



**DISCIPLINARY DECISION**

**Cboe Exchange, Inc.**

**Star No. 20160487717/File No. USE-1731**

**SG Americas Securities, LLC**

Pursuant to Exchange Rule 17.3, attached to and incorporated as part of this Decision is a Letter of Consent.

**Applicable Rule(s)**

- Cboe Rules 4.2 – Adherence to Law, 4.24 – Supervision, and 15.1 – Maintenance, Retention and Furnishing of Books, Records and Other Information
- Section 17(a) of the Securities Exchange Act of 1934, as amended and Rule 17a-3 – Records to be Made by Certain Exchange Members, Brokers and Dealers, thereunder

**Sanction**

A censure and a monetary fine in the amount of \$40,000

**Effective Date**

June 7, 2019

By:/s/ Greg Hoogasian

Greg Hoogasian, CRO, SVP

CBOE EXCHANGE, INC.

In the Matter of:	)	
	)	
SG Americas Securities, LLC	)	
245 Park Avenue	)	STAR No. 20160487717
New York, NY 10167	)	
	)	
Subject	)	
	)	

LETTER OF CONSENT

In order to resolve these proceedings pursuant to Cboe Exchange, Inc. (the "Exchange" or "Cboe") Rule 17.3 – Expedited Proceeding, the Subject, SG Americas Securities, LLC ("SGAS" or the "Firm"), 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 or the Securities Exchange Act of 1934, as amended ("Exchange Act") has been committed, SGAS consents to the Stipulation of Facts and Findings and Sanction set forth below.

Stipulation of Facts and Findings

1. During all relevant periods herein, SGAS was an Exchange Trading Permit Holder registered to conduct business on the Exchange as a Clearing Trading Permit Holder and a Proprietary Trading Permit Holder. In addition, SGAS has been approved to transact business with the public.
2. During all relevant periods herein, SGAS was acting as a registered broker-dealer.
3. During all relevant periods herein, Exchange Rules 4.2 – Adherence to Law, 4.24 – Supervision, and 15.1 – Maintenance, Retention and Furnishing of Books, Records and Other Information; and Section 17(a) of the Exchange Act and Rule 17a-3 - Records to be Made by Certain Exchange Members, Brokers and Dealers thereunder, were in full force and effect.
4. From on or about June 13, 2016 through on or about June 17, 2016, SGAS handled 173 manual options orders, 78 of which were manual customer option orders routed to exchange Floor Brokers for execution. SGAS routed the remaining 95 orders electronically to options exchanges for execution. Staff reviewed a sample of 56 of the 78 manual customer orders routed to Floor Brokers for time-stamp accuracy.<sup>1</sup> During the Review Period twenty (20) sampled manual customer options orders were routed to various Floor Brokers on Cboe for execution.

<sup>1</sup> From the 78 manual customer options orders, 33 manual customer options orders (approximately 42%) were routed to Floor Brokers on Cboe.

5. From on or about June 13, 2016 through on or about June 17, 2016, SGAS failed to record accurate order receipt times for seven of the twenty sampled manual customer options orders that were routed to and executed on Cboe.
6. From on or about June 13, 2016 through on or about June 17, 2016, SGAS failed to record accurate transmission times for thirteen of the twenty sampled manual customer options orders that were routed to and executed on Cboe.
7. From in or about June 2016 through in or about June 2017, SGAS failed to establish, maintain, and enforce written supervisory procedures, and a system for applying such procedures reasonably designed to prevent and detect violations of Cboe Rule 15.1; and Section 17(a) of the Exchange Act and Rule 17a-3 thereunder, in conjunction with the conduct described in Paragraphs 5 and 6 above.
8. The acts, practices, and conduct described in Paragraph 5 above constitute violations of Exchange Rules 4.2 and 15.1; and Section 17(a) of the Exchange Act and Rule 17a-3 thereunder by SGAS, in that SGAS failed to record accurate order receipt times for seven of the twenty sampled manual customer options orders routed to and executed on Cboe.
9. The acts, practices, and conduct described in Paragraph 6 above constitute violations of Exchange Rules 4.2 and 15.1; and Section 17(a) of the Exchange Act and Rule 17a- thereunder by SGAS, in that SGAS failed to record accurate transmission times for thirteen of the twenty sampled manual customer options orders routed to and executed on Cboe.
10. The acts, practices, and conduct described in Paragraph 7 above constitute violations of Exchange Rule 4.24 by SGAS, in that SGAS failed to establish, maintain, and enforce written supervisory procedures, and a system for applying such procedures, reasonably designed to prevent and detect violations of Cboe Rule 15.1; and Section 17(a) of the Exchange Act and Rule 17a-3 thereunder, in conjunction with the conduct described in Paragraphs 5 and 6 above.

Sanction: A \$40,000 fine and a 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 Exchange's 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 Chief Regulatory Officer'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 17.3.

STAR No. 20160487717

Date May 7, 2019

SG Americas Securities, LLC

Print Name

CHRISTOPHER  
**Managing Director**

Title