

**NASDAQ OMX BX, INC.
NOTICE OF ACCEPTANCE OF AWC**

Certified, Return Receipt Requested

**TO: UBS Securities LLC
Suzanne R. Elovic
Executive Director
677 Washington Boulevard
Stamford, CT 06901**

**FROM: The NASDAQ OMX BX, Inc. (the "Exchange")
c/o Financial Industry Regulatory Authority ("FINRA")
Department of Market Regulation
9509 Key West Avenue
Rockville, MD 20850**

DATE: August 5, 2013

RE: Notice of Acceptance of Letter of Acceptance, Waiver and Consent No. 20110280705-01

Please be advised that your above-referenced Letter of Acceptance, Waiver and Consent ("AWC") has been accepted 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 will be notified by the Registration and Disclosure Department regarding sanctions if a suspension has been imposed and by the Nasdaq's Finance Department regarding the payment of any fine if a fine has been imposed.

UBS Securities LLC

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If you have any questions concerning this matter, please call Theresa Clarkson, Counsel,
at (212) 858-4326.



Eric S. Brown
Chief Counsel, Legal Section
Department of Market Regulation, FINRA

Signed on behalf of NASDAQ

Enclosure

FINRA District 10 – New York
Michael Solomon
Regional Director
One World Financial Center
200 Liberty Street
New York, NY 10281

Suzanne Elovic
Executive Director
Regulatory Inquiries and Relations
UBS Securities LLC
1285 Avenue of the Americas
New York, NY 10019

NASDAQ OMX BX, INC.
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20110280705-01

TO: NASDAQ OMX BX, Inc.
c/o Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: UBS Securities LLC, Respondent
Broker-Dealer
CRD No. 7654

Pursuant to Chapter XXX of the Grandfathered Rules of NASDAQ OMX BX, Inc.¹ (the "Exchange")² and Rule 9216 of The NASDAQ Stock Market ("Nasdaq") Code of Procedure³, UBS Securities, LLC (the "Firm" or "UBSW") 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, the Exchange will not bring any future actions against the Firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. UBSW 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

UBSW has been a FINRA member since August 17, 1978, and the Firm's registration remains in effect. The Firm became a Participant of the Boston Options Exchange ("BOX")⁴ on February 3, 2004, when its Options Participation Agreement was accepted by the Exchange. Under the terms of that agreement, the Firm agreed, among other things, to be bound by the Rules of the Exchange, as amended, including the BOX Trading Rules, and to be subject to the Exchange's jurisdiction and oversight.

¹ The applicable Rules and authority for this action can be found in the By-Laws of NASDAQ OMX BX, Inc., the Rules of NASDAQ OMX BX ("The Equities Rules") and the Grandfathered Rules of the Exchange.

² Please note, for purposes of this AWC, "Exchange" includes NASDAQ OMX BX, Inc.

³ Additionally, this disciplinary matter is further governed by The Nasdaq Code of Procedure.

⁴ BOX became a facility of NASDAQ OMX BX in August 2008.

RELEVANT DISCIPLINARY HISTORY

UBSW does not have any relevant disciplinary history.

SUMMARY

In connection with matters 20110280705, 20110289657, 20110303651 and 20120314695, on behalf of BOX, Exchange staff's designees conducted reviews of the Firm's compliance with market maker obligations at the BOX during the periods between: (i) February 1, 2011 through April 30, 2011; (ii) May 2, 2011 through July 29, 2011; (iii) August 1, 2011 through October 31, 2011; and (iv) November 1, 2011 through January 31, 2012 (collectively the "review period").

FACTS AND VIOLATIVE CONDUCT

Quoting Obligations

1. During the review period, Respondent failed to adequately participate in the Exchange's pre-opening phase, in that the Firm quoted less than 60% of the series in greater than 10% or more of its assigned products on 72 out of 252 total trade dates (28.57%).
2. The conduct described in paragraph one above constitutes violations of BOX Trading Rules Chapter VI, Section 6(d).

Supervision

3. During the review period, UBSW failed to establish and maintain an adequate system of supervision that effectively monitored compliance with Exchange rules relating to Market Maker quoting obligations at the opening.
4. The conduct described in paragraph three above constitutes a violation of BOX Trading Rules Chapter III, Section 2(a)(i).

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

A censure and a total fine of \$20,000.

UBSW agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. UBSW has submitted an Election of Payment form showing the method by which they propose to pay the fine imposed.

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

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

II.

WAIVER OF PROCEDURAL RIGHTS

UBSW specifically and voluntarily waives the following rights granted under the Rules of the Exchange and the Nasdaq Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against the Firm in writing;
- 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 Exchange Review Council and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, UBSW specifically and voluntarily waives any right to claim bias or prejudice of the Chief Regulatory Officer, the Exchange Review Council, or any member of the Exchange 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.

UBSW 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

UBSW 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 Exchange 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 UBSW and
- C. If accepted:
 - 1. This AWC will become part of UBSW’s permanent disciplinary record and may be considered in any future actions brought by Nasdaq or any other regulator against the firm;
 - 2. This AWC will be made available through Nasdaq’s public disclosure program in response to public inquiries about UBSW’s disciplinary record;
 - 3. Nasdaq may make a public announcement concerning this agreement and the subject matter thereof in accordance with Nasdaq Rule 8310 and IM-8310-3; and
 - 4. UBSW 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 UBSW’s right to take legal or factual positions in litigation or other legal proceedings in which Nasdaq is not a party.
- D. UBSW may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. UBSW 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 UBSW, 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 UBSW to submit it.

July 3, 2013

Date

Respondent
UBS Securities LLC

By: Suz RL

Name: Suzanne R. Elovic

Title: Executive Director
Regulatory Inquiries & Relations
UBS Securities, LLC

Reviewed by:

Counsel for UBS Securities LLC

Firm Name: _____

Address: _____

Telephone No.: _____

Accepted by Nasdaq:

8/5/2013
Date



Eric S. Brown
Chief Counsel
Department of Market Regulation
Signed on behalf of Nasdaq, by delegated
authority from the Director of ODA

ELECTION OF PAYMENT FORM

UBSW intends to pay the fine proposed in the attached AWC by the following method (check one):

- A firm check or bank check for the full amount;
- Wire transfer;
- The installment payment plan.⁵
 - Monthly
 - Quarterly

Respectfully submitted,
UBS Securities LLC

7-3-13
Date

By: Suzanne R Elovic
Name: Suzanne R Elovic
Title: Executive Director
Regulatory Inquiries & Relations
UBS Securities, LLC

⁵ The installment payment plan is only available for a fine of \$50,000 or more. Certain requirements apply.