

NYSE ARCA, INC.
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2024-07-17-01206

TO: NYSE Arca, Inc.

RE: Casey Securities LLC, Respondent
CRD No. 35230

From June 2024 through the present (the “Relevant Period”), Casey Securities LLC violated: (i) NYSE Arca Rule 11.1(b) (Adherence to Law and Good Business Practice) by prematurely informing its clients that orders were announced in open outcry and by engaging in trade nullification and adjustment without sufficient client notification or approval; (ii) NYSE Arca Rule 6.34-O (Trading by OTP Holders and OTP Firms on the Floor) by trading beyond client instructions on the NYSE Arca Options trading floor; (iii) Section 17(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 17a-3(a)(6)(i) thereunder, NYSE Arca Rule 6.68-O (Record of Orders), and NYSE Arca Rules 2.28 and 11.16 (Books and Records) by failing to make, keep current, and preserve records of order instructions; and (iv) NYSE Arca Rule 11.18(b) and (c) (Supervision) by failing to establish and maintain a supervisory system, including written supervisory procedures, reasonably designed to ensure compliance with order announcement and on-floor trading obligations. Consent to a censure and a \$95,000 fine.

* * *

Pursuant to Rule 10.9216 of the NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) Code of Procedure, Casey Securities LLC (“Casey” or the “Firm”) 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. Casey 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. Casey became registered as an Options Trading Permit (“OTP”) Holder with the Pacific Stock Exchange, now known as NYSE Arca, in November 1976, and its registration remains in effect. Its principal place of business is Greenbrae, California. Casey performs execution-only services for other broker-dealer customers and is an

NYSE Arca floor-broker firm.

VIOLATIONS

Violations Related to Order Announcements

2. NYSE Arca Rule 11.1(b) states that OTP Holders “shall at all times adhere to the principles of good business practice in the conduct of its or their business affairs.”
3. A firm must wait for an order to be announced in open outcry before telling a customer or counterparty that the order is announced. An order is not considered announced until: (1) it is entered in the Electronic Order Capture system (*i.e.*, systematized); (2) routed to a Trading Official; and (3) the terms and conditions of the order have been vocalized such that the represented order is actionable in the trading crowd. *See* NYSE Arca Options RM-25-08. Failure to adhere to these order announcement obligations violates NYSE Arca Rule 11.1(b).
4. During the Relevant Period, Casey personnel informed Firm clients that orders were announced before the terms and conditions of the orders were conveyed to the trading crowd. Specifically, over a three-week sample period, on approximately 50 occasions, Casey informed a client that orders were announced after Casey had received certain terms of the option trade but before Casey had received a price from the client for the order. Additionally, in several instances, Casey informed clients that orders were announced while negotiations about crowd participation were ongoing.
5. Accordingly, the Firm violated NYSE Arca Rule 11.1(b).

Violations Related to Trading Beyond Client Instructions

6. NYSE Arca Rule 6.34-O prohibits an OTP Holder from “initiat[ing] a transaction, while on the Floor, for an account in which he has an interest” unless the OTP Holder “is registered with the Exchange as a Market Maker” and is acting in accordance with applicable Exchange rules.
7. On June 11, 2024, Casey received a customer order to buy and cross 150 call options for \$1.62. While Casey systematized the order as instructed, by the time the order was actionable, the market had moved to \$1.70. Casey proceeded to execute the trade at \$1.70. The market then moved lower. In response, Casey executed a new trade at a price of \$1.62, and nullified the previous \$1.70 trade. The execution at \$1.62 was better for the end customer.
8. Casey did not have client instructions to execute the trade at \$1.70 or to nullify that trade once the market moved. By engaging in trading activity on the NYSE Arca Options trading floor without client instructions, Casey was trading for its own account, in violation of NYSE Arca Rule 6.34-O.

