020, THE CLEARING HOUSE RISK COMMITTEE FOUND THAT ABN AMRO CLEARING CHICAGO LLC VIOLATED CBOT RULE 980.A.
<b>Initiated By:</b>	CHICAGO BOARD OF TRADE ("CBOT")
<b>Date Initiated:</b>	11/19/2020
<b>Docket/Case Number:</b>	CBOT CASE #20-CH-2013
<b>Principal Product Type:</b>	Futures - Commodity
<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>	
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	11/20/2020
<b>Sanctions Ordered:</b>	Monetary/Fine \$50,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC NEITHER ADMITTED NOR DENIED THE RULE VIOLATION UPON WHICH THE PENALTY IS BASED, ON NOVEMBER 19, 2020, THE CLEARING HOUSE RISK COMMITTEE FOUND THAT ABN AMRO CLEARING CHICAGO LLC VIOLATED CBOT RULE 980.A. FINED 50,000.00 PAID 11/25/2020.

### Disclosure 3 of 78

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC ADMIN RELEASE 34-88139, FEBRUARY 6, 2020: THE SEC DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 15(B)(4) OF THE SECURITIES EXCHANGE ACT OF 1934, AGAINST RESPONDENT. IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF



SETTLEMENT WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS. ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT THESE PROCEEDINGS ARISE OUT OF RESPONDENT'S IMPROPER PRACTICES WITH RESPECT TO SECURITIES LENDING TRANSACTIONS INVOLVING PRE-RELEASED AMERICAN DEPOSITARY RECEIPTS (ADRS). ADR FACILITIES, WHICH PROVIDE FOR THE ISSUANCE OF ADRS, ARE ESTABLISHED BY A DEPOSITARY BANK (DEPOSITARY) PURSUANT TO A DEPOSIT AGREEMENT. TYPICALLY, A DEPOSITARY ISSUES ADRS TO A MARKET PARTICIPANT THAT CONTEMPORANEOUSLY DELIVERS THE CORRESPONDING NUMBER OF FOREIGN SECURITIES TO THE DEPOSITARY'S FOREIGN CUSTODIAN (CUSTODIAN). IN CERTAIN SITUATIONS, HOWEVER, DEPOSIT AGREEMENTS MAY PROVIDE FOR "PRE-RELEASE" TRANSACTIONS IN WHICH A MARKET PARTICIPANT CAN OBTAIN NEWLY ISSUED ADRS FROM THE DEPOSITARY BEFORE DELIVERING ORDINARY SHARES TO THE CUSTODIAN. ONLY BROKERS (OR OTHER MARKET PARTICIPANTS) THAT HAVE ENTERED INTO PRE-RELEASE AGREEMENTS WITH A DEPOSITARY ("PRE-RELEASE AGREEMENTS") CAN OBTAIN PRE-RELEASED ADRS FROM THE DEPOSITARY. THE PRE-RELEASE AGREEMENTS, CONSISTENT WITH THE DEPOSIT AGREEMENTS, REQUIRE THE BROKER RECEIVING THE PRE-RELEASED ADRS (PRE-RELEASE BROKER), OR ITS CUSTOMER ON WHOSE BEHALF THE PRE-RELEASE BROKER IS ACTING, TO BENEFICIALLY OWN THE ORDINARY SHARES REPRESENTED BY THE ADRS, AND TO ASSIGN ALL BENEFICIAL RIGHTS, TITLE, AND INTEREST IN THOSE ORDINARY SHARES TO THE DEPOSITARY WHILE THE PRERELEASE TRANSACTION IS OUTSTANDING. IN EFFECT, THE PRE-RELEASE BROKER OR ITS CUSTOMER BECOMES THE TEMPORARY CUSTODIAN OF THE ORDINARY SHARES THAT WOULD OTHERWISE HAVE BEEN DELIVERED TO THE CUSTODIAN. THE FIRM RECEIVED PRE-RELEASED ADRS FROM PRE-RELEASE BROKERS THAT HAD BEEN ISSUED BY DEPOSITARIES WHERE THE PRE-RELEASE BROKERS HAD NOT TAKEN REASONABLE STEPS TO SATISFY THE PRE-RELEASE BROKERS' OBLIGATIONS UNDER THE PRE-RELEASE AGREEMENTS. THE FIRM, WHICH WAS NOT A PRE-RELEASE BROKER, UNDERSTOOD THAT THE ADRS THAT IT BORROWED FROM PRE-RELEASE BROKERS MAY HAVE BEEN SOURCED FROM DEPOSITARIES PURSUANT TO PRE-RELEASE AGREEMENTS. THE FIRM ALSO UNDERSTOOD THE BENEFICIAL OWNERSHIP AND OTHER REPRESENTATIONS THAT PRE-RELEASE BROKERS WERE REQUIRED TO



MAKE TO DEPOSITARIES IN ORDER TO OBTAIN PRE-RELEASED ADRS. THE FIRM ALSO UNDERSTOOD THE CONDUIT NATURE OF PRE-RELEASE BROKERS' SECURITIES LENDING BUSINESSES, WHICH UNDER THE CIRCUMSTANCES SHOULD HAVE INDICATED THAT THE PRE-RELEASE BROKERS DID NOT OWN THE UNDERLYING ORDINARY SHARES. THE FIRM'S ASSOCIATED PERSONS ON ITS SECURITIES LENDING DESK, BY OBTAINING ADRS FROM PRE-RELEASE BROKERS IN CIRCUMSTANCES WHERE THEY SHOULD HAVE KNOWN THAT SUCH ADRS LIKELY HAD BEEN PRE-RELEASED WITHOUT COMPLIANCE WITH THE PRE-RELEASE BROKERS' OBLIGATIONS UNDER THE PRE-RELEASE AGREEMENTS, VIOLATED SECTION 17(A)(3) OF THE SECURITIES ACT OF 1933 . THE FIRM'S SUPERVISORY POLICIES AND PROCEDURES WERE NOT REASONABLY DESIGNED TO PREVENT AND DETECT VIOLATIONS OF SECTION 17(A)(3) OF THE SECURITIES ACT BY ASSOCIATED PERSONS ON ITS SECURITIES LENDING DESK. AS A RESULT, THE FIRM FAILED REASONABLY TO SUPERVISE ITS ASSOCIATED PERSONS WITHIN THE MEANING OF SECTION 15(B)(4)(E) OF THE EXCHANGE ACT.

**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 02/06/2020

**Docket/Case Number:** 3-19693

**Principal Product Type:** Other

**Other Product Type(s):** PRE-RELEASED AMERICAN DEPOSITARY RECEIPTS

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

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

**Resolution:** Order

**Resolution Date:** 02/06/2020

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

**Sanctions Ordered:** Censure  
Monetary/Fine \$179,353.27  
Disgorgement/Restitution

**Other Sanctions Ordered:** PREJUDGMENT INTEREST



**Sanction Details:** RESPONDENT IS CENSURED; ORDERED TO PAY DISGORGEMENT OF \$326,096.87 AND PREJUDGMENT INTEREST OF \$80,970.35; AND SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$179,353.27.

**Regulator Statement** IN DETERMINING TO ACCEPT THE OFFER, THE COMMISSION CONSIDERED THE COOPERATION AFFORDED THE COMMISSION STAFF. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE, IN THE PUBLIC INTEREST, TO IMPOSE THE SANCTIONS AGREED TO IN ABN AMRO CC'S OFFER. ACCORDINGLY, PURSUANT TO SECTION 15(B)(4) OF THE EXCHANGE ACT, IT IS HEREBY ORDERED THAT: RESPONDENT IS CENSURED; SHALL, WITHIN 10 DAYS OF THE ENTRY OF THIS ORDER, PAY DISGORGEMENT OF \$326,096.87 AND PREJUDGMENT INTEREST OF \$80,970.35 TO THE SEC; AND SHALL, WITHIN 10 DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$179,353.27 TO THE SEC. RESPONDENT ACKNOWLEDGES THAT THE COMMISSION IS NOT IMPOSING A CIVIL PENALTY IN EXCESS OF \$179,353.27 BASED UPON ITS COOPERATION AND AGREEMENT TO COOPERATE IN A COMMISSION INVESTIGATION AND RELATED ENFORCEMENT ACTION.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** SEC ADMIN RELEASE 34-88139, FEBRUARY 6, 2020: THE SEC DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 15(B)(4) OF THE SECURITIES EXCHANGE ACT OF 1934, AGAINST RESPONDENT. IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS. ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT THESE PROCEEDINGS ARISE OUT OF RESPONDENT'S IMPROPER PRACTICES WITH RESPECT TO SECURITIES LENDING TRANSACTIONS INVOLVING PRE-RELEASED AMERICAN DEPOSITARY RECEIPTS (ADRS). ADR FACILITIES, WHICH PROVIDE FOR THE ISSUANCE OF ADRS, ARE ESTABLISHED BY A DEPOSITARY BANK (DEPOSITARY) PURSUANT TO A DEPOSIT AGREEMENT. TYPICALLY, A DEPOSITARY ISSUES ADRS TO A





MARKET PARTICIPANT THAT CONTEMPORANEOUSLY DELIVERS THE CORRESPONDING NUMBER OF FOREIGN SECURITIES TO THE DEPOSITARY'S FOREIGN CUSTODIAN (CUSTODIAN). IN CERTAIN SITUATIONS, HOWEVER, DEPOSIT AGREEMENTS MAY PROVIDE FOR "PRE-RELEASE" TRANSACTIONS IN WHICH A MARKET PARTICIPANT CAN OBTAIN NEWLY ISSUED ADRS FROM THE DEPOSITARY BEFORE DELIVERING ORDINARY SHARES TO THE CUSTODIAN. ONLY BROKERS (OR OTHER MARKET PARTICIPANTS) THAT HAVE ENTERED INTO PRE-RELEASE AGREEMENTS WITH A DEPOSITARY ("PRE-RELEASE AGREEMENTS") CAN OBTAIN PRE-RELEASED ADRS FROM THE DEPOSITARY. THE PRE-RELEASE AGREEMENTS, CONSISTENT WITH THE DEPOSIT AGREEMENTS, REQUIRE THE BROKER RECEIVING THE PRE-RELEASED ADRS (PRE-RELEASE BROKER), OR ITS CUSTOMER ON WHOSE BEHALF THE PRE-RELEASE BROKER IS ACTING, TO BENEFICIALLY OWN THE ORDINARY SHARES REPRESENTED BY THE ADRS, AND TO ASSIGN ALL BENEFICIAL RIGHTS, TITLE, AND INTEREST IN THOSE ORDINARY SHARES TO THE DEPOSITARY WHILE THE PRERELEASE TRANSACTION IS OUTSTANDING. IN EFFECT, THE PRE-RELEASE BROKER OR ITS CUSTOMER BECOMES THE TEMPORARY CUSTODIAN OF THE ORDINARY SHARES THAT WOULD OTHERWISE HAVE BEEN DELIVERED TO THE CUSTODIAN. THE FIRM RECEIVED PRE-RELEASED ADRS FROM PRE-RELEASE BROKERS THAT HAD BEEN ISSUED BY DEPOSITARIES WHERE THE PRE-RELEASE BROKERS HAD NOT TAKEN REASONABLE STEPS TO SATISFY THE PRE-RELEASE BROKERS' OBLIGATIONS UNDER THE PRE-RELEASE AGREEMENTS. THE FIRM, WHICH WAS NOT A PRE-RELEASE BROKER, UNDERSTOOD THAT THE ADRS THAT IT BORROWED FROM PRE-RELEASE BROKERS MAY HAVE BEEN SOURCED FROM DEPOSITARIES PURSUANT TO PRE-RELEASE AGREEMENTS. THE FIRM ALSO UNDERSTOOD THE BENEFICIAL OWNERSHIP AND OTHER REPRESENTATIONS THAT PRE-RELEASE BROKERS WERE REQUIRED TO MAKE TO DEPOSITARIES IN ORDER TO OBTAIN PRE-RELEASED ADRS. THE FIRM ALSO UNDERSTOOD THE CONDUIT NATURE OF PRE-RELEASE BROKERS' SECURITIES LENDING BUSINESSES, WHICH UNDER THE CIRCUMSTANCES SHOULD HAVE INDICATED THAT THE PRE-RELEASE BROKERS DID NOT OWN THE UNDERLYING ORDINARY SHARES. THE FIRM'S ASSOCIATED PERSONS ON ITS SECURITIES LENDING DESK, BY OBTAINING ADRS FROM PRE-RELEASE BROKERS IN CIRCUMSTANCES WHERE THEY SHOULD HAVE KNOWN THAT SUCH ADRS LIKELY HAD BEEN PRE-RELEASED WITHOUT COMPLIANCE WITH THE PRE-RELEASE BROKERS' OBLIGATIONS UNDER THE PRE-RELEASE AGREEMENTS, VIOLATED SECTION 17(A)(3) OF THE SECURITIES ACT OF 1933 . THE FIRM'S SUPERVISORY POLICIES AND PROCEDURES WERE NOT REASONABLY DESIGNED TO PREVENT AND DETECT VIOLATIONS OF SECTION 17(A)(3) OF THE SECURITIES ACT BY ASSOCIATED PERSONS ON ITS SECURITIES LENDING DESK. AS A RESULT, THE FIRM FAILED REASONABLY TO SUPERVISE ITS ASSOCIATED PERSONS WITHIN THE MEANING OF



SECTION 15(B)(4)(E) OF THE EXCHANGE ACT.

**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 02/06/2020

**Docket/Case Number:** 3-19693

**Principal Product Type:** Other

**Other Product Type(s):** PRE-RELEASED AMERICAN DEPOSITARY RECEIPTS

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

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

**Resolution:** Order

**Resolution Date:** 02/06/2020

**Sanctions Ordered:** Censure  
Monetary/Fine \$586,420.49  
Disgorgement/Restitution

**Other Sanctions Ordered:** PREJUDGMENT INTEREST

**Sanction Details:** RESPONDENT IS CENSURED; ORDERED TO PAY DISGORGEMENT OF \$326,096.87 AND PREJUDGMENT INTEREST OF \$80,970.35; AND SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$179,353.27. FINE PAID 2/7/2020.

**Firm Statement** IN DETERMINING TO ACCEPT THE OFFER, THE COMMISSION CONSIDERED THE COOPERATION AFFORDED THE COMMISSION STAFF. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE, IN THE PUBLIC INTEREST, TO IMPOSE THE SANCTIONS AGREED TO IN ABN AMRO CC'S OFFER. ACCORDINGLY, PURSUANT TO SECTION 15(B)(4) OF THE EXCHANGE ACT, IT IS HEREBY ORDERED THAT: RESPONDENT IS CENSURED; SHALL, WITHIN 10 DAYS OF THE ENTRY OF THIS ORDER, PAY DISGORGEMENT OF \$326,096.87 AND PREJUDGMENT INTEREST OF \$80,970.35 TO THE SEC; AND SHALL, WITHIN 10 DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$179,353.27 TO THE SEC. RESPONDENT ACKNOWLEDGES THAT THE COMMISSION IS NOT IMPOSING A CIVIL PENALTY IN EXCESS OF \$179,353.27 BASED UPON ITS COOPERATION AND AGREEMENT TO COOPERATE IN A COMMISSION INVESTIGATION AND RELATED ENFORCEMENT ACTION.

#### Disclosure 4 of 78

**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 UNDERSTATED THE PORTFOLIO MARGIN REQUIREMENTS FOR ACCOUNTS AT VARIOUS POINTS IN TIME. THE FINDINGS STATED THAT THE FIRM INCORRECTLY TREATED CERTAIN OTC EQUITY SECURITIES THAT ARE NOT MARGIN ELIGIBLE, AS MARGINABLE SECURITIES. AS A CONSEQUENCE, THE FIRM UNDERSTATED THE MARGIN REQUIREMENTS FOR THESE ACCOUNTS BY MILLIONS OF DOLLARS. THE FIRM MISTAKENLY CATEGORIZED THE OTC TRADED EQUITIES AT ISSUE AS MARGIN ELIGIBLE BECAUSE OF AN INCORRECT DEFINITION OF MARGIN ELIGIBLE SECURITIES USED BY THE FIRM. AFTER THE PROBLEM WAS IDENTIFIED BY FINRA, THE FIRM CORRECTED THE ISSUE.

**Initiated By:** FINRA

**Date Initiated:** 10/03/2019

**Docket/Case Number:** [2016049875801](#)

**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:** 10/03/2019

**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 \$150,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$150,000. FINES PAID IN FULL ON OCTOBER 10, 2019.

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, ABN AMRO CLEARING CHICAGO LLC ("AACC" OR "THE FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT UNDERSTATED THE PORTFOLIO MARGIN REQUIREMENTS FOR ACCOUNTS AT VARIOUS POINTS IN TIME. THE FINDINGS STATED THAT THE FIRM INCORRECTLY TREATED CERTAIN OTC EQUITY SECURITIES THAT ARE NOT MARGIN ELIGIBLE, AS MARGINABLE SECURITIES. AS A CONSEQUENCE, THE FIRM UNDERSTATED THE MARGIN REQUIREMENTS FOR THESE ACCOUNTS BY MILLIONS OF DOLLARS. THE FIRM MISTAKENLY CATEGORIZED THE OTC TRADED EQUITIES AT ISSUE AS MARGIN ELIGIBLE BECAUSE OF AN INCORRECT DEFINITION OF MARGIN ELIGIBLE SECURITIES USED BY THE FIRM. AFTER THE PROBLEM WAS IDENTIFIED BY FINRA, THE FIRM CORRECTED THE ISSUE.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	10/03/2019
<b>Docket/Case Number:</b>	<a href="#">2016049875801</a>
<b>Principal Product Type:</b>	Equity - OTC
<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>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	10/03/2019
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$150,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	AACC WAS CENSURED AND FINED \$150,000.00, PAID 10/10/19.

#### Disclosure 5 of 78

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE COMMODITY FUTURES TRADING COMMISSION ("COMMISSION") HAS



REASON TO BELIEVE THAT FROM IN OR ABOUT JANUARY 2014 TO AT LEAST AUGUST 2015 ("RELEVANT PERIOD"), ABN AMRO CLEARING CHICAGO LLC ("ABN" OR "RESPONDENT") VIOLATED SECTION 4G(A) OF THE COMMODITY EXCHANGE ACT (THE "ACT"), 7 U.S.C. § 6G(A) (2012), AND COMMISSION REGULATIONS ("REGULATIONS") 1.31, 1.35, AND 166.3, 17 C.F.R. §§ 1.31, 1.35, 166.3 (2018), PROMULGATED THEREUNDER. THEREFORE, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED TO DETERMINE WHETHER RESPONDENT ENGAGED IN THE VIOLATIONS SET FORTH HEREIN AND TO DETERMINE WHETHER ANY ORDER SHOULD BE ISSUED IMPOSING REMEDIAL SANCTIONS.

THE COMMISSION FINDS THE FOLLOWING FROM JANUARY 24, 2014 THROUGH AUGUST 28, 2015, ABN, A REGISTERED FUTURES COMMISSION MERCHANT ("FCM"), FAILED TO MAINTAIN CERTAIN REQUIRED RECORDS, SPECIFICALLY ELECTRONIC AUDIT TRAIL INFORMATION ("AUDIT TRAIL") FOR A TOTAL OF SIXTY-FIVE (65) CLIENTS. ABN REPRESENTS THAT IT RECEIVED AUDIT TRAIL DATA ROUTED THROUGH THE TRADING TECHNOLOGIES ("TT") GATEWAY; HOWEVER, ABN'S SYSTEMS CORRUPTED THE DATA, LEAVING GAPS AND DISCREPANCIES. SPECIFICALLY, ABN'S LEGACY ARCHIVAL SYSTEM INADVERTENTLY FAILED TO PROPERLY COPY DATA IT RECEIVED THROUGH TT. AS A RESULT OF ITS LEGACY ARCHIVAL SYSTEM'S FAILURES, APPROXIMATELY 8.4 MILLION RECORDS WERE CORRUPTED. THE DIVISION OF ENFORCEMENT (THE "DIVISION") BECAME AWARE OF ABN'S FAILURE WHEN, IN CONNECTION WITH AN INVESTIGATION INTO ONE OF ABN'S CLIENTS ("CLIENT A"), THE DIVISION REQUESTED AUDIT TRAIL DATA FOR CLIENT A, WHICH ABN WAS REQUIRED TO PRESERVE, MAINTAIN, AND PROMPTLY PRODUCE UNDER SECTION 4G(A) OF THE ACT AND REGULATIONS 1.31 AND 1.35.

ABN FAILED TO SUPERVISE ITS EMPLOYEES AND AGENTS TO ENSURE THAT ABN FULFILLED ITS STATUTORY AND REGULATORY OBLIGATION TO KEEP AND PROMPTLY PRODUCE REQUIRED RECORDS, SUCH AS THE AUDIT TRAIL DATA AT ISSUE HERE. SPECIFICALLY, ABN DID NOT HAVE A SYSTEM IN PLACE TO CONFIRM THAT IT WAS ACCURATELY PRESERVING AUDIT TRAIL DATA. IN FACT ABN WAS UNAWARE THAT IT WAS NOT ARCHIVING AUDIT TRAIL DATA FROM THE TT GATEWAYS UNTIL AFTER THE DIVISION BROUGHT THE ISSUE TO ABN'S ATTENTION.

AFTER ABN WAS ALERTED TO THE PROBLEM BY THE DIVISION, IT MADE SUBSTANTIAL EFFORTS TO REPAIR AND RECONSTRUCT THE AUDIT TRAIL DATA IMPACTED BY THE SYSTEM FAILURE, AND ULTIMATELY DID RECONSTRUCT SUBSTANTIALLY ALL AFFECTED RECORDS.

**Initiated By:** COMMODITY FUTURES TRADING COMMISSION

**Date Initiated:** 09/14/2018

**Docket/Case Number:** 18-31



<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	09/14/2018
<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>	Monetary/Fine \$160,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	IT IS ORDERED THAT: RESPONDENT AND ITS SUCCESSORS AND ASSIGNS SHALL CEASE AND DESIST FROM VIOLATING SECTION 4G(A) OF THE ACT, 7 U.S.C. § 6G(A) (2012), AND REGULATIONS 1.31, 1.35, AND 166.3. RESPONDENT SHALL PAY A CMP IN THE AMOUNT OF \$160,000.
<b>Regulator Statement</b>	RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT ("OFFER"), WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. ABN FAILED TO SUPERVISE ITS EMPLOYEES AND AGENTS TO ENSURE THAT ABN FULFILLED ITS STATUTORY AND REGULATORY OBLIGATION TO KEEP AND PROMPTLY PRODUCE REQUIRED RECORDS IN VIOLATION OF REGULATION 166.3. IT IS ORDERED THAT: RESPONDENT AND ITS SUCCESSORS AND ASSIGNS SHALL CEASE AND DESIST FROM VIOLATING SECTION 4G(A) OF THE ACT, 7 U.S.C. § 6G(A) (2012), AND REGULATIONS 1.31, 1.35, AND 166.3. RESPONDENT SHALL PAY A CMP IN THE AMOUNT OF \$160,000.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE COMMODITY FUTURES TRADING COMMISSION ("COMMISSION") HAS REASON TO BELIEVE THAT FROM IN OR ABOUT JANUARY 2014 TO AT LEAST AUGUST 2015 ("RELEVANT PERIOD"), ABN AMRO CLEARING



CHICAGO LLC ("ABN" OR "RESPONDENT") VIOLATED SECTION 4G(A) OF THE COMMODITY EXCHANGE ACT (THE "ACT"), 7 U.S.C. § 6G(A) (2012), AND COMMISSION REGULATIONS ("REGULATIONS") 1.31, 1.35, AND 166.3, 17 C.F.R. §§ 1.31, 1.35, 166.3 (2018), PROMULGATED THEREUNDER. THEREFORE, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED TO DETERMINE WHETHER RESPONDENT ENGAGED IN THE VIOLATIONS SET FORTH HEREIN AND TO DETERMINE WHETHER ANY ORDER SHOULD BE ISSUED IMPOSING REMEDIAL SANCTIONS. THE COMMISSION FINDS THE FOLLOWING FROM JANUARY 24, 2014 THROUGH AUGUST 28, 2015, ABN, A REGISTERED FUTURES COMMISSION MERCHANT ("FCM"), FAILED TO MAINTAIN CERTAIN REQUIRED RECORDS, SPECIFICALLY ELECTRONIC AUDIT TRAIL INFORMATION ("AUDIT TRAIL") FOR A TOTAL OF SIXTY-FIVE (65) CLIENTS. ABN REPRESENTS THAT IT RECEIVED AUDIT TRAIL DATA ROUTED THROUGH THE TRADING TECHNOLOGIES ("TT") GATEWAY; HOWEVER, ABN'S SYSTEMS CORRUPTED THE DATA, LEAVING GAPS AND DISCREPANCIES. SPECIFICALLY, ABN'S LEGACY ARCHIVAL SYSTEM INADVERTENTLY FAILED TO PROPERLY COPY DATA IT RECEIVED THROUGH TT. AS A RESULT OF ITS LEGACY ARCHIVAL SYSTEM'S FAILURES, APPROXIMATELY 8.4 MILLION RECORDS WERE CORRUPTED. THE DIVISION OF ENFORCEMENT (THE "DIVISION") BECAME AWARE OF ABN'S FAILURE WHEN, IN CONNECTION WITH AN INVESTIGATION INTO ONE OF ABN'S CLIENTS ("CLIENT A"), THE DIVISION REQUESTED AUDIT TRAIL DATA FOR CLIENT A, WHICH ABN WAS REQUIRED TO PRESERVE, MAINTAIN, AND PROMPTLY PRODUCE UNDER SECTION 4G(A) OF THE ACT AND REGULATIONS 1.31 AND 1.35. ABN FAILED TO SUPERVISE ITS EMPLOYEES AND AGENTS TO ENSURE THAT ABN FULFILLED ITS STATUTORY AND REGULATORY OBLIGATION TO KEEP AND PROMPTLY PRODUCE REQUIRED RECORDS, SUCH AS THE AUDIT TRAIL DATA AT ISSUE HERE. SPECIFICALLY, ABN DID NOT HAVE A SYSTEM IN PLACE TO CONFIRM THAT IT WAS ACCURATELY PRESERVING AUDIT TRAIL DATA. IN FACT ABN WAS UNAWARE THAT IT WAS NOT ARCHIVING AUDIT TRAIL DATA FROM THE TT GATEWAYS UNTIL AFTER THE DIVISION BROUGHT THE ISSUE TO ABN'S ATTENTION. AFTER ABN WAS ALERTED TO THE PROBLEM BY THE DIVISION, IT MADE SUBSTANTIAL EFFORTS TO REPAIR AND RECONSTRUCT THE AUDIT TRAIL DATA IMPACTED BY THE SYSTEM FAILURE, AND ULTIMATELY DID RECONSTRUCT SUBSTANTIALLY ALL AFFECTED RECORDS.

**Initiated By:** COMMODITY FUTURES TRADING COMMISSION  
**Date Initiated:** 09/14/2018  
**Docket/Case Number:** 18-31  
**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Settled

**Resolution Date:** 09/14/2018

**Sanctions Ordered:** Monetary/Fine \$160,000.00  
Cease and Desist/Injunction

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

IT IS ORDERED THAT: RESPONDENT AND ITS SUCCESSORS AND ASSIGNS SHALL CEASE AND DESIST FROM VIOLATING SECTION 4G(A) OF THE ACT, 7 U.S.C. § 6G(A) (2012), AND REGULATIONS 1.31, 1.35, AND 166.3. RESPONDENT SHALL PAY A CMP IN THE AMOUNT OF \$160,000. FINE WAS PAID 9/19/18.

**Firm Statement**

RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT ("OFFER"), WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. ABN FAILED TO SUPERVISE ITS EMPLOYEES AND AGENTS TO ENSURE THAT ABN FULFILLED ITS STATUTORY AND REGULATORY OBLIGATION TO KEEP AND PROMPTLY PRODUCE REQUIRED RECORDS IN VIOLATION OF REGULATION 166.3. IT IS ORDERED THAT: RESPONDENT AND ITS SUCCESSORS AND ASSIGNS SHALL CEASE AND DESIST FROM VIOLATING SECTION 4G(A) OF THE ACT, 7 U.S.C. § 6G(A) (2012), AND REGULATIONS 1.31, 1.35, AND 166.3. RESPONDENT SHALL PAY A CMP IN THE AMOUNT OF \$160,000.

**Disclosure 6 of 78**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE MARKET REGULATION DEPARTMENT OF ICE FUTURES U.S., INC. HAS FOUND THAT ABN AMRO CLEARING CHICAGO LLC VIOLATED ICE RULE 2.22 BY REPORTING INACCURATE OPEN INTEREST FOR TRADE DATE JUNE 29, 2018 IN THE JULY 2018 COFFEE "C" FUTURES CONTRACT. SUMMARY FINE OF \$5,000.00 EFFECTIVE 9/7/2018.

**Initiated By:** ICE FUTURES U.S. INC.

**Date Initiated:** 08/21/2018

**Docket/Case Number:** ICE 2018-020





<b>Principal Product Type:</b>	Futures - Commodity
<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>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	09/07/2018
<b>Sanctions Ordered:</b>	Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE MARKET REGULATION DEPARTMENT OF ICE FUTURES U.S., INC. HAS FOUND THAT ABN AMRO CLEARING CHICAGO LLC VIOLATED ICE RULE 2.22 BY REPORTING INACCURATE OPEN INTEREST FOR TRADE DATE JUNE 29, 2018 IN THE JULY 2018 COFFEE "C" FUTURES CONTRACT. SUMMARY FINE OF \$5,000.00 EFFECTIVE 9/7/2018.

