

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

_____	)	
In the Matter of:	)	
	)	
UBS Securities LLC	)	
1285 Avenue of the Americas	)	File No. 17-0048
New York, NY 10019	)	STAR No. 20150451921
	)	
Respondent	)	
	)	
_____	)	

**DECISION ACCEPTING OFFER OF SETTLEMENT**

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, which indicated that there was probable cause for finding a violation within the disciplinary jurisdiction of the Exchange. In accordance with that determination, the Committee directed the issuance of a Statement of Charges (“Statement of Charges”). Pursuant to Exchange Rule 17.8, the respondent (“Respondent”), UBS Securities LLC (“UBS”), submitted an offer of settlement (“Offer of Settlement”).

In submitting the Offer of Settlement, the Respondent neither admitted nor denied the violations alleged in the Statement of Charges.

The Respondent has agreed that the determination of the Committee to accept the Offer of Settlement shall constitute a final Decision, and, as provided in Exchange Rule 17.8, the Respondent may not seek review thereof.

The Respondent 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.

With due regard to the particulars of this matter, the Committee believes it is appropriate to accept the Respondent’s Offer of Settlement based on the following stipulated facts and findings and thereby to impose the sanction specified below.

**FACTS**

1. During all relevant periods, UBS was an Exchange Trading Permit Holder registered to conduct business on the Exchange as a Market-Maker and Floor Broker.
2. During all relevant periods, UBS was acting as a registered Broker-Dealer.

3. During all relevant periods, Exchange Rules 4.1 – Just and Equitable Principles of Trade, 4.2 – Adherence to Law, and 6.9 – Solicited Transactions, were in full force and effect.
4. On or about September 13, 2012, UBS, in anticipation of participating on a customer order to buy 45,000 CBS Jan19, 2013 42 call option contracts (“customer order”) for which it was solicited to sell 5,000 CBS Jan19, 2013 42 call option contracts, purchased approximately 3,764 contracts (of which approximately 1,119 contracts were bought on CBOE) of multiple CBS call option contracts prior to all terms of the customer order being properly disclosed to the trading crowd.
5. On or about September 13, 2012, UBS failed to adequately supervise to assure compliance with Exchange Rules, including Exchange Rule 6.9(e).

### **FINDINGS**

The acts, practices and conduct described in Paragraph 4 constitute a violation of Exchange Rules 4.1 and 6.9 by UBS, in that UBS, in anticipation of participating on a customer order for which it was solicited to sell 5,000 CBS Jan19, 2013 42 call option contracts, purchased approximately 3,764 contracts (of which approximately 1,119 contracts were bought on CBOE) of multiple CBS call option contracts prior to all terms of the customer order being properly disclosed to the trading crowd.

The acts, practices and conduct described in Paragraph 5 constitute a violation of Exchange Rule 4.2 by UBS, in that UBS failed to adequately supervise to assure compliance with Exchange Rules, including Exchange Rule 6.9(e).

### **SANCTION**

The sanction to be imposed shall consist of a \$125,000 fine, censure and disgorgement of \$7,085.

### **ORDER**

**ACCORDINGLY IT IS ORDERED THAT**, the Respondent, UBS Securities LLC shall be and hereby is censured, fined in the amount of one hundred twenty five thousand dollars (\$125,000) and assessed a disgorgement of \$7,085.

**SO ORDERED  
FOR THE COMMITTEE**

**Dated: September 13, 2017**

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