

BEFORE THE BUSINESS CONDUCT COMMITTEE
OF THE
CBOE EXCHANGE, INC.

_____)	
In the Matter of:)	
)	
Trinity Executions, LLC)	File No. 14-0191 and 17-0007
141 W. Jackson Blvd.)	STAR Nos. 20150439269, 20150465673 and
Suite 3900)	20170528115
Chicago, IL 60604)	
)	
Respondent/Subject)	
_____)	

DECISION ACCEPTING OFFER OF SETTLEMENT AND LETTER OF CONSENT

This proceeding was instituted by the Business Conduct Committee (the “Committee”) of the Cboe Exchange Inc. (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/subject (“Respondent/Subject”), Trinity Executions, LLC (“Trinity”), submitted a consolidated Offer of Settlement and Letter of Consent (“Offer of Settlement and Letter of Consent”).

In submitting the Offer of Settlement and Letter of Consent, the Respondent/Subject neither admitted nor denied the violations alleged in the Statement of Charges and Letter of Consent.

The Respondent/Subject has agreed that the determination of the Committee to accept the Offer of Settlement and Letter of Consent shall constitute a final Decision, and, as provided in Exchange Rules 17.3 and 17.8, the Respondent/Subject may not seek review thereof.

The Respondent/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.

With due regard to the particulars of this matter, the Committee believes it is appropriate to accept the Offer of Settlement and Letter of Consent based on the following stipulated facts and findings and thereby to impose the sanction specified below.

FACTS

1. During all relevant periods herein, Trinity was an Exchange Trading Permit Holder registered to act as a Floor Broker.
2. During all relevant periods herein, Trinity was acting as a registered Broker-Dealer.

3. During all relevant periods herein, Exchange Rules 4.2 – Adherence to Law, 6.45 – Order and Quote Priority and Allocation, 6.45A – Priority and Allocation of Equity Option Trades on the CBOE Hybrid System, 6.45B – Priority and Allocation of Trades in Index Options and Options on ETFs on the CBOE Hybrid System, 6.73 – Responsibilities of Floor Brokers and 6.81 – Order Protection were in full force and effect.¹
4. During all relevant periods herein, the rules of priority and order allocation procedures were set forth in Exchange Rules 6.45 and 6.45A² for equity options on the Cboe Hybrid System.
5. During all relevant periods herein, the rules of priority and order allocation procedures were set forth in Exchange Rules 6.45 and 6.45B³ for index and ETF options on the Cboe Hybrid Systems (including Hybrid 3.0).
6. During all relevant periods herein, the due diligence execution requirements of Floor Brokers were set forth in Exchange Rule 6.73.
7. From in or about November 2011 through on or about September 30, 2017, Trinity, on numerous occasions, failed to grant priority to the highest bid and/or lowest offer when such bid or offer was available.
8. From in or about November 2011 through in or about May 2013, and from on or about July 1, 2016 through on or about September 30, 2017, Trinity, on numerous occasions, failed to use due diligence to execute orders at the best prices available.
9. From on or about January 1, 2012 through on or about September 30, 2017, Trinity, on numerous occasions, effected numerous National Best Bid and Offer (“NBBO”) Trade-Through transactions.
10. From in or about November 2011 through on or about September 30, 2017, Trinity failed to supervise its Associated Persons⁴ to assure compliance with Exchange Rules in connection with the conduct described in Paragraphs 7, 8 and 9 above.

FINDINGS

The acts, practices and conduct described in Paragraph 7 above constitute violations of Exchange Rules 6.45, 6.45A and 6.45B by Trinity, in that Trinity, on numerous occasions, failed to grant priority to the highest bid and/or lowest offer when such bid or offer was available.

The acts, practices and conduct described in Paragraph 8 above constitute violations of Exchange Rule 6.73 by Trinity, in that Trinity, on numerous occasions, failed to use due diligence to execute orders at the best prices available.

¹ On January 24, 2017, the applicable provisions regarding the priority of bids and offers in open outcry referenced in Exchange Rules 6.45A and 6.45B were consolidated into Exchange Rule 6.45. *See* Notice of Filing and Immediate Effectiveness of a CBOE Proposed Rule Change Relating to Allocation and Priority Rules, 82 Fed. Reg. 10524 (Feb. 13, 2017).

² *See supra* text accompanying note 1.

³ *See supra* text accompanying note 1.

⁴ Person associated with a broker or dealer as defined in the Securities Exchange Act of 1934, as amended, subsection 3(a)(18).

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The acts, practices and conduct described in Paragraph 9 above constitute violations of Exchange Rule 6.81 by Trinity, in that Trinity, on numerous occasions, traded through the NBBO.

The acts, practices and conduct described in Paragraph 10 above constitute violations of Exchange Rule 4.2 by Trinity, in that Trinity failed to supervise its Associated Persons to assure compliance with Exchange Rules in connection with the conduct described in Paragraphs 7, 8 and 9.

SANCTION

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

ORDER

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

**SO ORDERED
FOR THE COMMITTEE**

Dated: December 29, 2017

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