



**DISCIPLINARY DECISION**

**Cboe Exchange, Inc.**

**Star No. 20170560699/File No. USRI-8696**

**Newedge USA, LLC n/k/a SG Americas Securities, LLC**

Pursuant to Exchange Rule 17.3, attached to and incorporated as part of this Decision is a Letter of Consent.

**Applicable Rule(s)**

- Cboe Rules 4.2 – Adherence to Law, 4.13 – Reports Related to Position Limits, and 4.24 – Supervision

**Sanction**

A censure and a monetary fine in the amount of \$50,000

**Effective Date**

June 7, 2019

By:/s/ Greg Hoogasian

Greg Hoogasian, CRO, SVP

CBOE EXCHANGE, INC.

_____	)	
In the Matter of:	)	
	)	
Newedge USA, LLC	)	
	)	
n/k/a	)	STAR No. 20170560699
	)	
SG Americas Securities, LLC	)	
245 Park Avenue	)	
New York, NY 10167	)	
	)	
Subject	)	
_____	)	

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, Newedge USA, LLC, n/k/a SG Americas Securities, LLC, ("SGAS" or the "Firm"), hereby submits this Letter of Consent in the above captioned matter. Only for purposes of this proceeding, and without adjudication of any issues of law or fact, and without admitting or denying any allegations, or that a violation of Exchange Rules or the Securities Exchange Act of 1934, as amended ("Exchange Act"), has been committed, SGAS consents to the Stipulation of Facts and Findings and Sanction set forth below.

Stipulation of Facts and Findings

1. During all relevant periods herein, SGAS was an Exchange Trading Permit Holder registered to act as a clearing firm, to transact business with the public, and to engage in proprietary trading.
2. During all relevant periods herein, SGAS was acting as a registered Broker-Dealer.
3. During all relevant periods noted herein, Exchange Rules 4.2 – Adherence to Law, 4.13 – Reports Related to Position Limits, and 4.24<sup>1</sup> – Supervision, were in full force and effect.
4. Exchange Rule 4.13 provides, in relevant part that, "In a manner and form prescribed by the Exchange, each Trading Permit Holder shall report to the Exchange, the name, address, and social security or tax identification number of any customer who, acting alone, or in concert with others, on the previous business day maintained aggregate long or short positions on the same side of the market of 200 or more contracts of any single class of option contracts dealt in on the Exchange. The report shall indicate for each such class of options, the number of option contracts comprising each such position and, in the case of short positions, whether covered or uncovered."

<sup>1</sup> Exchange Rule 4.24 became effective in March 2014. Prior to the implementation of Rule 4.24, failure to implement reasonable supervisory procedures was addressed under Exchange Rule 4.2.

5. From on or about November 1, 2012 through on or about November 30, 2017, the Firm failed to report or inaccurately reported to the LOPR approximately 351 increased or changed positions involving corporate actions in approximately 34,251 instances.<sup>2</sup>
6. From on or about November 1, 2012 through on or about November 30, 2017, the Firm failed to establish supervisory systems, including written supervisory procedures (“WSPs”) and a separate system of follow-up and review, reasonably designed to ensure compliance with Exchange Rule 4.13, which resulted in numerous LOPR reporting violations.
7. From on or about November 1, 2012 through on or about November 30, 2017, the Firm failed to supervise its LOPR reporting activity so as to ensure compliance with Exchange Rule 4.13, which resulted in numerous LOPR reporting violations.
8. The acts, practices, and conduct described in Paragraph 5, above, constitute violations of Exchange Rule 4.13 by SGAS, in that SGAS failed to report or inaccurately reported to the LOPR approximately 351 increased or changed positions involving corporate actions in approximately 34,251 instances.
9. The acts, practices, and conduct described in Paragraph 6, above, constitute a violation of Exchange Rules 4.2 and 4.24 by SGAS, in that SGAS failed to establish supervisory systems, including WSPs and a separate system of follow-up and review, reasonably designed to ensure compliance with Exchange Rule 4.13, which resulted in numerous LOPR reporting violations.
10. The acts, practices, and conduct described in Paragraph 7, above, constitute a violation of Exchange Rule 4.2 by SGAS, in that SGA failed to supervise its LOPR reporting activity so as to ensure compliance with Exchange Rule 4.13, which resulted in numerous LOPR reporting violations.

Sanction: A censure and a fine of \$50,000.

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.

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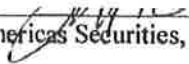
<sup>2</sup> An “instance” is a single failure to report, or inaccurately report, for a given options position. The number of instances is determined by multiplying a given reportable position by the number of trade dates the position had not been reported or was reported inaccurately.

STAR No. 20170560699

Subject understands and acknowledges that the Exchange'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 Chief Regulatory Officer'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.

5/10/19  
Date

  
SG Americas Securities, LLC

Print Name **Managing Director**

Title