

**BEFORE THE BUSINESS CONDUCT COMMITTEE**  
**OF THE**  
**CBOE EXCHANGE, INC.**

_____	)	
In the Matter of:	)	
	)	
DRW Securities, L.L.C.	)	File Nos. 14-0200 and 17-0034
540 W. Madison Street	)	STAR Nos. 20150467862 and 20150439292
Suite 2500	)	
Chicago IL, 60661	)	
	)	
Respondent	)	
_____	)	

**DECISION ACCEPTING CONSOLIDATED OFFER OF SETTLEMENT**

This proceeding was instituted by the Business Conduct Committee (the “Committee”) of the Cboe Exchange, Inc. (the “Exchange” or “Cboe”) as a result of investigations by the staff of the Exchange, which indicated that there was probable cause for finding violations within the disciplinary jurisdiction of the Exchange. In accordance with that determination, the Committee directed the issuance of Statements of Charges (“Statements of Charges”). Pursuant to Exchange Rule 17.8, the respondent (“Respondent”), DRW Securities, L.L.C. (“DRW”), submitted a Consolidated offer of settlement (“Offer of Settlement”).

In submitting the Offer of Settlement, the Respondent neither admitted nor denied the violations alleged in the Statements 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, DRW was acting as a registered Broker-Dealer.
2. During all relevant periods herein, DRW was an Exchange Trading Permit Holder registered to conduct business on the Exchange as a Market Maker.

3. During all relevant periods herein, pursuant to its obligations as an Exchange floor Market Maker, DRW provided two-sided liquidity against other Exchange market participants that executed the trades described herein.
4. During all relevant periods herein, no alert was in place to provide notification when an Exchange market participant executed against DRW's liquidity and may have traded through a higher bid and/or lower offer that was available.
5. During all relevant periods herein, Exchange Rules 6.45A – Priority and Allocation of Equity Option Trades on the CBOE Hybrid System and 6.45B – Priority and Allocation of Trades in Index Options and Options on ETFs on the CBOE Hybrid System were in full force and effect.
6. During all relevant periods herein, the rules of priority and order allocation procedures were set forth in Exchange Rule 6.45A for equity options on the Cboe Hybrid System.
7. During all relevant periods herein, the rules of priority and order allocation procedures were set forth in Exchange Rule 6.45B for index and ETF options on the Cboe Hybrid Systems (including Hybrid 3.0).
8. During the approximate period from in or about February 2009 through in or about May 2013, DRW, on a limited number of occasions, failed to grant priority to the highest bid and/or lowest offer when such bid or offer was displayed.
9. During the approximate period from on or about June 1, 2013 through on or about June 30, 2016, DRW, on a limited number of occasions, failed to grant priority to the highest bid and/or lowest offer when such bid or offer was displayed.

### **FINDINGS**

The acts, practices and conduct described in Paragraph 8 constitute violations of Exchange Rules 6.45A and 6.45B by DRW, in that DRW, on a limited number of occasions, failed to grant priority to the highest bid and/or lowest offer when such bid or offer was displayed.

The acts, practices and conduct described in Paragraph 9 constitute violations of Exchange Rule 6.45B by DRW, in that DRW, on a limited number of occasions, failed to grant priority to the highest bid and/or lowest offer when such bid or offer was displayed.

### **SANCTION**

The sanction to be imposed shall consist of a \$2,500 fine and a censure.

**ORDER**

**ACCORDINGLY IT IS ORDERED THAT**, the Respondent, DRW Securities, L.L.C. shall be and hereby is censured and fined in the amount of two thousand five hundred dollars (\$2,500).

**SO ORDERED  
FOR THE COMMITTEE**

**Dated:** April 3, 2019

**By: /s/ Richard Bruder  
Richard Bruder  
Chairman  
Business Conduct Committee**