

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

_____)	
In the Matter of:)	
)	
Lamberson Capital, LLC)	File No. 17-0062
71 S. Wacker)	STAR No. 20160507310
Suite 2300)	
Chicago, IL 60606)	
)	
Subject)	
_____)	

DECISION ACCEPTING 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. In order to resolve this matter, the subject, Lamberson Capital, LLC 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. 17-0062 (STAR No. 20160507310) which is attached to and made a part of this Decision.

**SO ORDERED
FOR THE COMMITTEE**

Dated: December 29, 2017

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

Before the Business Conduct Committee
of the
Cboe Exchange, Inc.

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Subject)	
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Letter of Consent

In order to resolve these proceedings pursuant to Cboe Exchange, Inc. (the “Exchange” or “Cboe”) Rule 17.3 – Expedited Proceeding, the Subject, Lamberson Capital, LLC (“Lamberson” 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 Exchange Rules has been committed, Lamberson consents to the Stipulation of Facts and Findings and Sanction set forth below.

Stipulation of Facts and Findings

1. During all relevant periods herein, Lamberson was an Exchange Trading Permit Holder registered to act as a Market-Maker.
2. During all relevant periods herein, Lamberson was acting as a registered Broker-Dealer.
3. During all relevant periods herein, Exchange Rules 6.45 – Order and Quote Priority and Allocation, 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.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).

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

5. From on or about April 4, 2016 through on or about September 30, 2017, Lamberson, on numerous occasions, failed to grant priority to the highest bid and/or lowest offer when such bid or offer was available.
6. From on or about April 4, 2016 through on or about September 30, 2017, Lamberson, on numerous occasions, traded through the National Best Bid or Offer (“NBBO”).
7. The acts, practices and conduct described in Paragraph 5 above constitute violations of Exchange Rules 6.45 and 6.45B by Lamberson, in that Lamberson, on numerous occasions, failed to grant priority to the highest bid and/or lowest offer when such bid or offer was available.
8. The acts, practices and conduct described in Paragraph 6 above constitute violations of Exchange Rule 6.81 by Lamberson, in that Lamberson, on numerous occasions, traded through the NBBO.

Sanction: A censure and fine in the amount of \$5,000.

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: November 13, 2017

By: /s/ Lamberson Capital, LLC
Lamberson Capital, LLC