



Notice of Disciplinary Action against UBS Securities LLC, Member Organization

To: Members, Member Organizations, Participants and Participant Organizations

From: John C. Pickford, Assistant General Counsel, NASDAQ PHLX LLCSM

DATE: December 19, 2016

**Enforcement No. 2016-16
FINRA No. 20130374482-03**

On December 19, 2016, the Business Conduct Committee (the "Committee") of the NASDAQ PHLX LLC ("PHLX" or the "Exchange") issued a disciplinary decision against UBS Securities LLC ("UBSW" or the "Firm"), a member organization of the Exchange. In response to a Statement of Charges issued in this action, UBSW submitted an Offer of Settlement. Solely to settle this proceeding, and without admitting or denying the charges, UBSW consented to findings that during the period between July 2009 and August 2013 (the "Review Period"), UBSW 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 the Securities Exchange Commission's ("SEC") Rule 17a-3(a)(6)(i), thereunder. Specifically, UBSW consented to findings that the Firm had executed numerous transactions with the incorrect origin codes across multiple markets. Additionally, during the Review Period and through May 2014, UBSW failed to provide a reasonable system of supervision, including written supervisory procedures, designed to achieve compliance with the Exchange's origin code requirements.

The Committee found that UBSW had 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 SEC Rule 17a-3(a)(6)(i), thereunder, and ordered the imposition of the following sanctions against UBSW: (i) a censure; and (ii) a fine in the amount of \$650,000, of which \$149,500 shall be paid to the Exchange. The Firm will pay the balance of the fine to each of the following self-regulatory organizations: BOX Options Exchange LLC; Chicago Board Options Exchange, Incorporated; International Securities Exchange, LLC; NYSE Arca, Inc.; and NYSE MKT LLC.

For more information, contact:

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