

**NYSE ARCA, INC.**  
**LETTER OF ACCEPTANCE, WAIVER, AND CONSENT**  
**NO. 2023-07-20-00043**

TO: NYSE Arca, Inc.

RE: X-Change Financial Access, LLC, Respondent  
CRD No. 126201

**Between July 2022 and September 2023 (the “Relevant Period”), X-Change Financial Access, LLC (“XFA” or the “Firm”), violated NYSE Arca Rule 6.75-O (Priority and Order Allocation Procedures - Open Outcry) on 15 occasions. XFA also violated NYSE Arca Rules 11.18(b) and (c) (Supervision) by failing to establish and maintain a supervisory system, including written supervisory procedures (“WSPs”), reasonably designed to comply with NYSE Arca Rule 6.75-O. Consent to a censure and a \$10,000 fine.**

\* \* \*

Pursuant to Rule 10.9216 of the NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) Code of Procedure, XFA 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 Arca will not bring any future actions against the Firm alleging violations based on the same factual findings described herein.

**I. ACCEPTANCE AND CONSENT**

- A. XFA 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 Arca, or to which NYSE Arca 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 Arca:

**BACKGROUND AND JURISDICTION**

1. XFA is an agency broker-dealer with its principal place of business in Chicago, Illinois. The Firm has been an Options Trading Permit holder with NYSE Arca since May 2010.

**VIOLATIONS**

*Priority Violations*

2. NYSE Arca Rule 6.75-O(a) states that the highest (lowest) bid (offer) shall have priority, but where two or more bids (offers) for the same option contract represent the highest (lowest) price and one such bid (offer) is for the account of a Customer

displayed on the Consolidated Book, such Customer bid (offer) shall have priority over any other bid (offer) at the post.

3. XFA failed to appropriately yield priority to customer orders displayed on the NYSE Arca Consolidated Order Book that were bid or offered at the same price as orders that XFA systematized, announced, and consummated on 15 separate occasions during the Relevant Period.
4. Accordingly, XFA violated NYSE Arca 6.75-O.

*Supervisory Violations*

5. NYSE Arca Rule 11.18(b) requires each OTP Holder to “establish and maintain a system to supervise the activities of its associated persons and the operations of its business” that is “reasonably designed to ensure compliance with applicable federal securities laws and regulations and NYSE Arca Rules.”
6. NYSE Arca Rule 11.18(c) requires each OTP Holder to “establish, maintain, and enforce written procedures to supervise the business in which it engages and to supervise the activities of its associated persons that are reasonably designed to ensure compliance with applicable federal securities laws and regulations, and with the NYSE Arca Rules.”
7. During the Relevant Period, XFA failed to establish and maintain a supervisory system, including WSPs, reasonably designed to ensure compliance with NYSE Arca Rule 6.75-O. For example, the Firm conducted no supervisory reviews for potential priority violations, the Firm’s WSPs failed to provide guidance concerning compliance with its priority obligations, and the Firm did not conduct any trainings for its employees concerning compliance with the rule. In addition, the Firm was on notice of its supervisory deficiencies due to a prior informal disciplinary action for priority and related supervisory rule violations, yet failed to revise its supervisory system or its WSPs accordingly.
8. Accordingly, the Firm violated NYSE Arca Rules 11.18(b) and (c).

**RELEVANT DISCIPLINARY HISTORY**

9. In January 2023, XFA was issued a third level Minor Rule Violation (“MRV”) with a fine of \$5,000 for priority violations of NYSE Arca Rule 6.75-O, as well as a Cautionary Action Letter for related supervisory violations of NYSE Arca Rules 11.18(b) and (c).
10. Between March 2020 and August 2022, the Firm received three MRVs for priority violations of NYSE Arca Rule 6.75-O.

## SANCTIONS

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

**1. Censure and fine in the amount of \$10,000**

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 sanctions herein are imposed pursuant to NYSE Arca Rule 10.8310 and 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 Arca Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against the Firm;
- 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 Arca; 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 Arca employee; or any Regulatory Staff as defined in Rule 10.9120 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 communication prohibitions of Rule 10.9143 or the separation of functions prohibitions of Rule 10.9144, 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 by NYSE Regulation, and accepted by the Chief Regulatory Officer of NYSE Arca pursuant to NYSE Arca Rule 10.9216;
- 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, 10 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 Arca Rule 10.9310(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 the Exchange or any other regulator against the Firm;
  - 3. NYSE Arca shall publish a copy of the AWC on its website in accordance with NYSE Arca Rule 10.8313;
  - 4. NYSE Arca may make a public announcement concerning this agreement and the subject matter thereof in accordance with NYSE Arca Rule 10.8313; 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 the Exchange, or to which the Exchange 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 the Exchange 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. A Corrective Action Statement does not constitute factual or legal findings by the Exchange, nor does it reflect the views of NYSE Regulation or its staff.

The Firm certifies that, in connection with each of the Exchange's requests for information in connection with this matter, the Firm made a diligent inquiry of all persons and systems that reasonably had possession of responsive documents and that all responsive documents have been produced. In agreeing to the AWC, the Exchange has relied upon, among other things, the completeness of the document productions.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on the Firm's 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 the Firm 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 this AWC.

Mar 19, 2024

Date

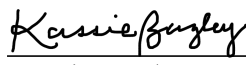
X-Change Financial Access, LLC  
Respondent

By:   
Michael Conti  
Head of Legal - North America

Accepted by NYSE Regulation

3/19/24

Date

  
Kassie Bagley  
Enforcement Counsel  
NYSE Regulation

Signed on behalf of NYSE Arca, Inc., by  
delegated authority from its Chief  
Regulatory Officer