

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

_____	)	
Goldman Sachs Execution	)	
& Clearing, L.P.	)	Consolidated
200 West Street	)	File Nos. CFE 12-0002 and 12-0003
New York, New York 10282	)	
	)	
Respondent/Subject	)	
_____	)	

**DECISION ACCEPTING OFFER OF SETTLEMENT AND LETTER OF CONSENT**

This proceeding was instituted by the Business Conduct Committee (the “Committee”) of CBOE Futures Exchange, LLC (the “Exchange” or “CFE”) 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”) and Letter of Consent (“Letter of Consent”). Pursuant to Exchange Rule 708, the respondent/subject (“Respondent/Subject”), Goldman Sachs Execution & Clearing, L.P. (“GSEC”), submitted an offer of settlement (“Offer of Settlement”) and Letter of Consent.

In submitting the Offer of Settlement, the Respondent/Subject neither admitted nor denied the violations alleged in the Statement of Charges in File No. CFE 12-0002 and Letter of Consent in File No. CFE 12-0003.

The Respondent/Subject has agreed that the determination of the Committee to accept the Offer of Settlement and Letter of Consent shall constitute a final Decision, and, as provided in Exchange Rule 708, the Respondent/Subject may not seek review thereof.

The Respondent/Subject 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/Subject’s Offer of Settlement and Letter of Consent based on the following stipulated facts and findings and thereby to impose the sanction specified below.

**FACTS**

1. During all relevant periods herein, GSEC was a CFE Trading Privilege Holder (“TPH”) of the Exchange.

2. During all relevant periods herein, GSEC was registered with the CFE to transact business on the CFE in accordance with CFE Rules as a TPH.
3. During all relevant periods herein, CFE Rule 403(a) – Order Entry was in full force and effect.
4. During all time periods herein, pursuant to CFE Rule 403(a), each Order must contain the following information: (i) whether such Order is a buy or sell Order; (ii) Order type; (iii) commodity; (iv) contract month; (v) price; (vi) quantity; (vii) account type; (viii) account designation (the number assigned by a Trading Privilege Holder to each of its accounts); (ix) in the case of Orders for Options, strike price, type of option (put or call) and expiration month; and (x) such additional information as may be prescribed from time to time by the Exchange.
5. Pursuant to CFE Regulatory Circular RG11-24<sup>1</sup> - Customer Type Indicator Codes, Trading Privilege Holders (TPHs) are required to submit orders and quotes to CBOE Futures Exchange, LLC (CFE) so that they are associated with the proper Customer Type Indicator (CTI) codes. CTI codes are defined as follows:

**CTI 1-** Transactions initiated and executed by an individual TPH for the TPH's own account, for an account the TPH controls, or for an account in which the TPH has an ownership or financial interest.

**CTI 2-** Transactions executed for the proprietary account of a clearing member or non-clearing member TPH.

**CTI 3-** Transactions where an individual TPH or authorized trader executes for the personal account of another individual TPH, for an account the other individual TPH controls or for an account in which the other individual TPH has an ownership or financial interest.

**CTI 4-** Any transaction not meeting the definition of CTI 1, 2 or 3. (These should be non-TPH customer transactions).
6. During the approximate period from on or about July 22, 2011 through on or about October 18, 2012, GSEC submitted numerous orders to the CFE via GSEC's REDI system with incorrect CTI codes<sup>2</sup>, a sampling is attached as Appendix 1 attached to and made a part of the Statement of Charges in CFE File 12-0002.

## **FINDINGS**

The acts, practices and conduct described in Paragraph 6 above constitute violations of CFE Rule 403(a) by GSEC, in that GSEC submitted numerous orders to the CFE via GSEC's REDI system with incorrect CTI codes.

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<sup>1</sup> CFE Regulatory Circular RG11-24 was issued on July 21, 2011.

<sup>2</sup> GSEC clients may connect to the GSET platform via REDIplus®, GSEC's proprietary front-end order and routing system, or GSETConnect, GSEC's FIX-based trading and connectivity system- collectively "REDI").

**SANCTION**

The sanction to be imposed shall consist of a \$30,000 fine and a censure.

**ORDER**

**ACCORDINGLY IT IS ORDERED THAT**, the Respondent/Subject, Goldman Sachs Execution & Clearing, L.P. shall be and hereby is censured and fined in the amount of thirty thousand dollars (\$30,000).

**SO ORDERED  
FOR THE COMMITTEE**

**Dated: November 7, 2012**

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