

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

|                            |                      |
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| _____ )                    |                      |
| In the Matter of: )        |                      |
| Spot Trading L.L.C. )      |                      |
| 440 South LaSalle Street ) | File No. 18-0013     |
| Suite 2800 )               | STAR No. 20170545996 |
| Chicago, IL 60605 )        |                      |
| )                          |                      |
| )                          |                      |
| 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, Spot Trading L.L.C. 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. 18-0013 (STAR No. 20170545996) which is attached to and made a part of this Decision.

**SO ORDERED**  
**FOR THE COMMITTEE**

**Dated: August 30, 2018**

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

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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 Proceedings, the Subject, Spot Trading LLC (“Spot” 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, Spot consents to the Stipulation of Facts and Findings and Sanction set forth below.

**Stipulation of Facts and Findings**

1. During all relevant periods, Spot was registered to conduct business on the Exchange as a Market-Maker and a proprietary trading firm.
2. During all relevant periods herein, Spot was acting as a registered Broker-Dealer.<sup>1</sup>
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 conducted an investigation to determine whether any violations of Rule 14e-4, promulgated under 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... the subject security... or...an equivalent security...”

6. In or about June 2014 through in or about July 2014, Spot tendered 70,260 shares for the partial tender offer in CBS Corp. in excess of its net long position.
7. From in or about June 2014 through in or about July 2014, Spot failed to adequately enforce its written supervisory procedures to assure compliance with Rule 14e-4, promulgated under the Exchange Act, relating to partial short tender activity with regards to the CBS partial tender offer.
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 Spot, in that Spot tendered 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 Spot, in that Spot failed to adequately enforce its written supervisory procedures to assure compliance with Rule 14e-4, promulgated under the Exchange Act.

**Sanction:** A \$20,000 fine, a censure and disgorgement in the amount of \$50,966.

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:** July 10, 2018

**By:** /s/ Spot Trading LLC  
**Spot Trading LLC**

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<sup>1</sup> Spot terminated its registration as a Broker-Dealer effective February 24, 2018.