

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

_____)	
In the Matter of:)	
)	
IMC Financial Markets)	
233 S. Wacker Drive)	File No. 17-0001
Suite 4300)	STAR Nos. 20150467058 and 20170528151
Chicago, IL 60606)	
)	
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”), IMC Financial Markets (“IMC”), 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, IMC was an Exchange Trading Permit Holder registered to act as a Market-Maker.
2. During all relevant periods herein, IMC was acting as a registered Broker-Dealer.

3. During all relevant periods herein, Exchange Rules 6.45 – Order and Quote Priority and Allocation and 6.45B – Priority and Allocation of Trades in Index Options and Options on ETFs on the CBOE Hybrid System 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 6.45B² for index and ETF options on the Cboe Hybrid Systems (including Hybrid 3.0).
5. From on or about June 1, 2013 through on or about September 30, 2017, IMC, on numerous occasions, failed to grant priority to the highest bid and/or lowest offer when such bid or offer was available.

FINDINGS

The acts, practices and conduct described in Paragraph 5 above constitute violations of Exchange Rules 6.45 and 6.45B by IMC, in that IMC, on numerous occasions, failed to grant priority to the highest bid and/or lowest offer when such bid or offer was available.

SANCTION

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

ORDER

ACCORDINGLY IT IS ORDERED THAT, the Respondent/Subject, IMC Financial Markets 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: December 29, 2017

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

¹ On January 24, 2017, the applicable provisions regarding the priority of bids and offers in open outcry 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.