



Notice of Disciplinary Action against Nomura Securities International, Inc., a Member Organization

To: Members, Member Organizations, Participants and Participant Organizations
From: John C. Pickford, Enforcement Counsel, NASDAQ PHLXSM
DATE: July 19, 2016

FINRA Matter No. 20130367785 Enforcement No. 2016-11

On July 14, 2016, the Business Conduct Committee (the "Committee") issued a disciplinary decision against Nomura Securities International, Inc. ("NMRA" or the "Firm"), a member organization of the NASDAQ PHLX LLC ("PHLX" or the "Exchange"). In response to Statement of Charges issued in this action, NMRA submitted an Offer of Settlement, Stipulation of Facts and Consent to Sanctions ("Offer"). Solely to settle these proceedings, and without admitting or denying the charges, NMRA consented to findings that during the period between January 1, 2013 through April 30, 2013 (the "Review Period"), NMRA committed violations of SEC Rule 15c3-5 and Exchange Rules 707 and 748.

Specifically, NMRA consented to findings that during the Review Period, it failed to: (1) establish, document and maintain a system of risk management controls and written supervisory procedures reasonably designed to manage the financial and regulatory risks in connection with market access; (2) establish and maintain supervisory controls and procedures sufficient to detect and prevent potential layering, spoofing, wash trading and pre-arranged trading; and (3) take reasonable steps to prevent a customer from engaging in potentially manipulative strategies.

The Offer submitted by NMRA was accepted by the Committee and was the basis of its Decision. The Committee found that NMRA had violated SEC Rule 15c3-5 and Exchange Rules 707 and 748 and imposed the following sanctions: (i) a censure; (ii) a fine in the amount of \$120,000 to be paid jointly to the Exchange, the NASDAQ Stock Market LLC, Bats BZX Exchange, Inc., Bats EDGX Exchange, Inc., Bats EDGA Exchange, Inc., NYSE MKT LLC, and New York Stock Exchange LLC, of which \$20,000 shall be paid to the Exchange; and an undertaking to revise the firm's written supervisory procedures.

For more information, contact:

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