



Notice of Disciplinary Action against Virtu Financial BD LLC, a Member Organization

To: Members, Member Organizations, Participants and Participant Organizations

From: John C. Pickford, Enforcement Counsel, NASDAQ OMX PHLXSM

DATE: August 31, 2015

FINRA Matter No. 20110293826 (incl. 20120330885) Enforcement No. 2015-08

On August 19, 2015, the Business Conduct Committee (the "Committee") issued a disciplinary decision against Virtu Financial BD LLC ("VRTU" or the "Firm"), a member organization of the NASDAQ OMX PHLX LLC ("PHLX" or the "Exchange") and NASDAQ OMX PSX LLC ("PSX"). In response to Statement of Charges issued in this action, VRTU 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, VRTU consented to findings that during the period between January 1, 2011 through June 30, 2011 and October 1, 2011 through March 31, 2012 (collectively, the "Review Period"), VRTU violated PHLX Rule 748, which is applicable to market participants trading on PSX pursuant to PSX Rule 3202.

Specifically, VRTU consented to findings that 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 the Rules of PHLX and PSX, concerning locked or crossed markets. Specifically, the Firm's supervisory system did not include written supervisory procedures providing for: (1) the identification of the person(s) responsible for supervision with respect to the applicable rules; (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 Offer submitted by VRTU was accepted by the Committee and was the basis of its Decision. The Committee found that VRTU had violated PHLX Rule 748, which is applicable to market participants trading on PSX pursuant to PSX Rule 3202 and imposed the following sanctions: (i) a fine in the amount of \$5,000.

For more information, contact:

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