#### Disclosure 7 of 78

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, ON JUNE 28, 2018, THE CLEARING HOUSE RISK COMMITTEE FOUND THAT ABN AMRO CLEARING CHICAGO LLC VIOLATED CBOT RULES 970.A.1. AND 971.A.1. AACC WAS FINED \$50,000.00.
<b>Initiated By:</b>	CHICAGO BOARD OF TRADE
<b>Date Initiated:</b>	06/28/2018
<b>Docket/Case Number:</b>	CBOT 18-CH-1802
<b>Principal Product Type:</b>	Futures - Commodity
<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>	



<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	06/29/2018
<b>Sanctions Ordered:</b>	Monetary/Fine \$50,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, ON JUNE 28, 2018, THE CLEARING HOUSE RISK COMMITTEE FOUND THAT ABN AMRO CLEARING CHICAGO LLC VIOLATED CBOT RULES 970.A.1. AND 971.A.1. AACC WAS FINED \$50,000.00.

#### Disclosure 8 of 78

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT RECEIVED A MODIFICATION TO AN EXPIRING EXERCISE DECLARATION ("EED"), ALSO KNOWN AS A CONTRARY EXERCISE ADVICE, AFTER THE 5:30 P.M. EASTERN TIME CUT-OFF TIME, BUT FAILED TO FILE A MEMORANDUM WITH NYSE AMERICAN AS REQUIRED.</p> <p>THE FINDINGS STATED THAT ALTHOUGH SUCH A SUBMISSION AFTER THE CUT-OFF TIME WAS PERMISSIBLE PURSUANT TO AN EXCEPTION, PURSUANT TO RULE 980, COMMENTARY .06, THE FIRM WAS REQUIRED TO FILE A MEMORANDUM BY NOON ON JANUARY 20, 2015, AND FAILED TO DO SO.</p> <p>THE FINDINGS ALSO STATED THAT THE FIRM HAD NO SUPERVISORY PROCEDURES WITH RESPECT TO COMPLIANCE WITH COMMENTARY .06 OF NYSE AMERICAN RULE 980. BY LETTER DATED JANUARY 8, 2014, FINRA NOTIFIED THE FIRM THAT PURSUANT TO AN AGREEMENT UNDER RULE 17D-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, CERTAIN REGULATORY RESPONSIBILITIES WERE BEING ASSIGNED TO FINRA ON BEHALF OF NYSE AMERICAN, INCLUDING SURVEILLANCES PERTAINING TO EED FILINGS. THE LETTER STATED THAT ALL INFORMATION RELATED TO THOSE SURVEILLANCES SHOULD BE DIRECTED TO FINRA, AND THAT EED INSTRUCTIONS SHOULD BE SUBMITTED TO EED@FINRA.ORG. THE LETTER ALSO STATED THAT NYSE AMERICAN WAS RESPONSIBLE FOR CONDUCTING ROUTINE SURVEILLANCE AND ENFORCEMENT FOR VIOLATIONS OF NYSE AMERICAN RULE 980, AMONG OTHERS, FOR THE</p>



FIRM. BY FAILING TO HAVE PROCEDURES WITH RESPECT TO COMPLIANCE WITH COMMENTARY .06 OF NYSE AMERICAN RULE 980, THE FIRM VIOLATED NYSE AMERICAN RULE 320.

**Initiated By:** NYSE AMERICAN LLC

**Date Initiated:** 04/03/2018

**Docket/Case Number:** 2015044691701

**Principal Product Type:** Other

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

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

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

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

**Resolution Date:** 05/05/2018

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

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

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** THE FIRM WAS CENSURED, FINED \$20,000, AND AN UNDERTAKING PURSUANT TO WHICH WITHIN 30 DAYS OF EXECUTION OF THE AWC, THE FIRM AGREES TO CERTIFY THAT DEFICIENCIES DESCRIBED IN AWC RELATED TO SUPERVISION HAVE BEEN ADDRESSED THROUGH THE ADOPTION AND IMPLEMENTATION OF PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH COMMENTARY .06 TO NYSE AMERICAN RULE 980.

THE AWC BECAME FINAL ON MAY 5, 2018.

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**Reporting Source:** Firm

**Current Status:** Final

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



TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT RECEIVED A MODIFICATION TO AN EXPIRING EXERCISE DECLARATION ("EED"), ALSO KNOWN AS A CONTRARY EXERCISE ADVICE, AFTER THE 5:30 P.M. EASTERN TIME CUT-OFF TIME, BUT FAILED TO FILE A MEMORANDUM WITH NYSE AMERICAN AS REQUIRED. THE FINDINGS STATED THAT ALTHOUGH SUCH A SUBMISSION AFTER THE CUT-OFF TIME WAS PERMISSIBLE PURSUANT TO AN EXCEPTION, PURSUANT TO RULE 980, COMMENTARY .06, THE FIRM WAS REQUIRED TO FILE A MEMORANDUM BY NOON ON JANUARY 20, 2015, AND FAILED TO DO SO. THE FINDINGS ALSO STATED THAT THE FIRM HAD NO SUPERVISORY PROCEDURES WITH RESPECT TO COMPLIANCE WITH COMMENTARY .06 OF NYSE AMERICAN RULE 980. BY LETTER DATED JANUARY 8, 2014, FINRA NOTIFIED THE FIRM THAT PURSUANT TO AN AGREEMENT UNDER RULE 17D-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, CERTAIN REGULATORY RESPONSIBILITIES WERE BEING ASSIGNED TO FINRA ON BEHALF OF NYSE AMERICAN, INCLUDING SURVEILLANCES PERTAINING TO EED FILINGS. THE LETTER STATED THAT ALL INFORMATION RELATED TO THOSE SURVEILLANCES SHOULD BE DIRECTED TO FINRA, AND THAT EED INSTRUCTIONS SHOULD BE SUBMITTED TO EED@FINRA.ORG. THE LETTER ALSO STATED THAT NYSE AMERICAN WAS RESPONSIBLE FOR CONDUCTING ROUTINE SURVEILLANCE AND ENFORCEMENT FOR VIOLATIONS OF NYSE AMERICAN RULE 980, AMONG OTHERS, FOR THE FIRM. BY FAILING TO HAVE PROCEDURES WITH RESPECT TO COMPLIANCE WITH COMMENTARY .06 OF NYSE AMERICAN RULE 980, THE FIRM VIOLATED NYSE AMERICAN RULE 320.

**Initiated By:** NYSE AMERICAN LLC

**Date Initiated:** 04/03/2018

**Docket/Case Number:** 2015044691701

**Principal Product Type:** Other

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

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

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

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

**Resolution Date:** 05/05/2018

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

**Other Sanctions Ordered:** UNDERTAKING



**Sanction Details:** THE FIRM WAS CENSURED, FINED \$20,000, AND AN UNDERTAKING PURSUANT TO WHICH WITHIN 30 DAYS OF EXECUTION OF THE AWC, THE FIRM AGREES TO CERTIFY THAT DEFICIENCIES DESCRIBED IN AWC RELATED TO SUPERVISION HAVE BEEN ADDRESSED THROUGH THE ADOPTION AND IMPLEMENTATION OF PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH COMMENTARY .06 TO NYSE AMERICAN RULE 980. THE AWC BECAME FINAL ON MAY 5, 2018. \$20,000.00 FINE PAID 05/07/2018.

#### Disclosure 9 of 78

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE CFE ALLEGES AACC VIOLATED CFE RULE 602, IN THAT, ON OR AROUND MAY 8, 2014 AND JUNE 2, 2014, AACC TRANSMITTED FOUR ORDERS TO THE EXCHANGE FROM AN ERROR ACCOUNT FOR THE IMPROPER PURPOSE OF TESTING. CFE FINED AACC \$15,000.00

**Initiated By:** CBOE FUTURES EXCHANGE ("CFE")

**Date Initiated:** 12/14/2017

**Docket/Case Number:** CFE 17-0009 / ICT #109527 / 109340

**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:** 12/20/2017

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

**Other Sanctions Ordered:** THE CFE ALLEGES AACC VIOLATED CFE RULE 602, IN THAT, ON OR AROUND MAY 8, 2014 AND JUNE 2, 2014, AACC TRANSMITTED FOUR ORDERS TO THE EXCHANGE FROM AN ERROR ACCOUNT FOR THE IMPROPER PURPOSE OF TESTING. CFE FINED AACC \$15,000.00

**Sanction Details:** THE CFE ALLEGES AACC VIOLATED CFE RULE 602, IN THAT, ON OR AROUND MAY 8, 2014 AND JUNE 2, 2014, AACC TRANSMITTED FOUR ORDERS TO THE EXCHANGE FROM AN ERROR ACCOUNT FOR THE IMPROPER PURPOSE OF TESTING. CFE FINED AACC \$15,000.00 AND WAS



PAID 1/10/18.

**Disclosure 10 of 78**

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>ON JULY 6, 2016, FOLLOWING AN INVESTIGATION CONDUCTED BY ITS REGULATORY DIVISION, BOURSE DE MONTRÉAL INC. (THE BOURSE) FILED A COMPLAINT AGAINST ABN AMRO CLEARING CHICAGO LLC, AN APPROVED PARTICIPANT OF THE BOURSE. THE COMPLAINT STATED THAT ABN AMRO CLEARING CHICAGO LLC CONTRAVENED ARTICLE 6366 A) OF THE RULES OF THE BOURSE WHEN IT PROVIDED ACCESS TO 12 EMPLOYEES TO THE ELECTRONIC TRADING SYSTEMS OF THE BOURSE WITHOUT HAVING OBTAINED THE PRIOR APPROVAL OF THE BOURSE, AND CONTRAVENED ARTICLE 3011 BY FAILING TO ESTABLISH AND MAINTAIN A SYSTEM TO SUPERVISE THE ACTIVITIES OF EACH EMPLOYEE THAT IS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND POLICIES OF THE BOURSE. FOLLOWING A HEARING HELD ON NOVEMBER 21, 2016, THE DISCIPLINARY COMMITTEE OF THE BOURSE HAS APPROVED THE OFFER OF SETTLEMENT NEGOTIATED BETWEEN THE STAFF OF THE REGULATORY DIVISION OF THE BOURSE AND ABN AMRO CLEARING CHICAGO LLC, WHICH INCLUDES THE IMPOSITION OF A FINE TOTALING \$35,000CAD, AS WELL AS THE PAYMENT OF AN ADDITIONAL AMOUNT OF \$5,000CAD TOWARD COSTS.</p>
<b>Initiated By:</b>	BOURSE DE MONTREAL INC.
<b>Date Initiated:</b>	07/06/2016
<b>Docket/Case Number:</b>	14-007-DISC
<b>Principal Product Type:</b>	Futures - Commodity
<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>	
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	01/31/2017
<b>Sanctions Ordered:</b>	Monetary/Fine \$30,303.03
<b>Other Sanctions Ordered:</b>	

**Sanction Details:**

ON JULY 6, 2016, FOLLOWING AN INVESTIGATION CONDUCTED BY ITS REGULATORY DIVISION, BOURSE DE MONTRÉAL INC. (THE BOURSE) FILED A COMPLAINT AGAINST ABN AMRO CLEARING CHICAGO LLC, AN APPROVED PARTICIPANT OF THE BOURSE. THE COMPLAINT STATED THAT ABN AMRO CLEARING CHICAGO LLC CONTRAVENED ARTICLE 6366 A) OF THE RULES OF THE BOURSE WHEN IT PROVIDED ACCESS TO 12 EMPLOYEES TO THE ELECTRONIC TRADING SYSTEMS OF THE BOURSE WITHOUT HAVING OBTAINED THE PRIOR APPROVAL OF THE BOURSE, AND CONTRAVENED ARTICLE 3011 BY FAILING TO ESTABLISH AND MAINTAIN A SYSTEM TO SUPERVISE THE ACTIVITIES OF EACH EMPLOYEE THAT IS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND POLICIES OF THE BOURSE. FOLLOWING A HEARING HELD ON NOVEMBER 21, 2016, THE DISCIPLINARY COMMITTEE OF THE BOURSE HAS APPROVED THE OFFER OF SETTLEMENT NEGOTIATED BETWEEN THE STAFF OF THE REGULATORY DIVISION OF THE BOURSE AND ABN AMRO CLEARING CHICAGO LLC, WHICH INCLUDES THE IMPOSITION OF A FINE TOTALING \$35,000CAD, AS WELL AS THE PAYMENT OF AN ADDITIONAL AMOUNT OF \$5,000CAD TOWARD COSTS. EQUIVALENT TO A TOTAL OF 30,303.03 USD. FINE PAID 01/31/2017

**Disclosure 11 of 78**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM VIOLATION BOX RULES 7000 AND 3000, WHICH CONCERN DIRECT MARKET ACCESS. THE FIRM'S SUPERVISORY SYSTEMS AND PROCEDURES OVER ITS DIRECT MARKET ACCESS BUSINESS WERE NOT ADEQUATE IN THAT IT FAILED, ON TWO OCCASIONS TO HAVE CONTROLS IN PLACE TO REJECT EXCESSIVE MESSAGES SENT TO BOX OVER A SHORT PERIOD OF TIME, OR DETECT MESSAGES THAT HAD OTHER INDICIA OF DUPLICATIVE ORDERS.

**Initiated By:** BOX OPTIONS EXCHANGE LLC

**Date Initiated:** 11/14/2016

**Docket/Case Number:** 2012033239301

**Principal Product Type:** Options

**Other Product Type(s):**

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


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

**Resolution:** Consent  
**Resolution Date:** 11/14/2016  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$4,000.00

**Other Sanctions Ordered:**

**Sanction Details:** FIRM WAS CENSURED AND FINED \$4,000.00.

**Disclosure 12 of 78**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO MAINTAIN APPROPRIATE SUPERVISORY PROCEDURES AND SYSTEMS OVER ITS DIRECT MARKET ACCESS BUSINESS IN VIOLATION OF NYSE ARCA OPTIONS RULES 11.18, 11.1(B) A(B) AND 11.2(B). ON APPROXIMATELY 153 OCCASIONS DURING THE REVIEW PERIOD, A DIRECT ACCESS CUSTOMER OF THE FIRM SENT AN EXCESSIVE NUMBER OF MESSAGES OVER A SHORT PERIOD OF TIME ENTERING AND CANCELING ORDERS ON THE EXCHANGE. FIRM CONTROLS AND PROCEDURES WERE NOT ADEQUATE IN THAT THEY FAILED TO REJECT EXCESSIVE MESSAGES OVER A SHORT PERIOD OF TIME OR HAVE OTHER INDICIA OF DUPLICATIVE ORDERS. THUS, THE FIRM WAS UNAWARE OF THIS MESSAGING ACTIVITY BY ITS DIRECT MARKET ACCESS CUSTOMER.

**Initiated By:** NYSE ARCA OPTIONS

**Date Initiated:** 11/11/2016

**Docket/Case Number:** 2012033239303

**Principal Product Type:** Options

**Other Product Type(s):**

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

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

**Resolution:** Consent





**Resolution Date:** 11/11/2016

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

**Other Sanctions Ordered:**

**Sanction Details:** FIRM WAS CENSURED AND FINED \$24,000.00 PAID 11/28/16.

### Disclosure 13 of 78

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM ON APPROXIMATELY 66 OCCASIONS DURING THE REVIEW PERIOD, A DIRECT MARKET ACCESS CUSTOMER OF THE FIRM SENT AN EXCESSIVE NUMBER OF MESSAGES OVER A SHORT PERIOD OF TIME ENTERING AND CANCELING ORDERS ON THE EXCHANGE. THE FINDINGS STATED THAT FOR INSTANCE, ON APRIL 25, 2013 AT 14:57:18, A DIRECT MARKET ACCESS CUSTOMER OF THE FIRM SENT 1,611 MESSAGES TO THE EXCHANGE ENTERING AND CANCELING ORDERS IN AN OPTIONS SERIES. THE FIRM'S CONTROLS AND PROCEDURES WERE NOT ADEQUATE IN THAT IT FAILED TO HAVE SUPERVISORY PROCEDURES AND SYSTEMS IN PLACE TO REJECT EXCESSIVE MESSAGES OVER A SHORT PERIOD OF TIME OR MESSAGES THAT HAD OTHER INDICIA OF DUPLICATIVE ORDERS. AS A RESULT, THE FIRM WAS UNAWARE OF THE AFOREMENTIONED MESSAGING ACTIVITY OF ITS DIRECT MARKET ACCESS CUSTOMER. ACCORDINGLY, THE FIRM VIOLATED NYSE MKT RULES 320 AND 476(A)(6).

**Initiated By:** NYSE MKT LLC

**Date Initiated:** 09/30/2016

**Docket/Case Number:** 2012033239304

**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:** 09/30/2016



**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 \$12,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$12,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM ON APPROXIMATELY 66 OCCASIONS DURING THE REVIEW PERIOD, A DIRECT MARKET ACCESS CUSTOMER OF THE FIRM SENT AN EXCESSIVE NUMBER OF MESSAGES OVER A SHORT PERIOD OF TIME ENTERING AND CANCELING ORDERS ON THE EXCHANGE. THE FIRM'S CONTROLS AND PROCEDURES WERE NOT ADEQUATE IN THAT IT FAILED TO HAVE SUPERVISORY PROCEDURES AND SYSTEMS IN PLACE TO REJECT EXCESSIVE MESSAGES OVER A SHORT PERIOD OF TIME OR MESSAGES THAT HAD OTHER INDICIA OF DUPLICATIVE ORDERS. AS A RESULT, THE FIRM WAS UNAWARE OF THE AFOREMENTIONED MESSAGING ACTIVITY OF ITS DIRECT MARKET ACCESS CUSTOMER. ACCORDINGLY, THE FIRM VIOLATED NYSE MKT RULES 320 AND 476(A)(6).

**Initiated By:** NYSE MKT LLC

**Date Initiated:** 09/30/2016

**Docket/Case Number:** 2012033239304

**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:** 09/30/2016

**Sanctions Ordered:** Censure  
Monetary/Fine \$12,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$12,000.00 PAID 11/28/16.

#### Disclosure 14 of 78

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** A FINRA HEARING OFFICER CONSIDERED AN OFFER OF SETTLEMENT AND CONSENT ENTERED INTO BETWEEN FINRA ON BEHALF OF NYSE REGULATION, INC. AND THE FIRM. THE FIRM SUBMITTED AN OFFER OF SETTLEMENT AND CONSENT FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO IN THE OFFER OF SETTLEMENT. THE HEARING OFFICER ACCEPTS THE OFFER OF SETTLEMENT AND CONSENT AND ISSUES THIS DECISION. THIS MATTER INVOLVES THE FIRM'S COMPLIANCE WITH EXCHANGE ACT RULE 15C3-5 AND NYSE ARCA EQUITIES RULES 6.18 AND 2010 DURING THE REVIEW PERIOD.

THE FINDINGS STATED THAT THE FIRM FAILED TO HAVE A SYSTEM OF POST-TRADE SURVEILLANCE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH CERTAIN REGULATORY REQUIREMENTS. SPECIFICALLY, THE FIRM FAILED TO HAVE A SPECIFIC EXCEPTION REPORT IN PLACE TO DETECT AND MONITOR FOR POTENTIALLY IMPROPER LAYERING ACTIVITY. TO DETECT SUCH ACTIVITY, THE FIRM RELIED UPON A MANUAL REVIEW OF DAILY TRADING ACTIVITY AND EXCEPTION REPORTS NOT SPECIFICALLY DESIGNED TO DETECT LAYERING. AS A RESULT, THE FIRM WAS UNAWARE OF APPROXIMATELY 16,527 POTENTIAL INSTANCES IN WHICH A CERTAIN DIRECT MARKET ACCESS CUSTOMER ENGAGED IN LAYERING.

**Initiated By:** NYSE ARCA, INC.

**Date Initiated:** 11/11/2016

**Docket/Case Number:** 2012033239302

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

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Acceptance, Waiver & Consent(AWC)**Resolution Date:** 11/11/2016**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 \$60,000.00**Other Sanctions Ordered:****Sanction Details:** THE FIRM WAS CENSURED AND FINED \$60,000.**Regulator Statement** THE FIRM VIOLATED EXCHANGE ACT RULE 15C3-5(C)(2) BY FAILING TO HAVE AN ADEQUATE SYSTEM IN PLACE TO DETECT OR PREVENT LAYERING BY ITS MARKET ACCESS CLIENTS. VIOLATED NYSE ARCA EQUITIES RULES 6.18 AND 2010 BY FAILING TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH EXCHANGE ACT RULE 15C3-5 RELATED TO THE DETECTION AND PREVENTION OF LAYERING BY ITS MARKET ACCESS CUSTOMERS.

THIS CASE INCLUDES PROCEEDING NUMBER 20130363485.

**Reporting Source:** Firm**Current Status:** Final**Allegations:** THE FIRM SUBMITTED AN OFFER OF SETTLEMENT AND CONSENT FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO IN THE OFFER OF SETTLEMENT. THIS MATTER INVOLVES THE FIRM'S COMPLIANCE WITH EXCHANGE ACT RULE 15C3-5 AND NYSE ARCA EQUITIES RULES 6.18 AND 2010 DURING THE REVIEW PERIOD. THE FINDINGS STATED THAT THE FIRM FAILED TO HAVE A SYSTEM OF POST-



TRADE SURVEILLANCE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH CERTAIN REGULATORY REQUIREMENTS. SPECIFICALLY, THE FIRM FAILED TO HAVE A SPECIFIC EXCEPTION REPORT IN PLACE TO DETECT AND MONITOR FOR POTENTIALLY IMPROPER LAYERING ACTIVITY. TO DETECT SUCH ACTIVITY, THE FIRM RELIED UPON A MANUAL REVIEW OF DAILY TRADING ACTIVITY AND EXCEPTION REPORTS NOT SPECIFICALLY DESIGNED TO DETECT LAYERING. AS A RESULT, THE FIRM WAS UNAWARE OF APPROXIMATELY 16,527 POTENTIAL INSTANCES IN WHICH A CERTAIN DIRECT MARKET ACCESS CUSTOMER ENGAGED IN LAYERING.

**Initiated By:** NYSE ARCA, INC.

**Date Initiated:** 11/11/2016

**Docket/Case Number:** 2012033239302

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

**Other Product Type(s):**

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

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

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

**Resolution Date:** 11/11/2016

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

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$60,000.00 PAID 11/28/16.

#### Disclosure 15 of 78

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO HAVE A SYSTEM OF POST-TRADE SURVEILLANCE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH CERTAIN REGULATORY REQUIREMENTS.

THE FINDINGS STATED THAT SPECIFICALLY, THE FIRM FAILED TO HAVE SPECIFIC EXCEPTION REPORT IN PLACE TO DETECT AND MONITOR FOR



POTENTIALLY IMPROPER LAYERING ACTIVITY.

TO DETECT SUCH ACTIVITY, THE FIRM RELIED UPON A MANUAL REVIEW OF DAILY TRADING ACTIVITY AND EXCEPTION REPORTS NOT SPECIFICALLY DESIGNED TO DETECT LAYERING. AS A RESULT, THE FIRM WAS UNAWARE OF APPROXIMATELY 710 POTENTIAL INSTANCES IN WHICH ONE OF ITS DIRECT MARKET ACCESS CUSTOMERS ENGAGED IN LAYERING.

**Initiated By:** NASDAQ BX, INC.

**Date Initiated:** 11/14/2016

**Docket/Case Number:** 2012033239306

**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:** 11/14/2016

**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 \$8,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$8,000.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO HAVE A SYSTEM OF POST-TRADE SURVEILLANCE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH CERTAIN REGULATORY REQUIREMENTS.



THE FINDINGS STATED THAT THE FIRM FAILED TO HAVE A SPECIFIC EXCEPTION REPORT IN PLACE TO DETECT AND MONITOR FOR POTENTIALLY IMPROPER LAYERING ACTIVITY. TO DETECT SUCH ACTIVITY, THE FIRM RELIED UPON A MANUAL REVIEW OF DAILY TRADING ACTIVITY AND EXCEPTION REPORTS NOT SPECIFICALLY DESIGNED TO DETECT LAYERING. AS A RESULT, THE FIRM WAS UNAWARE OF APPROXIMATELY 710 POTENTIAL INSTANCES IN WHICH ONE OF ITS DIRECT MARKET ACCESS CUSTOMERS ENGAGED IN LAYERING.

**Initiated By:** NASDAQ BX, INC.

**Date Initiated:** 11/14/2016

**Docket/Case Number:** 2012033239306

**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:** 11/14/2016

**Sanctions Ordered:** Censure  
Monetary/Fine \$8,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$8,000.00 TO BE DEBITED ON MONTHLY STATEMENT.

#### Disclosure 16 of 78

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO HAVE A SYSTEM OF POST-TRADE SURVEILLANCE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH CERTAIN REGULATORY REQUIREMENTS.

THE FINDINGS STATED THAT SPECIFICALLY, THE FIRM FAILED TO HAVE SPECIFIC EXCEPTION REPORT IN PLACE TO DETECT AND MONITOR FOR



POTENTIALLY IMPROPER LAYERING ACTIVITY.

TO DETECT SUCH ACTIVITY, THE FIRM RELIED UPON A MANUAL REVIEW OF DAILY TRADING ACTIVITY AND EXCEPTION REPORTS NOT SPECIFICALLY DESIGNED TO DETECT LAYERING. AS A RESULT, THE FIRM WAS UNAWARE OF APPROXIMATELY 2,055 POTENTIAL INSTANCES IN WHICH ONE OF ITS DIRECT MARKET ACCESS CUSTOMERS ENGAGED IN LAYERING.

**Initiated By:** NASDAQ STOCK MARKET

**Date Initiated:** 11/14/2016

**Docket/Case Number:** 2012033239305

**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:** 11/14/2016

**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 \$12,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$12,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO HAVE A SYSTEM OF POST-TRADE SURVEILLANCE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH CERTAIN REGULATORY REQUIREMENTS.





THE FINDINGS STATED THAT THE FIRM FAILED TO HAVE A SPECIFIC EXCEPTION REPORT IN PLACE TO DETECT AND MONITOR FOR POTENTIALLY IMPROPER LAYERING ACTIVITY. TO DETECT SUCH ACTIVITY, THE FIRM RELIED UPON A MANUAL REVIEW OF DAILY TRADING ACTIVITY AND EXCEPTION REPORTS NOT SPECIFICALLY DESIGNED TO DETECT LAYERING. AS A RESULT, THE FIRM WAS UNAWARE OF APPROXIMATELY 2,055 POTENTIAL INSTANCES IN WHICH ONE OF ITS DIRECT MARKET ACCESS CUSTOMERS ENGAGED IN LAYERING.

**Initiated By:** NASDAQ STOCK MARKET

**Date Initiated:** 11/14/2016

**Docket/Case Number:** 2012033239305

**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:** 11/14/2016

**Sanctions Ordered:** Censure  
Monetary/Fine \$12,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$12,000.00 TO BE DEBITED ON MONTHLY STATEMENT.

#### Disclosure 17 of 78

**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 ABN AMRO CLEARING CHICAGO LLC ("SHMR" OR THE "FIRM"), FINRA CONDUCTED A REVIEW ON BEHALF OF NYSE MKT TO DETERMINE THE ACCURACY OF THE FIRM'S REPORTING OF OPTIONS POSITIONS TO THE LARGE OPTIONS POSITIONS REPORT SYSTEM (LOPR) AND THROUGH THIS REVIEW AND THE FIRM'S SUBSEQUENT SELF-REPORTING OF ADDITIONAL LOPR ISSUES, IT WAS FOUND THAT THE FIRM HAD VIOLATIONS IN CONNECTION

WITH ITS REPORTING OF OPTIONS POSITIONS TO THE LOPR DURING THE PERIOD.

THE FINDINGS STATED THAT LOPR DATA IS USED EXTENSIVELY BY NYSE MKT AND SELF-REGULATORY ORGANIZATIONS ("SROS") TO IDENTIFY HOLDERS OF LARGE OPTION POSITIONS WHO MAY BE, AMONG OTHER THINGS, ATTEMPTING TO MANIPULATE THE MARKET OR OTHERWISE VIOLATE SECURITIES RULES AND REGULATIONS. THE ACCURACY OF LOPR DATA IS ESSENTIAL FOR THE ANALYSIS OF POTENTIAL VIOLATIONS, INCLUDING INSIDER TRADING, POSITION LIMITS, EXERCISE LIMITS, FRONT-RUNNING, CAPPING AND PEGGING, MINI-MANIPULATION, AND MARKING-THE-CLOSE.

THE FINDINGS ALSO STATED THAT SHMR, WHICH HAD REPORTED APPROXIMATELY 25 MILLION INSTANCES OF OPTIONS POSITIONS TO THE LOPR, FAILED TO REPORT AND FAILED TO CORRECTLY REPORT OPTIONS POSITIONS TO THE LOPR BY: (I) FAILING TO REPORT OPTIONS POSITIONS IN APPROXIMATELY 109,956 INSTANCES FOR POSITIONS TRADED ON A FRIDAY WITH A SATURDAY EXPIRATION, 53,972 INSTANCES FOR POSITIONS EXPIRING ON SATURDAY WITH A FRIDAY EFFECTIVE DATE, AND 31,555 INSTANCES ON EXPIRATION DUE TO DUPLICATE TRADE MESSAGES; AND (II) MISREPORTING OPTIONS POSITIONS IN APPROXIMATELY 7,776 INSTANCES FOR FRIDAY EXPIRING POSITIONS WHEN TRADING ON THE EXPIRATION DATE REDUCED THE POSITIONS TO BELOW 200 CONTRACTS, 43,128 INSTANCES ON EXPIRATION DUE TO DUPLICATE TRADE MESSAGES, AND 824 INSTANCES DUE TO ACCELERATED EXPIRATIONS.

