

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

_____)
In the Matter of:)
)
BNP Paribas Securities Corp.) File No. 12-0073
787 Seventh Avenue)
New York, NY 10019-6016)
)
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”), BNP Paribas Securities Corp. (“BNP”), 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 herein, BNP was registered with the Exchange to transact business on the Exchange in accordance with Exchange Rules as clearing firm. Additionally, BNP was approved to conduct business with the public.
2. During all relevant periods herein, BNP was an effective broker-dealer.

3. During all relevant periods herein, Exchange Rules 4.11 – Position Limits and 4.22 – Communications to the Exchange or the Clearing Corporation were in full force and effect.
4. Interpretation and Policy .04 to Exchange Rule 4.11 provides, in relevant part, that each Trading Permit Holder “on its own behalf or on behalf of a designated aggregation unit pursuant to Rule 4.11(c)(D) shall also report, in accordance with Rule 4.13, for each such account that holds an equity option position subject to this exemption in excess of the levels specified in this Rule 4.11, the net delta and the options contract equivalent of the net delta of such position.”
5. During the approximate period from on or about January 3, 2012 through on or about March 27, 2012, BNP failed to provide accurate information to the Options Clearing Corporation regarding its aggregate option position for each security exceeding the applicable position limit, in that BNP failed to report accurately its position via the OCEND¹ Aggregator file to OCC.

FINDINGS

The acts, practices and conduct described in Paragraph 5 above constitute a violation of Exchange Rules 4.11 and 4.22, by BNP, in that BNP failed to provide accurate information to the Options Clearing Corporation regarding its aggregate option position for each security exceeding the applicable position limit, in that BNP failed to report accurately its position via the OCEND Aggregator file to OCC.

SANCTION

The sanction to be imposed shall consist of a \$25,000 fine and a censure.

ORDER

ACCORDINGLY IT IS ORDERED THAT, the Respondent, BNP Paribas Securities Corp. shall be and hereby is censured and fined in the amount of twenty-five thousand dollars (\$25,000).

**SO ORDERED
FOR THE COMMITTEE**

Dated: February 21, 2013

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

¹ Option Contract Equivalent of the Net Delta (OCEND) is an aggregate position number adjusted for a series delta and is subject to the appropriate position limit.