

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

_____)	
In the Matter of:)	
)	
Nomura Securities International, Inc.)	File No. 17-0054
Worldwide Plaza)	STAR No. 20150464140
309 West 49 th Street)	
New York, NY 10019)	
)	
Subject)	
_____)	

DECISION ACCEPTING LETTER OF CONSENT

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. In order to resolve this matter, the subject, Nomura Securities International, Inc. has submitted a Letter of Consent. Such Letter of Consent was submitted solely for the purposes of this proceeding without admitting or denying that a violation of Exchange Rules has been committed. With due regard to the stipulated facts and findings and the proposed sanction contained therein, the Committee believes it is appropriate to accept the Letter of Consent for File No. 17-0054 (STAR No. 20150464140) which is attached to and made a part of this Decision.

**SO ORDERED
FOR THE COMMITTEE**

Dated: November 2, 2017

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

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LETTER OF CONSENT

In order to resolve these proceedings pursuant to Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) Rule 17.3 – Expedited Proceedings, the Subject, Nomura Securities International, Inc., (“NSI” or the “Firm”), hereby submits this Letter of Consent in the above captioned matter. Only for purposes of this proceeding, and without admitting or denying that a violation of CBOE Rules or the Securities Exchange Act of 1934, as amended (“Exchange Act”) has been committed, NSI consents to the Stipulation of Facts and Findings and Sanction set forth below.

Stipulation of Facts and Findings

1. During all relevant periods herein, NSI was an Exchange Trading Permit Holder registered to conduct business as a clearing firm and approved to transact business with the public.
2. During all relevant periods herein, NSI was acting as a registered Broker-Dealer.
3. During all relevant periods noted herein, CBOE Rules 4.2 – Adherence to Law, 4.24 – Supervision, and Rule 14e-4 – Prohibited Transactions in Connection with Partial Tender Offers, promulgated under the Exchange Act, as amended, were in full force and effect.
4. Market Regulation staff (“Staff”) conducted an investigation to determine whether any violations of Rule 14e-4, promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), occurred in connection with the partial tender offer for CBS Corp. (“CBS”) that commenced on June 11, 2014 and expired on July 9, 2014.
5. Rule 14e-4(b), promulgated under the Exchange Act, provides, in relevant part: “It shall be unlawful for any person acting alone or in concert with others, directly or indirectly, to tender any subject security in a partial tender offer... (1) For his own account unless at the time of tender, and at the end of the proration period... he has a net long position equal to or greater than the amount tendered in...”
6. On or about July 9, 2014, NSI tendered 58,000 shares for the partial tender offer in CBS in excess of its net long position.

7. From on or about June 11, 2014 through on or about July 9, 2014, NSI failed to enforce its supervisory procedures designed to prevent and detect violations of Exchange Act Rule 14e-4 relating to partial short tender activity.
8. The acts, practices and conduct described in Paragraph 6, above, constitute a violation of CBOE Rule 4.2, and Exchange Act Rule 14e-4 by NSI, in that NSI tendered 58,000 shares for the partial tender offer in CBS in excess of its net long position.
9. The acts, practices and conduct described in Paragraph 7, above, constitute a violation of CBOE Rule 4.24 by NSI, in that NSI failed to enforce its supervisory procedures designed to prevent and detect violations of Exchange Act Rule 14e-4 relating to partial short tender activity.

Sanction: A \$20,000 fine, a censure and disgorgement in the amount of \$59,033.

Subject acknowledges that it has read the foregoing Letter of Consent, that no promise or inducement of any kind has been made to it by the Exchange or its staff, and that this Letter of Consent is voluntary on its part.

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.

Subject also acknowledges that the Committee's decision to accept or reject this Letter of Consent is final, and that it may not seek review thereof in accordance with Exchange Rule 17.3.

Dated: October 17, 2017

By: /s/ Nomura Securities International, Inc.
Nomura Securities International, Inc.