**Initiated By:** NYSE MKT LLC

**Date Initiated:** 10/06/2016

**Docket/Case Number:** 2014040981701

**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:** 11/01/2016



**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 \$225,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

THE FIRM WAS CENSURED AND FINED \$225,000. PURSUANT TO NYSE MKT RULE 9310(A)(1)(B), THE AWC BECAME FINAL NOVEMBER 1, 2016.

**Regulator Statement**

IN ACCEPTING THIS AWC, THE EXCHANGE CONSIDERED: (I) THE SELF-REPORTING OF THE MAJORITY OF THE SUBJECT ISSUES BY SHMR; (II) THE EFFORTS UNDERTAKEN BY SHMR TO REMEDIATE THE ISSUES DURING THE REVIEW PERIOD, AND (III) THE SIGNIFICANT REMEDIAL ACTIONS ALREADY IMPLEMENTED BY SHMR, INCLUDING: (A) THE HIRING OF AN OUTSIDE CONSULTANT TO CONDUCT A COMPLETE REVIEW OF THE FIRM'S LOPR SYSTEMS AND TO IDENTIFY DEFICIENCIES, (B) SHMR'S CORRECTION OF THE DEFICIENCIES IDENTIFIED BY THE OUTSIDE CONSULTANT; AND (C) SHMR'S ENHANCEMENTS TO ITS LOPR SYSTEMS AND RELATED SUPERVISION.

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, ABN AMRO CLEARING CHICAGO LLC ("SHMR" OR THE "FIRM") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS. FINRA CONDUCTED A REVIEW ON BEHALF OF NYSE MKT TO DETERMINE THE ACCURACY OF THE FIRM'S REPORTING OF OPTIONS POSITIONS TO THE LARGE OPTIONS POSITIONS REPORT SYSTEM (LOPR) AND THROUGH THIS REVIEW AND THE FIRM'S SUBSEQUENT SELF-REPORTING OF ADDITIONAL LOPR ISSUES, IT WAS FOUND THAT THE FIRM HAD VIOLATIONS IN CONNECTION WITH ITS REPORTING OF OPTIONS POSITIONS TO THE LOPR DURING THE PERIOD.

**Initiated By:**

NYSE MKT LLC

**Date Initiated:**

10/06/2016

**Docket/Case Number:**

STAR NO. 2014040981701

**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:** 11/01/2016**Sanctions Ordered:** Censure  
Monetary/Fine \$225,000.00**Other Sanctions Ordered:****Sanction Details:** THE FIRM WAS CENSURED AND FINED \$225,000. PURSUANT TO NYSE MKT RULE 9310(A)(1)(B), THE AWC BECAME FINAL NOVEMBER 1, 2016. FINE PAID 11/02/2016.**Firm Statement**

IN ACCEPTING THIS AWC, THE EXCHANGE CONSIDERED: (I) THE SELF-REPORTING OF THE MAJORITY OF THE SUBJECT ISSUES BY SHMR; (II) THE EFFORTS UNDERTAKEN BY SHMR TO REMEDIATE THE ISSUES DURING THE REVIEW PERIOD, AND (III) THE SIGNIFICANT REMEDIAL ACTIONS ALREADY IMPLEMENTED BY SHMR, INCLUDING: (A) THE HIRING OF AN OUTSIDE CONSULTANT TO CONDUCT A COMPLETE REVIEW OF THE FIRM'S LOPR SYSTEMS AND TO IDENTIFY DEFICIENCIES, (B) SHMR'S CORRECTION OF THE DEFICIENCIES IDENTIFIED BY THE OUTSIDE CONSULTANT; AND (C) SHMR'S ENHANCEMENTS TO ITS LOPR SYSTEMS AND RELATED SUPERVISION.

**Disclosure 18 of 78****Reporting Source:** Regulator**Current Status:** Final**Allegations:** ABN AMRO CLEARING CHICAGO LLC ("ABN AMRO"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$20,000. IN ADDITION, THE COMMITTEE ORDERED AN UNDERTAKING REQUIRING ABN AMRO TO REVISE ITS METHOD FOR COMPLYING WITH REGULATION SHO, RULE 204, ELIMINATING THE NETTING OF FAILS ACROSS ITS DIFFERENT CLEARING RANGES AND REVISING THE PROCESS BY WHICH IT ALLOCATES FAILS TO ITS CUSTOMERS. THE REVISED METHOD SHALL BE SUBMITTED AND FOUND ACCEPTABLE TO FINRA'S MARKET REGULATION DEPARTMENT, WITHIN THIRTY (30) DAYS OF THE ISSUANCE OF THE DECISION IN THIS MATTER. ABN AMRO FAILED TO CLOSE OUT ITS SHORT POSITION AS SET FORTH IN REGULATION SHO, RULE 204. (EXCHANGE RULE 4.2 -



ADHERENCE TO LAW, AND SEC REGULATION SHO RULE 204 - CLOSE-OUT REQUIREMENT THEREUNDER)

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 12/08/2015

**Docket/Case Number:** 15-0090/ 20150464997

**Principal Product Type:** Options

**Other Product Type(s):**

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

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

**Resolution:** Consent

**Resolution Date:** 02/08/2016

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

**Other Sanctions Ordered:** A \$20,000 FINE AND A CENSURE. IN ADDITION, THE COMMITTEE ORDERED AN UNDERTAKING REQUIRING ABN AMRO TO REVISE ITS METHOD FOR COMPLYING WITH REGULATION SHO, RULE 204, ELIMINATING THE NETTING OF FAILS ACROSS ITS DIFFERENT CLEARING RANGES AND REVISING THE PROCESS BY WHICH IT ALLOCATES FAILS TO ITS CUSTOMERS. THE REVISED METHOD SHALL BE SUBMITTED AND FOUND ACCEPTABLE TO FINRA'S MARKET REGULATION DEPARTMENT, WITHIN THIRTY (30) DAYS OF THE ISSUANCE OF THE DECISION IN THIS MATTER.

**Sanction Details:** A \$20,000 FINE AND A CENSURE. IN ADDITION, THE COMMITTEE ORDERED AN UNDERTAKING REQUIRING ABN AMRO TO REVISE ITS METHOD FOR COMPLYING WITH REGULATION SHO, RULE 204, ELIMINATING THE NETTING OF FAILS ACROSS ITS DIFFERENT CLEARING RANGES AND REVISING THE PROCESS BY WHICH IT ALLOCATES FAILS TO ITS CUSTOMERS. THE REVISED METHOD SHALL BE SUBMITTED AND FOUND ACCEPTABLE TO FINRA'S MARKET REGULATION DEPARTMENT, WITHIN THIRTY (30) DAYS OF THE ISSUANCE OF THE DECISION IN THIS MATTER.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ABN AMRO CLEARING CHICAGO LLC ("ABN AMRO"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$20,000. IN ADDITION, THE



COMMITTEE ORDERED AN UNDERTAKING REQUIRING ABN AMRO TO REVISE ITS METHOD FOR COMPLYING WITH REGULATION SHO, RULE 204, ELIMINATING THE NETTING OF FAILS ACROSS ITS DIFFERENT CLEARING RANGES AND REVISING THE PROCESS BY WHICH IT ALLOCATES FAILS TO ITS CUSTOMERS. THE REVISED METHOD SHALL BE SUBMITTED AND FOUND ACCEPTABLE TO FINRA'S MARKET REGULATION DEPARTMENT, WITHIN THIRTY (30) DAYS OF THE ISSUANCE OF THE DECISION IN THIS MATTER. ABN AMRO FAILED TO CLOSE OUT ITS SHORT POSITION AS SET FORTH IN REGULATION SHO, RULE 204. (EXCHANGE RULE 4.2 - ADHERENCE TO LAW, AND SEC REGULATION SHO RULE 204 - CLOSE-OUT REQUIREMENT THEREUNDER)

**Initiated By:** CHICAGO BOARD OPTIONS EXCHNAGE ("CBOE")

**Date Initiated:** 12/08/2015

**Docket/Case Number:** 15-0090 / 20150464997

**Principal Product Type:** Options

**Other Product Type(s):**

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

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

**Resolution:** Consent

**Resolution Date:** 02/08/2016

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

**Other Sanctions Ordered:** A \$20,000 FINE AND A CENSURE. IN ADDITION, THE COMMITTEE ORDERED AN UNDERTAKING REQUIRING ABN AMRO TO REVISE ITS METHOD FOR COMPLYING WITH REGULATION SHO, RULE 204, ELIMINATING THE NETTING OF FAILS ACROSS ITS DIFFERENT CLEARING RANGES AND REVISING THE PROCESS BY WHICH IT ALLOCATES FAILS TO ITS CUSTOMERS. THE REVISED METHOD SHALL BE SUBMITTED AND FOUND ACCEPTABLE TO FINRA'S MARKET REGULATION DEPARTMENT, WITHIN THIRTY (30) DAYS OF THE ISSUANCE OF THE DECISION IN THIS MATTER.

**Sanction Details:** \$20,000 FINE AND A CENSURE. IN ADDITION, THE COMMITTEE ORDERED AN UNDERTAKING REQUIRING ABN AMRO TO REVISE ITS METHOD FOR COMPLYING WITH REGULATION SHO, RULE 204, ELIMINATING THE NETTING OF FAILS ACROSS ITS DIFFERENT CLEARING RANGES AND REVISING THE PROCESS BY WHICH IT ALLOCATES FAILS TO ITS CUSTOMERS. THE REVISED METHOD SHALL BE SUBMITTED AND FOUND ACCEPTABLE TO FINRA'S MARKET REGULATION DEPARTMENT, WITHIN



THIRTY (30) DAYS OF THE ISSUANCE OF THE DECISION IN THIS MATTER.  
FINED \$20,000.00 PAID 2/23/16.

### Disclosure 19 of 78

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	C2 HAS ALLEGED THAT FROM ON OR ABOUT JANUARY 2013 THROUGH FEBRUARY 2013, ABN AMRO CLEARING CHICAGO LLC ("AACC" OR THE "FIRM") VIOLATED SEC RULE 15C3-5 BY FAILING TO MAINTAIN MARKET ACCESS CONTROLS FOR ITS SPONSORED USER, SIMPLEX, THAT WERE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH ALL REGULATORY REQUIREMENTS, WHICH MUST BE MET ON A PRE-ORDER ENTRY BASIS, SPECIFICALLY THE REQUIREMENT THAT RESPONDERS TO COAS HOLD A MARKET MAKER APPOINTMENT IN THE RELEVANT OPTIONS CLASSES PRIOR TO RESPONDING TO COAS.
<b>Initiated By:</b>	C2 OPTIONS EXCHANGE ("C2")
<b>Date Initiated:</b>	01/15/2016
<b>Docket/Case Number:</b>	C2 14-0003 / 20140439040
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	03/16/2017
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$30,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	C2 HAS ALLEGED THAT FROM ON OR ABOUT JANUARY 2013 THROUGH FEBRUARY 2013, ABN AMRO CLEARING CHICAGO LLC ("AACC" OR THE "FIRM") VIOLATED SEC RULE 15C3-5 BY FAILING TO MAINTAIN MARKET ACCESS CONTROLS FOR ITS SPONSORED USER, SIMPLEX, THAT WERE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH ALL REGULATORY REQUIREMENTS, WHICH MUST BE MET ON A PRE-ORDER ENTRY BASIS, SPECIFICALLY THE REQUIREMENT THAT RESPONDERS TO

COAS HOLD A MARKET MAKER APPOINTMENT IN THE RELEVANT OPTIONS CLASSES PRIOR TO RESPONDING TO COAS. FINE PAID 4/13/17.

## Disclosure 20 of 78

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	CBOE HAS ALLEGED THAT FROM ON OR ABOUT JANUARY 2013 THROUGH FEBRUARY 2013, ABN AMRO CLEARING CHICAGO LLC ("AACC" OR THE "FIRM") VIOLATED SEC RULE 15C3-5 BY FAILING TO MAINTAIN MARKET ACCESS CONTROLS FOR ITS SPONSORED USER, SIMPLEX, THAT WERE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH ALL REGULATORY REQUIREMENTS, WHICH MUST BE MET ON A PRE-ORDER ENTRY BASIS, SPECIFICALLY THE REQUIREMENT THAT RESPONDERS TO COAS HOLD A MARKET MAKER APPOINTMENT IN THE RELEVANT OPTIONS CLASSES PRIOR TO RESPONDING TO COAS.
<b>Initiated By:</b>	CHICAGO BOARD OPTIONS EXCHANGE ("CBOE")
<b>Date Initiated:</b>	01/15/2016
<b>Docket/Case Number:</b>	14-0177 / 20140438963
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	03/16/2017
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$25,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	CBOE HAS ALLEGED THAT FROM ON OR ABOUT JANUARY 2013 THROUGH FEBRUARY 2013, ABN AMRO CLEARING CHICAGO LLC ("AACC" OR THE "FIRM") VIOLATED SEC RULE 15C3-5 BY FAILING TO MAINTAIN MARKET ACCESS CONTROLS FOR ITS SPONSORED USER, SIMPLEX, THAT WERE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH ALL REGULATORY REQUIREMENTS, WHICH MUST BE MET ON A PRE-ORDER ENTRY BASIS, SPECIFICALLY THE REQUIREMENT THAT RESPONDERS TO



COAS HOLD A MARKET MAKER APPOINTMENT IN THE RELEVANT OPTIONS CLASSES PRIOR TO RESPONDING TO COAS. FINE PAID 4/13/17.

### Disclosure 21 of 78

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO, LLC ("ABN AMRO") NEITHER ADMITTED NOR DENIED THE RULE VIOLATION UPON WHICH THE PENALTY IS BASED, ON OCTOBER 20, 2015, THE BCC PANEL FOUND THAT FOR TRADE DATE JUNE 28, 2013, ABN AMRO MISREPORTED THE OPEN INTEREST POSITIONS IN THE JULY 2013 LUMBER FUTURES CONTRACT FOR THE CUSTOMER ORIGIN. THE PANEL FURTHER FOUND THAT ON JULY 1, 2013, ABN AMRO SUBMITTED AN ADJUSTMENT TO CORRECT THE ERROR, BUT SUBMITTED THAT ADJUSTMENT 16 MINUTES LATE. AS A RESULT, OPEN INTEREST IN THE JULY 2013 LUMBER FUTURES CONTRACT WAS OVERSTATE BY 101 CONTRACTS, OR 6.26%, DURING THE SPOT MONTH DELIVERY EXPIRATION PERIOD. THE PANEL FOUND THAT, IN COMMITTING THESE ACTIONS, ABN AMRO VIOLATED CME RULE 854.B. FINE \$25,000.
<b>Initiated By:</b>	CME GROUP
<b>Date Initiated:</b>	12/16/2015
<b>Docket/Case Number:</b>	CME 13-9528-BC
<b>Principal Product Type:</b>	Futures - Commodity
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	FINE \$25,000
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	12/30/2015
<b>Sanctions Ordered:</b>	Monetary/Fine \$25,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	FINE \$25,000.00 PAID 12/28/2015.

### Disclosure 22 of 78



**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** ABN AMRO CLEARING CHICAGO LLC ("ABN AMRO"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$25,000. IN ACCEPTING THIS OFFER OF SETTLEMENT, THE BUSINESS CONDUCT COMMITTEE CONSIDERED CERTAIN FACTORS, INCLUDING THE FACT THAT ABN AMRO IMPLEMENTED SUBSEQUENT REMEDIAL MEASURES IN CONNECTION WITH THE FOLLOWING CONDUCT. ABN AMRO FAILED TO ESTABLISH, DOCUMENT, AND MAINTAIN A SYSTEM OF RISK MANAGEMENT CONTROLS REASONABLY DESIGNED TO MANAGE THE FINANCIAL, REGULATORY, AND OTHER RISKS OF THIS BUSINESS ACTIVITY. ABN AMRO FAILED TO HAVE IN PLACE A SYSTEM OF RISK MANAGEMENT CONTROLS REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS BY REJECTING ORDERS THAT EXCEEDED APPROPRIATE PRICE OR SIZE PARAMETERS, ON AN ORDER-BY-ORDER BASIS OR OVER A SHORT PERIOD OF TIME, OR THAT INDICATE DUPLICATIVE ORDERS, AS REQUIRED BY RULE 15C3-5(C)(1)(II). AS A RESULT, ABN AMRO FAILED TO PREVENT THE ENTRY OF 60 ERRONEOUS ORDERS, EACH TO PURCHASE 250,000 SHARES OF MONSTER WORLDWIDE, INC. ("MWW"), BY ONE NON-BROKER DEALER CUSTOMER, FROM ENTERING THE MARKET PLACE AT APPROXIMATELY ONE SECOND PRIOR TO THE CLOSE OF TRADING. (EXCHANGE RULE 4.2 - ADHERENCE TO LAW; AND SEC RULE 15C3-5 - RISK MANAGEMENT CONTROLS FOR BROKERS OR DEALERS WITH MARKET ACCESS, PROMULGATED UNDER THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED)

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 11/09/2015

**Docket/Case Number:** 15-0095/ 20150465322

**Principal Product Type:** Options

**Other Product Type(s):**

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

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

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 02/08/2016

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

**Other Sanctions Ordered:**

**Sanction Details:** A \$25,000 FINE AND A CENSURE.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CBOE ALLEGES THAT ON OR ABOUT JUNE 29, 2012, ABN AMRO CLEARING CHICAGO LLC ("AACC") FAILED TO HAVE IN PLACE A SYSTEM OF RISK MANAGEMENT CONTROLS REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS BY REJECTING ORDERS THAT EXCEEDED APPROPRIATE PRICE OR SIZE PARAMETERS, ON AN ORDER-BY-ORDER BASIS OR OVER A SHORT PERIOD OF TIME, OR THAT INDICATE DUPLICATIVE ORDERS, AS REQUIRED BY RULE 15C3-5(C)(1)(II). AS A RESULT AACC FAILED TO PREVENT THE ENTRY OF 60 ERRONEOUS ORDERS, EACH TO PURCHASE 250,000 SHARES OF MONSTER WORLD WIDE ("MWW"), BY ONE NON-BROKER DEALER CUSTOMER, FROM ENTERING THE MARKET PLACE AT APPROXIMATELY ONE SECOND PRIOR TO THE CLOSE OF TRADING. IN APPARENT VIOLATION OF EXCHANGE RULE 4.2 AND RULE 15C3-5 UNDER THE ACT. AACC WAS FINED \$25,000.00.

**Initiated By:** CHICAGO BOARD OF OPTIONS EXCHANGE ("CBOE")

**Date Initiated:** 11/09/2015

**Docket/Case Number:** 15-0095 / 20150465322

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

**Other Product Type(s):**

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

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

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 02/08/2016

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

**Other Sanctions Ordered:**

**Sanction Details:** FINE \$25,000.00 PAID 2/23/16.

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## Disclosure 23 of 78

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE MGEX DISCIPLINARY COMMITTEE CHARGED AACC WITH VIOLATING MGEX REGULATIONS 2062.02. AND 2069.00. AACC WAS REQUIRED, BUT FAILED TO MAINTAIN FRONT-END AUDIT TRAILS FOR ELECTRONIC HARD RED SPRING WHEAT ORDERS SUBMITTED TO GLOBEX BY FOUR USERS BETWEEN THE PERIOD OF APRIL 14, 2014 THROUGH JUNE 1, 2015 VIA AN AACC DIRECT MARKET ACCESS CUSTOMER. WITHOUT ADMITTING OR DENYING THE CHARGES, AACC SUBMITTED AN OFFER OF SETTLEMENT. THE SETTLEMENT TERMS WERE ACCEPTED IN SATISFACTION OF THE CHARGES. \$3,000.00 FINE PAID 12/17/2015.
<b>Initiated By:</b>	MINNEAPOLIS GRAIN EXCHANGE, INC. ("MGEX")
<b>Date Initiated:</b>	12/17/2015
<b>Docket/Case Number:</b>	MGE 15-I-26
<b>Principal Product Type:</b>	Futures - Commodity
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	FINE \$3,000.00
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	12/17/2015
<b>Sanctions Ordered:</b>	Monetary/Fine \$3,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	FINE \$3,000.00 PAID 12/17/15.
<b>Firm Statement</b>	THE MGEX DISCIPLINARY COMMITTEE CHARGED AACC WITH VIOLATING MGEX REGULATIONS 2062.02. AND 2069.00. AACC WAS REQUIRED, BUT FAILED TO MAINTAIN FRONT-END AUDIT TRAILS FOR ELECTRONIC HARD RED SPRING WHEAT ORDERS SUBMITTED TO GLOBEX BY FOUR USERS BETWEEN THE PERIOD OF APRIL 14, 2014 THROUGH JUNE 1, 2015 VIA AN AACC DIRECT MARKET ACCESS CUSTOMER. WITHOUT ADMITTING OR DENYING THE CHARGES, AACC SUBMITTED AN OFFER OF SETTLEMENT. THE SETTLEMENT TERMS WERE ACCEPTED IN SATISFACTION OF THE CHARGES. \$3,000.00 FINE PAID 12/17/2015.



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<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	ABN AMRO CLEARING CHICAGO LLC ("ABN AMRO"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$25,000 FOR THE FOLLOWING CONDUCT. ABN AMRO: (I) IMPROPERLY RESPONDED (BY AND THROUGH THE ACTIVITY OF ITS SPONSORED USER, SIMPLEX INVESTMENTS, LLC) TO 18,412 COMPLEX ORDER AUCTIONS ("COAS") IN OPTIONS CLASSES IN WHICH THE SPONSORED USER DID NOT HOLD AN APPOINTMENT; AND (II) FAILED TO ADEQUATELY SUPERVISE ABN AMRO'S ASSOCIATED PERSONS IN ORDER TO ASSURE COMPLIANCE WITH EXCHANGE RULE 6.13. (EXCHANGE RULES 4.2 - ADHERENCE TO LAW AND 6.13 - COMPLEX ORDER EXECUTION)
<b>Initiated By:</b>	C2 OPTIONS EXCHANGE, INCORPORATED
<b>Date Initiated:</b>	12/04/2014
<b>Docket/Case Number:</b>	C2 14-0003 / 20140439040
<b>Principal Product Type:</b>	Options
<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>	
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	06/04/2015
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$25,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	A \$25,000 FINE AND A CENSURE.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE C2 OPTIONS EXCHANGE HAS ALLEGED THAT FROM FEBRUARY 2013 THROUGH MARCH 2013, ABN AMRO CLEARING CHICAGO LLC ("AACC" OR THE "FIRM") VIOLATED EXCHANGE RULE 6.13, 3.15 AND 4.2 AND SEC RULE



15C3-5 IN THAT ONE OF THE FIRM'S SPONSORED USERS RESPONDED TO NUMEROUS COAS IN OPTIONS CLASSES IN WHICH THE USER DID NOT HOLD AN APPOINTMENT, THAT AACC FAILED TO ADEQUATELY SUPERVISE AACC'S ASSOCIATED PERSONS IN ORDER TO ASSURE COMPLIANCE WITH EXCHANGE RULE 6.13 AND THAT AACC FAILED TO ESTABLISH, DOCUMENT AND MAINTAIN A SYSTEM OF RISK MANAGEMENT CONTROLS FOR ITS SPONSORED USER THAT WERE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH ALL REGULATORY REQUIREMENTS THAT MUST BE MET ON A PRE-ORDER ENTRY BASIS, SPECIFICALLY THE REQUIREMENT THAT RESPONDERS TO COAS HOLD A MARKET-MAKER APPOINTMENT IN CERTAIN OPTIONS CLASSES PRIOR TO RESPONDING TO COAS. THE CBOE HAS ALLEGED THAT FROM FEBRUARY 2013 THROUGH MARCH 2013, ABN AMRO CLEARING CHICAGO LLC ("AACC" OR THE "FIRM") VIOLATED EXCHANGE RULES 6.53C, 6.20A, AND 4.2 AND SEC RULE 15C3-5 IN THAT ONE OF THE FIRM'S SPONSORED USERS RESPONDED TO NUMEROUS COAS IN OPTIONS CLASSES IN WHICH THE USER DID NOT HOLD AN APPOINTMENT, THAT AACC FAILED TO ADEQUATELY SUPERVISE AACC'S ASSOCIATED PERSONS IN ORDER TO ASSURE COMPLIANCE WITH EXCHANGE RULE 6.53C, AND THAT AACC FAILED TO ESTABLISH, DOCUMENT AND MAINTAIN A SYSTEM OF RISK MANAGEMENT CONTROLS FOR ITS SPONSORED USER THAT WERE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH ALL REGULATORY REQUIREMENTS THAT MUST BE MET ON A PRE-ORDER ENTRY BASIS, SPECIFICALLY THE REQUIREMENT THAT RESPONDERS TO COAS HOLD A MARKET-MAKER APPOINTMENT IN CERTAIN OPTIONS CLASSES PRIOR TO RESPONDING TO COAS. THE FIRM RECEIVED A \$25,000.00 FINE AND CENSURE. THE FINE WAS PAID 5/19/15.

**Initiated By:** C2 OPTIONS EXCHANGE, INCORPORATED ("C2")

**Date Initiated:** 12/04/2014

**Docket/Case Number:** C2 14-0003

**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:** 05/13/2015

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



## Other Sanctions Ordered:

### Sanction Details:

\$25,000.00 FINE PAID 5/19/15.

### Firm Statement

THE C2 OPTIONS EXCHANGE HAS ALLEGED THAT FROM FEBRUARY 2013 THROUGH MARCH 2013, ABN AMRO CLEARING CHICAGO LLC ("AACC" OR THE "FIRM") VIOLATED EXCHANGE RULE 6.13, 3.15 AND 4.2 AND SEC RULE 15C3-5 IN THAT ONE OF THE FIRM'S SPONSORED USERS RESPONDED TO NUMEROUS COAS IN OPTIONS CLASSES IN WHICH THE USER DID NOT HOLD AN APPOINTMENT, THAT AACC FAILED TO ADEQUATELY SUPERVISE AACC'S ASSOCIATED PERSONS IN ORDER TO ASSURE COMPLIANCE WITH EXCHANGE RULE 6.13 AND THAT AACC FAILED TO ESTABLISH, DOCUMENT AND MAINTAIN A SYSTEM OF RISK MANAGEMENT CONTROLS FOR ITS SPONSORED USER THAT WERE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH ALL REGULATORY REQUIREMENTS THAT MUST BE MET ON A PRE-ORDER ENTRY BASIS, SPECIFICALLY THE REQUIREMENT THAT RESPONDERS TO COAS HOLD A MARKET-MAKER APPOINTMENT IN CERTAIN OPTIONS CLASSES PRIOR TO RESPONDING TO COAS. THE CBOE HAS ALLEGED THAT FROM FEBRUARY 2013 THROUGH MARCH 2013, ABN AMRO CLEARING CHICAGO LLC ("AACC" OR THE "FIRM") VIOLATED EXCHANGE RULES 6.53C, 6.20A, AND 4.2 AND SEC RULE 15C3-5 IN THAT ONE OF THE FIRM'S SPONSORED USERS RESPONDED TO NUMEROUS COAS IN OPTIONS CLASSES IN WHICH THE USER DID NOT HOLD AN APPOINTMENT, THAT AACC FAILED TO ADEQUATELY SUPERVISE AACC'S ASSOCIATED PERSONS IN ORDER TO ASSURE COMPLIANCE WITH EXCHANGE RULE 6.53C, AND THAT AACC FAILED TO ESTABLISH, DOCUMENT AND MAINTAIN A SYSTEM OF RISK MANAGEMENT CONTROLS FOR ITS SPONSORED USER THAT WERE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH ALL REGULATORY REQUIREMENTS THAT MUST BE MET ON A PRE-ORDER ENTRY BASIS, SPECIFICALLY THE REQUIREMENT THAT RESPONDERS TO COAS HOLD A MARKET-MAKER APPOINTMENT IN CERTAIN OPTIONS CLASSES PRIOR TO RESPONDING TO COAS. THE FIRM RECEIVED A \$25,000.00 FINE AND CENSURE. THE FINE WAS PAID 5/19/15.

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### Reporting Source:

Regulator

### Current Status:

Final

### Allegations:

ABN AMRO CLEARING CHICAGO LLC ("ABN AMRO"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$20,000 FOR THE FOLLOWING CONDUCT. ABN AMRO (I) IMPROPERLY RESPONDED (BY AND THROUGH THE ACTIVITY OF ITS SPONSORED USER, SIMPLEX INVESTMENTS, LLC) TO 514 COMPLEX ORDER AUCTIONS ("COAS") IN OPTIONS CLASSES IN WHICH



THE SPONSORED USER DID NOT HOLD AN APPOINTMENT; AND (II) FAILED TO ADEQUATELY SUPERVISE ABN AMRO'S ASSOCIATED PERSONS IN ORDER TO ASSURE COMPLIANCE WITH EXCHANGE RULE 6.53C. (EXCHANGE RULES 4.2 ADHERENCE TO LAW, 6.53 - CERTAIN TYPES OF ORDERS DEFINED)

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 12/04/2014

**Docket/Case Number:** 14-0177

**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:** 06/04/2015

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

**Other Sanctions Ordered:**

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

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE CBOE HAS ALLEGED THAT FROM FEBRUARY 2013 THROUGH MARCH 2013, ABN AMRO CLEARING CHICAGO LLC ("AACC" OR THE "FIRM") VIOLATED EXCHANGE RULES 6.53C, 6.20A, AND 4.2 AND SEC RULE 15C3-5 IN THAT ONE OF THE FIRM'S SPONSORED USERS RESPONDED TO NUMEROUS COAS IN OPTIONS CLASSES IN WHICH THE USER DID NOT HOLD AN APPOINTMENT, THAT AACC FAILED TO ADEQUATELY SUPERVISE AACC'S ASSOCIATED PERSONS IN ORDER TO ASSURE COMPLIANCE WITH EXCHANGE RULE 6.53C, AND THAT AACC FAILED TO ESTABLISH, DOCUMENT AND MAINTAIN A SYSTEM OF RISK MANAGEMENT CONTROLS FOR ITS SPONSORED USER THAT WERE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH ALL REGULATORY REQUIREMENTS THAT MUST BE MET ON A PRE-ORDER ENTRY BASIS, SPECIFICALLY THE REQUIREMENT THAT RESPONDERS TO COAS HOLD A MARKET-MAKER





APPOINTMENT IN CERTAIN OPTIONS CLASSES PRIOR TO RESPONDING TO COAS. THE FIRM RECEIVED A \$20,000.00 FINE AND CENSURE. THE FINE WAS PAID 5/19/15.

