

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

_____)
In the Matter of:)
)
Broad Street Securities Group, LLC)
50 Broad Street)
16th Floor) File No. 14-0008
New York, New York 10004)
)
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”), Broad Street Securities Group, LLC (“Broad Street”), 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, Broad Street was a CBOE Stock Exchange, LLC (“CBSX”) Trading Permit Holder registered to conduct proprietary trading.¹
2. During all relevant periods in which the activity noted below occurred, Broad Street was acting as

¹ _____
Broad Street terminated its Trading Permit Holder status at CBSX on or about June 15, 2012 and filed a Broker-Dealer Withdrawal on or about June 15, 2012.

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 Broad Street that focused on the month of October 2011 and included, but was not limited to, a review of Broad Street’s compliance with Exchange Rule 4.20.
5. Broad Street failed to provide anti-money laundering (“AML”) training for five Associated Persons.²

FINDINGS

The acts, practices and conduct described in Paragraph 5 above constitute a violation of Exchange Rule 4.20 by Broad Street, in that Broad Street failed to provide AML training for five Associated Persons.

SANCTION

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

ORDER

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

**SO ORDERED
FOR THE COMMITTEE**

Dated: August 8, 2014

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

² The five referenced Associated Persons failed to complete the AML Training conducted by Broad Street in December 2011. Further, the Broad Street did not produce evidence of completion of the AML Training by the subject Associated Persons prior to their termination.