

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

_____)	
In the Matter of:)	
)	
Hard Eight Trading, LLC)	
141 West Jackson Blvd.)	File No. 13-0062
Suite 1175)	
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, Hard Eight Trading, LLC 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. 13-0062 which is attached to and made a part of this Decision.

SO ORDERED
FOR THE COMMITTEE

Dated: January 22, 2014

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") Rule 17.3, Expedited Proceeding, the Subject, Hard Eight Trading, LLC ("Hard Eight"), 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, Hard Eight consents to the Stipulation of Facts and Findings and Sanction set forth below.

Stipulation of Facts and Findings

1. During all relevant periods herein, Hard Eight was an Exchange Trading Permit Holder registered to conduct a proprietary trading business.
2. During all relevant periods in which the activity noted below occurred, Hard Eight was acting as a registered broker-dealer.
3. During all relevant periods herein, Exchange Rule 4.20 – Anti-Money Laundering Compliance Program was in full force and effect.
4. The Exchange conducted a routine financial and operational examination of Hard Eight that focused on the month of January 2013.
5. Exchange Rule 4.20 provides, in relevant part: "The anti-money laundering programs required by this Rule shall, at a minimum...Provide for annual (on a calendar-year basis) independent testing for compliance to be conducted by Trading Permit Holder or TPH organization personnel or by a qualified outside party, unless the Trading Permit Holder or TPH organization does not execute transactions for customers or otherwise hold customer accounts or act as an introducing broker with respect to customer accounts (e.g., engages solely in proprietary trading or conducts business only with other broker-dealers), in which case such "independent testing" is required every two years (on a calendar-year basis)..."

6. Hard Eight failed to obtain an independent test of its Anti-Money Laundering Program for a period of time that was in excess of two calendar years.¹
7. The acts, practices and conduct described in Paragraph 6 above constitute a violation of Exchange Rule 4.20 by Hard Eight, in that Hard Eight failed to obtain an independent test of its Anti-Money Laundering Program for a period of time that was in excess of two calendar years.

Sanction: \$10,000 fine and 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.

Dated: December 16, 2013

By: /s/ Hard Eight Trading, LLC
Hard Eight Trading, LLC

¹ Hard Eight obtained an independent audit of its Anti-Money Laundering Program that was finalized on April 17, 2013. Hard Eight's previous independent audit of its Anti-Money Laundering Program was dated December 15, 2010.