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE ("CBOE")

**Date Initiated:** 12/04/2014

**Docket/Case Number:** 14-0177

**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:** 05/07/2015

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

**Other Sanctions Ordered:**

**Sanction Details:** \$20,000.00 FINE PAID 5/19/15.

**Firm Statement**

THE CBOE HAS ALLEGED THAT FROM FEBRUARY 2013 THROUGH MARCH 2013, ABN AMRO CLEARING CHICAGO LLC ("AACC" OR THE "FIRM") VIOLATED EXCHANGE RULES 6.53C, 6.20A, AND 4.2 AND SEC RULE 15C3-5 IN THAT ONE OF THE FIRM'S SPONSORED USERS RESPONDED TO NUMEROUS COAS IN OPTIONS CLASSES IN WHICH THE USER DID NOT HOLD AN APPOINTMENT, THAT AACC FAILED TO ADEQUATELY SUPERVISE AACC'S ASSOCIATED PERSONS IN ORDER TO ASSURE COMPLIANCE WITH EXCHANGE RULE 6.53C, AND THAT AACC FAILED TO ESTABLISH, DOCUMENT AND MAINTAIN A SYSTEM OF RISK MANAGEMENT CONTROLS FOR ITS SPONSORED USER THAT WERE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH ALL REGULATORY REQUIREMENTS THAT MUST BE MET ON A PRE-ORDER ENTRY BASIS, SPECIFICALLY THE REQUIREMENT THAT RESPONDERS TO COAS HOLD A MARKET-MAKER APPOINTMENT IN CERTAIN OPTIONS CLASSES PRIOR TO RESPONDING TO COAS. THE FIRM RECEIVED A \$20,000.00 FINE AND CENSURE. THE FINE WAS PAID 5/19/15.



**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** ABN AMRO CLEARING CHICAGO, LLC ("ABN AMRO"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$10,000 FOR THE FOLLOWING CONDUCT. ABN AMRO, ON NUMEROUS OCCASIONS, FAILED TO GRANT PRIORITY TO THE HIGHEST BID AND/OR LOWEST OFFER WHEN SUCH BID OR OFFER WAS AVAILABLE AND, ON NUMEROUS OCCASIONS, FAILED TO USE DUE DILIGENCE TO EXECUTE ORDERS AT THE BEST PRICES AVAILABLE. IN ACCEPTING THIS LETTER OF CONSENT, THE BUSINESS CONDUCT COMMITTEE CONSIDERED AMONG OTHER THINGS, THE TOTAL NUMBER OF EXCEPTIONS INVOLVED IN THE CONDUCT DESCRIBED ABOVE. (EXCHANGE RULES 6.45B - PRIORITY AND ALLOCATION OF TRADES IN INDEX OPTIONS AND OPTIONS ON ETFs ON THE CBOE HYBRID SYSTEM AND 6.73 - RESPONSIBILITIES OF FLOOR BROKERS)

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 11/03/2014

**Docket/Case Number:** 14-0094

**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:** 12/01/2014

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

**Other Sanctions Ordered:**

**Sanction Details:** A \$10,000 FINE AND A CENSURE.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE CBOE ALLEGED THAT DURING THE APPROXIMATE PERIOD FROM IN OR ABOUT JANUARY 2009 THROUGH IN OR ABOUT DECEMBER 2009, ABN AMRO CLEARING CHICAGO LLC ("AACC" OR THE "FIRM") FAILED TO GRANT



PRIORITY TO THE HIGHEST BID AND/OR LOWEST OFFER WHEN SUCH BID OR OFFER WAS AVAILABLE ON NUMEROUS OCCASIONS, AND FAILED TO USE DUE DILIGENCE TO EXECUTE ORDERS AT THE BEST PRICES AVAILABLE ON NUMEROUS OCCASIONS. THE CBOE ALLEGED THAT THE ACTS, PRACTICES AND CONDUCT CONSTITUTED VIOLATIONS OF EXCHANGE RULE(S) 6.45B AND 6.73. WITHOUT ADMITTING OR DENYING THE FINDINGS, AACC CONSENTED TO A FINE OF \$10,000.00 AND A CENSURE.

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE ("CBOE")

**Date Initiated:** 11/03/2014

**Docket/Case Number:** 14-0094

**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:** 12/01/2014

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

**Other Sanctions Ordered:**

**Sanction Details:** THE CBOE ALLEGED THAT DURING THE APPROXIMATE PERIOD FROM IN OR ABOUT JANUARY 2009 THROUGH IN OR ABOUT DECEMBER 2009, ABN AMRO CLEARING CHICAGO LLC ("AACC" OR THE "FIRM") FAILED TO GRANT PRIORITY TO THE HIGHEST BID AND/OR LOWEST OFFER WHEN SUCH BID OR OFFER WAS AVAILABLE ON NUMEROUS OCCASIONS, AND FAILED TO USE DUE DILIGENCE TO EXECUTE ORDERS AT THE BEST PRICES AVAILABLE ON NUMEROUS OCCASIONS. THE CBOE ALLEGED THAT THE ACTS, PRACTICES AND CONDUCT CONSTITUTED VIOLATIONS OF EXCHANGE RULE(S) 6.45B AND 6.73. WITHOUT ADMITTING OR DENYING THE FINDINGS, AACC CONSENTED TO A FINE OF \$10,000.00 AND A CENSURE. FINE PAID 12/2/2014.

#### Disclosure 27 of 78

**Reporting Source:** Firm

**Current Status:** Final



**Allegations:** PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, ON OCTOBER 28, 2014, A PANEL OF THE NYMEX BUSINESS CONDUCT COMMITTEE ("PANEL") FOUND THAT IT HAD JURISDICTION OVER ABN AMRO CLEARING CHICAGO LLC PURSUANT TO NYMEX RULES 400 AND 402, AS THE CONDUCT OCCURRED WHILE IT WAS A MEMBER FIRM. THE PANEL ALSO FOUND THAT ON ONE OR MORE OCCASIONS FROM 2010 THROUGH 2013, ABN AMRO CLEARING CHICAGO LLC FAILED TO PROPERLY REGISTER TAG 50 USER IDS AND ALLOWED ORDERS TO BE ENTERED ON GLOBEX USING INCORRECT TAG50 USER IDS. THE PANEL CONCLUDED THAT IN SO DOING, ABN AMRO CLEARING CHICAGO LLC VIOLATED NYMEX RULE 576.

**Initiated By:** NEW YORK MERCANTILE EXCHANGE (NYMEX)

**Date Initiated:** 10/28/2014

**Docket/Case Number:** NYMEX 12-8726-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:** 10/30/2014

**Sanctions Ordered:** Monetary/Fine \$4,200.00

**Other Sanctions Ordered:**

**Sanction Details:** PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, ON OCTOBER 28, 2014, A PANEL OF THE NYMEX BUSINESS CONDUCT COMMITTEE ("PANEL") FOUND THAT IT HAD JURISDICTION OVER ABN AMRO CLEARING CHICAGO LLC PURSUANT TO NYMEX RULES 400 AND 402, AS THE CONDUCT OCCURRED WHILE IT WAS A MEMBER FIRM. THE PANEL ALSO FOUND THAT ON ONE OR MORE OCCASIONS FROM 2010 THROUGH 2013, ABN AMRO CLEARING CHICAGO LLC FAILED TO PROPERLY REGISTER TAG 50 USER IDS AND ALLOWED ORDERS TO BE ENTERED ON GLOBEX USING INCORRECT TAG50 USER IDS. THE PANEL CONCLUDED THAT IN SO DOING, ABN AMRO CLEARING CHICAGO LLC VIOLATED NYMEX RULE 576. FINE PAID 11/5/14.



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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, ON OCTOBER 28, 2014, A PANEL OF THE CME BUSINESS CONDUCT COMMITTEE ("PANEL") FOUND THAT IT HAD JURISDICTION OVER ABN AMRO CLEARING CHICAGO LLC PURSUANT TO CME RULES 400 AND 402, AS THE CONDUCT OCCURRED WHILE IT WAS A MEMBER FIRM. THE PANEL ALSO FOUND THAT ON ONE OR MORE OCCASIONS FROM 2010 THROUGH 2013, ABN AMRO CLEARING CHICAGO LLC FAILED TO PROPERLY REGISTER TAG 50 USER IDS AND ALLOWED ORDERS TO BE ENTERED ON GLOBEX USING INCORRECT TAG50 USER IDS. THE PANEL CONCLUDED THAT IN SO DOING, ABN AMRO CLEARING CHICAGO LLC VIOLATED CME RULE 576.
<b>Initiated By:</b>	CHICAGO MERCANTILE EXCHANGE (CME)
<b>Date Initiated:</b>	10/28/2014
<b>Docket/Case Number:</b>	CME 12-8726-BC
<b>Principal Product Type:</b>	Futures - Commodity
<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>	
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	10/30/2014
<b>Sanctions Ordered:</b>	Monetary/Fine \$5,880.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, ON OCTOBER 28, 2014, A PANEL OF THE CME BUSINESS CONDUCT COMMITTEE ("PANEL") FOUND THAT IT HAD JURISDICTION OVER ABN AMRO CLEARING CHICAGO LLC PURSUANT TO CME RULES 400 AND 402, AS THE CONDUCT OCCURRED WHILE IT WAS A MEMBER FIRM. THE PANEL ALSO FOUND THAT ON ONE OR



MORE OCCASIONS FROM 2010 THROUGH 2013, ABN AMRO CLEARING CHICAGO LLC FAILED TO PROPERLY REGISTER TAG 50 USER IDS AND ALLOWED ORDERS TO BE ENTERED ON GLOBEX USING INCORRECT TAG50 USER IDS. THE PANEL CONCLUDED THAT IN SO DOING, ABN AMRO CLEARING CHICAGO LLC VIOLATED CME RULE 576. FINE PAID 11/5/14.

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, ON OCTOBER 28, 2014, A PANEL OF THE CBOT BUSINESS CONDUCT COMMITTEE ("PANEL") FOUND THAT IT HAD JURISDICTION OVER ABN AMRO CLEARING CHICAGO LLC PURSUANT TO CBOT RULES 400 AND 402, AS THE CONDUCT OCCURRED WHILE IT WAS A MEMBER FIRM. THE PANEL ALSO FOUND THAT ON ONE OR MORE OCCASIONS FROM 2010 THROUGH 2013, ABN AMRO CLEARING CHICAGO LLC FAILED TO PROPERLY REGISTER TAG 50 USER IDS AND ALLOWED ORDERS TO BE ENTERED ON GLOBEX USING INCORRECT TAG50 USER IDS. THE PANEL CONCLUDED THAT IN SO DOING, ABN AMRO CLEARING CHICAGO LLC VIOLATED CBOT RULE 576. IN ACCORDANCE WITH THE SETTLEMENT OFFER, THE PANEL ORDERED ABN AMRO CLEARING CHICAGO LLC TO PAY A FINE OF \$3,920.
<b>Initiated By:</b>	CHICAGO BOARD OF TRADE (CBOT)
<b>Date Initiated:</b>	10/28/2014
<b>Docket/Case Number:</b>	CBOT 12-8726-BC
<b>Principal Product Type:</b>	Futures - Commodity
<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>	
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	10/30/2014
<b>Sanctions Ordered:</b>	Monetary/Fine \$3,920.00
<b>Other Sanctions Ordered:</b>	

**Sanction Details:**

PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, ON OCTOBER 28, 2014, A PANEL OF THE CBOT BUSINESS CONDUCT COMMITTEE ("PANEL") FOUND THAT IT HAD JURISDICTION OVER ABN AMRO CLEARING CHICAGO LLC PURSUANT TO CBOT RULES 400 AND 402, AS THE CONDUCT OCCURRED WHILE IT WAS A MEMBER FIRM. THE PANEL ALSO FOUND THAT ON ONE OR MORE OCCASIONS FROM 2010 THROUGH 2013, ABN AMRO CLEARING CHICAGO LLC FAILED TO PROPERLY REGISTER TAG 50 USER IDS AND ALLOWED ORDERS TO BE ENTERED ON GLOBEX USING INCORRECT TAG50 USER IDS. THE PANEL CONCLUDED THAT IN SO DOING, ABN AMRO CLEARING CHICAGO LLC VIOLATED CBOT RULE 576. IN ACCORDANCE WITH THE SETTLEMENT OFFER, THE PANEL ORDERED ABN AMRO CLEARING CHICAGO LLC TO PAY A FINE OF \$3,920. FINE PAID 11/5/14.

**Disclosure 30 of 78**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ON JULY 30, 2013, ABN AMRO CLEARING CHICAGO, LLC INACCURATELY REPORTED ITS LONG POSITIONS ELIGIBLE FOR DELIVERY IN THE AUGUST 2013 SOYBEAN OIL FUTURES CONTRACT IN VIOLATION OF CBT RULE 807. PURSUANT TO RULE 512, ABN AMRO CLEARING CHICAGO, LLC WAS ISSUED A FINE IN THE AMOUNT OF \$5,000 FOR ITS VIOLATION OF RULE 807.

**Initiated By:** CHICAGO BOARD OF TRADE (CBT)

**Date Initiated:** 09/17/2014

**Docket/Case Number:** CBT #13-9591

**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:** 10/06/2014

**Sanctions Ordered:** Monetary/Fine \$5,000.00

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

ON JULY 30, 2013, ABN AMRO CLEARING CHICAGO, LLC INACCURATELY REPORTED ITS LONG POSITIONS ELIGIBLE FOR DELIVERY IN THE AUGUST 2013 SOYBEAN OIL FUTURES CONTRACT IN VIOLATION OF CBT RULE 807. PURSUANT TO RULE 512, ABN AMRO CLEARING CHICAGO, LLC WAS ISSUED A FINE IN THE AMOUNT OF \$5,000 FOR ITS VIOLATION OF RULE 807. FINE PAID 9/22/14.

**Disclosure 31 of 78**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC ("AACC") NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, ON MAY 28, 2014, A PANEL OF THE CME BUSINESS CONDUCT COMMITTEE FOUND THAT DURING THE TIME PERIODS OF JULY 2, 2012, THROUGH JULY 16, 2012; APRIL 1, 2013, THROUGH APRIL 30, 2013; AND OCTOBER 1, 2013, THROUGH OCTOBER 31, 2013, AACC SUBMITTED INCORRECT CTI CODES FOR NUMEROUS TRADES EXECUTED ON THE EXCHANGE. THE PANEL CONCLUDED THAT AACC VIOLATED CME RULE 536.D.

**Initiated By:** CHICAGO MERCANTILE EXCHANGE (CME)

**Date Initiated:** 05/28/2014

**Docket/Case Number:** CME 12-7427-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:** 05/30/2014

**Sanctions Ordered:** Monetary/Fine \$7,700.00

**Other Sanctions Ordered:**

**Sanction Details:** PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC ("AACC") NEITHER ADMITTED NOR DENIED THE





RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, ON MAY 28, 2014, A PANEL OF THE CME BUSINESS CONDUCT COMMITTEE FOUND THAT DURING THE TIME PERIODS OF JULY 2, 2012, THROUGH JULY 16, 2012; APRIL 1, 2013, THROUGH APRIL 30, 2013; AND OCTOBER 1, 2013, THROUGH OCTOBER 31, 2013, AACC SUBMITTED INCORRECT CTI CODES FOR NUMEROUS TRADES EXECUTED ON THE EXCHANGE. THE PANEL CONCLUDED THAT AACC VIOLATED CME RULE 536.D. FINE PAID 6/3/14.

### Disclosure 32 of 78

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC ("AACC") NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, ON MAY 28, 2014, A PANEL OF THE CBOT BUSINESS CONDUCT COMMITTEE FOUND THAT DURING THE TIME PERIODS OF JULY 2, 2012, THROUGH JULY 16, 2012; APRIL 1, 2013, THROUGH APRIL 30, 2013; AND OCTOBER 1, 2013, THROUGH OCTOBER 31, 2013, AACC SUBMITTED INCORRECT CTI CODES FOR NUMEROUS TRADES EXECUTED ON THE EXCHANGE. THE PANEL CONCLUDED THAT AACC VIOLATED CBOT RULE 536.D.
<b>Initiated By:</b>	CHICAGO BOARD OF TRADE (CBOT)
<b>Date Initiated:</b>	05/28/2014
<b>Docket/Case Number:</b>	CBOT 12-7429-BC
<b>Principal Product Type:</b>	Futures - Commodity
<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>	
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	05/30/2014
<b>Sanctions Ordered:</b>	Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC ("AACC") NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, ON MAY 28, 2014,



A PANEL OF THE CBOT BUSINESS CONDUCT COMMITTEE FOUND THAT DURING THE TIME PERIODS OF JULY 2, 2012, THROUGH JULY 16, 2012; APRIL 1, 2013, THROUGH APRIL 30, 2013; AND OCTOBER 1, 2013, THROUGH OCTOBER 31, 2013, AACC SUBMITTED INCORRECT CTI CODES FOR NUMEROUS TRADES EXECUTED ON THE EXCHANGE. THE PANEL CONCLUDED THAT AACC VIOLATED CBOT RULE 536.D. FINE PAID 6/3/14.

### Disclosure 33 of 78

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC ("AACC") NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, ON MAY 28, 2014, A PANEL OF THE NYMEX BUSINESS CONDUCT COMMITTEE FOUND THAT DURING THE TIME PERIODS OF JULY 2, 2012, THROUGH JULY 16, 2012; APRIL 1, 2013, THROUGH APRIL 30, 2013; AND OCTOBER 1, 2013, THROUGH OCTOBER 31, 2013, AACC SUBMITTED INCORRECT CTI CODES FOR NUMEROUS TRADES EXECUTED ON THE EXCHANGE. THE PANEL CONCLUDED THAT AACC VIOLATED NYMEX RULE 536.D.
<b>Initiated By:</b>	NEW YORK MERCANTILE EXCHANGE NYMEX
<b>Date Initiated:</b>	05/28/2014
<b>Docket/Case Number:</b>	NYMEX 12-7430-BC
<b>Principal Product Type:</b>	Futures - Commodity
<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>	
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	05/30/2014
<b>Sanctions Ordered:</b>	Monetary/Fine \$6,600.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC ("AACC") NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, ON MAY 28, 2014, A PANEL OF THE NYMEX BUSINESS CONDUCT COMMITTEE FOUND THAT



DURING THE TIME PERIODS OF JULY 2, 2012, THROUGH JULY 16, 2012; APRIL 1, 2013, THROUGH APRIL 30, 2013; AND OCTOBER 1, 2013, THROUGH OCTOBER 31, 2013, AACC SUBMITTED INCORRECT CTI CODES FOR NUMEROUS TRADES EXECUTED ON THE EXCHANGE. THE PANEL CONCLUDED THAT AACC VIOLATED NYMEX RULE 536.D. FINE PAID 6/3/14.

#### Disclosure 34 of 78

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE EXCHANGE HAS SETTLED SUMMARY DISCIPLINARY PROCEEDINGS AGAINST ABN AMRO CLEARING CHICAGO LLC ("FCR") IN RELATION TO FIVE BREACHES OF THE EXCHANGE REGULATIONS (RULE G.17) CONCERNING COMPLETION OF CLOSE OUT PROCEDURES BY THE 10.00AM CUT-OFF TIME. ON FIVE DIFFERENT OCCASIONS BETWEEN JULY 2013 AND OCTOBER 2013, FCR FAILED TO COMPLETE ITS CLOSE OUT PROCEDURE BY THE 10.00AM CUT-OFF TIME AS REQUIRED BY THE EXCHANGE, RESULTING IN THE EXCHANGE DELAYING THE CALCULATION OF OPEN INTEREST AND ON TWO OCCASIONS, IN THE OPEN INTEREST BEING OVERSTATED. THE EXCHANGE VIEWS THE CORRECT AND TIMELY REPORTING OF OPEN INTEREST BY MEMBERS OF CRITICAL IMPORTANCE, PARTICULARLY ON THE EXPIRY DAY OF A CONTRACT. IN AGREEING SETTLEMENT TERMS AND CONSIDERING THE APPROPRIATE SANCTIONS, THE EXCHANGE TOOK NOTE OF THE SUBSTANTIVE REMEDIAL ACTION TAKEN BY FCR TO UPGRADE ITS INTERNAL SYSTEMS AND PROCESSES WHICH INCLUDED THE BUILDING OF AN INDEPENDENT REDUNDANT PROCESS FOR SUBMITTING CLOSEOUTS TO THE EXCHANGE WHICH CAN BE USED IN THE EVENT OF A PRIMARY SYSTEM FAILURE, FCR'S FULL ASSUMPTION OF RESPONSIBILITY FOR THE BREACHES, THE SOLEMNITY WITH WHICH FCR'S MANAGEMENT REGARDED THE BREACHES AND THE FACT THAT NO REPEAT OCCURRENCES HAVE SINCE BEEN OBSERVED. THE FULL AND FRANK COOPERATION SHOWN BY FCR IN THIS MATTER WAS ALSO CONSIDERED BY THE EXCHANGE. AS A RESULT BOTH PARTIES AGREED A SETTLEMENT ON THE FOLLOWING TERMS:  
 ??FCR ADMITS TO THE ABOVE MENTIONED BREACH OF THE REGULATIONS ON THE FIVE OCCASIONS; AND  
 ??FCR IS TO PAY A TOTAL FINE OF £30,000 AS A PENALTY FOR THE SAID BREACHES. (THIS REPRESENTS A DISCOUNT FOR SETTLEMENT AND FOR THE OTHER MITIGATING FACTORS MENTIONED ABOVE).

**Initiated By:** ICE FUTURES EUROPE

**Date Initiated:** 03/04/2014



**Docket/Case Number:** 011222

**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:** Settled

**Resolution Date:** 03/04/2014

**Sanctions Ordered:** Monetary/Fine \$49,914.00

**Other Sanctions Ordered:**

**Sanction Details:** FINE PAID 3/6/2014 30,000.00 BP (APPROX. \$49,914.00 USD).

#### Disclosure 35 of 78

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE BUSINESS CONDUCT COMMITTEE DETERMINED THAT ABN AMRO CLEARING CHICAGO, LLC ("ABN AMRO") MAY HAVE VIOLATED ICE CLEAR U.S., INC. RULE 403(A) BY MISTAKENLY REPORTING INACCURATE OPEN INTEREST DATA IN THE DECEMBER 2012 COFFEE "C" FUTURES CONTRACT ON NOVEMBER 21, 2012, WHICH CAUSED THE OVERSTATEMENT OF OPEN INTEREST ON FIRST NOTICE DAY.

**Initiated By:** ICE FUTURES U.S., INC.

**Date Initiated:** 03/06/2014

**Docket/Case Number:** ICE 2012-087

**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:** Settled



**Resolution Date:** 03/06/2014

**Sanctions Ordered:** Monetary/Fine \$20,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** FINE PAID 3/6/2014.

### Disclosure 36 of 78

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT SHORT INTEREST POSITIONS TO THE NEW YORK STOCK EXCHANGE AND FINRA FOR SAMPLE SETTLEMENT DATES AND SUBMITTED TO FINRA AN INACCURATE SHORT INTEREST POSITION REPORT. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA AND NASD RULES, CONCERNING SHORT-INTEREST REPORTING. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR A STATEMENT OF THE SUPERVISORY STEP(S) TO BE TAKEN BY THE IDENTIFIED PERSON(S).

**Initiated By:** FINRA

**Date Initiated:** 03/12/2014

**Docket/Case Number:** [2010022980701](#)

**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:** 03/12/2014



**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 \$95,000.00

**Other Sanctions Ordered:**

**Sanction Details:** SEE ABOVE. FINE PAID IN FULL ON 03/27/14.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT SHORT INTEREST POSITIONS TO THE NEW YORK STOCK EXCHANGE AND FINRA FOR SAMPLE SETTLEMENT DATES AND SUBMITTED TO FINRA AN INACCURATE SHORT INTEREST POSITION REPORT. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA AND NASD RULES, CONCERNING SHORT-INTEREST REPORTING. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR A STATEMENT OF THE SUPERVISORY STEP(S) TO BE TAKEN BY THE IDENTIFIED PERSON(S).

**Initiated By:** FINRA

**Date Initiated:** 03/12/2014

**Docket/Case Number:** [2010022980701](#)

**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:** 03/12/2014  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$95,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** FINE PAID 3/27/14.

#### Disclosure 37 of 78

**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** ICE FUTURES U.S., INC. RULE 27.12A BY FAILING TO PROVIDE COMPLETE ELECTRONIC AUDIT TRAIL DATA CORRESPONDING TO 4 ORDERS THAT WERE ENTERED ON THE ELECTRONIC TRADE SYSTEM IN DECEMBER 2012. THE FIRM WAS FINED \$5,000.00.  
**Initiated By:** ICE FUTURES U.S., INC.  
**Date Initiated:** 09/03/2013  
**Docket/Case Number:** 2013-004  
**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  
**Resolution Date:** 09/03/2013  
**Sanctions Ordered:** Monetary/Fine \$5,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** ICE FUTURES U.S., INC. RULE 27.12A BY FAILING TO PROVIDE COMPLETE ELECTRONIC AUDIT TRAIL DATA CORRESPONDING TO 4 ORDERS THAT WERE ENTERED ON THE ELECTRONIC TRADE SYSTEM IN DECEMBER 2012. THE FIRM WAS FINED \$5,000.00.

#### Disclosure 38 of 78

**Reporting Source:** Regulator



**Current Status:** Final

**Allegations:** SEC RULE 200(G) OF REGULATION SHO, EDGA RULE 11.15 - ABN AMRO CLEARING CHICAGO LLC FAILED TO ENTER THE CORRECT SALE INDICATOR INTO THE EDGA EXCHANGE SYSTEM. THE FIRM INCORRECTLY ENTERED A LONG SALE AS SHORT IN SOME INSTANCES, AND INCORRECTLY ENTERED A SHORT SALE AS LONG IN OTHER INSTANCES. THE FIRM EXECUTED LONG SALE ORDERS AND FAILED TO PROPERLY MARK THE ORDERS AS LONG.

**Initiated By:** EDGA EXCHANGE, INC.

**Date Initiated:** 09/09/2013

**Docket/Case Number:** 2012030981301

**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:** 09/09/2013

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

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

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** SEC RULE 200(G) OF REGULATION SHO, EDGA RULE 11.15 - ABN AMRO





CLEARING CHICAGO LLC ALLEGEDLY FAILED TO ENTER THE CORRECT SALE INDICATOR INTO THE EDGA EXCHANGE SYSTEM. THE FIRM INCORRECTLY ENTERED A LONG SALE AS SHORT IN SOME INSTANCES, AND INCORRECTLY ENTERED A SHORT SALE AS LONG IN OTHER INSTANCES. THE FIRM EXECUTED LONG SALE ORDERS AND FAILED TO PROPERLY MARK THE ORDERS AS LONG.

**Initiated By:** EDGA EXCHANGE, INC.

**Date Initiated:** 09/09/2013

**Docket/Case Number:** 2012030981301

**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:** 09/09/2013

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

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000.00

#### Disclosure 39 of 78

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** CFTC RELEASE PR6614-13/JUNE 19, 2013: THE COMMODITY FUTURES TRADING COMMISSION (CFTC) HAS REASON TO BELIEVE THAT ABN AMRO CLEARING CHICAGO LLC VIOLATED THE COMMODITY EXCHANGE ACT (THE CEA) AND COMMISSION REGULATIONS (REGULATIONS). THEREFORE, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED TO DETERMINE WHETHER THE FIRM HAS ENGAGED IN THE VIOLATIONS AS SET FORTH HEREIN AND TO DETERMINE WHETHER ANY ORDER SHOULD BE ISSUED IMPOSING REMEDIAL SANCTIONS. THE CFTC



ISSUED AN ORDER FILING AND SETTLING CHARGES AGAINST THE FIRM FOR FAILING TO SEGREGATE OR SECURE SUFFICIENT CUSTOMER FUNDS, FAILING TO MEET THE MINIMUM NET CAPITAL REQUIREMENTS, FAILURE TO MAINTAIN ACCURATE BOOKS AND RECORDS, AND FAILURE TO SUPERVISE ITS EMPLOYEES.

