

**BEFORE THE BUSINESS CONDUCT COMMITTEE**  
**OF THE**  
**C2 OPTIONS EXCHANGE, INCORPORATED**

_____ )	
In the Matter of: )	
)	
Wolverine Execution Services, LLC )	
175 W. Jackson Blvd. )	File No. C2 16-0001
Suite 200 )	STAR No. 20150459871
Chicago, IL 60604 )	
)	
Respondent )	
_____ )	

**DECISION ACCEPTING OFFER OF SETTLEMENT**

This proceeding was instituted by the Business Conduct Committee (the “Committee”) of the C2 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”), Wolverine Execution Services, LLC (“WEX”), 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 herein, WEX was an Exchange Permit Holder registered to conduct an agency brokerage business on the Exchange.
2. During all relevant periods, WEX was acting as a registered broker-dealer.
3. During all relevant periods herein, Exchange Rule 6.10 – Order Types Defined was in full force and effect.

4. Exchange Rule 6.10 states, in relevant part, “Certain order types may not be made available for all Exchange systems. The classes and/or systems for which the order types shall be available will be as provided in the Rules, as the context may indicate, or as otherwise specified via Regulatory Circular...A reserve order is a limit order that has both a displayed size as well as an additional non-displayed amount. Both the displayed and non-displayed portions of the reserve order are available for potential execution against incoming orders. If the displayed portion of a reserve order is fully executed, the System will replenish the displayed portion from reserve up to the size of the original display amount. A new timestamp is created for the replenished portion of the order each time it is replenished from reserve, while the reserve portion retains the time-stamp of its original entry.”
5. On September 16, 2011, C2 Regulatory Circular RG11-016 was released and stated, “Reserve orders are not permitted in SPXpm.”
6. From on or about February 2, 2012 through on or about February 15, 2013, WEX entered numerous reserve orders in an options class for which reserve orders were not permitted.

#### **FINDINGS**

The acts, practices, and conduct described in Paragraph 6 above constitute a violation of Exchange Rule 6.10 by WEX, in that WEX entered numerous reserve orders in an options class for which reserve orders were not permitted.

#### **SANCTION**

The sanction to be imposed shall consist of a \$15,000 fine and a censure.

#### **ORDER**

**ACCORDINGLY IT IS ORDERED THAT**, the Respondent, Wolverine Execution Services, LLC, shall be and hereby is censured and fined in the amount of fifteen thousand dollars (\$15,000).

**SO ORDERED  
FOR THE COMMITTEE**

**Dated:** April 11, 2016

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