

**NASDAQ PHLX LLC**  
**LETTER OF ACCEPTANCE, WAIVER AND CONSENT**  
**NO. 2019.02.0023**

TO: Nasdaq PHLX LLC  
Phlx Enforcement Department

RE: Dash Financial Technologies LLC  
Member Firm  
CRD No. 104031

Pursuant to Rule 9216 of the Nasdaq PHLX LLC (“Phlx”) Code of Procedure, Dash Financial Technologies LLC (the “Firm,” “Dash,” or “Respondent”) submits this Letter of Acceptance, Waiver and Consent (“AWC”) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, Phlx will not bring any future actions against the Respondent alleging violations based on the same factual findings described herein.

**I.**

**ACCEPTANCE AND CONSENT**

- A. The Firm hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of Phlx, or to which Phlx is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by Phlx:

**BACKGROUND AND RELEVANT DISCIPLINARY HISTORY**

The Firm became a member of Phlx on February 11, 2003, and its registration remains in effect. The Firm has no relevant disciplinary history.

**SUMMARY**

During the period March 1, 2017 through November 8, 2017 (the “Review Period”), the Firm violated Rule 760,<sup>1</sup> Rule 785(c),<sup>2</sup> Rule 1053,<sup>3</sup> Rule 707,<sup>4</sup> and Rule 708.<sup>5</sup> These violations concern compliance with Phlx rules and policies governing the use of origin codes.

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<sup>1</sup> This rule is now set forth in Options 6E, Section 1 (Maintenance, Retention and Furnishing of Books, Records and Other Information).

<sup>2</sup> This rule is now set forth in Options 6E, Section 5 (Automated Submission of Trading Data).

<sup>3</sup> This rule is now set forth in Options 6, Section 10 (Filing of Trade Information).

<sup>4</sup> This rule is now set forth in Options 9, Section 1 (Conduct Inconsistent with Just and Equitable Principles of Trade).

<sup>5</sup> This rule is now set forth in Options 9, Section 5 (Acts Detrimental to the Interest or Welfare of the Exchange).

## **FACTS AND VIOLATIVE CONDUCT**

1. Phlx Rule 760 required every member to make and keep records as prescribed by Phlx and by the Exchange Act and rules thereunder.
  2. Phlx Rule 785(c) required member organizations to submit certain trade data elements, including any information that Phlx may request from time to time, in an automated format.
  3. Phlx Rule 1053 required each member organization to supply trade information to Phlx in a form prescribed by Phlx covering each Phlx options transaction for which the member organization is responsible.
  4. Phlx Rule 707 prohibited a member firm from engaging in conduct inconsistent with just and equitable principles of trade.
  5. Phlx Rule 708 prohibited a member firm from engaging in acts detrimental to the interest or welfare of Phlx.
  6. During the Review Period, the Firm submitted on Phlx approximately 2,035 options orders for one broker-dealer client, with incorrect origin codes of “Customer” instead of “Broker-Dealer,” resulting in the execution of approximately 23,093 contracts with erroneous origin codes in violation of various recordkeeping rules.
  7. By virtue of the above conduct, the Firm violated Rule 760, Rule 785(c), Rule 1053, Rule 707, and Rule 708 of the Phlx rules.
  8. The Firm identified the configuration issue that resulted in the violations and completed remediation efforts on November 8, 2017.
- B. The Firm also consents to the imposition of the following sanctions:
1. A censure and a fine in the amount of \$14,060.

Respondent agrees to pay the monetary sanction(s) in accordance with its executed Election of Payment Form.

Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

The sanctions imposed herein shall be effective on a date set by Phlx Enforcement Department staff.

## **II.**

### **WAIVER OF PROCEDURAL RIGHTS**

Respondent specifically and voluntarily waives the following rights granted under Phlx’s Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against the Firm;
- B. To be notified of the Formal Complaint and have the opportunity to answer the allegations in writing;

- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the Phlx Review Council and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Regulatory Officer, the Phlx Review Council, or any member of the Phlx Review Council, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

### III.

#### OTHER MATTERS

Respondent understands that:


- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the Phlx Enforcement Department and the Phlx Review Council, the Review Subcommittee, or the Office of Disciplinary Affairs ("ODA"), pursuant to Phlx Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the Respondent; and
- C. If accepted:
  - 1. This AWC will become part of the Respondent's permanent disciplinary record and may be considered in any future actions brought by Phlx or any other regulator against the Respondent;
  - 2. Phlx may release this AWC or make a public announcement concerning this agreement and the subject matter thereof in accordance with Phlx Rule 8310 and IM-8310-3; and
  - 3. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of Phlx, or to which Phlx is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the Respondent's right to take legal or factual positions in litigation or other legal proceedings in which Phlx is not a

party.

- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by Phlx, nor does it reflect the views of Phlx or its staff.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that the Firm has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the Firm to submit it.

Dash Financial Technologies LLC  
Respondent

By:  \_\_\_\_\_

Print Name: Venu Palaparthi

Title: CCO

2/25/2021  
Date

Accepted by Phlx:

3/12/2021  
Date

Signed on behalf of the  
Director of ODA, by delegated authority



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Muiyiwa Odeniyide  
Enforcement Counsel  
Phlx Enforcement Department