

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

_____	)	
In the Matter of:	)	
	)	
Timber Hill LLC	)	
One Pickwick Plaza	)	File No. 17-0045
Suite 200	)	STAR No. 20150443152
Greenwich, CT 06830	)	
	)	
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”), Timber Hill LLC (“Timber Hill”), 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, Timber Hill, was an Exchange Trading Permit Holder registered to conduct business on the Exchange as a Designated Primary Market-Maker and a Market-Maker.

2. During all relevant periods, Timber Hill was acting as a registered broker-dealer.
3. During all relevant periods herein, Exchange Rule 3.6A – Qualification and Registration of Trading Permit Holders and Associated Persons was in full force and effect.
4. The Exchange conducted a routine examination of Timber Hill that included, but was not limited to, a review of Timber Hill’s compliance with Exchange Rule 3.6A.
5. Exchange Rule 3.6A(a) provides, in relevant part, that “individual Trading Permit Holders and individual associated persons engaged or to be engaged in the securities business of a Trading Permit Holder or TPH organization shall be registered with the Exchange in the category of registration appropriate to the function to be performed as prescribed by the Exchange.”<sup>1</sup>
6. From on or about October 20, 2012 through on or about December 16, 2015, Timber Hill failed to register one Associated Person (the “Associated Person”) as a Proprietary Trader (PT) with the Exchange in WebCRD. In addition, from on or about October 20, 2012 through on or about July 18, 2013, the Associated Person was not qualified to act in the capacity of a Proprietary Trader (PT).

#### **FINDINGS**

The acts, practices, and conduct described in Paragraph 6 above constitute a violation of Exchange Rule 3.6A by Timber Hill, in that Timber Hill failed to qualify and register one Associated Person as a Proprietary Trader (PT) with the Exchange in WebCRD.

#### **SANCTION**

The sanction to be imposed shall consist of a \$5,000 fine and a censure.

#### **ORDER**

**ACCORDINGLY IT IS ORDERED THAT**, the Respondent, Timber Hill LLC shall be and hereby is censured and fined in the amount of five thousand dollars (\$5,000).

**SO ORDERED  
FOR THE COMMITTEE**

**Dated: September 13, 2017**

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

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<sup>1</sup> See CBOE Regulatory Circular RG11-077. See also Interpretation and Policy .08 to Exchange Rule 3.6A.