

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

_____)	
In the Matter of:)	
)	
CTC L.L.C.)	File Nos. 14-0203 and 17-0038
440 S. LaSalle Street)	STAR Nos. 20150439299 and 20150465680
4th Floor)	
Chicago IL, 60605)	
)	
Respondent)	
_____)	

DECISION ACCEPTING CONSOLIDATED OFFER OF SETTLEMENT

This proceeding was instituted by the Business Conduct Committee (the “Committee”) of the Cboe Exchange, Inc. (the “Exchange” or “Cboe”) 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”), CTC L.L.C. (“CTC”), submitted a consolidated 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, CTC was an Exchange Trading Permit Holder registered to conduct business on the Exchange as a Market Maker.
2. During all relevant periods herein, CTC was acting as a registered Broker-Dealer.

3. During all relevant periods herein, Exchange Rules 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, and 6.81 – Order Protection were in full force and effect.
4. During all relevant periods herein, the rules of priority and order allocation procedures were set forth in Exchange Rule 6.45A 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 Rule 6.45B for index and ETF options on the Cboe Hybrid Systems (including Hybrid 3.0).
6. During the approximate period from in or about January 2009 through in or about May 2013, CTC, on numerous occasions, failed to grant priority to the highest bid and/or lowest offer when such bid or offer was available.
7. During the approximate period from on or about June 1, 2013 through on or about June 30, 2016, CTC, on numerous occasions, failed to grant priority to the highest bid and/or lowest offer when such bid or offer was available.
8. During the approximate period from on or about January 1, 2015 through on or about June 30, 2016, CTC, on numerous occasions, traded through the National Best Bid or Offer.

FINDINGS

The acts, practices and conduct described in Paragraph 6 constitute violations of Exchange Rules 6.45A and 6.45B by CTC, in that CTC, 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 7 constitute violations of Exchange Rule 6.45B by CTC, in that CTC, 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 constitute violations of Exchange Rule 6.81 by CTC, in that CTC, on numerous occasions, traded through the National Best Bid or Offer.

SANCTION

The sanction to be imposed shall consist of a \$7,500 fine and a censure.

ORDER

ACCORDINGLY IT IS ORDERED THAT, the Respondent, CTC L.L.C. shall be and hereby is censured and fined in the amount of seven thousand five hundred dollars (\$7,500).

**SO ORDERED
FOR THE COMMITTEE**

Dated: August 30, 2018

**By: /s/ Richard Bruder
Richard Bruder
Chairman
Business Conduct Committee**