



Notice of Disciplinary Action against SG Americas Securities, LLC, Member Organization

To: Members, Member Organizations, Participants and Participant Organizations
From: John C. Pickford, Assistant General Counsel, NASDAQ PHLX LLCSM
DATE: March 28, 2016

Enforcement No. 2016-01
FINRA No. 20130372608

On March 23, 2016, the Business Conduct Committee (the "Committee") of the NASDAQ PHLX LLC (the "Exchange") issued a disciplinary decision against SG Americas Securities, LLC ("SGAS" or the "Firm"), a member organization of the Exchange. In response to a Statement of Charges issued in this action, SGAS submitted an Offer of Settlement, Stipulation of Facts and Consent to Sanctions ("Offer"). Solely to settle this proceeding, and without admitting or denying the charges, SGAS consented to findings that during a cycle examination conducted during the period between May 1, 2012 and July 31, 2012 ("Review Period I"), and during a cause examination conducted during the periods between July 16 and 20, 2012, November 12 and 16, 2012, and May 13 and 17, 2013 ("Review Period II"), SGAS had violated Rule 17a-3(a)(6)(i) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Exchange Rules 748 and 760.

Specifically, on five instances during Review Period I, and one instance during Review Period II, SGAS failed to make and keep an accurate record of the order receipt time of options orders. Similarly, on seven instances during Review Period I, and 20 instances during Review Period II, SGAS failed to make and keep an accurate record of the time it had transmitted options orders to a floor broker for execution.

Additionally, SGAS consented to findings that during Review Periods I and II, it had failed to: (i) provide in its written supervisory procedures for time stamping of the time the Firm transmits options orders to floor brokers for subsequent order handling; and (ii) maintain a system of supervision and supervisory review for options orders that was reasonably designed to ensure compliance with Rule 17a-3(a)(6)(i) promulgated under the Exchange Act and Exchange Rule 760.

The Committee found that SGAS had violated Rule 17a-3(a)(6)(i) promulgated under the Exchange Act and Exchange Rules 748 and 760, and ordered the imposition of the following sanctions against SGAS: (i) a censure; and (ii) a total fine in the amount of \$20,000, of which \$10,000 shall be paid to the Exchange.

For more information, contact:

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