

THE NASDAQ STOCK MARKET LLC
NOTICE OF ACCEPTANCE OF AWC

Certified, Return Receipt Requested

TO: **Old Mission Capital, LLC**
 Mr. Patrick Nichols
 Manager
 314 W. Superior
 Suite 200
 Chicago, IL 60654

FROM: The NASDAQ Stock Market LLC ("Nasdaq")
 c/o Financial Industry Regulatory Authority ("FINRA")
 Department of Market Regulation
 9509 Key West Avenue
 Rockville, MD 20850

DATE: May 3, 2017

RE: Notice of Acceptance of Letter of Acceptance, Waiver and Consent No. 20140411317-02

Please be advised that your above-referenced Letter of Acceptance, Waiver and Consent ("AWC") has been accepted on **May 3, 2017** by the Nasdaq Review Council's Review Subcommittee, or by the Office of Disciplinary Affairs on behalf of the Nasdaq Review Council, pursuant to Nasdaq Rule 9216. A copy of the AWC is enclosed herewith.

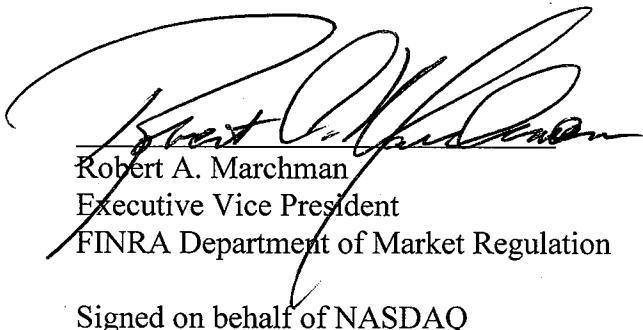
You are again reminded of your obligation, if currently registered, immediately to update your Uniform Application for Broker-Dealer Registration ("Form BD") to reflect the conclusion of this disciplinary action. Additionally, you must also notify FINRA (or NASDAQ if you are not a member of FINRA) in writing of any change of address or other changes required to be made to your Form BD.

You are reminded that Section I of the attached Letter of Acceptance, Waiver, and Consent includes an undertaking. In accordance with the terms of the AWC, a registered principal of the firm is required to notify the Compliance Assistant, Legal Section, Market Regulation Department, 9509 Key West Avenue, Rockville, MD 20850, of completion of the undertaking.

You will be notified by the Registration and Disclosure Department regarding sanctions if a suspension has been imposed and by NASDAQ's Finance Department regarding the payment of any fine if a fine has been imposed.

Old Mission Capital, LLC
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If you have any questions concerning this matter, please contact Mark Dorsey, Senior Counsel,
at (240) 386-6163.



Robert A. Marchman
Executive Vice President
FINRA Department of Market Regulation
Signed on behalf of NASDAQ

Enclosure

FINRA District 8 – Chicago
Edward Wegener
Senior Vice President and Regional Director
(Via email)

Counsel for Respondent
James D. Van De Graaff, Esq.
Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago IL 60661

THE NASDAQ STOCK MARKET LLC
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20140411317-02

TO: The NASDAQ Stock Market LLC
c/o Department of Market Regulation
Financial Industry Regulatory Authority (“FINRA”)

RE: Old Mission Capital, LLC, Respondent
Broker-Dealer
CRD No. 146991

Pursuant to Rule 9216 of The NASDAQ Stock Market LLC (“Nasdaq”) Code of Procedure, Old Mission Capital, LLC (the “firm”) 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, Nasdaq will not bring any future actions against the firm 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 Nasdaq, or to which Nasdaq 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 Nasdaq:

BACKGROUND

The firm has been a member of Nasdaq since January 28, 2013, and its registration remains in effect.

RELEVANT PRIOR DISCIPLINARY HISTORY

The firm has no prior relevant disciplinary history.

FACTS AND VIOLATIVE CONDUCT

1. During the period from September 26, 2013 through April 4, 2014 (the “Review Period”), the firm failed to input the correct capacity with respect to 1,009,314 new orders entered on Nasdaq. More specifically, as a result of a coding error, the firm entered the orders as agency orders when they were in fact principal orders. The conduct described in this paragraph constitutes separate and distinct violations of Nasdaq Rules 2010A and 4611(a)(6).
2. As a result of entering the wrong capacity code as described above, the firm also entered 36,828,424 cancel and replace orders with the wrong capacity code. The

Nasdaq Market Center does not permit a firm to enter a capacity code when the firm amends an existing order by entering a cancel and replace. When a firm enters a cancel and replace, the Nasdaq system automatically retains or re-uses the capacity code entered by the firm in connection with the original order. To change the capacity code when amending an existing order, a firm must first cancel the original order, and then enter a new order with the correct capacity. As a result of entering 36,828,424 cancel and replace orders during the Review Period in connection with the 1,009,314 new orders described in paragraph A.1 above, the firm retained or reused the inaccurate capacity code originally entered by the firm. Nasdaq audit trails and related surveillance programs rely on accurate information, including accurate capacity codes. The entry of inaccurate information causes the audit trail to be inaccurate, and adversely affects self-regulatory organization's ("SROs") ability to detect conduct that may violate SRO rules and the federal securities laws, and/or creates alerts that are false positives, requiring the expenditure of unnecessary resources to resolve the alerts.