**Initiated By:** COMMODITY FUTURES TRADING COMMISSION

**Date Initiated:** 06/18/2013

**Docket/Case Number:** 13-25

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Order

**Resolution Date:** 06/18/2013

**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:** Monetary/Fine \$1,000,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:** UNDERTAKINGS

**Sanction Details:** IN ANTICIPATION OF THE INSTITUTION OF THIS ADMINISTRATIVE PROCEEDING, THE FIRM HAS SUBMITTED AN OFFER OF SETTLEMENT (OFFER), WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. WITHOUT ADMITTING OR DENYING ANY OF THE FINDINGS OR CONCLUSIONS HEREIN, THE FIRM CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTIONS 6(C) AND 6(D) OF THE COMMODITY EXCHANGE ACT, MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS (ORDER) AND ACKNOWLEDGES SERVICE OF THIS ORDER. ACCORDING TO THE CFTC ORDER, THE FIRM REPORTED THREE INSTANCES OF UNDER-SEGREGATED CUSTOMER FUNDS IN VIOLATION OF SECTION 4D(A)(2) OF THE CEA, 7 U.S.C. § 6D(A)(2) (2006 & SUPP. V 2012), AND COMMISSION REGULATION 1.20(A), 17 C.F.R. § 1.20(A) (2011) AND ONE INSTANCE OF UNDER-SECURED CUSTOMER



FUNDS IN VIOLATION OF SECTION 4D(A)(2) OF THE CEA, 7 U.S.C. § 6D(A)(2) (2006 & SUPP. V 2012), AND CFTC REGULATION 30.7, 17 C.F.R. § 30.7 (2011). EACH OF THESE VIOLATIONS WAS THE RESULT OF CLERICAL ERRORS AND/OR A LACK OF ADEQUATE POLICIES AND PROCEDURES RELATED TO CUSTOMER MOVEMENT OF FUNDS. THE ORDER ALSO STATES THAT DURING A CME GROUP ROUTINE AUDIT OF THE FIRM'S BOOKS AND RECORDS AS THEY WERE ON THE CLOSE OF BUSINESS ON MAY 31, 2011, THE CME GROUP FOUND THAT THE FIRM HAD IMPROPERLY USED A CUSTOMER'S WITHDRAWN WAREHOUSE RECEIPTS AS COLLATERAL FOR MARGINING PURPOSES. WITHOUT THESE WAREHOUSE RECEIPTS, THE CUSTOMER'S ACCOUNTS WERE UNDER-MARGINED ON SEVERAL OCCASIONS, AND THE FIRM HAD TO REDUCE ITS ADJUSTED NET CAPITAL BY AN AMOUNT EQUAL TO THE MARGIN DEFICITS. ONCE THESE REDUCTIONS WERE CALCULATED, IT WAS DETERMINED THAT THE FIRM FAILED TO MEET THE MINIMUM NET CAPITAL REQUIREMENTS FOR A SINGLE MONTH-END, IN VIOLATION OF SECTION 4F(B) OF THE CEA, 7 U.S.C. § 6F(B) (2006), AND CFTC REGULATION 1.17(A)(1)(I), 17 C.F.R. § 1.17(A)(1)(I) (2011). [CONTINUED IN COMMENT]

#### Regulator Statement

[CONTINUED FROM SANCTION DETAIL]: ACCORDING TO THE ORDER, THE FIRM WAS UNABLE TO PRODUCE A COMPLETE AND ACCURATE MARGIN REPORT LISTING FOR A VERY LIMITED NUMBER OF CERTAIN TYPES OF ACCOUNTS (E.G., OMNIBUS ACCOUNTS THAT OFFSET MARGIN REQUIREMENTS FOR CERTAIN SPREAD TRANSACTIONS). THE ORDER FINDS THAT THE FIRM VIOLATED SECTION 4G(A) OF THE CEA, 7 U.S.C. § 6G(A) (2006), AND CFTC REGULATION 1.35(A), 17 C.F.R. § 1.35(A) (2011), WHEN IT FAILED TO KEEP ACCURATE BOOKS AND RECORDS SUFFICIENT TO DETERMINE THE MARGIN STATUS OF EACH CUSTOMER. THE ORDER FINDS THAT EACH OF THESE VIOLATIONS WAS A RESULT OF THE FIRM'S INSUFFICIENT CONTROLS, REFLECTING A LACK OF SUPERVISORY CONTROLS OVER COMMODITY INTEREST ACCOUNTS AND/OR OTHER ACTIVITIES OF ITS PARTNERS, EMPLOYEES, AND AGENTS RELATING TO ITS BUSINESS AS A COMMISSION REGISTRANT IN VIOLATION OF CFTC REGULATION 166.3, 17 C.F.R. § 166.3 (2011). BASED ON THESE VIOLATIONS OF THE CEA AND CFTC REGULATIONS, THE ORDER IMPOSES A \$1 MILLION CIVIL MONETARY PENALTY, A CEASE AND DESIST ORDER, AND REQUIRES THE FIRM TO RETAIN AN INDEPENDENT CONSULTANT TO REVIEW AND EVALUATE THE EFFECTIVENESS OF ITS EXISTING INTERNAL CONTROLS AND POLICIES AND PROCEDURES AND ADOPT ANY RECOMMENDATIONS FOR IMPROVEMENT MADE BY THE CONSULTANT.

**Reporting Source:** Firm  
**Current Status:** Final



**Allegations:** CFTC RELEASE PR6614-13/JUNE 19, 2013: THE COMMODITY FUTURES TRADING COMMISSION (CFTC) HAS REASON TO BELIEVE THAT ABN AMRO CLEARING CHICAGO LLC VIOLATED THE COMMODITY EXCHANGE ACT (THE CEA) AND COMMISSION REGULATIONS (REGULATIONS). THEREFORE, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED TO DETERMINE WHETHER THE FIRM HAS ENGAGED IN THE VIOLATIONS AS SET FORTH HEREIN AND TO DETERMINE WHETHER ANY ORDER SHOULD BE ISSUED IMPOSING REMEDIAL SANCTIONS. THE CFTC ISSUED AN ORDER FILING AND SETTling CHARGES AGAINST THE FIRM FOR FAILING TO SEGREGATE OR SECURE SUFFICIENT CUSTOMER FUNDS, FAILING TO MEET THE MINIMUM NET CAPITAL REQUIREMENTS, FAILURE TO MAINTAIN ACCURATE BOOKS AND RECORDS, AND FAILURE TO SUPERVISE ITS EMPLOYEES.

**Initiated By:** COMMODITY FUTURES TRADING COMMISSION

**Date Initiated:** 06/18/2013

**Docket/Case Number:** 13-25

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Order

**Resolution Date:** 06/18/2013

**Sanctions Ordered:** Monetary/Fine \$1,000,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:** UNDERTAKINGS

**Sanction Details:** IN ANTICIPATION OF THE INSTITUTION OF THIS ADMINISTRATIVE PROCEEDING, THE FIRM HAS SUBMITTED AN OFFER OF SETTLEMENT (OFFER), WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. WITHOUT ADMITTING OR DENYING ANY OF THE FINDINGS OR CONCLUSIONS HEREIN, THE FIRM CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTIONS 6(C) AND 6(D) OF THE COMMODITY EXCHANGE ACT, MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS (ORDER) AND ACKNOWLEDGES SERVICE OF THIS ORDER. ACCORDING TO THE CFTC ORDER, THE FIRM REPORTED THREE INSTANCES OF UNDER-SEGREGATED CUSTOMER



FUNDS IN VIOLATION OF SECTION 4D(A)(2) OF THE CEA, 7 U.S.C. § 6D(A)(2) (2006 & SUPP. V 2012), AND COMMISSION REGULATION 1.20(A), 17 C.F.R. § 1.20(A) (2011) AND ONE INSTANCE OF UNDER-SECURED CUSTOMER FUNDS IN VIOLATION OF SECTION 4D(A)(2) OF THE CEA, 7 U.S.C. § 6D(A)(2) (2006 & SUPP. V 2012), AND CFTC REGULATION 30.7, 17 C.F.R. § 30.7 (2011). EACH OF THESE VIOLATIONS WAS THE RESULT OF CLERICAL ERRORS AND/OR A LACK OF ADEQUATE POLICIES AND PROCEDURES RELATED TO CUSTOMER MOVEMENT OF FUNDS. THE ORDER ALSO STATES THAT DURING A CME GROUP ROUTINE AUDIT OF THE FIRM'S BOOKS AND RECORDS AS THEY WERE ON THE CLOSE OF BUSINESS ON MAY 31, 2011, THE CME GROUP FOUND THAT THE FIRM HAD IMPROPERLY USED A CUSTOMER'S WITHDRAWN WAREHOUSE RECEIPTS AS COLLATERAL FOR MARGINING PURPOSES. WITHOUT THESE WAREHOUSE RECEIPTS, THE CUSTOMER'S ACCOUNTS WERE UNDER-MARGINED ON SEVERAL OCCASIONS, AND THE FIRM HAD TO REDUCE ITS ADJUSTED NET CAPITAL BY AN AMOUNT EQUAL TO THE MARGIN DEFICITS. ONCE THESE REDUCTIONS WERE CALCULATED, IT WAS DETERMINED THAT THE FIRM FAILED TO MEET THE MINIMUM NET CAPITAL REQUIREMENTS FOR A SINGLE MONTH-END, IN VIOLATION OF SECTION 4F(B) OF THE CEA, 7 U.S.C. § 6F(B) (2006), AND CFTC REGULATION 1.17(A)(1)(I), 17 C.F.R. § 1.17(A)(1)(I) (2011). [CONTINUED IN COMMENT]

#### Firm Statement

[CONTINUED FROM SANCTION DETAIL]: ACCORDING TO THE ORDER, THE FIRM WAS UNABLE TO PRODUCE A COMPLETE AND ACCURATE MARGIN REPORT LISTING FOR A VERY LIMITED NUMBER OF CERTAIN TYPES OF ACCOUNTS (E.G., OMNIBUS ACCOUNTS THAT OFFSET MARGIN REQUIREMENTS FOR CERTAIN SPREAD TRANSACTIONS). THE ORDER FINDS THAT THE FIRM VIOLATED SECTION 4G(A) OF THE CEA, 7 U.S.C. § 6G(A) (2006), AND CFTC REGULATION 1.35(A), 17 C.F.R. § 1.35(A) (2011), WHEN IT FAILED TO KEEP ACCURATE BOOKS AND RECORDS SUFFICIENT TO DETERMINE THE MARGIN STATUS OF EACH CUSTOMER. THE ORDER FINDS THAT EACH OF THESE VIOLATIONS WAS A RESULT OF THE FIRM'S INSUFFICIENT CONTROLS, REFLECTING A LACK OF SUPERVISORY CONTROLS OVER COMMODITY INTEREST ACCOUNTS AND/OR OTHER ACTIVITIES OF ITS PARTNERS, EMPLOYEES, AND AGENTS RELATING TO ITS BUSINESS AS A COMMISSION REGISTRANT IN VIOLATION OF CFTC REGULATION 166.3, 17 C.F.R. § 166.3 (2011). BASED ON THESE VIOLATIONS OF THE CEA AND CFTC REGULATIONS, THE ORDER IMPOSES A \$1 MILLION CIVIL MONETARY PENALTY, A CEASE AND DESIST ORDER, AND REQUIRES THE FIRM TO RETAIN AN INDEPENDENT CONSULTANT TO REVIEW AND EVALUATE THE EFFECTIVENESS OF ITS EXISTING INTERNAL CONTROLS AND POLICIES AND PROCEDURES AND ADOPT ANY RECOMMENDATIONS FOR IMPROVEMENT MADE BY THE CONSULTANT.



**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** PURSUANT TO AN OFFER OF SETTLEMENT ABN AMRO CLEARING CHICAGO LLC ("ABN AMRO") PRESENTED AT A HEARING ON APRIL 23, 2013 IN WHICH ABN AMRO NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, A PANEL OF THE NYMEX BUSINESS CONDUCT COMMITTEE ("PANEL") FOUND THAT FOR TRADE DATE NOVEMBER 29, 2012, ONE DAY PRIOR TO EXPIRATION FOR THE PHYSICALLY SETTLED DECEMBER 2012 HEATING OIL ("DEC12 HO") FUTURES CONTRACT, ABN AMRO OVERSTATED OPEN INTEREST IN THE DEC12 HO FUTURES CONTRACT BY 1,225 CONTRACTS, OR APPROXIMATELY 15%. THE PANEL FOUND THAT AS A RESULT, ABN AMRO VIOLATED RULE 854. THIS CONSTITUTED ABN AMRO'S THIRD VIOLATION OF RULE 854 WITHIN ONE YEAR. IN ACCORDANCE WITH THE SETTLEMENT OFFER, THE PANEL ORDERED ABN AMRO TO PAY A FINE TO THE EXCHANGE IN THE AMOUNT OF \$70,000. THIS ACTION BECAME FINAL ON APRIL 23, 2013 AND EFFECTIVE APRIL 25, 2013.

**Initiated By:** NEW YORK MERCANTILE EXCHANGE (NYMEX)

**Date Initiated:** 04/23/2013

**Docket/Case Number:** 12-09160-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:** 04/25/2013

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

**Other Sanctions Ordered:**

**Sanction Details:** PURSUANT TO AN OFFER OF SETTLEMENT ABN AMRO CLEARING CHICAGO LLC ("ABN AMRO") PRESENTED AT A HEARING ON APRIL 23, 2013 IN WHICH ABN AMRO NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, A PANEL OF THE NYMEX BUSINESS CONDUCT COMMITTEE ("PANEL") FOUND THAT FOR



TRADE DATE NOVEMBER 29, 2012, ONE DAY PRIOR TO EXPIRATION FOR THE PHYSICALLY SETTLED DECEMBER 2012 HEATING OIL ("DEC12 HO") FUTURES CONTRACT, ABN AMRO OVERSTATED OPEN INTEREST IN THE DEC12 HO FUTURES CONTRACT BY 1,225 CONTRACTS, OR APPROXIMATELY 15%.

THE PANEL FOUND THAT AS A RESULT, ABN AMRO VIOLATED RULE 854. THIS CONSTITUTED ABN AMRO'S THIRD VIOLATION OF RULE 854 WITHIN ONE YEAR.

IN ACCORDANCE WITH THE SETTLEMENT OFFER, THE PANEL ORDERED ABN AMRO TO PAY A FINE TO THE EXCHANGE IN THE AMOUNT OF \$70,000. THIS ACTION BECAME FINAL ON APRIL 23, 2013 AND EFFECTIVE APRIL 25, 2013.

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>MARKET REGULATION'S REVIEW REVEALED THAT THE FIRM VIOLATED NYSE AMEX OPTIONS RULE 980, BY FAILING TO SUBMIT A MEMORANDUM PRIOR TO 12 P.M. ET ON THE FOLLOWING BUSINESS DAY WITH FINRA, ON BEHALF OF THE EXCHANGE'S MARKET SURVEILLANCE DEPARTMENT, EXPLAINING THE FIRM'S CHANGE TO ITS MARKET MAKER'S EXERCISE INSTRUCTIONS IN YHOO 19 CALLS ON FEBRUARY 18, 2012, WHICH WAS AFTER THE 5:30 P.M. ET CUTOFF TIME. FURTHER, A REVIEW OF THE FIRM'S WRITTEN SUPERVISORY PROCEDURES ("WSP") REGARDING NYSE AMEX OPTIONS AND NYSE MKT RULE 980 IN EFFECT DURING THE REVIEW PERIOD BETWEEN FEBRUARY 2012 AND JUNE 2012 REVEALED THAT THE FIRM FAILED TO HAVE ADEQUATE PROCEDURES IN PLACE, IN VIOLATION OF NYSE AMEX OPTIONS AND NYSE MKT RULE 320(E). SPECIFICALLY, THE FIRM'S WSPS FAILED TO INDICATE THE ALLOWABLE EXCEPTIONS CONCERNING THE SUBMISSION/ACCEPTANCE OF LATE CONTRARY EXERCISE INSTRUCTIONS. THE FIRM WAS FINED \$4,500.00.</p>
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	01/10/2013
<b>Docket/Case Number:</b>	20120318315
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)


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

**Resolution:** Decision  
**Resolution Date:** 02/04/2013  
**Sanctions Ordered:** Monetary/Fine \$4,500.00

**Other Sanctions Ordered:**

**Sanction Details:** MARKET REGULATION'S REVIEW REVEALED THAT THE FIRM VIOLATED NYSE AMEX OPTIONS RULE 980, BY FAILING TO SUBMIT A MEMORANDUM PRIOR TO 12 P.M. ET ON THE FOLLOWING BUSINESS DAY WITH FINRA, ON BEHALF OF THE EXCHANGE'S MARKET SURVEILLANCE DEPARTMENT, EXPLAINING THE FIRM'S CHANGE TO ITS MARKET MAKER'S EXERCISE INSTRUCTIONS IN YHOO 19 CALLS ON FEBRUARY 18, 2012, WHICH WAS AFTER THE 5:30 P.M. ET CUTOFF TIME. FURTHER, A REVIEW OF THE FIRM'S WRITTEN SUPERVISORY PROCEDURES ("WSP") REGARDING NYSE AMEX OPTIONS AND NYSE MKT RULE 980 IN EFFECT DURING THE REVIEW PERIOD BETWEEN FEBRUARY 2012 AND JUNE 2012 REVEALED THAT THE FIRM FAILED TO HAVE ADEQUATE PROCEDURES IN PLACE, IN VIOLATION OF NYSE AMEX OPTIONS AND NYSE MKT RULE 320(E). SPECIFICALLY, THE FIRM'S WSPS FAILED TO INDICATE THE ALLOWABLE EXCEPTIONS CONCERNING THE SUBMISSION/ACCEPTANCE OF LATE CONTRARY EXERCISE INSTRUCTIONS. THE FIRM WAS FINED \$4,500.00.

**Disclosure 42 of 78**

**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** ICE FUTURES U.S., INC. RULE 27.12A BY FAILING TO PROVIDE COMPLETE ELECTRONIC AUDIT TRAIL DATA CORRESPONDING TO ORDERS THAT WERE ENTERED ON THE ELECTRONIC TRADE SYSTEM. THE FIRM WAS FINED \$5,000.00.  
**Initiated By:** ICE FUTURES U.S., INC.  
**Date Initiated:** 09/20/2012  
**Docket/Case Number:** 2011-045  
**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

**Resolution Date:** 09/20/2012

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** ICE FUTURES U.S., INC. RULE 27.12A BY FAILING TO PROVIDE COMPLETE ELECTRONIC AUDIT TRAIL DATA CORRESPONSING TO ORDERS THAT WERE ENTERED ON THE ELECTRONIC TRADE SYSTEM. THE FIRM WAS FINED \$5,000.00.

#### Disclosure 43 of 78

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC NEITHER ADMITTED NOR DENIED THE VIOLATIONS, THE CLEARING HOUSE RISK COMMITTEE FOUND THAT ABN AMRO CLEARING CHICAGO LLC VIOLATED THE ABOVE RULES. THE FIRM WAS FINED \$30,000.00.

**Initiated By:** CHICAGO BOARD OF TRADE (CBOT)

**Date Initiated:** 03/07/2013

**Docket/Case Number:** 12-CH-1209

**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:** 03/08/2013

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



## Other Sanctions Ordered:

### Sanction Details:

PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC NEITHER ADMITTED NOR DENIED THE VIOLATIONS, THE CLEARING HOUSE RISK COMMITTEE FOUND THAT ABN AMRO CLEARING CHICAGO LLC VIOLATED THE ABOVE RULES. THE FIRM WAS FINED \$30,000.00.

## Disclosure 44 of 78

### Reporting Source:

Regulator

### Current Status:

Final

### Allegations:

BOSTON OPTIONS EXCHANGE (BOX) TRADING RULES CHAPTER III, SECTIONS 2(A)(I), 10 - ABN AMRO CLEARING CHICAGO LLC FAILED TO AGGREGATE POSITIONS OF UNDER 200 CONTRACTS ACROSS DIFFERENT STRIKE PRICES AND EXPIRATIONS IN ACCORDANCE WITH OPTIONS CLEARING CORPORATION (OCC) LARGE OPTIONS POSITIONS REPORT (LOPR) REQUIREMENTS. THE FIRM FAILED TO REFRESH PREVIOUSLY REPORTED AND UNCHANGED POSITIONS TO THE SECURITIES INDUSTRY AUTOMATION CORPORATION (SIAC). THE FIRM FAILED TO PROPERLY REPORT OPTIONS POSITIONS THAT IT HAD ROLLED FORWARD INCLUDING FAILING TO SUBMIT "DELETE" AND "ADD" REQUESTS FOR THESE POSITIONS. THE FIRM FAILED TO CORRECTLY REPORT THE EFFECTIVE DATE FOR ITS OPTIONS POSITIONS. THE FIRM REPORTED TO SIAC THE STATEMENT DATE AS THE EFFECTIVE DATE; THE FIRM REPORTED TO THE OCC THE SUBMISSION DATE AS THE EFFECTIVE DATE; AND THE FIRM REPORTED TO THE OCC THE STATEMENT DATE AS THE EFFECTIVE DATE FOR "AS OF" TRADES. AT VARIOUS TIMES, THE FIRM FAILED TO SUBMIT "ADD" REQUESTS FOR POSITIONS THAT HAD CHANGED OPTIONS SYMBOLS AS A RESULT OF A CORPORATE ACTION, AND IMPROPERLY SUBMITTED "DELETE" REQUESTS FOR POSITIONS THAT HAD BEEN SUBMITTED WITH THE "PRE-CORPORATE ACTION" OPTION SYMBOL. THE FIRM FAILED TO REPORT ANY POSITIONS ON BEHALF OF ITS JOINT BACK OFFICE (JBO) PARTICIPANTS. THE FIRM'S OPTIONS REPORTING ISSUES CAUSED THE FIRM TO HAVE OVER 4.6 MILLION LOPR VIOLATIONS, IN THAT THE FIRM FAILED TO REPORT OVER 1.1 MILLION NON-JBO POSITIONS; MISREPORTED OVER 14,000 NON-JBO POSITIONS; FAILED TO REPORT OVER 3.4 MILLION JBO POSITIONS; AND MISREPORTED OVER 32,000 JBO POSITIONS. THE FIRM'S LOPR FAILURES ADVERSELY IMPACTED REGULATORY INVESTIGATIONS AND THE NASDAQ OMX BX (EXCHANGE)'S REGULATORY RESPONSIBILITIES WITH RESPECT TO OPTIONS SURVEILLANCE, IN THAT IT PREVENTED THE EXCHANGE FROM REVIEWING MILLIONS OF OPTIONS POSITIONS FOR POTENTIAL VIOLATIONS SUCH AS THOSE IDENTIFIED. THE FIRM FAILED TO DEVELOP,



TEST AND/OR IMPLEMENT ADEQUATE SYSTEMS FOR REPORTING TO OCC LOPR, AND FAILED TO PROPERLY UNDERSTAND THE TRANSITION OF LOPR FROM SIAC TO OCC AND AS SUCH, FAILED TO CONDUCT THE NECESSARY SUPERVISION. DESPITE BEING REPEATEDLY NOTIFIED OF ITS LOPR-RELATED ISSUES BY FINRA, ON BEHALF OF THE EXCHANGE, THE FIRM ONLY MET INTERNALLY TO RESPOND TO EACH ISSUE IN ISOLATION RATHER THAN CONDUCTING A FULSOME REVIEW OF ITS REPORTING ISSUES ACROSS THE FIRM GIVEN THE MULTITUDE OF REGULATORY REQUESTS FOR ACCURATE AND THOROUGH INFORMATION REGARDING THE FIRM'S LOPR. THE FIRM FAILED TO MAINTAIN AN ADEQUATE SYSTEM OF SUPERVISION, INCLUDING ADEQUATE WRITTEN SUPERVISORY PROCEDURES AND EFFECTIVE MONITORING, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH EXCHANGE RULES RELATING TO ITS OBLIGATIONS WITH RESPECT TO THE REPORTING OF OPTIONS POSITIONS. IN ACCEPTING THIS AWC, THE EXCHANGE CONSIDERED THE SIGNIFICANT REMEDIAL MEASURES IMPLEMENTED BY THE FIRM, INCLUDING SYSTEMS ENHANCEMENTS IN ITS REPORTING OF LARGE OPTIONS POSITIONS AND THE CREATION AND ENHANCEMENT OF WRITTEN SUPERVISORY PROCEDURES APPLICABLE TO ALL AREAS OF THE FIRM INVOLVED IN POSITION REPORTING, AND THE IMPLEMENTATION OF AN EXTENSIVE PLAN TO HAVE AN INDEPENDENT CONSULTANT CONDUCT IN-DEPTH REVIEWS OF THE FIRM'S REPORTING TO LOPR ON A PERIODIC BASIS, INCLUDING PROVIDING COPIES OF REPORTS RESULTING FROM SUCH REVIEWS TO FINRA ON BEHALF OF THE EXCHANGE; MANDATORY TRAINING DEVELOPED BY THE FIRM WITH RESPECT TO OPTIONS POSITION REPORTING; THE ADOPTION AND IMPLEMENTATION OF AN EXTENSIVE SUPERVISION PLAN RECOMMENDED BY AN INDEPENDENT CONSULTANT HIRED BY THE FIRM WITH RESPECT TO THE REPORTING OF LARGE OPTIONS POSITIONS AS A RESULT OF THIS INVESTIGATION; AND EXTRAORDINARY COOPERATION BY THE FIRM IN THAT IT PROVIDED SUBSTANTIAL ASSISTANCE TO FINRA'S INVESTIGATION.

**Initiated By:** NASDAQ OMX BX, INC.

**Date Initiated:** 12/24/2012

**Docket/Case Number:** 2010023686301

**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:** 12/24/2012

**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 \$2,000,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$2,000,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** BOSTON OPTIONS EXCHANGE (BOX) TRADING RULES CHAPTER III, SECTIONS 2(A)(I), 10 - ABN AMRO CLEARING CHICAGO LLC FAILED TO AGGREGATE POSITIONS OF UNDER 200 CONTRACTS ACROSS DIFFERENT STRIKE PRICES AND EXPIRATIONS IN ACCORDANCE WITH OPTIONS CLEARING CORPORATION (OCC) LARGE OPTIONS POSITIONS REPORT (LOPR) REQUIREMENTS. THE FIRM FAILED TO REFRESH PREVIOUSLY REPORTED AND UNCHANGED POSITIONS TO THE SECURITIES INDUSTRY AUTOMATION CORPORATION (SIAC). THE FIRM FAILED TO PROPERLY REPORT OPTIONS POSITIONS THAT IT HAD ROLLED FORWARD INCLUDING FAILING TO SUBMIT "DELETE" AND "ADD" REQUESTS FOR THESE POSITIONS. THE FIRM FAILED TO CORRECTLY REPORT THE EFFECTIVE DATE FOR ITS OPTIONS POSITIONS. THE FIRM REPORTED TO SIAC THE STATEMENT DATE AS THE EFFECTIVE DATE; THE FIRM REPORTED TO THE OCC THE SUBMISSION DATE AS THE EFFECTIVE DATE; AND THE FIRM REPORTED TO THE OCC THE STATEMENT DATE AS THE EFFECTIVE DATE FOR "AS OF" TRADES. AT VARIOUS TIMES, THE FIRM FAILED TO SUBMIT "ADD" REQUESTS FOR POSITIONS THAT HAD CHANGED OPTIONS SYMBOLS AS A RESULT OF A CORPORATE ACTION, AND IMPROPERLY SUBMITTED "DELETE" REQUESTS FOR POSITIONS THAT HAD BEEN SUBMITTED WITH THE "PRE-CORPORATE ACTION" OPTION SYMBOL. THE FIRM FAILED TO REPORT ANY POSITIONS ON BEHALF OF ITS JOINT BACK OFFICE (JBO) PARTICIPANTS. THE FIRM'S OPTIONS REPORTING ISSUES CAUSED THE FIRM TO HAVE OVER 4.6 MILLION LOPR VIOLATIONS, IN THAT THE FIRM FAILED TO REPORT OVER 1.1 MILLION NON-JBO POSITIONS;



MISREPORTED OVER 14,000 NON-JBO POSITIONS; FAILED TO REPORT OVER 3.4 MILLION JBO POSITIONS; AND MISREPORTED OVER 32,000 JBO POSITIONS. THE FIRM'S LOPR FAILURES ADVERSELY IMPACTED REGULATORY INVESTIGATIONS AND THE NASDAQ OMX BX (EXCHANGE)'S REGULATORY RESPONSIBILITIES WITH RESPECT TO OPTIONS SURVEILLANCE, IN THAT IT PREVENTED THE EXCHANGE FROM REVIEWING MILLIONS OF OPTIONS POSITIONS FOR POTENTIAL VIOLATIONS SUCH AS THOSE IDENTIFIED. THE FIRM FAILED TO DEVELOP, TEST AND/OR IMPLEMENT ADEQUATE SYSTEMS FOR REPORTING TO OCC LOPR, AND FAILED TO PROPERLY UNDERSTAND THE TRANSITION OF LOPR FROM SIAC TO OCC AND AS SUCH, FAILED TO CONDUCT THE NECESSARY SUPERVISION. DESPITE BEING REPEATEDLY NOTIFIED OF ITS LOPR-RELATED ISSUES BY FINRA, ON BEHALF OF THE EXCHANGE, THE FIRM ONLY MET INTERNALLY TO RESPOND TO EACH ISSUE IN ISOLATION RATHER THAN CONDUCTING A FULSOME REVIEW OF ITS REPORTING ISSUES ACROSS THE FIRM GIVEN THE MULTITUDE OF REGULATORY REQUESTS FOR ACCURATE AND THOROUGH INFORMATION REGARDING THE FIRM'S LOPR. THE FIRM FAILED TO MAINTAIN AN ADEQUATE SYSTEM OF SUPERVISION, INCLUDING ADEQUATE WRITTEN SUPERVISORY PROCEDURES AND EFFECTIVE MONITORING, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH EXCHANGE RULES RELATING TO ITS OBLIGATIONS WITH RESPECT TO THE REPORTING OF OPTIONS POSITIONS. IN ACCEPTING THIS AWC, THE EXCHANGE CONSIDERED THE SIGNIFICANT REMEDIAL MEASURES IMPLEMENTED BY THE FIRM, INCLUDING SYSTEMS ENHANCEMENTS IN ITS REPORTING OF LARGE OPTIONS POSITIONS AND THE CREATION AND ENHANCEMENT OF WRITTEN SUPERVISORY PROCEDURES APPLICABLE TO ALL AREAS OF THE FIRM INVOLVED IN POSITION REPORTING, AND THE IMPLEMENTATION OF AN EXTENSIVE PLAN TO HAVE AN INDEPENDENT CONSULTANT CONDUCT IN-DEPTH REVIEWS OF THE FIRM'S REPORTING TO LOPR ON A PERIODIC BASIS, INCLUDING PROVIDING COPIES OF REPORTS RESULTING FROM SUCH REVIEWS TO FINRA ON BEHALF OF THE EXCHANGE; MANDATORY TRAINING DEVELOPED BY THE FIRM WITH RESPECT TO OPTIONS POSITION REPORTING; THE ADOPTION AND IMPLEMENTATION OF AN EXTENSIVE SUPERVISION PLAN RECOMMENDED BY AN INDEPENDENT CONSULTANT HIRED BY THE FIRM WITH RESPECT TO THE REPORTING OF LARGE OPTIONS POSITIONS AS A RESULT OF THIS INVESTIGATION; AND EXTRAORDINARY COOPERATION BY THE FIRM IN THAT IT PROVIDED SUBSTANTIAL ASSISTANCE TO FINRA'S INVESTIGATION.

