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

In the Matter of:))	
Belvedere Trading LLC)	
10 South Riverside Drive)	
Suite 2100)	File No. 13-0061
Chicago, IL 60606)	
)	
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"), Belvedere Trading LLC ("Belvedere"), 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, Belvedere was an Exchange Trading Permit Holder registered to conduct business as a Market-Maker.
- 2. During all relevant periods in which the activity noted below occurred, Belvedere was acting as a registered broker-dealer.
- 3. During all relevant periods herein, Exchange Rule 4.2 Adherence to Law was in full

force and effect.

4. During the approximate period from on or about January 1, 2102 through on or about December 31, 2012, Belvedere failed to implement adequate supervisory procedures and controls to detect and prevent transactions that did not result in a change in beneficial ownership.

FINDINGS

The acts, practices and conduct described in Paragraph 4 above constitute a violation of Exchange Rule 4.2 by Belvedere, in that Belvedere failed to implement adequate supervisory procedures and controls to detect and prevent transactions that did not result in a change in beneficial ownership.

SANCTION

The sanction to be imposed shall consist of a \$10,000 fine and a censure. In addition, an undertaking whereby Belvedere shall enhance its Written Supervisory Procedures to include procedures reasonably designed to assure compliance with Exchange rules and federal securities laws. A copy of such revised Written Supervisory Procedures shall be submitted to the Exchange within sixty (60) days of the issuance of the Decision in this matter.

ORDER

ACCORDINGLY IT IS ORDERED THAT, the Respondent, Belvedere Trading LLC shall be and hereby is censured and fined in the amount of ten thousand dollars (\$10,000). In addition, an undertaking whereby Belvedere shall enhance its Written Supervisory Procedures to include procedures reasonably designed to assure compliance with Exchange rules and federal securities laws. A copy of such revised Written Supervisory Procedures shall be submitted to the Exchange within sixty (60) days of the issuance of the Decision in this matter.

SO ORDERED FOR THE COMMITTEE

Dated: January 22, 2014 By: /s/ Bruce Andrews ___

Bruce Andrews Chairman Business Conduct Committee