



2019 Disciplinary Actions as of November 19, 2019

The following is a list of disciplinary actions that have resulted in the imposition of penalties for violations of specified provisions of the federal securities laws and/or the Constitution and Rules of the Exchange. New actions are added to the list as and when they are finalized.

A. Disciplinary Sanctions Imposed Pursuant to BOX Rule 12140, Imposition of Fines for Minor Rule Violations:

- Citigroup Derivatives Markets Inc. was fined \$600 (\$300 per day) for failing to meet the BOX Market Maker 60% continuous quoting requirement for two days in May, 2018.

B. Disciplinary Sanctions Imposed Pursuant to BOX Rule 10230, Letters of Consent:

- Susquehanna Securities (“SSUS”) was censured and fined a total of \$25,000 of which \$3,125 was payable to BOX for violations of BOX Rules 3010, 3070 and 7000(c)(4). FINRA, on behalf of BOX, conducted a review of whether the SSUS exceeded the applicable position limits in listed options securities between October 26, 2015 and April 21, 2017 (the “Review Period”). As a result of the investigation, FINRA determined that the SSUS failed to comply with an exemption to established options position limits known as the Delta-Based Equity Hedge Exemption. In addition, FINRA also determined the SSUS failed to establish, maintain, and enforce adequate supervisory procedures to ensure compliance with the rules related to position limits and the use of the Delta-Based Equity Hedge Exemption. The aforementioned conduct constituted violations of BOX Rule 3010 and BOX Rules 7000(c)(4) and 3070.
- BMO Capital Markets (“BMO”) was censured and fined a total of \$20,000 of which \$5,000 was payable to BOX for violation of BOX Rule 3010. FINRA, on behalf of BOX, conducted a review of the manual options order tickets handled by BMO between January 23 and January 27, 2017 (the “Exam Review Period”). As a result of the investigation, FINRA determined that BMO violated BOX Rule 3010 because its written supervisory procedures (“WSPs”) and supervisory system applicable to the handling of manual options orders were not reasonably designed to assure compliance with the applicable recordkeeping provisions of the federal securities laws and BOX rules that require the accurate documentation of the order receipt and transmission times of options orders. Specifically, BMO’s WSPs did not include a review for the accuracy of

order receipt and order transmission times of options orders handled by the Firm. The aforementioned conduct constitutes a violation of BOX Rule 3010.