



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

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**To:** Members, Member Organizations, Participants and Participant Organizations  
**From:** Joseph Cusick, Vice President — Surveillance, NASDAQ PHLX LLC<sup>SM</sup>  
**DATE:** April 24, 2018

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**Enforcement No. 2017-16**  
**FINRA Matter No. 20150443471-03**

On December 20, 2017, the Business Conduct Committee (the "Committee") of the Nasdaq PHLX LLC ("PHLX" or the "Exchange") issued a disciplinary decision against Nomura Securities International, Inc. ("NMRA" or the "Firm"), a member organization of the Exchange. In connection with a Statement of Charges issued in this action, the Firm submitted an Offer of Settlement ("Offer"). Solely to settle these proceedings, and without admitting or denying the charges, the Firm consented to findings that during the period from January 12, 2015 through January 16, 2015 (the "Relevant Period"), the Firm: (a) violated Rule 17a-3(a)(6)(i) of the Securities Exchange Act of 1934 (the "Exchange Act") and Exchange Rule 760 by failing to maintain transmission times for certain orders and for generating and maintaining certain inaccurate timestamps on the Firm's books and records with respect to certain options orders routed to third-party floor brokers on the Exchange, and (b) violated Exchange Rules 707 and 748(h) by failing to provide for supervision reasonably designed to achieve compliance with certain recordkeeping requirements.

More specifically, during the Relevant Period, the Firm failed to show the time of transmission for customer orders routed to third-party brokers on the memoranda of 15 options orders, and the Firm also failed to record the correct time of order receipt on ten of those orders. Further, during the Relevant Period, the Firm's written supervisory procedures failed to provide certain minimum requirements for adequate written supervisory procedures in the subject areas of recordkeeping regarding transmission times and accuracy of order timestamps.

The Offer submitted by Respondent was accepted by the Committee and was the basis of its Decision. The Committee concurred in the sanctions consented to by Respondent, and ordered the imposition of the following sanctions against the Firm: (i) a censure, (ii) a total fine of \$24,000, of which \$8,000 shall be paid to the Exchange, and (iii) an undertaking to review the Firm's written supervisory procedures in the above areas identified as deficient. The Firm will pay the balance of the fine to NYSE Arca, Inc. and NYSE American LLC.

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For more information, contact:

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