3. During the Review Period, the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and Nasdaq Rule 4611(a)(6), requiring firms to enter accurate information into the Nasdaq system, including whether the firm acted in a principal, agent, or riskless principal capacity. Specifically, the firm's supervisory system did not include written supervisory procedures ("WSPs") providing for: (1) the identification of the person(s) responsible for supervision with respect to the applicable rule; (2) a statement of the supervisory step(s) to be taken by the identified person(s); (3) a statement as to how often such person(s) should take such step(s); and (4) a statement as to how the completion of the step(s) included in the written supervisory procedures should be documented. The conduct described in this paragraph constitutes a violation of Nasdaq Rules 2010A and 3010.

OTHER FACTORS

In determining to resolve this matter on the basis set forth in this AWC, Nasdaq took into consideration the fact that: (i) the firm self-reported its failure to input the correct capacity on Nasdaq before Nasdaq became aware of the issue, (ii) made coding changes so as to input the correct capacity code on all orders going forward, and (iii) implemented WSPs to detect and prevent the input of inaccurate capacity codes.

- B. The firm also consents to the imposition of the following sanctions:

A censure, a fine of \$25,000 (comprised of \$20,000 for the capacity marking violations and \$5,000 for the related supervisory violation), and an undertaking to revise the firm's written supervisory procedures with respect to the areas described in paragraph I.A.3 above.

Within two weeks of acceptance of this AWC, a registered principal of the Respondent shall submit to the **COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET**

REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850, a signed, dated letter, or an e-mail from a work-related account of the registered principal to MarketRegulationComp@finra.org, providing the following information: (1) a reference to this matter; (2) a representation that the firm has revised its written supervisory procedures to address the deficiencies described in paragraphs I.A.3; and, (3) the date the revised procedures were implemented.

The firm agrees to pay the monetary sanction in accordance with its executed Election of Payment Form.

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

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under Nasdaq'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 Nasdaq Review Council and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Regulatory Officer, the Nasdaq Review Council, or any member of the Nasdaq 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.

The firm 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

The firm 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 FINRA's Department of Market Regulation and the Nasdaq Review Council, the Review Subcommittee, or the Office of Disciplinary Affairs ("ODA"), pursuant to Nasdaq 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 firm; and
- C. If accepted:
 - 1. this AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by Nasdaq or any other regulator against the firm;
 - 2. Nasdaq may release this AWC or make a public announcement concerning this agreement and the subject matter thereof in accordance with Nasdaq Rule 8310 and IM-8310-3; and
 - 3. The firm 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. The firm may not take any position in any proceeding brought by or on behalf of Nasdaq, or to which Nasdaq is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the firm's right to take legal or factual positions in litigation or other legal proceedings in which Nasdaq is not a party.
- D. The firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm 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 Nasdaq, nor does it reflect the views of Nasdaq or its staff.

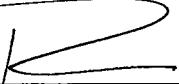
The undersigned, on behalf of the firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, 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.

4/17/2017

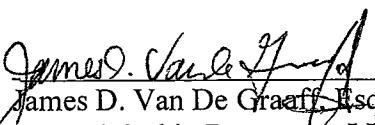
Date

Old Mission Capital, LLC

Respondent

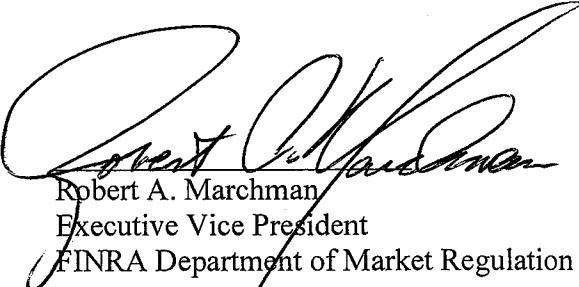
By: 
Name: PATRICK NICHOLS
Title: MANAGER

Reviewed by:


James D. Van De Graaff, Esq.
Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, IL 60661
(312) 902-5227

Accepted by Nasdaq:

Date 5/3/17


Robert A. Marchman
Executive Vice President
FINRA Department of Market Regulation

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

ELECTION OF PAYMENT FORM

The firm intends to pay the fine proposed in the attached Letter of Acceptance, Waiver and Consent by the following method (check one):

- A firm check or bank check for the full amount;
- Wire transfer;
- The installment payment plan.¹
 - Monthly
 - Quarterly

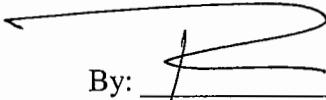
Respectfully submitted,

Respondent

Old Mission Capital, LLC

4/17/2017

Date:

By: 

Name: PATRICK NICHOLS

Title: MANAGER

Billing and Payment Contact

Please enter the billing contact information below. Nasdaq MarketWatch will contact you with billing options and payment instructions. ***Please DO NOT submit payment until Nasdaq has sent you an invoice.***

Billing Contact Name: ERICA AVITIA

Billing Contact Address: AMP BILLING@OLDMISSIONCAPITAL.COM

Billing Contact Email: RICK DUBBIN- 312-260-3044

Billing Contact Phone Number: _____

¹ The installment payment plan is only available for a fine of \$50,000 or more. Certain requirements apply.