**Initiated By:** NASDAQ OMX BX, INC.

**Date Initiated:** 12/24/2012

**Docket/Case Number:** 2010023686301

**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:** 12/24/2012**Sanctions Ordered:** Censure  
Monetary/Fine \$2,000,000.00**Other Sanctions Ordered:****Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$2,000,000.**Disclosure 45 of 78****Reporting Source:** Regulator**Current Status:** Final**Allegations:** STIPULATION OF FACTS AND CONSENT TO PENALTY FILED BY THE LEGAL SECTION OF THE MARKET REGULATION DEPARTMENT AT FINRA AND PENDING. NYSE: FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, FORTIS CLEARING AMERICAS LLC (N/K/A ABN AMRO CLEARING CHICAGO LLC) STIPULATED THAT DURING THE PERIOD JANUARY 2009 THROUGH MARCH 2010, IT 1.VIOLATED NYSE RULE 132(A) BY INAPPROPRIATELY SUBMITTING ORDERS TO THE NYSE FOR COMPARISON AND/OR SETTLEMENT ON NUMEROUS OCCASIONS WITH INACCURATE ACCOUNT TYPE INDICATORS; 2. VIOLATED NYSE RULE 440 BY FAILING TO MAKE AND PRESERVE ACCURATE BOOKS AND RECORDS OF REPORTS OF ORDER EXECUTIONS SUBMITTED TO THE NYSE FOR COMPARISON AND SETTLEMENT; AND 3. VIOLATED NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULES AND POLICIES REGARDING NYSE RULE 132.  
STIPULATED SANCTION: CENSURE AND FINE IN THE AMOUNT OF \$35,000.**Initiated By:** NEW YORK STOCK EXCHANGE**Date Initiated:** 11/28/2012



**Docket/Case Number:** 20100216351

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Decision

**Resolution Date:** 02/01/2013

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

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

**Other Sanctions Ordered:**

**Sanction Details:** THE HEARING OFFICER, IN ACCEPTING THE STIPULATION OF FACTS AND CONSENT TO PENALTY, FINDS THAT THE FIRM COMMITTED THE VIOLATIONS AS SET FORTH ABOVE. SINCE A REVIEW OF THE DECISION OF THE HEARING BOARD WAS NOT REQUESTED, THE DECISION BECAME FINAL AT THE CLOSE OF BUSINESS ON FEBRUARY 1, 2013. THE FIRM IS CENSURED AND FINED \$35,000.

**Regulator Statement** PROCEEDING NO. 20120312034 WAS MERGED INTO THIS PROCEEDING.  
OTHER CASE NUMBER: 13-NYSE-1

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** STIPULATION OF FACTS AND CONSENT TO PENALTY FILED BY THE LEGAL SECTION OF THE MARKET REGULATION DEPARTMENT AT FINRA AND PENDING. NYSE: FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, FORTIS CLEARING AMERICAS LLC (N/K/A ABN AMRO CLEARING CHICAGO LLC) STIPULATED THAT DURING THE PERIOD JANUARY 2009 THROUGH MARCH 2010, IT 1.VIOLATED NYSE RULE 132(A)



BY INAPPROPRIATELY SUBMITTING ORDERS TO THE NYSE FOR COMPARISON AND/OR SETTLEMENT ON NUMEROUS OCCASIONS WITH INACCURATE ACCOUNT TYPE INDICATORS; 2. VIOLATED NYSE RULE 440 BY FAILING TO MAKE AND PRESERVE ACCURATE BOOKS AND RECORDS OF REPORTS OF ORDER EXECUTIONS SUBMITTED TO THE NYSE FOR COMPARISON AND SETTLEMENT; AND 3. VIOLATED NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULES AND POLICIES REGARDING NYSE RULE 132. STIPULATED SANCTION: CENSURE AND FINE IN THE AMOUNT OF \$35,000.

**Initiated By:** NEW YORK STOCK EXCHANGE

**Date Initiated:** 11/28/2012

**Docket/Case Number:** 20100216351

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Decision

**Resolution Date:** 01/07/2013

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

**Other Sanctions Ordered:**

**Sanction Details:** THE HEARING OFFICER, IN ACCEPTING THE STIPULATION OF FACTS AND CONSENT TO PENALTY, FINDS THAT THE FIRM COMMITTED THE VIOLATIONS AS SET FORTH ABOVE. THE FIRM IS CENSURED AND FINED \$35,000. FINE WAS PAID 1/15/13.

**Firm Statement** PROCEEDING NO. 20120312034 WAS MERGED INTO THIS PROCEEDING. OTHER CASE NUMBER: 13-NYSE-1

#### Disclosure 46 of 78

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** ABN AMRO CLEARING CHICAGO, LLC ("ABN AMRO"), A TPH ORGANIZATION,





WAS CENSURED AND FINED \$200,000 FOR THE FOLLOWING CONDUCT.  
 ABN AMRO UNDER-RESERVED ITS CUSTOMER RESERVE BANK ACCOUNT  
 FOR ITS APRIL 2011 MONTH-END CUSTOMER RESERVE COMPUTATION.  
 (CBOE RULES 4.2 - ADHERENCE TO LAW; 15.1 - MAINTENANCE, RETENTION  
 AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION; 15(C)  
 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, (THE "ACT")  
 AND RULE 15C3-3 - CUSTOMER PROTECTION - RESERVES AND CUSTODY  
 OF SECURITIES THEREUNDER, AND SECTION 17(A) OF THE ACT AND RULE  
 17A-3 - RECORDS TO BE MADE BY CERTAIN EXCHANGE MEMBERS,  
 BROKERS AND DEALERS AND 17A-5 - REPORTS TO BE MADE BY CERTAIN  
 EXCHANGE MEMBERS, BROKERS AND DEALERS)

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 09/28/2012

**Docket/Case Number:** 12-0064

**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:** 11/12/2012

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

**Other Sanctions Ordered:**

**Sanction Details:** A \$200,000.00 FINE AND A CENSURE.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ABN AMRO CLEARING CHICAGO, LLC ("ABN AMRO"), A TPH ORGANIZATION,  
 WAS CENSURED AND FINED \$200,000 FOR THE FOLLOWING CONDUCT.  
 ABN AMRO UNDER-RESERVED ITS CUSTOMER RESERVE BANK ACCOUNT  
 FOR ITS APRIL 2011 MONTH-END CUSTOMER RESERVE COMPUTATION.  
 (CBOE RULES 4.2 - ADHERENCE TO LAW; 15.1 - MAINTENANCE, RETENTION  
 AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION; 15(C)  
 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, (THE "ACT")



AND RULE 15C3-3 - CUSTOMER PROTECTION - RESERVES AND CUSTODY OF SECURITIES THEREUNDER, AND SECTION 17(A) OF THE ACT AND RULE 17A-3 - RECORDS TO BE MADE BY CERTAIN EXCHANGE MEMBERS, BROKERS AND DEALERS AND 17A-5 - REPORTS TO BE MADE BY CERTAIN EXCHANGE MEMBERS, BROKERS AND DEALERS)

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 09/28/2012

**Docket/Case Number:** 12-0064

**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:** 11/12/2012

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

**Other Sanctions Ordered:**

**Sanction Details:** \$200,000.00 FINE AND CENSURE, PAID 11/16/2012.

#### Disclosure 47 of 78

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** PURSUANT TO AN OFFER OF SETTLEMENT ABN AMRO CLEARING CHICAGO LLC ("ABN AMRO") PRESENTED AT A HEARING ON AUGUST 14, 2012, IN WHICH ABN AMRO NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, A PANEL OF THE NYMEX BUSINESS CONDUCT COMMITTEE ("PANEL") FOUND THAT FOR TRADE DATE MAY 17, 2012, OPTION EXPIRATION DAY FOR THE PHYSICALLY SETTLED JUNE 2012 CRUDE OIL ("JUN12 CRUDE") FUTURES CONTRACT, ABN AMRO OVERSTATED OPEN INTEREST IN THE JUN12 CRUDE FUTURES CONTRACT BY 3,134 CONTRACTS, OR 3.6%. THE PANEL FOUND THAT AS A RESULT, ABN AMRO VIOLATED RULE 854. IN ACCORDANCE WITH THE SETTLEMENT OFFER, THE PANEL ORDERED ABN AMRO TO PAY A FINE TO THE EXCHANGE IN THE AMOUNT OF \$25,000. THIS ACTION BECAME FINAL



ON AUGUST 14, 2012 AND EFFECTIVE AUGUST 16, 2012.

**Initiated By:** NEW YORK MERCANTILE EXCHANGE (NYMEX)

**Date Initiated:** 06/25/2012

**Docket/Case Number:** 12-08893-BC

**Principal Product Type:** Futures - Commodity

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** FINE \$25,000.00

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 08/14/2012

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

**Other Sanctions Ordered:**

**Sanction Details:** PURSUANT TO AN OFFER OF SETTLEMENT ABN AMRO CLEARING CHICAGO LLC ("ABN AMRO") PRESENTED AT A HEARING ON AUGUST 14, 2012, IN WHICH ABN AMRO NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, A PANEL OF THE NYMEX BUSINESS CONDUCT COMMITTEE ("PANEL") FOUND THAT FOR TRADE DATE MAY 17, 2012, OPTION EXPIRATION DAY FOR THE PHYSICALLY SETTLED JUNE 2012 CRUDE OIL ("JUN12 CRUDE") FUTURES CONTRACT, ABN AMRO OVERSTATED OPEN INTEREST IN THE JUN12 CRUDE FUTURES CONTRACT BY 3,134 CONTRACTS, OR 3.6%. THE PANEL FOUND THAT AS A RESULT, ABN AMRO VIOLATED RULE 854. IN ACCORDANCE WITH THE SETTLEMENT OFFER, THE PANEL ORDERED ABN AMRO TO PAY A FINE TO THE EXCHANGE IN THE AMOUNT OF \$25,000. THIS ACTION BECAME FINAL ON AUGUST 14, 2012 AND EFFECTIVE AUGUST 16, 2012. THE FINE OF \$25,000.00 WAS PAID ON AUGUST 20, 2012.

#### Disclosure 48 of 78

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC NEITHER ADMITTED NOR DENIED THE FINDINGS, ON APRIL 26, 2011, THE FIRM VIOLATED MGEX RULES 730.00. PREARRANGED PRICES PROHIBITED AND 743.00. ACCOMMODATION OR



WASH TRADES FORBIDDEN, 1806.00. TRADING AGAINST OWN ORDERS PROHIBITED AND 1807.00. PRIORITY OF ENTRY.

**Initiated By:** MINNEAPOLIS GRAIN EXCHANGE, INC. (MGEX)

**Date Initiated:** 11/11/2011

**Docket/Case Number:** 11-I-09

**Principal Product Type:** Futures - Commodity

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** FINE \$25,000.00

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 12/02/2011

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

**Other Sanctions Ordered:**

**Sanction Details:** \$25,000.00 PAID ON 12/2/2011.

**Firm Statement** PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC NEITHER ADMITTED NOR DENIED THE FINDINGS, ON APRIL 26, 2011, THE FIRM VIOLATED MGEX RULES 730.00. PREARRANGED PRICES PROHIBITED AND 743.00. ACCOMMODATION OR WASH TRADES FORBIDDEN, 1806.00. TRADING AGAINST OWN ORDERS PROHIBITED AND 1807.00. PRIORITY OF ENTRY.

#### Disclosure 49 of 78

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** PURSUANT TO THE RESULTS OF A BACK OFFICE CTR AUDIT, FOR TRADE DATES JUNE 6 AND 7, 2011, ABN AMRO CLEARING CHICAGO, LLC'S DATA ENTRY ERROR RATE EXCEEDED THE 10% THRESHOLD LEVEL.

**Initiated By:** CHICAGO MERCANTILE EXCHANGE (CME)

**Date Initiated:** 09/28/2011

**Docket/Case Number:** 11-08128

**Principal Product Type:** Futures - Commodity

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:** Other**Other Sanction(s)/Relief Sought:** FINE \$5,000.00**Resolution:** Decision**Resolution Date:** 10/13/2011**Sanctions Ordered:** Monetary/Fine \$5,000.00**Other Sanctions Ordered:** FINE \$5,000.00**Sanction Details:** FINE \$5,000.00 TO BE AUTO PAID BY NOVEMBER 25, 2011.**Firm Statement** PURSUANT TO THE RESULTS OF A BACK OFFICE CTR AUDIT, FOR TRADE DATES JUNE 6 AND 7, 2011, ABN AMRO CLEARING CHICAGO, LLC'S DATA ENTRY ERROR RATE EXCEEDED THE 10% THRESHOLD LEVEL.**Disclosure 50 of 78****Reporting Source:** Firm**Current Status:** Final**Allegations:** PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC (FORMERLY FORTIS CLEARING AMERICAS LLC) NEITHER ADMITTED NOR DENIED THE FINDINGS, ON MAY 31, 2011, A PANEL OF THE CME BUSINESS CONDUCT COMMITTEE FOUND THAT IN 2008 AND THE FIRST SEVEN MONTHS OF 2009, FORTIS PERMITTED MULTIPLE EMPLOYEES TO ACCESS THE GLOBEX TRADING PLATFORM WITHOUT SUBMITTING A UNIQUE, INDIVIDUAL TAG 50 USER 10. THE PANEL FOUND THAT IN DOING SO FORTIS VIOLATED CME RULE 576 (IDENTIFICATION OF GLOBEX TERMINAL OPERATORS).**Initiated By:** CME GROUP**Date Initiated:** 09/05/2008**Docket/Case Number:** CME 08-04731-CTRA-BC**Principal Product Type:** Futures - Commodity**Other Product Type(s):****Principal Sanction(s)/Relief Sought:** Other



<b>Other Sanction(s)/Relief Sought:</b>	COMMODITIES
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	06/01/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$25,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	FINE \$25,000.00 PAID ON 6/7/11.
<b>Firm Statement</b>	PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ABN AMRO CLEARING CHICAGO LLC (FORMERLY FORTIS CLEARING AMERICAS LLC) NEITHER ADMITTED NOR DENIED THE FINDINGS, ON MAY 31, 2011, A PANEL OF THE CME BUSINESS CONDUCT COMMITTEE FOUND THAT IN 2008 AND THE FIRST SEVEN MONTHS OF 2009, FORTIS PERMITTED MULTIPLE EMPLOYEES TO ACCESS THE GLOBEX TRADING PLATFORM WITHOUT SUBMITTING A UNIQUE, INDIVIDUAL TAG 50 USER 10. THE PANEL FOUND THAT IN DOING SO FORTIS VIOLATED CME RULE 576 (IDENTIFICATION OF GLOBEX TERMINAL OPERATORS).

#### Disclosure 51 of 78

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC RULE 606 OF REGULATION NMS, FINRA RULE 2010, NASD RULE 3010 - FORTIS CLEARING AMERICAS LLC MADE PUBLICLY AVAILABLE FOR A CALENDAR QUARTER A REPORT ON ITS ROUTING OF NON-DIRECTED ORDERS IN COVERED SECURITIES DURING THAT QUARTER AND THE REPORT INCLUDED INCORRECT PERCENTAGES OF THE NUMBER OF NON-DIRECTED MARKET, LIMIT AND OTHER ORDERS SENT TO THE VARIOUS EXCHANGES. THE FIRM FAILED TO DISCLOSE TO CUSTOMERS IN ONE ANNUAL DISCLOSURE, THAT INDIVIDUAL ROUTING INFORMATION WAS AVAILABLE UPON REQUEST. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND/OR NASD RULES ADDRESSING QUALITY OF MARKET TOPICS. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO PROVIDE FOR ONE OR MORE MINIMUM REQUIREMENTS IN ORDER HANDLING (SEC RULE 606), BEST EXECUTION (THREE QUOTE RULE), TRADE REPORTING ON MEMBER'S BEHALF, ORDER MARKING REQUIREMENTS, PRE-BORROWING IN AGED FAILS, NAKED SHORT SELLING, REPORTING ACCURATE SHORT SALE INDICATORS, CLEARLY ERRONEOUS TRADE FILINGS, ORDER AUDIT TRAIL SYSTEM (ROUTED ORDER IDS), AND BOOKS AND RECORDS. THE



FIRM FAILED TO PROVIDE DOCUMENTARY EVIDENCE THAT IT PERFORMED THE SUPERVISORY REVIEWS SET FORTH IN ITS WRITTEN SUPERVISORY PROCEDURES CONCERNING BEST EXECUTION (THREE QUOTE RULE), ORDER MARKING REQUIREMENTS, LOCATE REQUIREMENTS AND BOOKS AND RECORDS.

**Initiated By:** FINRA

**Date Initiated:** 08/03/2010

**Docket/Case Number:** [2009017016101](#)

**Principal Product Type:** Other

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

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

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

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

**Resolution Date:** 08/03/2010

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

**Sanctions Ordered:** Censure  
Monetary/Fine \$17,500.00

**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 \$17,500.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** SEC RULE 606 OF REGULATION NMS, FINRA RULE 2010, NASD RULE 3010 - FORTIS CLEARING AMERICAS LLC MADE PUBLICLY AVAILABLE FOR A CALENDAR QUARTER A REPORT ON ITS ROUTING OF NON-DIRECTED ORDERS IN COVERED SECURITIES DURING THAT QUARTER AND THE REPORT INCLUDED INCORRECT PERCENTAGES OF THE NUMBER OF NON-



DIRECTED MARKET, LIMIT AND OTHER ORDERS SENT TO THE VARIOUS EXCHANGES. THE FIRM FAILED TO DISCLOSE TO CUSTOMERS IN ONE ANNUAL DISCLOSURE, THAT INDIVIDUAL ROUTING INFORMATION WAS AVAILABLE UPON REQUEST. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND/OR NASD RULES ADDRESSING QUALITY OF MARKET TOPICS. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO PROVIDE FOR ONE OR MORE MINIMUM REQUIREMENTS IN ORDER HANDLING (SEC RULE 606), BEST EXECUTION (THREE QUOTE RULE), TRADE REPORTING ON MEMBER'S BEHALF, ORDER MARKING REQUIREMENTS, PRE-BORROWING IN AGED FAILS, NAKED SHORT SELLING, REPORTING ACCURATE SHORT SALE INDICATORS, CLEARLY ERRONEOUS TRADE FILINGS, ORDER AUDIT TRAIL SYSTEM (ROUTED ORDER IDS), AND BOOKS AND RECORDS. THE FIRM FAILED TO PROVIDE DOCUMENTARY EVIDENCE THAT IT PERFORMED THE SUPERVISORY REVIEWS SET FORTH IN ITS WRITTEN SUPERVISORY PROCEDURES CONCERNING BEST EXECUTION (THREE QUOTE RULE), ORDER MARKING REQUIREMENTS, LOCATE REQUIREMENTS AND BOOKS AND RECORDS.

**Initiated By:** FINRA

**Date Initiated:** 08/03/2010

**Docket/Case Number:** [2009017016101](#)

**Principal Product Type:** Other

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

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

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

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

**Resolution Date:** 08/03/2010

**Sanctions Ordered:** Censure  
Monetary/Fine \$17,500.00

**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 \$17,500.00. ABN AMRO CLEARING CHICAGO, LLC PAID A FINE IN THE AMOUNT OF \$17,500.00 ON 8/11/2010.





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<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>**04/20/2010**STIPULATION OF FACTS AND CONSENT TO PENALTY FILED BY NYSE REGULATION'S DIVISION OF ENFORCEMENT AND PENDING. CONSENTED TO FOR THE SOLE PURPOSE OF SETTling THIS FINDINGS: DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, FORTIS CLEARING AMERICAS LLC. STIPULATED THAT IT: 1. VIOLATED NYSE RULE 476(A)(6) BY ENGAGING IN CONDUCT INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE IN THAT IT INTRODUCED FOR EXECUTION ON THE NYSE, ON SEVERAL THOUSAND OCCASIONS, ODD-LOT ORDERS IN A PATTERN OF DAY-TRADING THAT WAS PROHIBITED BY THE NYSE'S POLICIES; 2. VIOLATED NYSE RULE 401(A) BY FAILING TO ADHERE TO THE PRINCIPLES OF GOOD BUSINESS PRACTICE IN THAT IT INTRODUCED FOR EXECUTION ON THE NYSE, ON SEVERAL THOUSAND OCCASIONS, ODD-LOT ORDERS IN A PATTERN OF DAY-TRADING THAT WAS PROHIBITED BY THE NYSE'S ODD-LOT RULES AND POLICIES; 3.VIOLATED NYSE RULE 410A BY, FOR 17 DAYS OF TRADING, FAILING TO SUBMIT COMPLETE AND ACCURATE TRADING INFORMATION THROUGH THE SUBMISSION OF BLUE SHEETS IN RESPONSE TO REQUESTS FOR SUCH INFORMATION BY NYSE REGULATION; 4. VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, RULE 17A-3 THEREUNDER, AND NYSE RULE 440, BY FAILING TO MAKE AND MAINTAIN ACCURATE RECORDS OF PURCHASES AND SALES OF THE SECURITY BRK.A IN ITS BOOKS AND RECORDS; AND 5. VIOLATED NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULES AND POLICIES PERTAINING TO: A) THE SUBMISSION OF COMPLETE AND ACCURATE BLUE SHEET DATA; AND B) THE INTRODUCTION OF ODD-LOT ORDERS TO THE NYSE. STIPULATED SANCTION:CENSURE AND FINE IN THE AMOUNT OF \$225,000.</p>
<b>Initiated By:</b>	NEW YORK STOCK EXCHANGE
<b>Date Initiated:</b>	04/20/2010
<b>Docket/Case Number:</b>	HBD#: 10-NYSE-8
<b>Principal Product Type:</b>	No Product

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Decision**Resolution Date:** 05/17/2010**Sanctions Ordered:** Censure  
Monetary/Fine \$225,000.00**Other Sanctions Ordered:****Sanction Details:**

**\*\*04/22/2010\*\***DECISION NO. 10-8 ISSUED BY NYSE HEARING BOARD.DECISION: VIOLATED NYSE RULE 476(A)(6) AND 401(A) BY INTRODUCING FOR EXECUTION ODD-LOT ORDERS IN A PATTERN OF DAY-TRADING THAT WAS PROHIBITED BY THE NYSE'S POLICIES;. VIOLATED NYSE RULE 410A BY FAILING TO SUBMIT COMPLETE AND ACCURATE TRADING INFORMATION THROUGH THE SUBMISSION OF BLUE SHEETS IN RESPONSE TO REQUESTS FOR SUCH INFORMATION BY NYSE REGULATION; VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, RULE 17A-3 THEREUNDER, AND NYSE RULE 440, BY FAILING TO MAKE AND MAINTAIN ACCURATE RECORDS OF PURCHASES AND SALES OF A SECURITY IN ITS BOOKS AND RECORDS; VIOLATED NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULES AND POLICIES PERTAINING TO THE SUBMISSION OF COMPLETE AND ACCURATE BLUE SHEET DATA AND THE INTRODUCTION OF ODD-LOT ORDERS TO THE NYSE.CONSENT TO CENSURE AND A \$225,000 FINE.

**Regulator Statement**

**\*\*04/22/2010\*\*** UNLESS A REVIEW HAS BEEN REQUESTED BY ANY PERSON OR BODY AUTHORIZED BY NYSE RULE 476(G), THIS DECISION WILL BECOME FINAL 25 CALENDAR DAYS AFTER NOTICE OF THE HEARING BOARD'S DETERMINATION HAS BEEN SERVED UPON THE RESPONDENT. **\*\*5/19/10\*\*** THE DECISION BECAME FINAL AT THE CLOSE OF BUSINESS ON MAY 17, 2010 AND THE FINE BECAME PAYABLE ON THAT SAME DATE.

**Reporting Source:** Firm**Current Status:** Final



**Allegations:** \*\*04/20/2010\*\*STIPULATION OF FACTS AND CONSENT TO PENALTY FILED BY NYSE REGULATION'S DIVISION OF ENFORCEMENT AND PENDING. CONSENTED TO FOR THE SOLE PURPOSE OF SETTLING THIS FINDINGS: DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, FORTIS CLEARING AMERICAS LLC. STIPULATED THAT IT: 1. VIOLATED NYSE RULE 476(A)(6) BY ENGAGING IN CONDUCT INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE IN THAT IT INTRODUCED FOR EXECUTION ON THE NYSE, ON SEVERAL THOUSAND OCCASIONS, ODD-LOT ORDERS IN A PATTERN OF DAY-TRADING THAT WAS PROHIBITED BY THE NYSE'S POLICIES; 2. VIOLATED NYSE RULE 401(A) BY FAILING TO ADHERE TO THE PRINCIPLES OF GOOD BUSINESS PRACTICE IN THAT IT INTRODUCED FOR EXECUTION ON THE NYSE, ON SEVERAL THOUSAND OCCASIONS, ODD-LOT ORDERS IN A PATTERN OF DAY-TRADING THAT WAS PROHIBITED BY THE NYSE'S ODD-LOT RULES AND POLICIES; 3.VIOLATED NYSE RULE 410A BY, FOR 17 DAYS OF TRADING, FAILING TO SUBMIT COMPLETE AND ACCURATE TRADING INFORMATION THROUGH THE SUBMISSION OF BLUE SHEETS IN RESPONSE TO REQUESTS FOR SUCH INFORMATION BY NYSE REGULATION; 4. VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, RULE 17A-3 THEREUNDER, AND NYSE RULE 440, BY FAILING TO MAKE AND MAINTAIN ACCURATE RECORDS OF PURCHASES AND SALES OF THE SECURITY BRK.A IN ITS BOOKS AND RECORDS; AND 5. VIOLATED NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULES AND POLICIES PERTAINING TO: A) THE SUBMISSION OF COMPLETE AND ACCURATE BLUE SHEET DATA; AND B) THE INTRODUCTION OF ODD-LOT ORDERS TO THE NYSE. STIPULATED SANCTION:CENSURE AND FINE IN THE AMOUNT OF \$225,000.

**Initiated By:** NEW YORK STOCK EXCHANGE

**Date Initiated:** 04/20/2010

**Docket/Case Number:** HBD#:10-NYSE-8

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Decision



**Resolution Date:** 05/17/2010  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$225,000.00

**Other Sanctions Ordered:**

**Sanction Details:** \*\*04/22/2010\*\* DECISION NO. 10-8 ISSUED BY NYSE HEARING BOARD. DECISION: VIOLATED NYSE RULE 476(A)(6) AND 401(A) BY INTRODUCING FOR EXECUTION ODD-LOT ORDERS IN A PATTERN OF DAY-TRADING THAT WAS PROHIBITED BY THE NYSE'S POLICIES;. VIOLATED NYSE RULE 410A BY FAILING TO SUBMIT COMPLETE AND ACCURATE TRADING INFORMATION THROUGH THE SUBMISSION OF BLUE SHEETS IN RESPONSE TO REQUESTS FOR SUCH INFORMATION BY NYSE REGULATION; VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, RULE 17A-3 THEREUNDER, AND NYSE RULE 440, BY FAILING TO MAKE AND MAINTAIN ACCURATE RECORDS OF PURCHASES AND SALES OF A SECURITY IN ITS BOOKS AND RECORDS; VIOLATED NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULES AND POLICIES PERTAINING TO THE SUBMISSION OF COMPLETE AND ACCURATE BLUE SHEET DATA AND THE INTRODUCTION OF ODD-LOT ORDERS TO THE NYSE. CONSENT TO CENSURE AND A \$225,000 FINE.

**Firm Statement** \*\*04/22/2010\*\* UNLESS A REVIEW HAS BEEN REQUESTED BY ANY PERSON OR BODY AUTHORIZED BY NYSE RULE 476(G), THIS DECISION WILL BECOME FINAL 25 CALENDAR DAYS AFTER NOTICE OF THE HEARING BOARD'S DETERMINATION HAS BEEN SERVED UPON THE RESPONDENT. \*\*5/19/10\*\* THE DECISION BECAME FINAL AT THE CLOSE OF BUSINESS ON MAY 17, 2010 AND THE FINE BECAME PAYABLE ON THAT SAME DATE.

FINE \$225,000.00 PAID ON MAY 25, 2010.

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**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** FORTIS CLEARING AMERICAS, L.L.C. ("FORTIS"), AN EXCHANGE MEMBER ORGANIZATION, WAS CENSURED AND FINED \$20,000 FOR THE FOLLOWING CONDUCT. FORTIS FAILED TO SYSTEMATIZE NUMEROUS OPTION ORDERS PRIOR TO REPRESENTATION AND EXECUTION. IN ADDITION, FORTIS FAILED TO SUPERVISE ITS EMPLOYEES TO ASSURE COMPLIANCE WITH EXCHANGE RULE 6.24 AND THE OBLIGATION TO SYSTEMATIZE ALL NON-ELECTRONIC ORDERS. (CBOE RULES 4.2 - ADHERENCE TO LAW AND 6.24 -



REQUIRED TRADE INFORMATION.)

