

BEFORE THE BUSINESS CONDUCT COMMITTEE
OF THE
CBOE FUTURES EXCHANGE

In the Matter of:)	
)	
Consolidated Trading LLC,)	CFE 19-0002
)	USFI 320/223
Subject.)	
)	

DECISION ACCEPTING LETTER OF CONSENT

This proceeding was instituted by the Business Conduct Committee (“BCC”) of the Cboe Futures Exchange (“CFE”), as a result of an investigation by CFE Regulation. In order to resolve this matter, Consolidated Trading LLC has submitted a Letter of Consent for 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 BCC believes it is appropriate to accept the Letter of Consent, attached hereto, and made a part of this decision.

So Ordered for the Committee

May 22, 2019

//s// _____
Richard Bruder
Chairman
Business Conduct Committee

**BEFORE THE BUSINESS CONDUCT COMMITTEE OF THE
CBOE FUTURES EXCHANGE, LLC**

In the Matter of:)	
)	
Consolidated Trading LLC,)	File No. CFE 19-0002
)	USFI 223/320
Subject.)	
)	

LETTER OF CONSENT

In order to resolve these proceedings pursuant to the CBOE Futures Exchange, LLC (“CFE” or “Exchange”) Rule 703, Expedited Proceeding, Consolidated Trading LLC (“Consolidated”), hereby submits this Letter of Consent in the above captioned matter. For purposes of this proceeding and without admitting or denying that a violation of Exchange Rules has been committed, Consolidated consents to the Stipulation of Facts and Findings and the Sanction set forth below.

Stipulation of Facts and Findings:

1. During all relevant periods herein, Consolidated was a CFE Trading Privilege Holder and lead market maker for VXTY.
2. During all relevant periods herein, CFE Rule 616- Wash Trades was in full force and effect, as follows:

No Trading Privilege Holder nor any of its Related Parties shall place or accept buy and sell orders in the same Contract and expiration...where the Trading Privilege Holder or Related Party knows or reasonably should know that the purpose of the orders is to avoid taking a bona fide market position exposed to market risk (transactions commonly known or referred to as wash trades.)...

3. On July 25, 2018 and August 3, 2018, Consolidated mistakenly executed two wash trades that comprised the total volume of Cboe/CBOT 10 Year Treasury Note Volatility Index (VXTY) on the respective trading day. Consolidated failed to have the Match Trade Protection functionality activated as required by the Lead Market Maker Program.
4. The conduct described above constitutes a violation of Exchange Rule 616.

Sanction: \$5,000 fine

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

Consolidated understands and acknowledges that the Business Conduct Committee's ("BCC") decision in this matter will become part of its disciplinary record and may be considered in any future Exchange proceeding.

Consolidated also acknowledges that the BCC'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 703.

Date

//s// _____
Consolidated Trading LLC

Print Name

Title