



## Notice of Disciplinary Action against Wells Fargo Securities LLC, Member Organization

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**To:** Members, Member Organizations, Participants and Participant Organizations

**From:** Joseph Cusick, Chief Regulatory Officer, NASDAQ PHLX<sup>SM</sup>

**DATE:** January \_\_\_\_, 2018

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**Enforcement No. 2017-15**  
**FINRA No. 20160487737-03**

On December 20, 2017, the Business Conduct Committee (the "Committee") of the NASDAQ PHLX LLC ("PHLX" or the "Exchange") issued a disciplinary decision against Wells Fargo Securities LLC ("WCHV" or the "Firm"), a member organization of the Exchange. In response to a Statement of Charges issued in this action, WCHV submitted an Offer of Settlement ("Offer"). Solely to settle this proceeding, and without admitting or denying the charges, WCHV consented to findings that during the period between January 1, 2014 through December 1, 2017 (the "Review Period"), WCHV violated certain federal securities laws and regulations and Exchange rules.

Specifically, during the Review Period, WCHV violated Exchange Rules 748 and 760 and Securities and Exchange Act of 1934 ("Exchange Act") Rule 17a-3. WCHV consented to findings that the Firm: (i) failed to maintain accurate books and records for 21 manual options orders during on trade dates from February 22, 2016 through February 26, 2016 (the "Exam Review Period") in violation of Exchange Act Rule 17a-3 and Exchange Rule 760; and (ii) failed to establish, maintain and enforce a system reasonably designed to supervise the operations of its business and ensure compliance with applicable federal securities laws and PHLX Rules pertaining to books and records for manual options orders in violation of PHLX Rule 748.

The Offer submitted by WCHV was accepted by the Committee and was the basis of its Decision. The Committee found that WCHV had violated Exchange Rules 748 and 760 and Exchange Act Rule 17a-3, and ordered the imposition of the following sanctions against WCHV: (i) a censure; and (ii) a fine in the amount of \$54,000, of which \$18,000 shall be paid to the Exchange; and an undertaking requiring WCHV to amend its WSPs to include supervisory review of its manual options orders for order detail accuracy. The Firm will pay the balance of the fine to Cboe Exchange, Inc., NYSE Arca, Inc. and NYSE American LLC.

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For more information, contact:

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