



## Notice of Disciplinary Action against Barclays Capital Inc., a Member Organization

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**To:** Members, Member Organizations, Participants and Participant Organizations  
**From:** John C. Pickford, Assistant General Counsel, NASDAQ OMX PHLX<sup>SM</sup>  
**DATE:** July 13, 2015

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**FINRA Matter No. 20100226697**  
**Enforcement No. 2015-06**

On July 1, 2015, the Business Conduct Committee (the "Committee") issued a disciplinary decision against Barclays Capital Inc. ("Barclays" or the "Firm"), a member organization of the Exchange. In response to a Statement of Charges issued in this action, Barclays submitted an Offer of Settlement, Stipulation to Findings and Consent to Sanctions ("Offer"). Solely to settle this proceeding, and without admitting or denying the charges, Barclays stipulated to findings that during the review period of February 2010 through November 2011, Barclays violated certain Exchange rules.

Specifically, during the review period, Firm traders, trading on behalf of the Firm, on multiple occasions and on multiple trade dates, engaged in trading whereby they effected purchases or sales of equity securities in a firm proprietary account, immediately followed by purchases or sales of options overlying those securities. These transactions were potentially inconsistent with just and equitable principles of trade, because they could have disrupted the market for the equity securities and the overlying equity options. Depending on the economic rationale for effecting the transactions, these transactions also could have constituted a cross-product or mini-manipulation. During the relevant period, Barclays did not have any written supervisory procedures that addressed this type of conduct, or any surveillance system to detect the activity, and failed to supervise its traders to ensure that they did not engage in violative trading of options through transactions in the underlying stock, violating Exchange Rules 707 and 748.

The Offer submitted by Barclays was accepted by the Committee and was the basis of its Decision. The Committee found that Barclays had violated PHLX Rules 707 and 748. The Committee concurred in the sanctions consented to by Barclays, and ordered the imposition of the following sanctions: (i) a censure; and (ii) a fine of \$250,000, of which \$112,500 shall be paid to the Exchange. Barclays will pay the balance of its fine to NASDAQ OMX BX, Inc. and International Securities Exchange LLC.

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For more information, contact:

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