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE  
**Date Initiated:** 12/31/2009  
**Docket/Case Number:** 09-0050  
**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:** 03/02/2010  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$20,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** A TWENTY THOUSAND DOLLAR (\$20,000) FINE AND A CENSURE.

**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** DURING THE APPROXIMATE PERIOD FROM ON OR ABOUT JANUARY 1, 2009 THROUGH DECEMBER 31, 2009, CBOE ALLEGED FORTIS FAILED TO SYSTEMATIZE NUMEROUS OPTION ORDERS PRIOR TO REPRESENTATION AND EXECUTION. IN ADDITION, CBOE ALLEGED THAT FORTIS FAILED TO SUPERVISE ITS EMPLOYEES TO ASSURE COMPLIANCE WITH CBOE RULE 6.24 AND THE OBLIGATION TO SYSTEMATIZE ALL NON-ELECTRONIC ORDERS.

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE  
**Date Initiated:** 12/31/2009  
**Docket/Case Number:** 09-0050  
**Principal Product Type:** Options  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)



<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	03/02/2010
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$20,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FCA SUBMITTED A LETTER OF CONSENT TO THE CBOE THAT WAS ACCEPTED ON 03/02/2010. FCA WAS SANCTIONED A \$20,000.00 FINE AND CENSURE THAT WAS PAID ON 03/12/2010.

#### Disclosure 54 of 78

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	FORTIS CLEARING AMERICAS, L.L.C. ("FORTIS"), AN EXCHANGE MEMBER ORGANIZATION, WAS CENSURED AND FINED \$100,000 FOR THE FOLLOWING CONDUCT. ON FEBRUARY 20, 2009 AND MAY 29, 2009, FORTIS UNDER RESERVED ITS PROPRIETARY ACCOUNT FOR INTRODUCING BROKERS ("PAIB") BANK ACCOUNT. (CBOE RULES 4.2 - ADHERENCE TO LAW; 15.1 - MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION; 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, (THE "ACT") AND RULE 15C3-3 - CUSTOMER PROTECTION THEREUNDER, AND SECTION 17(A) OF THE ACT AND RULE 17A-3 - RECORDS TO BE MADE BY CERTAIN EXCHANGE MEMBERS, BROKERS AND DEALERS, AND RULE 17A-4- RECORDS TO BE PRESERVED BY CERTAIN EXCHANGE MEMBERS, BROKERS AND DEALERS AND RULE 17A-5 - REPORTS TO BE MADE BY CERTAIN BROKERS AND DEALERS THEREUNDER.)
<b>Initiated By:</b>	CHICAGO BOARD OPTIONS EXCHANGE
<b>Date Initiated:</b>	11/18/2009
<b>Docket/Case Number:</b>	09-0043
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)



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

**Resolution:** Decision  
**Resolution Date:** 12/15/2009  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$100,000.00

**Other Sanctions Ordered:**

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

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CBOE RULES 4.2, 15.1, SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934 (ACT) AND RULE 15C3-3 THEREUNDER, AND SECTION 17(A) OF THE ACT AND RULES 17A-3, 17A-4 AND 17A-5 THEREUNDER: ON FEBRUARY 20, 2009 AND MAY 29, 2009, FORTIS CLEARING AMERICAS LLC UNDER RESERVED ITS PROPRIETARY ACCOUNT FOR INTRODUCING BROKERS (PAIB) BANK ACCOUNT.

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 11/18/2009

**Docket/Case Number:** 09-0043

**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:** Decision

**Resolution Date:** 12/15/2009

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

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THAT A VIOLATION OF THE RULES OCCURED, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND



ON DECEMBER 21, 2009, THE FIRM PAID CBOE A FINE OF \$100,000.00 TO SETTLE THE MATTER.

#### Firm Statement

ON DECEMBER 15, 2009, THE CBOE BUSINESS CONDUCT COMMITTEE ACCEPTED THE FIRM'S OFFER TO SETTLE THE MATTER WITHOUT ADMITTING OR DENYING THAT A VIOLATION OF THE RULES OCCURED.

#### Disclosure 55 of 78

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** FORTIS CLEARING AMERICAS, L.L.C. ("FORTIS") AN EXCHANGE MEMBER ORGANIZATION WAS CENSURED AND FINED IN THE AMOUNT OF \$100,000. IN ADDITION, THE BCC ORDERED THAT FORTIS SHALL RETAIN AN OUTSIDE INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF ITS PROCEDURES RELATING TO ITS CUSTOMER RESERVE COMPUTATIONS. PURSUANT TO RULE 15(C) AND SECTION 15C3-3 OF THE ACT, BROKER DEALERS THAT HOLD CUSTOMER ACCOUNTS ARE REQUIRED TO PERFORM A WEEKLY COMPUTATION THAT COMPUTES ALL MONIES OWED TO THE BROKER-DEALER BY CUSTOMERS (DEBITS) AND ALL MONIES OWED BY THE BROKER-DEALERS TO CUSTOMERS (CREDITS). FURTHERMORE, RULE 15C3-3 REQUIRES THAT ANY EXCESS OF CREDITS OVER DEBITS BE DEPOSITED IN A SPECIAL RESERVE BANK ACCOUNT. FORTIS UNDER RESERVED ITS CUSTOMER RESERVE BANK ACCOUNT FOR 17 OF 26 MONTH-END CUSTOMER RESERVE COMPUTATIONS. (EXCHANGE RULES 4.2 - ADHERENCE TO LAW; 15.1 - MAINTENANCE, RETENTION AND FURNISHING OF BOOKS, RECORDS AND OTHER INFORMATION; 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, (THE "ACT") AND RULE 15C3-3 - CUSTOMER PROTECTION THEREUNDER, AND SECTION 17(A) OF THE ACT AND RULE 17A-3 - RECORDS TO BE MADE BY CERTAIN EXCHANGE MEMBERS, BROKERS AND DEALERS AND 17A-5 - REPORTS TO BE MADE BY CERTAIN BROKERS AND DEALERS)

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 01/16/2009

**Docket/Case Number:** 09-0002

**Principal Product Type:** Options

**Other Product Type(s):**

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

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





<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	03/09/2009
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$100,000.00
<b>Other Sanctions Ordered:</b>	AN UNDERTAKING IN WHICH FORTIS SHALL RETAIN AN OUTSIDE INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF ITS PROCEDURES RELATING TO ITS CUSTOMER RESERVE COMPUTATIONS. THE RESULTS OF SUCH EVALUATION AND ANY REVISED PROCEDURES SHALL BE PROVIDED TO THE EXCHANGE'S OFFICE OF ENFORCEMENT AND DEPARTMENT OF MEMBER FIRM REGULATION WITHIN 90 DAYS FROM THE ISSUANCE OF THE DECISION. IN ADDITION, AN INDEPENDENT CONSULTANT SHALL CONDUCT STAFF TRAINING IN CONNECTION WITH CUSTOMER RESERVE COMPUTATIONS. SUCH STAFF TRAINING SHALL BE CONDUCTED WITHIN 90 DAYS FROM THE ISSUANCE OF THE DECISION IN THIS MATTER AND A LIST OF ALL PARTICIPANTS ATTENDING SUCH TRAINING PROGRAM SHALL BE PROVIDED WITHIN 90 DAYS FROM THE ISSUANCE OF THE DECISION TO THE EXCHANGE'S OFFICE OF ENFORCEMENT AND DEPARTMENT OF MEMBER FIRM REGULATION.
<b>Sanction Details:</b>	A ONE HUNDRED THOUSAND DOLLAR (\$100,000) FINE AND A CENSURE. IN ADDITION, AN UNDERTAKING IN WHICH FORTIS SHALL RETAIN AN OUTSIDE INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF ITS PROCEDURES RELATING TO ITS CUSTOMER RESERVE COMPUTATIONS. THE RESULTS OF SUCH EVALUATION AND ANY REVISED PROCEDURES SHALL BE PROVIDED TO THE EXCHANGE'S OFFICE OF ENFORCEMENT AND DEPARTMENT OF MEMBER FIRM REGULATION WITHIN 90 DAYS FROM THE ISSUANCE OF THE DECISION. IN ADDITION, AN INDEPENDENT CONSULTANT SHALL CONDUCT STAFF TRAINING IN CONNECTION WITH CUSTOMER RESERVE COMPUTATIONS. SUCH STAFF TRAINING SHALL BE CONDUCTED WITHIN 90 DAYS FROM THE ISSUANCE OF THE DECISION IN THIS MATTER AND A LIST OF ALL PARTICIPANTS ATTENDING SUCH TRAINING PROGRAM SHALL BE PROVIDED WITHIN 90 DAYS FROM THE ISSUANCE OF THE DECISION TO THE EXCHANGE'S OFFICE OF ENFORCEMENT AND DEPARTMENT OF MEMBER FIRM REGULATION.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FORTIS CLEARING AMERICAS LLC'S AUGUST 2007 CUSTOMER RESERVE COMPUTATION REQUIRED A DEPOSIT BE MADE TO THE CUSTOMER



RESERVE ACCOUNT IN THE AMOUNT OF APPROXIMATELY \$12,000,000.00 BY 10:00 A.M. ON 9/5/07. AS A RESULT OF A CLERICAL OVERSIGHT, THE FIRM MADE A DEPOSIT IN THE AMOUNT OF \$2,000,000.00 RATHER THAN \$12,000,000.00 TO THE CUSTOMER RESERVE ACCOUNT. THE DEFICIENCY WAS CORRECTED BY MAKING AN ADDITIONAL DEPOSIT IN THE AMOUNT OF \$10,000,000.00 ON 9/10/07. PLEASE NOTE THAT THE FIRM'S EXCESS NET CAPITAL ON AUGUST 31, 2007 WAS \$92,663,285.00.

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 06/17/2008

**Docket/Case Number:** 09-0002

**Principal Product Type:** No Product

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** SEC RULE 15C3-3 CUSTOMER RESERVE ACCOUNT

**Resolution:** Settled

**Resolution Date:** 03/09/2009

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

**Other Sanctions Ordered:** IN ADDITION, AN UNDERTAKING IN WHICH FORTIS SHALL RETAIN AN OUTSIDE INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF ITS PROCEDURES RELATING TO ITS CUSTOMER RESERVE COMPUTATIONS. THE RESULTS OF SUCH EVALUATION AND ANY REVISED PROCEDURES SHALL BE PROVIDED TO THE EXCHANGE'S OFFICE OF ENFORCEMENT AND DEPARTMENT OF MEMBER FIRM REGULATION WITHIN 90 DAYS FROM THE ISSUANCE OF THE DECISION. IN ADDITION, AN INDEPENDENT CONSULTANT SHALL CONDUCT STAFF TRAINING IN CONNECTION WITH CUSTOMER RESERVE COMPUTATIONS. SUCH STAFF TRAINING SHALL BE CONDUCTED WITHIN 90 DAYS FROM THE ISSUANCE OF THE DECISION IN THIS MATTER AND A LIST OF ALL PARTICIPANTS ATTENDING SUCH TRAINING PROGRAM SHALL BE PROVIDED WITHIN 90 DAYS FROM THE ISSUANCE OF THE DECISION TO THE EXCHANGE'S OFFICE OF ENFORCEMENT AND DEPARTMENT OF MEMBER FIRM REGULATION.

**Sanction Details:** IN ADDITION, AN UNDERTAKING IN WHICH FORTIS SHALL RETAIN AN OUTSIDE INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF ITS PROCEDURES RELATING TO ITS CUSTOMER RESERVE COMPUTATIONS. THE RESULTS OF SUCH EVALUATION AND ANY REVISED



PROCEDURES SHALL BE PROVIDED TO THE EXCHANGE'S OFFICE OF ENFORCEMENT AND DEPARTMENT OF MEMBER FIRM REGULATION WITHIN 90 DAYS FROM THE ISSUANCE OF THE DECISION. IN ADDITION, AN INDEPENDENT CONSULTANT SHALL CONDUCT STAFF TRAINING IN CONNECTION WITH CUSTOMER RESERVE COMPUTATIONS. SUCH STAFF TRAINING SHALL BE CONDUCTED WITHIN 90 DAYS FROM THE ISSUANCE OF THE DECISION IN THIS MATTER AND A LIST OF ALL PARTICIPANTS ATTENDING SUCH TRAINING PROGRAM SHALL BE PROVIDED WITHIN 90 DAYS FROM THE ISSUANCE OF THE DECISION TO THE EXCHANGE'S OFFICE OF ENFORCEMENT AND DEPARTMENT OF MEMBER FIRM REGULATION.

**Firm Statement**

PLEASE NOTE THAT THE CBOE MATTERS #09-0002 DATED 6/17/08 AND 8/6/08 WERE COMBINED BY THE CBOE WHICH SETTLED FOR \$100,000.00 TOTAL.

**Disclosure 56 of 78**

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FORTIS CLEARING AMERICAS LLC ("FCA") VIOLATED CBOT REGULATION 350.08, IN THAT THE FIRM RESOLVED AN OUTTRADE WITHOUT FIRST NOTIFYING THE FLOOR MEMBER THAT THE OUTTRADE WAS PENDING. THE VIOLATION RESULTED IN A \$5,000.00 FINE.
<b>Initiated By:</b>	CME GROUP
<b>Date Initiated:</b>	07/17/2008
<b>Docket/Case Number:</b>	06-TPR-77
<b>Principal Product Type:</b>	Futures - Commodity
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	FINE \$5,000.00
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	07/21/2008
<b>Sanctions Ordered:</b>	Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	FORTIS CLEARING AMERICAS LLC ("FCA") VIOLATED CBOT REGULATION



350.08, IN THAT THE FIRM RESOLVED AN OUTTRADE WITHOUT FIRST NOTIFYING THE FLOOR MEMBER THAT THE OUTTRADE WAS PENDING. THE VIOLATION RESULTED IN A \$5,000.00 FINE.

**Firm Statement**

FORTIS CLEARING AMERICAS LLC ("FCA") VIOLATED CBOT REGULATION 350.08, IN THAT THE FIRM RESOLVED AN OUTTRADE WITHOUT FIRST NOTIFYING THE FLOOR MEMBER THAT THE OUTTRADE WAS PENDING. THE VIOLATION RESULTED IN A \$5,000.00 FINE.

**Disclosure 57 of 78**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FORTIS CLEARING AMERICAS LLC ("FCA") VIOLATED RULE 536, IN THAT THE FIRM EXCEEDED THE TIMESTAMP EXCEPTION RATE OF 8%. THE VIOLATION RESULTED IN A \$5,000.00 FINE.

**Initiated By:** CME GROUP

**Date Initiated:** 07/02/2008

**Docket/Case Number:** 0801842CTRT

**Principal Product Type:** Futures - Commodity

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** FINE \$5,000.00

**Resolution:** Other

**Resolution Date:** 07/24/2008

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** FORTIS CLEARING AMERICAS LLC ("FCA") VIOLATED RULE 536, IN THAT THE FIRM EXCEEDED THE TIMESTAMP EXCEPTION RATE OF 8%. THE VIOLATION RESULTED IN A \$5,000.00 FINE.

**Firm Statement**

FORTIS CLEARING AMERICAS LLC ("FCA") VIOLATED RULE 536, IN THAT THE FIRM EXCEEDED THE TIMESTAMP EXCEPTION RATE OF 8%. THE VIOLATION RESULTED IN A \$5,000.00 FINE.



### Disclosure 58 of 78

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FORTIS CLEARING AMERICAS LLC ("FCA") VIOLATED REGULATION 350.04, IN THAT THE FIRM FAILED TO CORRECT AN ERROR IN ACCORDANCE WITH REQUIRED PROCEDURES. THE VIOLATION RESULTED IN A \$7,000.00 FINE.
<b>Initiated By:</b>	THE CHICAGO BOARD OF TRADE
<b>Date Initiated:</b>	09/17/2007
<b>Docket/Case Number:</b>	2007-INV-13
<b>Principal Product Type:</b>	Futures - Commodity
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	FINE \$7,000.00
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	10/17/2007
<b>Sanctions Ordered:</b>	Monetary/Fine \$7,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	FORTIS CLEARING AMERICAS LLC ("FCA") VIOLATED REGULATION 350.04, IN THAT THE FIRM FAILED TO CORRECT AN ERROR IN ACCORDANCE WITH REQUIRED PROCEDURES. THE VIOLATION RESULTED IN A \$7,000.00 FINE.
<b>Firm Statement</b>	FORTIS CLEARING AMERICAS LLC ("FCA") VIOLATED REGULATION 350.04, IN THAT THE FIRM FAILED TO CORRECT AN ERROR IN ACCORDANCE WITH REQUIRED PROCEDURES. THE VIOLATION RESULTED IN A \$7,000.00 FINE.

### Disclosure 59 of 78

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FORTIS CLEARING AMERICAS LLC ("FCA") VIOLATED REGULATION 431.02, IN THAT THE FIRM FAILED TO COMPLY WITH MARGIN REQUIREMENTS. THE VIOLATION RESULTED IN A \$5,000.00 FINE.
<b>Initiated By:</b>	THE CHICAGO BOARD OF TRADE



**Date Initiated:** 06/04/2007  
**Docket/Case Number:** 06-EX-028  
**Principal Product Type:** Futures - Commodity  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Other  
**Other Sanction(s)/Relief Sought:** FINE \$5,000.00  
**Resolution:** Other  
**Resolution Date:** 06/11/2007  
**Sanctions Ordered:** Monetary/Fine \$5,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** FORTIS CLEARING AMERICAS LLC ("FCA") VIOLATED REGULATION 431.02, IN THAT THE FIRM FAILED TO COMPLY WITH MARGIN REQUIREMENTS. THE VIOLATION RESULTED IN A \$5,000.00 FINE.  
**Firm Statement** FORTIS CLEARING AMERICAS LLC ("FCA") VIOLATED REGULATION 431.02, IN THAT THE FIRM FAILED TO COMPLY WITH MARGIN REQUIREMENTS. THE VIOLATION RESULTED IN A \$5,000.00 FINE.

#### Disclosure 60 of 78

**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** FORTIS CLEARING AMERICAS LLC ("FCA") VIOLATED RULE 536, IN THAT THE FIRM EXCEEDED THE PICK-UP ORDER EXCEPTION RATE OF 20%. FCA ALSO EXCEEDED THE ORDER TYPE INDICATOR EXCEPTION RATE OF 10%.  
**Initiated By:** THE CHICAGO MERCANTILE EXCHANGE  
**Date Initiated:** 05/22/2007  
**Docket/Case Number:** [07-00944-CTRA](#)  
**Principal Product Type:** Futures - Commodity  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Other



<b>Other Sanction(s)/Relief Sought:</b>	FINE \$4,500.00
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	06/19/2007
<b>Sanctions Ordered:</b>	Monetary/Fine \$4,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	FORTIS CLEARING AMERICAS LLC ("FCA") VIOLATED RULE 536, IN THAT THE FIRM EXCEEDED THE PICK-UP ORDER EXCEPTION RATE OF 20%. FCA ALSO EXCEEDED THE ORDER TYPE INDICATOR EXCEPTION RATE OF 10%.
<b>Firm Statement</b>	FORTIS CLEARING AMERICAS LLC ("FCA") VIOLATED RULE 536, IN THAT THE FIRM EXCEEDED THE PICK-UP ORDER EXCEPTION RATE OF 20%. FCA ALSO EXCEEDED THE ORDER TYPE INDICATOR EXCEPTION RATE OF 10%. THE FIRM WAS FINED \$4,500.00.

#### Disclosure 61 of 78

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	REGULATION 545.02, IN THAT THE FIRM FAILED TO ACCURATLEY REPORT ITS OPEN INTEREST BETWEEN SEPTEMBER 2006 AND DECEMBER 2006.
<b>Initiated By:</b>	CHICAGO BOARD OF TRADE
<b>Date Initiated:</b>	09/18/2006
<b>Docket/Case Number:</b>	06-MSI-046
<b>Principal Product Type:</b>	Futures - Commodity
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	FINE \$35,000.00
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	06/11/2007
<b>Sanctions Ordered:</b>	Monetary/Fine \$35,000.00
<b>Other Sanctions Ordered:</b>	



**Sanction Details:** DURING THE PERIOD BETWEEN SEPTEMBER 2006 AND DECEMBER 2006, FORTIS MISREPORTED OPEN INTEREST IN VARIOUS CONTRACTS TO THE EXCHANGE, INCLUDING DURING THE DELIVERY MONTH. DURING THE REFERENCED TIME PERIOD, THE OFFICE OF INVESTIGATIONS AND AUDITS ("OIA") IDENTIFIED NUMEROUS TRANSFER TRADES EXECUTED BY VARIOUS FORTIS DIVISIONS FOR THE APPARENT PURPOSE OF CORRECTING PREVIOUSLY MISREPORTED OPEN INTEREST.

**Firm Statement** DURING THE PERIOD BETWEEN SEPTEMBER 2006 AND DECEMBER 2006, FORTIS MISREPORTED OPEN INTEREST IN VARIOUS CONTRACTS TO THE EXCHANGE, INCLUDING DURING THE DELIVERY MONTH. DURING THE REFERENCED TIME PERIOD, THE OFFICE OF INVESTIGATIONS AND AUDITS ("OIA") IDENTIFIED NUMEROUS TRANSFER TRADES EXECUTED BY VARIOUS FORTIS DIVISIONS FOR THE APPARENT PURPOSE OF CORRECTING PREVIOUSLY MISREPORTED OPEN INTEREST.

#### Disclosure 62 of 78

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	OFFICE RECORDKEEPING-REGULATION 431.02-FAILED TO ISSUE AND COLLECT MARGIN CALLS. GENERAL CONDUCT-REGULATION 545.02-FAILED TO KEEP ACCURATE AND COMPLETE BOOKS AND RECORDS.
<b>Initiated By:</b>	CHICAGO BOARD OF TRADE
<b>Date Initiated:</b>	02/19/1991
<b>Docket/Case Number:</b>	90-EX-24
<b>Principal Product Type:</b>	Futures - Commodity
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	FINE \$3500.00
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/19/1991
<b>Sanctions Ordered:</b>	Monetary/Fine \$3,500.00
<b>Other Sanctions Ordered:</b>	OFFICE RECORDKEEPING-REGULATION 431.02-FAILED TO ISSUE AND COLLECT MARGIN CALLS.





GENERAL CONDUCT-REGULATION 545.02-FAILED TO KEEP ACCURATE AND COMPLETE BOOKS AND RECORDS.

**Sanction Details:**

OFFICE RECORDKEEPING-REGULATION 431.02-FAILED TO ISSUE AND COLLECT MARGIN CALLS.

GENERAL CONDUCT-REGULATION 545.02-FAILED TO KEEP ACCURATE AND COMPLETE BOOKS AND RECORDS.

**Firm Statement**

OFFICE RECORDKEEPING-REGULATION 431.02-FAILED TO ISSUE AND COLLECT MARGIN CALLS.

GENERAL CONDUCT-REGULATION 545.02-FAILED TO KEEP ACCURATE AND COMPLETE BOOKS AND RECORDS.

**Disclosure 63 of 78**

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

FLOOR RECORDKEEPING-REGULATION 332.08, FORTIS CLEARING CHICAGO LLC, A PREDECESSOR ENTITY SINCE MERGED INTO FCA, FIRM FAILED TO MAKE ALL TRADE DATA SUBMISSIONS IN A CORRECT MANNER.

**Initiated By:**

CHICAGO BOARD OF TRADE

**Date Initiated:**

07/31/2002

**Docket/Case Number:**

01-RFT-071

**Principal Product Type:**

Futures - Commodity

**Other Product Type(s):**

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

Other

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

FINE \$3000.00

**Resolution:**

Other

**Resolution Date:**

07/31/2002

**Sanctions Ordered:**

Monetary/Fine \$3,000.00

**Other Sanctions Ordered:**

FINE \$3000.00

**Sanction Details:**

FLOOR RECORDKEEPING-REGULATION 332.08, FORTIS CLEARING CHICAGO LLC, A PREDECESSOR ENTITY SINCE MERGED INTO FCA, FIRM FAILED TO MAKE ALL TRADE DATA SUBMISSIONS IN A CORRECT MANNER.

**Firm Statement**

FLOOR RECORDKEEPING-REGULATION 332.08, FORTIS CLEARING CHICAGO LLC, A PREDECESSOR ENTITY SINCE MERGED INTO FCA, FIRM



FAILED TO MAKE ALL TRADE DATA SUBMISSIONS IN A CORRECT MANNER.

## Disclosure 64 of 78

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FLOOR RECORDKEEPING-REGULATION 332.05, FORTIS CLEARING CHICAGO LLC, A PREDECESSOR ENTITY SINCE MERGED INTO FCA, IN THAT TRADING DOCUMENTS WERE NOT COLLECTED AND TIME STAMPED IN A TIMELY MANNER.
	FLOOR RECORDKEEPING-REGULATION 332.08, FORTIS CLEARING CHICAGO LLC, A PREDECESSOR ENTITY SINCE MERGED INTO FCA, IN THAT THE FIRM FAILED TO MAKE ALL TRADE DATA SUBMISSIONS IN A CORRECT MANNER.
<b>Initiated By:</b>	CHICAGO BOARD OF TRADE
<b>Date Initiated:</b>	01/20/2004
<b>Docket/Case Number:</b>	03-RFT-003
<b>Principal Product Type:</b>	Futures - Commodity
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	FINE \$3000.00
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	01/20/2004
<b>Sanctions Ordered:</b>	Monetary/Fine \$3,000.00
<b>Other Sanctions Ordered:</b>	FINE \$3000.00
<b>Sanction Details:</b>	FLOOR RECORDKEEPING-REGULATION 332.05, FORTIS CLEARING CHICAGO LLC, A PREDECESSOR ENTITY SINCE MERGED INTO FCA, IN THAT TRADING DOCUMENTS WERE NOT COLLECTED AND TIME STAMPED IN A TIMELY MANNER.
	FLOOR RECORDKEEPING-REGULATION 332.08, FORTIS CLEARING CHICAGO LLC, A PREDECESSOR ENTITY SINCE MERGED INTO FCA, IN



THAT THE FIRM FAILED TO MAKE ALL TRADE DATA SUBMISSIONS IN A CORRECT MANNER.

#### Firm Statement

FLOOR RECORDKEEPING-REGULATION 332.05, FORTIS CLEARING CHICAGO LLC, A PREDECESSOR ENTITY SINCE MERGED INTO FCA, IN THAT TRADING DOCUMENTS WERE NOT COLLECTED AND TIME STAMPED IN A TIMELY MANNER.

FLOOR RECORDKEEPING-REGULATION 332.08, FORTIS CLEARING CHICAGO LLC, A PREDECESSOR ENTITY SINCE MERGED INTO FCA, IN THAT THE FIRM FAILED TO MAKE ALL TRADE DATA SUBMISSIONS IN A CORRECT MANNER.

#### Disclosure 65 of 78

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	GENERAL CONDUCT-REGULATION 9B.07, FORTIS CLEARING CHICAGO LLC, A PREDECESSOR ENTITY SINCE MERGED INTO FCA, IN THAT FORTIS FAILED TO SUPERVISE JOHN F. FYFE'S COMPLIANCE WITH EXCHANGE ACCESS RULES.
<b>Initiated By:</b>	CHICAGO BOARD OF TRADE
<b>Date Initiated:</b>	01/07/2003
<b>Docket/Case Number:</b>	2002-INV-25B
<b>Principal Product Type:</b>	Futures - Commodity
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	FINE \$5000.00
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	01/07/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	FINE \$5000.00
<b>Sanction Details:</b>	GENERAL CONDUCT-REGULATION 9B.07, FORTIS CLEARING CHICAGO LLC, A PREDECESSOR ENTITY SINCE MERGED INTO FCA, IN THAT FORTIS FAILED TO SUPERVISE JOHN F. FYFE'S COMPLIANCE WITH EXCHANGE



ACCESS RULES.

FINE \$5000.00

**Firm Statement**

GENERAL CONDUCT-REGULATION 9B.07,FORTIS CLEARING CHICAGO LLC,  
A PREDECESSOR ENTITY SINCE MERGED INTO FCA, IN THAT FORTIS  
FAILED TO SUPERVISE JOHN F. FYFE'S COMPLIANCE WITH EXCHANGE  
ACCESS RULES.

**Disclosure 66 of 78**

**Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

+07/17/2001+ NASD RULES 2110 AND 6740 AND SEC RULE 15C2-11 -- (1) THE SEC, PURSUANT TO SECTION 12(K)(1)(A) OF THE SECURITIES EXCHANGE ACT OF 1934, SUSPENDED TRADING IN THE SECURITIES OF A COMPANY ("COMPANY") ON MARCH 13, 2000 THROUGH AND INCLUDING MARCH 24, 2000. (2) ON MARCH 27, 2000, THE NEXT TRADING DAY IMMEDIATELY FOLLOWING THE EXPIRATION OF THE COMPANY SUSPENSION PERIOD, THE RESPONDENT FIRM PLACED 10 ORDERS TO BUY AND SELL COMPANY INTO INSTINET. (3) FOLLOWING THE CONCLUSION OF THE COMPANY SUSPENSION PERIOD, THE RESPONDENT FIRM PUBLISHED QUOTATIONS FOR COMPANY, OR DIRECTLY OR INDIRECTLY, SUBMITTED SUCH QUOTATIONS FOR PUBLICATION IN A QUOTATION MEDIUM AND; (I) DID NOT HAVE IN ITS RECORDS THE DOCUMENTATION REQUIRED BY SEC RULE 15C2-11(A) ("PARAGRAPH (A) INFORMATION"); (II) DID NOT HAVE A REASONABLE BASIS UNDER THE CIRCUMSTANCES FOR BELIEVING THAT THE PARAGRAPH (A) INFORMATION WAS ACCURATE IN ALL MATERIAL RESPECTS; OR (III) THAT THE SOURCES OF THE PARAGRAPH (A) INFORMATION WERE RELIABLE. (4) FOLLOWING THE CONCLUSION OF THE COMPANY SUSPENSION PERIOD AND PRIOR TO THE CONDUCT DESCRIBED IN PARAGRAPH TWO, THE RESPONDENT FIRM FAILED TO FILE A FORM 211 WITH THE ASSOCIATION AT LEAST THREE BUSINESS DAYS BEFORE THE RESPONDENT FIRM'S QUOTATIONS WERE PUBLISHED OR DISPLAYED IN A QUOTATION MEDIUM.

