

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

_____	)	
In the Matter of:	)	
	)	
Cardinal Capital Management, LLC	)	
425 S. Financial Place	)	
Suite 1075	)	File Nos. 15-0019 and 17-0004
Chicago, IL 60605	)	STAR Nos. 20150467037 and 20150444988
	)	
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 a violation within the disciplinary jurisdiction of the Exchange. In accordance with that determination, the Committee directed the issuance of Statements of Charges (“Statement of Charges”). Pursuant to Exchange Rule 17.8, the respondent (“Respondent”), Cardinal Capital Management, LLC (“Cardinal”), submitted a Consolidated offer of settlement (“Offer of Settlement”).

In submitting the Consolidated 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 Consolidated 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 Consolidated 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, Cardinal was an Exchange Trading Permit Holder registered to conduct business on the Exchange as a Market Maker.
2. During all relevant periods herein, Cardinal was acting as a registered Broker-Dealer.

3. During all relevant periods herein, Exchange Rule 6.45B — Priority and Allocation of Trades in Index Options and Options on ETFs on the CBOE Hybrid System was in full force and effect.
4. 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).
5. During the approximate period from in or about January 2009 through in or about May 2013, Cardinal, on numerous occasions, failed to grant priority to the highest bid and/or lowest offer when such bid or offer was available.
6. During the approximate period from on or about June 1, 2013 through on or about June 30, 2016, Cardinal, on numerous occasions, failed to grant priority to the highest bid and/or lowest offer when such bid or offer was available.

### **FINDINGS**

The acts, practices and conduct described in Paragraph 5 constitute violations of Exchange Rule 6.45B by Cardinal, in that Cardinal, on numerous occasions, failed to grant priority to the highest bid and/or lowest offer when such bid or offer was available.

The acts, practices and conduct described in Paragraph 6 constitute violations of Exchange Rule 6.45B by Cardinal, in that Cardinal, on numerous occasions, failed to grant priority to the highest bid and/or lowest offer when such bid or offer was available.

### **SANCTION**

The sanction to be imposed shall consist of a \$5,000 fine and a censure.

### **ORDER**

**ACCORDINGLY IT IS ORDERED THAT**, the Respondent, Cardinal Capital Management, LLC shall be and hereby is censured and fined in the amount of five thousand dollars (\$5,000).

**SO ORDERED  
FOR THE COMMITTEE**

**Dated: January 31, 2019**

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