

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

_____)
In the Matter of:)
)
Toro Trading, LLC)
120 Broadway) File No. 13-0024
20th Floor)
New York, NY 10271)
)
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”), Toro Trading, LLC (“Toro Trading”), 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, Toro Trading was an Exchange Trading Permit Holder registered to conduct business as a Designated Primary Market-Maker (“DPM”).
2. During all relevant periods in which the activity noted below occurred, Toro Trading was acting as a registered broker-dealer.

3. During all relevant periods herein, Exchange Rule 8.85 – DPM Obligations was in full force and effect.
4. During all relevant periods herein, Exchange Rule 8.85(a)(i) required each DPM to, among other things, “provide continuous electronic quotes...in at least 90% of the non-adjusted option series of each multiply-listed option class allocated to it and in 100% of the non-adjusted option series of each singly-listed option class allocated to it...”
5. In or about October 2012, in multiple option classes on several trade dates, Toro Trading failed to maintain a continuous two-sided market in 90% of the non-adjusted option series of each multiply-listed option class and 100% of the non-adjusted option series of each singly-listed option class, as more fully described in Appendix I attached to and made a part of the Statement of Charges in File No. 13-0024.

FINDINGS

The acts, practices and conduct described in Paragraph 5 above, constitute violations of Exchange Rule 8.85(a)(i) by Toro Trading, in that Toro Trading failed to maintain a continuous two-sided market in 90% of the non-adjusted option series of each multiply-listed option class and 100% of the non-adjusted option series of each singly-listed option class in multiple classes on several trade dates.

SANCTION

The sanction to be imposed shall consist of a \$20,000 fine and a censure.

ORDER

ACCORDINGLY IT IS ORDERED THAT, the Respondent, Toro Trading, LLC shall be and hereby is censured and fined in the amount of twenty thousand dollars (\$20,000).

**SO ORDERED
FOR THE COMMITTEE**

Dated: October 16, 2013

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