

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

_____	)	
In the Matter of:	)	
	)	
Title Securities, Inc.	)	
111 West Jackson Blvd.	)	File No. 13-0060
Suite 1410	)	
Chicago, IL 60604	)	
	)	
Subject	)	
_____	)	

**DECISION ACCEPTING LETTER OF CONSENT**

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. In order to resolve this matter, the subject, Title Securities, Inc. has submitted a Letter of Consent. Such Letter of Consent was submitted solely for the purposes of this proceeding without admitting or denying that a violation of Exchange Rules has been committed. With due regard to the stipulated facts and findings and the proposed sanction contained therein, the Committee believes it is appropriate to accept the Letter of Consent for File No. 13-0060 which is attached to and made a part of this Decision.

**SO ORDERED  
FOR THE COMMITTEE**

**Dated: December 11, 2013**

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

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**LETTER OF CONSENT**

In order to resolve this proceeding pursuant to Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) Rule 17.3 - Expedited Proceeding, the Subject, Title Securities, Inc. (“Title”), hereby submits this Letter of Consent in the above captioned matter. Only for purposes of this proceeding and without admitting or denying that a violation of Exchange Rules has been committed, Title consents to the Stipulation of Facts and Findings and Sanction set forth below.

Stipulation of Facts and Findings

1. During all relevant periods, the Subject, Title was a CBOE Stock Exchange, LLC (“CBSX”) Trading Permit Holder registered to conduct a proprietary trading business.<sup>1</sup>
2. During all relevant periods, Title 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. 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.”
5. During the approximate period from on or about July 14, 2011 through on or about August 12, 2011, Title 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, as set forth in Rule 15c3-5 of the Act.
6. During the approximate period from on or about January 1, 2011 through on or about August 12, 2011, Title failed to establish, maintain and enforce supervisory procedures reasonably designed to supervise its client’s trading activity. Title’s procedures failed to include sufficient provisions for

<sup>1</sup> Title terminated its CBSX Trading Permit Holder status on August 12, 2011. In addition, Title filed a Broker-Dealer Withdrawal (BDW) on January 7, 2013.

monitoring, detecting or reviewing potentially manipulative trading activity, such as wash trades, layering, spoofing, pre-arranged trades or any other violative activity.

7. The acts, practices and conduct described in Paragraph 5 above constitute a violation of Exchange Rule 4.2 and Rule 15c3-5 under the Act by Title, in that Title 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, as set forth in Rule 15c3-5 of the Act.
8. The acts, practices and conduct described in Paragraph 6 above constitute a violation of Exchange Rule 4.2 by Title, in that Title failed to establish, maintain and enforce supervisory procedures reasonably designed to supervise its client's trading activity.

**Sanction:** A two consecutive year bar from acting as an Exchange Trading Permit Holder or association with any Exchange Trading Permit Holder and a censure.

Subject acknowledges that it has read the foregoing Letter of Consent, that no promise or inducement of any kind has been made to it by the Exchange or its staff, and that this Letter of Consent is voluntary on its part.

Subject 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.

Subject also acknowledges that the Committee's decision to accept or reject this Letter of Consent is final, and that it may not seek review thereof in accordance with Exchange Rule 17.3.

**November 19, 2013**

Date

**By: /s/ Title Securities, Inc.**

Title Securities, Inc.