

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

_____)	
In the Matter of:)	
)	
Quiet Light Securities, LLC)	
141 West Jackson Blvd.)	File No. 13-0035
Suite 2020A)	
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”), Quiet Light Securities, LLC (“Quiet Light”), 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, Quiet Light was an Exchange Trading Permit Holder registered to conduct business as a Market-Maker.
2. During all relevant periods, Quiet Light was acting as a registered broker-dealer.
3. During all relevant periods herein, Exchange Rule 4.2 – Adherence to Law; and Rule 15c3-5 - Risk Management Controls for Brokers or Dealers with Market Access under the Securities and

Exchange Act of 1934, as amended (the “Act”), were in full force and effect.

4. In or about September 2012, the Exchange initiated a Market Access Examination of Quiet Light that included, but was not limited to, a review of Quiet Light’s compliance with Rule 15c3-5 under the Act.
5. Pursuant to Rule 15c3-5 under the Act, “a broker or dealer with market access, or that provides a customer or any other person with access to an exchange or alternative trading system through the use of its market participant identifier or otherwise, shall establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to manage the financial, regulatory, and other risks of this business activity.”
6. In or about July 2011 through in or about June 2013, Quiet Light failed to establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to manage the financial, regulatory, and other risks of this business activity, as set forth in Rule 15c3-5.

FINDINGS

The acts, practices and conduct described in Paragraph 6 above constitute a violation of Exchange Rule 4.2 and Rule 15c3-5 under the Act by Quiet Light, in that Quiet Light failed to establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to manage the financial, regulatory, and other risks of this business activity.

SANCTION

The sanction to be imposed shall consist of a \$10,000 fine and a censure.¹

ORDER

ACCORDINGLY IT IS ORDERED THAT, the Respondent, Quiet Light Securities, LLC shall be and hereby is censured and fined in the amount of ten thousand dollars (\$10,000).

**SO ORDERED
FOR THE COMMITTEE**

Dated: November 13, 2013

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

¹ Quiet Light submitted revised Written Supervisory Procedures relating to SEC Rule 15c3-5 on June 25, 2013.