

**BEFORE THE BUSINESS CONDUCT COMMITTEE**  
**OF THE**  
**CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED**

\_\_\_\_\_ )  
In the Matter of: )  
 )  
Sparta Group of Chicago, L.P. )  
141 W. Jackson Blvd., Suite 380 ) File No. 12-0036  
Chicago, IL 60604 )  
 )  
Respondent )  
\_\_\_\_\_ )

**DECISION ACCEPTING OFFER OF SETTLEMENT**

This proceeding was instituted by the Business Conduct Committee (the “Committee”) of the Chicago Board Options Exchange, Incorporated (the “Exchange”) 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 accordance with that determination, the Committee directed the issuance of a Statement of Charges (“Statement of Charges”). Pursuant to Exchange Rule 17.8, the respondent (“Respondent”), Sparta Group of Chicago, L.P. (“Sparta”), submitted an offer of settlement (“Offer of Settlement”).

In submitting the Offer of Settlement, the Respondent neither admitted nor denied the violations alleged in the Statement of Charges.

The Respondent has agreed that the determination of the Committee to accept the Offer of Settlement shall constitute a final Decision, and, as provided in Exchange Rule 17.8, the Respondent may not seek review thereof.

The Respondent understands and acknowledges that the Committee’s decision in this matter will become part of its disciplinary record and may be considered in any future Exchange proceeding.

With due regard to the particulars of this matter, the Committee believes it is appropriate to accept the Respondent’s Offer of Settlement based on the following stipulated facts and findings and thereby to impose the sanction specified below.

**FACTS**

1. During all relevant periods, Sparta was a Trading Permit Holder of the Exchange registered to transact business on the Exchange in accordance with Exchange Rules as a Market-Maker.
2. During all relevant periods, Sparta was acting as a registered broker/dealer.

3. During all relevant periods herein, Exchange Rules 3.6A – Qualification and Registration of Trading Permit Holders and Associated Persons and 15.1 – Maintenance, Retention and Furnishing of Books, Records and Other Information were in full force and effect.
4. In or about October through December 2010, the Exchange conducted an Options Market Participant examination of Sparta. In addition, the Exchange subsequently conducted a sweep registration review that included a review of Sparta’s compliance with the Exchange’s registration requirements.
5. Pursuant to Exchange Rule 3.6A, individual Trading Permit Holders and individual associated persons engaged or to be engaged in the securities business of a Trading Permit Holder or TPH organization shall be registered with the Exchange in the category of registration appropriate to the function to be performed as prescribed by the Exchange. Before the registration can become effective, the individual Trading Permit Holder or individual associated person shall submit the appropriate application for registration, pass a qualification examination appropriate to the category of registration as prescribed by the Exchange.<sup>1</sup>
6. In addition, Exchange Rule 3.6A provides, in relevant part, “each Trading Permit Holder and TPH organization that is a registered broker-dealer shall designate a Chief Compliance Officer on Schedule A of Form BD.”
7. Sparta failed to register 4 of 6 appropriate individuals as Approved Persons by the required date of January 11, 2011.
8. Sparta failed to identify a Chief Compliance Officer on its Form BD.

### **FINDINGS**

The acts, practices and conduct described in Paragraph 7 above constitute a violation of Exchange Rule 3.6A by Sparta, in that Sparta failed to register 4 of 6 appropriate individuals as Approved Persons by the required date of January 11, 2011.

The acts, practices and conduct described in Paragraph 8 above constitute a violation of Exchange Rules 3.6A and 15.1 by Sparta, in that Sparta failed to identify a Chief Compliance Officer on its Form BD.

### **SANCTION**

The sanction to be imposed shall consist of a \$7,500 fine and a censure.

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<sup>1</sup> See Securities Exchange Act Release No. 63314 (November 12, 2010), 75 FR 70957 (November 19, 2010) (SR-CBOE-2010-084), which provides, in relevant part, “CBOE and CBSX will require all individual TPHs and individual associated persons not already registered in WebCRD to register under Rule 3.6A within 60 days of the date of this Order (January 11, 2011). Also See: CBOE Regulatory Circular RG10-120.

**ORDER**

**ACCORDINGLY IT IS ORDERED THAT**, the Respondent, Sparta Group of Chicago, L.P. shall be and hereby is censured and fined in the amount of seven thousand five hundred dollars (\$7,500).

**SO ORDERED  
FOR THE COMMITTEE**

**Dated: November 12, 2012**

**By: /s/ Bruce Andrews  
Bruce Andrews  
Chairman  
Business Conduct Committee**