

BEFORE THE BUSINESS CONDUCT COMMITTEE
OF
CBOE FUTURES EXCHANGE, LLC

In the Matter of:)

Morgan Stanley & Co. LLC)
1221 Avenue of the Americas)
34th Floor)
New York, NY 10020)

Subject)

File No. CFE 14-0002

DECISION ACCEPTING LETTER OF CONSENT

This proceeding was instituted by the Business Conduct Committee Panel (the “Committee”) of CBOE Futures Exchange, LLC (the “Exchange” or “CFE”) as a result of an examination by the staff of the Exchange. In order to resolve this matter, the subject, Morgan Stanley & Co. LLC has submitted a Letter of Consent. Such Letter of Consent was submitted solely for the 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 Committee believes it is appropriate to accept the Letter of Consent for File No. CFE 14-0002 which is attached to and made a part of this Decision.

SO ORDERED
FOR THE COMMITTEE

Dated: October 6, 2014

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

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

In the Matter of:)

Morgan Stanley & Co. LLC)
1221 Avenue of the Americas)
34th Floor)
New York, NY 10020)

File No. CFE 14-0002

Subject)
_____)

LETTER OF CONSENT

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

Stipulation of Facts and Findings

1. During all relevant periods herein, Morgan Stanley was a CFE Trading Privilege Holder.
2. During all relevant periods herein, CFE Rule 303A- Order Entry Operator IDs was in full force and effect.
3. Pursuant to CFE Rule 303A(d) – Order Entry Operator IDs states in relevant part: “Each Trading Privilege Holder shall comply with the following issuance, recordkeeping, and reporting requirements related to Order Entry Operator IDs: (i) Each Order Entry Operator ID issued for a natural person or Automated Trading System for inclusion with any order or quote from the Trading Privilege Holder that is submitted to the CBOE System shall be unique, and shall not be associated with more than one natural person or Automated Trading System, at the Clearing Member level. Each Trading Privilege Holder and any Clearing Member utilized by the Trading Privilege Holder shall coordinate as necessary in order to ensure that this requirement is satisfied.”
4. During the approximate period from in or about May 2012 through in or about December 2012, on numerous dates, Morgan Stanley failed to submit unique Order Entry Operator IDs

("OEO IDs") on numerous orders sent to the Exchange.

5. During the approximate period from in or about January 2013 through in or about December 2013, Morgan Stanley utilized an OEO ID which was not unique, and as a result, a single OEO ID was used to identify numerous individuals on orders sent to the Exchange.
6. The acts, practices, and conduct described in each of Paragraphs 4 and 5 above constitute violations of Exchange Rule 303A(d) by Morgan Stanley, in that Morgan Stanley failed to submit unique OEO IDs on numerous orders sent to the Exchange.

Sanction: \$50,000 fine and censure.

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

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

Subject also acknowledges that the Committee'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.

Dated: September 3, 2014

By: /s/ Morgan Stanley & Co. LLC
Morgan Stanley & Co. LLC