**Initiated By:**

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:**

06/14/2001

**Docket/Case Number:**

CMS010085

**Principal Product Type:**

Other

**Other Product Type(s):**

UNKNOWN TYPE OF SECURITIES



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

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

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

**Resolution Date:** 06/14/2001

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:** UNDERTAKINGS.

**Sanction Details:** A FINE OF \$5000. THE FIRM SHALL ALSO, WITHIN 60 DAYS OF THE ACCEPTANCE OF THIS AWC BY THE ASSOCIATION, UNDERTAKE TO SUBMIT REVISED WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO PREVENT FUTURE VIOLATIONS OF SEC RULE 15C2-11 AND NASD RULE 6740. SUCH WRITTEN SUPERVISORY PROCEDURES SHALL BE SET FORTH, AT A MINIMUM, THE FOLLOWING: (1) A DESCRIPTION OF THE FIRM'S COMPLETE SUPERVISORY SYSTEM WITH RESPECT TO SUCH RULES; (2) THE IDENTIFICATION OF THE SPECIFIC PERSON(S) AT THE FIRM WHO ARE RESPONSIBLE TO ENSURE COMPLIANCE WITH THE RULES; (3) THE SPECIFIC STEPS THAT SUCH PERSON(S) SHALL TAKE TO ENSURE COMPLIANCE WITH THE RULES; (4) THE SPECIFIC FREQUENCY WITH WHICH SUCH PERSON(S) SHALL TAKE SUCH STEPS TO ENSURE COMPLIANCE WITH THE RULES; AND (5) A DESCRIPTION OF HOW SUCH STEPS, ONCE TAKEN, SHALL BE EVIDENCED. ALTHOUGH THE STAFF MAY REVIEW THE REVISED PROCEDURES, SAID REVIEW SHALL IN NO WAY CONSTITUTE AN APPROVAL OF THE REVISED PROCEDURES. THE FAILURE OF THE STAFF TO ALERT RESPONDENT TO ANY DEFICIENCIES IN THE REVISED PROCEDURES SHALL NOT PRECLUDE THE STAFF FROM INSTITUTING A SUBSEQUENT DISCIPLINARY ACTION AS A RESULT OF DEFICIENCIES IN THE REVISED PROCEDURES.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** APPARENT VIOLATIONS OF NASD RULES 2110 AND 6740 AND SEC RULE 15C2-11(1), PURSUANT TO SECTION 12(K)(1)(A) OF THE SECURITIES EXCHANGE ACT OF 1934.

**Initiated By:** NASD REGULATION

**Date Initiated:** 06/14/2001

**Docket/Case Number:** CMS010085



**Principal Product Type:** Penny Stock(s)  
**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:** 06/14/2001  
**Sanctions Ordered:** Monetary/Fine \$5,000.00  
**Other Sanctions Ordered:** SUBMISSION OF WRITTEN SUPERVISORY PROCEDURES  
**Sanction Details:** 5,000.00 FINE PAID

#### Disclosure 67 of 78

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:** ON 08/11/00, O'CONNOR & COMPANY, LLC FILED AN APPLICATION FOR REGISTRATION AS A BD IN THE STATE OF ALABAMA. IN RESPONSE TO A DEFICIENCY LETTER, O'CONNOR FURNISHED ADVICE THAT IT HAD 1 ALABAMA CUSTOMER THAT AN EXISTING COMMODITY CUSTOMER FOR WHOM THE FIRM OPENED A SECURITIES ACCOUNT AS AN ACCOMMODATION; THAT THE RESIDENCY OF THIS INDIVIDUAL WAS AN INADVERTENT OVERSIGHT AND WHEN DISCOVERED, THE FIRM IMMEDIATELY APPLIED FOR REGISTRATION. O'CONNOR FURTHER ADVISED THAT IT DID NOT SOLICIT THE OPENING OF THIS ACCOUNT AND DOES NOT ANTICIPATE SOLICITING ALABAMA RESIDENTS IN THE FUTURE. BASED UPON A VIOLATION OF SECTION 8-6-3(A), CODE OF ALABAMA 1975, FOR TRANSACTING SECURITIES BUSINESS IN THE STATE OF ALABAMA PRIOR TO REGISTRATION, O'CONNOR WAS REQUIRED TOMAKE A RESCISSION OFFER TO THE ALABAMA RESIDENT, IN THE AMOUNT OF \$453,287.56 WHICH WAS REJECTED. THE VIOLATION WAS RESOLVED BY CONSENT ORDER, AND OCONNOR WAS LEVIED AN ADMINISTRATIVE ASSESSMENT OF \$3,000 AND INVESTIGATIVE COSTS OF \$2,000.  
**Initiated By:** ALABAMA SECURITIES COMMISSION  
**Date Initiated:** 12/06/2000  
**Docket/Case Number:** CD-2000-0080  
**URL for Regulatory Action:**



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

**Other Product Type(s):**

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

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

**Resolution:** Consent

**Resolution Date:** 12/06/2000

**Sanctions Ordered:**

**Other Sanctions Ordered:** BASED UPON A VIOLATION OF SECTION 8-6-3(A), CODE OF ALABAMA 1975 FOR TRANSACTING SECURITIES BUSINESS IN THE STATE OF ALABAMA MAKE A RESCISSION OFFER TO THE ALABAMA RESIDENT, IN THE AMOUNT OF \$453,287.56 WHICH WAS REJECTED. THE VIOLATION WAS RESOLVED BY CONSENT ORDER, AND O'CONNOR WAS LEVIED AN ADMINISTRATIVE ASSESSMETN OF \$3,000 AND INVESTIGATIVE COSTS OF \$2,000.

**Sanction Details:** ADMINISTRATIVE ASSESSMENT OF \$3,000 AND INVESTIGATIVE COSTS OF \$2,000.

**Regulator Statement** ONE (1) ALABAMA INVESTOR

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FIRM INADVERTANTLY OPENED ACCOUNT WITH RESIDENT OF ALABAMA PRIOR TO STATE REGISTRATION.

**Initiated By:** STATE OF ALABAMA

**Date Initiated:** 12/06/2000

**Docket/Case Number:** CD-2000-0080

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Stipulation and Consent



<b>Resolution Date:</b>	11/30/2000
<b>Sanctions Ordered:</b>	
<b>Other Sanctions Ordered:</b>	THE FIRM WAS ORDERED TO REFRAIN FROM EFFECTING SECURITIES TRANSACTIONS INTO WITHIN OR FROM THE STATE OF ALABAMA UNTIL THE FIRM BECAME PROPERLY REGISTERED. THE FIRM WAS ORDERED TO PAY AN ADMINISTRATIVE ASSESSMENT IN THE SUM OF 3,000.00 IN ADDITION THE FIRM WAS ORDERED TO PAY 2,000.00 FOR INVESTIGATION COSTS. THE FIRM IS PRESENTLY REGISTERED IN THE STATE OF ALABAMA.
<b>Sanction Details:</b>	NA
<b>Firm Statement</b>	REFER TO 12B ABOVE.

#### Disclosure 68 of 78

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC EXAMINATION DISCLOSED ERRORS IN THE FIRM'S WEEKLY RESERVE COMPUTATIONS.
<b>Initiated By:</b>	SEC
<b>Date Initiated:</b>	05/15/1999
<b>Docket/Case Number:</b>	8-34354
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	SEC OVERSIGHT EXAMINATION REVEALED POSSIBLE VIOLATIONS OF SEC RULE 15C3-3
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	07/15/1999
<b>Sanctions Ordered:</b>	
<b>Other Sanctions Ordered:</b>	MATTER DEFERRED TO FIRM'S DEA CBOE
<b>Sanction Details:</b>	SEE THE ABOVE
<b>Firm Statement</b>	EXAMINATION OF BOOKS AND RECORDS DISCLOSED ERRORS PERTAINING TO SEC RULES 15C3-3, 17A-3, 17A-4, 17A-5.





## Disclosure 69 of 78

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEE SUMMARY
<b>Initiated By:</b>	CHICAGO BOARD OPTIONS EXCHANGE, INC.
<b>Date Initiated:</b>	12/17/1999
<b>Docket/Case Number:</b>	99-0059 & 00-0007
<b>Principal Product Type:</b>	Options
<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>	CENSURED, AN UNDERTAKING TO DEVELOP AND IMPLEMENT WRITTEN PROCEDURES TO ENSURE O'CONNOR'S WEEKLY CUSTOMER RESERVE COMPUTATIONS ARE ACCURATE, AND TO FILE THOSE PROCEDURES WITH THE EXCHANGE'S DEPARTMENT OF FINANCIAL AND SALES COMPLIANCE WITHIN 90 DAYS FROM THE ISSUANCE OF THE DECISION IN THIS MATTER.
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	04/25/2000
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$50,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING TO DEVELOP AND IMPLEMENT WRITTEN PROCEDURES TO ENSURE O'CONNOR'S WEEKLY CUSTOMER RESERVE COMPUTATIONS ARE ACCURATE, AND TO FILE THOSE PROCEDURES WITH THE EXCHANGE'S DEPARTMENT OF FINANCIAL AND SALES PRACTICE COMPLIANCE WITHIN 90 DAYS FROM THE ISSUANCE OF THE DECISION IN THIS MATTER.
<b>Sanction Details:</b>	O'CONNOR & COMPANY, L.L.C. WAS CENSURED AND FINED IN THE AMOUNT OF \$50,000 AND ORDERED TO DEVELOP AND IMPLEMENT WRITTEN PROCEUDRES TO ENSURE O'CONNOR'S WEEKLY CUSTOMER RESERVE COMPUTATIONS ARE ACCURATE.
<b>Regulator Statement</b>	DURING THE PERIOD FROM ON OR ABOUT AUGUST 31, 1998 THROUGH ON OR ABOUT APRIL 9, 1999, O'CONNOR UNDERSTATED ITS CUSTOMER RESERVE REQUIREMENT IN EXCESS OF \$3,065,755 RESULTING IN A DEFICIENCY IN ITS CUSTOMER RESERVE BANK ACCOUNT DURING THE PERIOD ENDING APRIL 1999. ON VARIOUS DATES FROM JULY 1, 1999 THROUGH ON OR ABOUT SEPTEMBER 30, 1999, O'CONNOR'S WEEKLY CUSTOMER RESERVE COMPUTATIONS CONTAINED MATERIAL ERRORS

AND OMISSIONS THAT RESULTED IN A DEFICIENCY IN IT'S CUSTOMER RESERVE BANK ACCOUNT. O'CONNOR FILED INACCURATE CUSTOMER RESERVE COMPUTATIONS WITH THE EXCHANGE. O'CONNOR FAILED TO IMPLEMENT ADEQUATE SUPERVISORY CONTROLS TO ENSURE COMPLIANCE WITH EXCHANGE RULES AND THE ACT WITH RESPECT TO ITS CUSTOMER RESERVE COMPUTATION. (CBOE RULES 4.2, 15.1 AND SECTIONS 15(C) AND 17(A) OF THE ACT AND RULES 15C3-3, 17A-3 AND 17A-5.)

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VIOLATIONS OF SEC AND CBOE RULES PERTAINING TO BOOKS AND RECORDS AND CUSTOMER RESERVE COMPUTATIONS.

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 10/14/1999

**Docket/Case Number:** 99-0059

**Principal Product Type:** Other

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

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

**Other Sanction(s)/Relief Sought:** STATEMENT OF CHANGE FOR APPARENT VIOLATIONS OF CBOE RULES 4.2 AND 15.1 AND SEC RULES 15(C); 15C-3-3;17(A), 17A-3,17A5.

**Resolution:** Other

**Resolution Date:** 04/25/2000

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

**Other Sanctions Ordered:**

**Sanction Details:** RESOLUTION WAS RESOLVED WITH A MONETARY FINE OF \$50000, AND A CENSURE.

**Firm Statement** CHICAGO BOARD OF EXCHANGE INVESTIGATION DISCLOSED POSSIBLE VIOLATIONS OF CBOE RULE 4.2 AND 15.1 AND SEC RULES 15(C); 15C-3-3; 17(A) AND 17A-5.



**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VIOLATION OF RULE 432 AND 1502E OF THE CHICAGO MERCANTILE EXCHANGE REGARDING EXCEEDING POSITION LIMITS BY CUSTOMER ACCOUNTS CARRIED BY O'CONNOR & CO.

**Initiated By:** CHICAGO MERCANTILE EXCHANGE

**Date Initiated:** 12/01/1989

**Docket/Case Number:** [MS-89-02](#)

**Principal Product Type:** Futures - Commodity

**Other Product Type(s):**

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

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

**Resolution:** Settled

**Resolution Date:** 12/01/1989

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** FINE \$5000 DECEMBER 1989

**Firm Statement** O'CONNOR WAS FOUND GUILTY OF THE MINOR VIOLATION 1502E BUT NEITHER ADMITS OR DENIES THE ALLEGATIONS. O'CONNOR & CO. WAS FINED \$5000. MATTER CLOSED.

#### Disclosure 71 of 78

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** O'CONNOR & CO. WAS FINED \$1,500.00 BY THE CBOE FOR FAILING TO TIME STAMP EXERCISE NOTICES FOR OEX OPTIONS CONTRACTS.

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 04/01/1989

**Docket/Case Number:** 89-0089

**Principal Product Type:** Options



<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>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	04/01/1989
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	FINE \$1500 APRIL 1989
<b>Firm Statement</b>	IN APRIL 1989, O'CONNOR & CO. WAS FINED \$1,500 BY THE CBOE FOR FAILING TO TIME STAMP EXERCISE NOTICES FOR OEX OPTIONS CONTRACTS.

#### Disclosure 72 of 78

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	IN FEBRUARY 1987, O'CONNOR & CO. WAS FINED \$1,000.00 BY THE CBOE FOR FAILING TO TIME STAMP EXCERSICE NOTICES FOR OEX OPTIONS CONTRACTS.
<b>Initiated By:</b>	CHICAGO BOARD OPTIONS EXCHANGE
<b>Date Initiated:</b>	02/01/1987
<b>Docket/Case Number:</b>	87-0132
<b>Principal Product Type:</b>	Options
<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>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	02/01/1987
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:** FINE \$1000 FEBRUARY 1987

**Firm Statement** O'CONNOR & CO. WAS FINED BY THE CBOE FOR FOR FAILING TO TIME STAMP EXCERSICE NOTICES FOR THE OEX OPTIONS CONTRACTS.

**Disclosure 73 of 78**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VIOLATION OF RULES 545.01 AND 545.02 REGARDING BOOKS AND RECORDS AND SUBMISSION OF DATA.

**Initiated By:** CHICAGO BOARD OF TRADE

**Date Initiated:** 10/01/1990

**Docket/Case Number:** 90-RRR-228 90-RRR-535

**Principal Product Type:** Commodity Option(s)

**Other Product Type(s):**

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

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

**Resolution:** Settled

**Resolution Date:** 10/01/1990

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

**Other Sanctions Ordered:**

**Sanction Details:** FINED \$3000 IN OCTOBER 1990

**Firm Statement** IN OCTOBER 1990, O'CONNOR & CO. WAS FINED \$3,000 BY THE CBOT FOR VIOLATION OF RULE 545.01 AND 545.02 REGARDING MAINTAINING BOOKS AND RECORDS, AND SUBMISSION OF DATA.

**Disclosure 74 of 78**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** IN NOVEMBER 1990, O'CONNOR & CO. WAS FINED \$2,500 BY THE CBOE



FOR VIOLATION OF RULE 4.2, REGARDING MARKET MAKER DEFICIT TRADING. (90-0087)

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 11/26/1990

**Docket/Case Number:** 90-0087

**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:** Settled

**Resolution Date:** 11/01/1990

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

**Other Sanctions Ordered:**

**Sanction Details:** \$2,500 FINE, IN NOVEMBER 1990.

**Firm Statement** FINED \$2500 NOVEMBER 1990 MATTER CLOSED.

#### Disclosure 75 of 78

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** see summary

**Initiated By:** CBOE

**Date Initiated:** 05/12/1997

**Docket/Case Number:** 97-0008

**Principal Product Type:**

**Other Product Type(s):**

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

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



**Resolution:** Decision

**Resolution Date:** 05/12/1997

**Sanctions Ordered:** Monetary/Fine \$1,500.00

**Other Sanctions Ordered:**

**Sanction Details:** fined \$1,500

**Regulator Statement** On October 19, 1995, O'Connor submitted an OEX exercise advice to the Exchange at 3:21:20 p.m. (CT) on behalf of the proprietary account of a non-member broker-dealer for which O'Connor executes transactions on a CMTA basis. The Exchange requires Exchange members to submit OEX exercise advices no later than 3:20 p.m. CT on the day the decision to exercise is made. (CBOE Rule 11.1)

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** IT WAS ALLEGED THAT AN ADVICE OF EXERCISE OF OPTIONS HAD BEEN SUBMITTED IN ANUNTIMELY MANNER.

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 02/27/1997

**Docket/Case Number:** 97-0008

**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:** Settled

**Resolution Date:** 05/12/1997

**Sanctions Ordered:** Monetary/Fine \$1,500.00

**Other Sanctions Ordered:**

**Sanction Details:** FINE \$1500 5/12/1997

**Firm Statement** FINE IN AMOUNT OF \$1,500.



## Disclosure 76 of 78

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
<b>Date Initiated:</b>	04/23/1997
<b>Docket/Case Number:</b>	C9A960039
<b>Principal Product Type:</b>	
<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>	04/23/1997
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$20,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	
<b>Regulator Statement</b>	<p>LETTER OF ACCEPTANCE, WAIVER &amp; CONSENT NO. C9A960039 AWC.</p> <p>ON APRIL 23, 1997, O'CONNOR &amp; COMPANY (SHMR) 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 SHMR VIOLATED MARKETPLACE RULE 4730(c)(3) AND CONDUCT RULES 2110 AND 3010 FOR THE FOLLOWING:</p> <p>SHMR ENTERED 67 NON-AGENCY ORDERS INTO SOES FOR NON-PUBLIC CUSTOMERS; SHMR, ON 17 OCCASIONS, ENTERED A SERIES OF TRANSACTIONS INTO SOES WHICH, WHEN AGGREGATED, EXCEEDED THE SOES MAXIMUM ORDER SIZE REQUIREMENT FOR THE SECURITIES INVOLVED; AND SHMR FAILED TO ESTABLISH, MAINTAIN AND ENFORCE</p>



SUPERVISORY PROCEDURES WHICH WOULD HAVE ENSURED  
COMPLIANCE WITH  
THE RULES OF THE ASSOCIATION.

SHMR WAS CENSURED AND FINED \$20,000.

\*\*\*\$20,000.00 PAID ON 5/21/97, INVOICE #97-9A-381\*\*\*

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** IT WAS ALLEGED THAT TRANSACTIONS HAD BEEN ENTERED INTO SOES WHICH, WHEN AGGREGATED, EXCEEDED THE ORDER SIZE REQUIREMENTS FOR SOES.

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

**Date Initiated:** 02/02/1996

**Docket/Case Number:** C9A960039

**Principal Product Type:** Other

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

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

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

**Resolution:** Settled

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

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

**Other Sanctions Ordered:**

**Sanction Details:** FINE \$2000 AND CENSURE

**Firm Statement** O'CONNOR & CO. WAS FINED IN THE AMOUNT OF \$20,000 AND CENSURE.

#### Disclosure 77 of 78

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:****Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE**Date Initiated:** 03/31/1988**Docket/Case Number:** 87-0120**Principal Product Type:****Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Decision**Resolution Date:** 03/31/1988**Sanctions Ordered:** Censure  
Monetary/Fine \$3,750.00**Other Sanctions Ordered:****Sanction Details:****Regulator Statement**

9/28/88-FORM U6 (8134-26488) DISCLOSES O'CONNOR AND COMPANY, ON ONE TRADE DATE, FAILED TO DEPOSIT SUFFICIENT FUNDS TO ELIMINATE A DEFICIENCY IN ITS CUSTOMER RESERVE, AND FAILED TO INFORM THE EXCHANGE AND THE U.S. SECURITIES EXCHANGE COMMISSION OF ITS FAILURE TO MAKE THAT DEPOSIT. ALSO, O'CONNOR FAILED TO MAINTAIN ADEQUATE PROCEDURES CONCERNING THE POSSESSION AND CONTROL OF CUSTOMER FULLY PAID AND EXCESS MARGIN SECURITIES; FAILED TO RECORD CERTAIN PROPRIETARY POSITIONS ON ITS BOOKS AND RECORDS; AND FAILED TO MAINTAIN AN ACCURATE SECURITIES POSITION RECORD BY FAILING TO REFLECT THE LOCATION OF CERTAIN CUSTOMER OWNED SECURITIES. (CBOE RULES 4.2 AND 15.1 AND SECTIONS 15(c) AND 17(a) OF THE ACT AND RULES 15c3-3, 17a-3 and 17a-4 THEREUNDER) SANCTION: A CENSURE AND A \$3,750 FINE. DOCKET/CASE NO. 87-0120, DATED MARCH 31, 1988.

**Reporting Source:** Firm**Current Status:** Final



**Allegations:** O'CONNOR & CO. WAS FINED \$3,750.00 BY THE CBOE FOR DEFICIENCIES IN THE CUSTOMER RESERVE FORMULA AND IMPROPERLY MAINTAINING BOOKS AND RECORDS, VIOLATING EXCHANGE RULES 7.2 AND 15.1.

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 02/01/1988

**Docket/Case Number:** 87-0120

**Principal Product Type:** Other

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

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

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

**Resolution:** Settled

**Resolution Date:** 02/01/1988

**Sanctions Ordered:** Monetary/Fine \$3,750.00

**Other Sanctions Ordered:**

**Sanction Details:** FINE \$3750 FEBRUARY 1988

**Firm Statement** IN FEBRUARY 1988, O'CONNOR & CO. WAS FINED BY THE CBOE FOR DEFINCIENCIES IN THE CUSTOMER RESERVE FORMULA AND IMPROPERLY MAINTAINING BOOKS AND RECORDS VIOLATING EXCHANGE RULES 7.2 AND 15.1

#### Disclosure 78 of 78

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 03/06/1987

**Docket/Case Number:** 87-0002

**Principal Product Type:**

**Other Product Type(s):**



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

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

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 03/06/1987

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

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement**

7/9/87-CBOE DECISION ACCEPTING OFFER OF SETTLEMENT IN THE MATTER OF: O'CONNOR & COMPANY, RESPONDENT; FILE NO. 87-0002. THIS PROCEEDING WAS INSTITUTED BY THE BUSINESS CONDUCT COMMITTEE OF THE CBOE AS A RESULT OF AN INVESTIGATION BY THE STAFF OF THE EXCHANGE, WHICH INDICATED THAT THERE WAS PROBABLE CAUSE FOR FINDING A VIOLATION WITHIN THE DISCIPLINARY JURISDICTION OF THE EXCHANGE. IN SUBMITTING THIS OFFER OF SETTLEMENT, THE RESPONDENT NEITHER ADMITS NOR DENIES THE VIOLATIONS ALLEGED IN THE STATEMENT OF CHARGES. ON THE BASIS OF THE STATEMENT OF CHARGES AND OFFER OF SETTLEMENT, THE COMMITTEE HAS DETERMINED TO ACCEPT THE RESPONDENT'S OFFER OF SETTLEMENT BASED UPON ITS FINDING OF THE FOLLOWING FACTS: ON OR ABOUT AUGUST 4, 1986, O'CONNOR FAILED TO MAKE A \$4,920 DEPOSIT INTO ITS CUSTOM RESERVE BANK ACCOUNT DUE TO INACCURACIES IN ITS COMPUTATION OF CUSTOMER RESERVE FORMULA FOR JULY 31, 1986. DURING THE MONTH OF JULY 1986, O'CONNOR FAILED TO PREPARE AND MAINTAIN COMPLETE RESERVE COMPUTATIONS FOR TEN WITHDRAWALS MADE FROM ITS RESERVE ACCOUNT IN JULY, 1986. DURING THE PERIOD FROM ON OR ABOUT JULY 1, 1986 THROUGH ON OR ABOUT JULY 31, 1986, O'CONNOR USED ITS CUSTOMER RESERVE ACCOUNT AS AN OPERATING ACCOUNT FOR THE RECEIPT AND DISBURSEMENT OF CUSTOMER FUNDS. DURING THE PERIOD FROM ON OR ABOUT JULY 1, 1986 THROUGH ON OR ABOUT JULY 31, 1986, O'CONNOR FAILED TO MAINTAIN A MARGIN CALL RECORD. AS A RESULT, O'CONNOR FAILED TO RECORD ONE INITIAL AND THREE MAINTENANCE MARGIN CALLS. DURING THE RELEVANT TIME PERIOD, O'CONNOR FAILED TO OBTAIN MARGIN PAYMENT FOR THE THREE MAINTENANCE CALLS REFERRED TO ABOVE. THE COMMITTEE HAS



DETERMINED TO ACCEPT THE RESPONDENT'S OFFER OF SETTLEMENT  
 BASED  
 UPON ITS MAKING THE FOLLOWING CONCLUSIONS: THE ACTS,  
 PRACTICES  
 AND CONDUCT DESCRIBED ABOVE CONSTITUTE VIOLATIONS OF  
 EXCHANGE  
 RULES 4.2, AND 15.1, AND SECTION 15(c)(3) OF THE ACT AND RULE  
 15c3-3 THEREUNDER BY O'CONNOR; AND ALSO EXCHANGE RULES 12.1,  
 12.2, 12.3 AND 12\*See FAQ #1\*

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VIOLATIONS OF EXCHANGE RULES 4.2, AND 15.1, AND SECTION 15(C)(3) OF THE ACT AND RULE 15C3-3. ALSO, EXCHANGE RULES 12.1, 12.2, 12.3, AND 12.

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 03/06/1987

**Docket/Case Number:** 87-0002

**Principal Product Type:** No Product

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** \$500 FINE AND CENSURE

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 03/06/1987

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

**Other Sanctions Ordered:**

**Sanction Details:** \$500 FINE AND CENSURE

**Firm Statement** 7/9/87-CBOE DECISION ACCEPTING OFFER OF SETTLEMENT IN THE MATTER OF: O'CONNOR & COMPANY, RESPONDENT; FILE NO. 87-0002. THIS PROCEEDING WAS INSTITUTED BY THE BUSINESS CONDUCT COMMITTEE OF THE CBOE AS A RESULT OF AN INVESTIGATION BY THE STAFF OF THE EXCHANGE, WHICH INDICATED THAT THERE WAS



PROBABLE CAUSE FOR FINDING A VIOLATION WITHIN THE DISCIPLINARY JURISDICTION OF THE EXCHANGE. IN SUBMITTING THIS OFFER OF SETTLEMENT, THE RESPONDENT NEITHER ADMITS NOR DENIES THE VIOLATIONS ALLEGED IN THE STATEMENT OF CHARGES. ON THE BASIS OF THE STATEMENT OF CHARGES AND OFFER OF SETTLEMENT, THE COMMITTEE HAS DETERMINED TO ACCEPT THE RESPONDENT'S OFFER OF SETTLEMENT BASED UPON ITS FINDING OF THE FOLLOWING FACTS: ON OR ABOUT AUGUST 4, 1986, O'CONNOR FAILED TO MAKE A \$4,920 DEPOSIT INTO ITS CUSTOM RESERVE BANK ACCOUNT DUE TO INACCURACIES IN ITS COMPUTATION OF CUSTOMER RESERVE FORMULA FOR JULY 31, 1986. DURING THE MONTH OF JULY 1986, O'CONNOR FAILED TO PREPARE AND MAINTAIN COMPLETE RESERVE COMPUTATIONS FOR TEN WITHDRAWALS MADE FROM ITS RESERVE ACCOUNT IN JULY, 1986. DURING THE PERIOD FROM ON OR ABOUT JULY 1, 1986 THROUGH ON OR ABOUT JULY 31, 1986, O'CONNOR USED ITS CUSTOMER RESERVE ACCOUNT AS AN OPERATING ACCOUNT FOR THE RECEIPT AND DISBURSEMENT OF CUSTOMER FUNDS. DURING THE PERIOD FROM ON OR ABOUT JULY 1, 1986 THROUGH ON OR ABOUT JULY 31, 1986, O'CONNOR FAILED TO MAINTAIN A MARGIN CALL RECORD. AS A RESULT, O'CONNOR FAILED TO RECORD ONE INITIAL AND THREE MAINTENANCE MARGIN CALLS. DURING THE RELEVANT TIME PERIOD, O'CONNOR FAILED TO OBTAIN MARGIN PAYMENT FOR THE THREE MAINTENANCE CALLS REFERRED TO ABOVE. THE COMMITTEE HAS DETERMINED TO ACCEPT THE RESPONDENT'S OFFER OF SETTLEMENT BASED UPON ITS MAKING THE FOLLOWING CONCLUSIONS: THE ACTS, PRACTICES AND CONDUCT DESCRIBED ABOVE CONSTITUTE VIOLATIONS OF EXCHANGE RULES 4.2, AND 15.1, AND SECTION 15(C)(3) OF THE ACT AND RULE 15-3-3 THEREUNDER BY O'CONNOR; AND ALSO EXCHANGE RULES 12.1, 12.2, 12.3 AND 12\*SEE FAQ #1\*

## End of Report



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