

**NYSE MKT LLC
NOTICE OF ACCEPTANCE OF AWC**

Via Certified Mail, Return Receipt Requested

**TO: UBS Securities LLC
Mr. Mark Impellizeri
Director and Regulatory Attorney
1285 Avenue of the Americas
New York, NY 10019**

**FROM: NYSE MKT LLC
c/o Financial Industry Regulatory Authority
9509 Key West Avenue
Rockville, MD 20850**

DATE: April 6, 2017

RE: Notice of Acceptance of Letter of Acceptance, Waiver and Consent No. 20150443191-01

Please be advised that your above-referenced Letter of Acceptance, Waiver and Consent (“AWC”) has been accepted on **April 4, 2017** by FINRA’s Department of Market Regulation and the Chief Regulatory Officer of NYSE MKT LLC, pursuant to NYSE MKT Rule 9216. A copy of the AWC is enclosed herewith.

Pursuant to NYSE MKT Rule 9310(a)(1)(B), this AWC has been sent to each NYSE MKT LLC Director and each member of the Committee for Review, and thus the AWC shall be deemed final and shall constitute the complaint, answer, and decision in the matter on **April 29, 2017**, unless review by the NYSE MKT LLC Exchange Board of Directors is requested.

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 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 NYSE MKT’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 contact Dawn E. Faris, Senior Counsel,
at (240) 386-6219.



James J. Nixon
Chief Litigation Counsel, Legal Section
Department of Market Regulation, FINRA

Signed on behalf of NYSE MKT LLC by delegated
authority from the Chief Regulatory Officer of
NYSE MKT LLC

Enclosure

FINRA District 9 – New Jersey
Michael Solomon
Senior Vice President and Regional Director
(Via email)

NYSE MKT LLC
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20150443191-01

TO: NYSE MKT LLC
c/o Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

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

Pursuant to Rule 9216 of the NYSE MKT LLC ("NYSE MKT" or the "Exchange") Code of Procedure, UBS Securities LLC (the "firm" or "Respondent") 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, NYSE MKT will not bring any future actions against the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The firm 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 NYSE MKT, or to which NYSE MKT 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 NYSE MKT:

BACKGROUND

The firm became a member of the Exchange on February 25, 1988, an Amex Trading Permit ("ATP") Holder in 2009, and a member of FINRA on August 17, 1978, and its registrations remain in effect. The firm has no relevant disciplinary history.

SUMMARY

In Trading and Financial Compliance Examination No. 20150443191, staff from FINRA's Department of Market Regulation reviewed the firm's compliance with Rule 17a-3 of the Securities Exchange Act of 1934 ("Rule 17a-3"), NYSE MKT Rule 956.NY and related books and records requirements of certain other exchanges, including the Chicago Board Options Exchange, Incorporated ("CBOE") and NASDAQ PHLX LLC ("PHLX"), during the month of May 2015 (the "review period").¹ As detailed below, the

¹ Related disciplinary actions on behalf of CBOE and PHLX concurrently are being taken in conjunction with this matter.

firm generated and maintained certain inaccurate timestamps on the firm's books and records with respect to certain options orders routed to floor brokers on the Exchange and the above other exchanges (collectively, the "Exchanges").

FACTS AND VIOLATIVE CONDUCT

1. During the review period,² the firm failed to show the correct time of entry on the memorandum of 17 brokerage orders routed to floor brokers on the Exchange. The firm also failed to show the correct time the order was received on the memorandum for 2 of the above brokerage orders, as well as another brokerage order memoranda routed to the Exchange. The conduct described in this paragraph constitutes violations of Rule 17a-3(a)(6)(i) and NYSE MKT Rule 956.NY.

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

A censure and total fine of \$37,500 (to be paid jointly to the Exchanges, of which \$12,500 shall be paid to NYSE MKT).

The firm agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. The firm has submitted a Method of Payment Confirmation form showing the method by which it will pay the fine imposed.

The firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

The firm agrees that it shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made pursuant to any insurance policy, with regard to any fine amounts that the firm pays pursuant to this AWC, regardless of the use of the fine amounts. The firm further agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any fine amounts that Respondent pays pursuant to this AWC, regardless of the use of the fine amounts.

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

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under the NYSE MKT's Code of Procedure:

A. To have a Formal Complaint issued specifying the allegations against the firm;

² The timestamp issues identified from the examination were not limited to the review period.

- 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's Board of Directors and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Regulatory Officer of NYSE MKT; the Exchange's Board of Directors, Disciplinary Action Committee ("DAC") and Committee for Review ("CFR"); any Director, DAC member or CFR member; Counsel to the Exchange Board of Directors or CFR; any other NYSE MKT employee; or any Regulatory Staff as defined in Rule 9120 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.

The firm 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

The firm 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 Chief Regulatory Officer of NYSE MKT, pursuant to NYSE MKT Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm; and
- C. If accepted:
 - 1. the AWC shall be sent to each Director and each member of the Committee for Review via courier, express delivery or electronic means, and shall be deemed final and shall constitute the complaint, answer, and decision in the matter, 25 days after it is sent to each Director and each member of the Committee for Review, unless review by the Exchange Board of Directors is requested pursuant to NYSE MKT Rule 9310(a)(1)(B).

2. this AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by NYSE MKT, or any other regulator against the firm;
 3. NYSE MKT shall publish a copy of the AWC on its website in accordance with NYSE MKT Rule 8313;
 4. NYSE MKT may make a public announcement concerning this agreement and the subject matter thereof in accordance with NYSE MKT Rule 8313; and
 5. The firm 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 NYSE MKT, or to which NYSE MKT is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the firm's (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which NYSE MKT is not a party.
- D. A signed copy of this AWC and the accompanying Method of Payment Confirmation form delivered by email, facsimile or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy.
- E. The firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm 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 NYSE MKT, nor does it reflect the views of NYSE Regulation or its staff.

The undersigned, on behalf of the firm, 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 the firm to submit it.

2/22/2017
Date

UBS Securities LLC
Respondent

By: Mark Impellizzeri
Name: Mark Impellizzeri
Title: Director and Regulatory Attorney

Reviewed by:

Counsel for Respondent
Firm Name
Address
City/State/Zip
Phone Number

Accepted by FINRA

April 4, 2017
Date

James J. Nixon
James J. Nixon
Chief Litigation Counsel

Department of Market Regulation

Signed on behalf of NYSE MKT LLC, by
delegated authority from the Chief
Regulatory Officer of NYSE MKT LLC.

METHOD OF PAYMENT CONFIRMATION FORM

The firm intends to pay the fine proposed in the attached Letter of Acceptance, Waiver and Consent by wire transfer of the full amount. The applicable instructions are as follows:

Bank Name: JP Morgan Chase
Transfer Funds to: NYSE
Wire ABA No.: 021000021
ACH ABA No.: 021000021
Beneficiary: NYSE
NYSE Account No.: 66655706
Reference Number: NYSE MKT Proceeding No. 20150443191-01

Respectfully submitted,

Respondent
UBS Securities LLC

2/22/2017
Date

By: MS Imp

Name: Mark Impellizzeri

Title: Director and Regulatory Attorney