



## Notice of Disciplinary Action against Automated Trading Desk Financial Services, LLC, Member Organization

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**To:** Members, Member Organizations, Participants and Participant Organizations  
**From:** John C. Pickford, Enforcement Counsel, NASDAQ PHLX LLC<sup>SM</sup>  
**DATE:** December 21, 2016

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**Enforcement No. 2016-17**  
**FINRA No. 20140418701-06**

On December 19, 2016, the Business Conduct Committee (the "Committee") of the NASDAQ PHLX LLC ("PHLX" or the "Exchange") issued a disciplinary decision against Automated Trading Desk Financial Services, LLC (n/k/a Citi Order Routing and Execution, LLC) ("ATDF" or the "Firm"), a member organization of the Exchange. In response to a Statement of Charges issued in this action, ATDF submitted an Offer of Settlement. Solely to settle this proceeding, and without admitting or denying the charge, ATDF consented to findings that during the periods of April 2007 through December 2014, and February 2012 through May 2014 (collectively the "Review Period"), ATDF violated Exchange Rules 760, 785(c), 1014(g)(i)(A), 707, 708, 1053, and 748, and Section 17(a)(1) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 17a-3(a)(6)(i), thereunder. Specifically, ATDF consented to findings that the Firm had executed numerous transactions with the incorrect origin codes across multiple markets. Additionally, during the Review Period, ATDF failed to have supervisory systems and controls in place, including a separate system of follow-up and review, reasonably designed to achieve compliance with the Exchange's origin code requirements.

The Committee found that during the Review Period, ATDF violated Exchange Rules 760, 785(c), 1014(g)(i)(A), 707, 708, 1053, and 748, and Section 17(a)(1) of the Exchange Act and Rule 17a-3(a)(6)(i), thereunder, and ordered the imposition of the following sanctions against ATDF: (i) a censure; (ii) a fine in the amount of \$625,000, of which \$75,000 shall be paid to the Exchange; and (iii) an undertaking requiring the Firm to address the origin code deficiencies described above to ensure that the Firm has implemented procedures that are reasonably designed to achieve compliance with the rules and regulations cited in the Decision. The Firm will pay the balance of the fine to each of the following self-regulatory organizations: Bats BZX Exchange, Inc.; BOX Options Exchange LLC; Chicago Board Options Exchange, Inc.; Miami International Securities Exchange, LLC; NASDAQ Options Market; and NYSE MKT LLC.

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For more information, contact:

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