Recordkeeping and Additional Business Practice Violations

9. The recordkeeping provisions of the federal securities laws and NYSE Arca rules are designed to ensure that regulators have access to certain information about securities transactions. Access to complete and accurate transaction records is essential for effective regulation of broker-dealers by NYSE Arca and other self-regulatory organizations.
10. Exchange Act Section 17(a) and Rule 17a-3(a)(6)(i) require broker-dealers to “make and keep current” certain books and records , including “[a] memorandum of each brokerage order, and of any other instruction, given or received for the purchase or sale of a security ... whether executed or unexecuted” and of “any modification or cancellations thereof.”
11. NYSE Arca Rule 6.68-O requires OTP Holders to “maintain and preserve . . . a record of every order and of any other instruction given or received for the purchase or sale of option contracts.” Among other things, the record must “show the terms and conditions (market order, limit order, etc.) of the order or instruction and of any modification or cancellation thereof[.]”
12. NYSE Arca Rules 2.28 and 11.16 require OTP Holders to make and retain such books and records as the Exchange may prescribe and as may be prescribed by the Exchange Act and the rules and regulations thereunder.
13. On August 2, 2024, the Firm received a customer order to execute a three-legged spread with instructions to sell and cross the order at a \$250,000 net cash credit. The market then moved such that the trades could no longer be printed at the agreed-upon price, and the client instructed Casey over the phone to execute the customer order “as close to \$250,000 as possible.”
14. Casey proceeded to execute four trades at a net cash credit of \$208,000, \$223,000, \$236,000 and \$250,000, respectively. After executing the final trade at \$250,000, Casey busted the previous three trades. The execution at \$250,000 net cash credit was better for the end customer.
15. While Casey subsequently informed its client that it had executed the trade at \$208,000 and had busted that trade, Casey failed to inform its client either that it had printed trades at prices of \$223,000 and \$236,000, or that it had busted those trades. By executing, busting, and adjusting trades without client notification or approval, Casey violated NYSE Arca Rule 11.1(b).
16. Additionally, Casey failed to document any instruction from its client to modify the order’s price from the original \$250,000 net cash credit. Instead, Casey documented additional limit orders at successive better prices. As a result, Casey violated Exchange Act Section 17(a) and Rule 17a-3(a)(6)(i) thereunder, and NYSE Arca Rules 6.68-O, 2.28, and 11.16.

Supervisory Violations

17. NYSE Arca Rule 11.18(b) requires a member firm to “establish and maintain a system to supervise the activities of its associated persons and the operations of its business. Such system must be reasonably designed to ensure compliance with applicable federal securities laws and regulations and NYSE Arca Rules.”
18. NYSE Arca Rule 11.18(c) requires a member firm 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.”
19. During the Relevant Period, Casey lacked a reasonable supervisory system, including written supervisory procedures (“WSPs”), regarding compliance with its order announcement obligations. While the Firm had WSPs in place concerning the announcement of customer orders, those WSPs failed to address certain order announcement requirements. For example, the Firm’s WSPs did not require that a floor broker vocalize the terms and conditions of the order in the trading crowd prior to informing its client that the order is announced. The Firm’s WSPs also did not require supervisory processes or review to ensure compliance with order announcement obligations.
20. Additionally, during the Relevant Period, Casey lacked a reasonable supervisory system, including WSPs, regarding compliance with NYSE Arca Rule 6.34-O. Specifically, Casey's WSPs did not address the obligations of NYSE Arca Rule 6.34-O, and the Firm failed to conduct any supervisory reviews to ensure compliance with those obligations.
21. Accordingly, the Firm violated NYSE Arca Rule 11.18(b) and (c).

RELEVANT PRIOR DISCIPLINARY HISTORY

22. In September 2022, Casey was censured and fined \$25,000 for violating NYSE Arca Rule 11.1(b) by prematurely informing customers that orders were announced before all terms and conditions had been disclosed to the trading crowd, and by failing to use due diligence to execute orders at the best prices available (NYSE Arca Matter No. 2021-03-05-00064).
23. In September 2021, Casey was censured and fined \$7,500 for violating NYSE Arca Rules 11.1(b), 6.47-O, Commentary .01, and 11.18(b) by prematurely informing its customer that an order was announced in open outcry, failing to properly document a tied hedge trade, and related supervisory violations (NYSE Arca Matter No. 2020-12-09-00020).

SANCTIONS

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

Censure and fine in the amount of \$95,000

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.

Feb 27, 2026

Date

Casey Securities LLC
Respondent



By: **box**SIGN 4ZRX26V4-17WVRL29

Willie Wong
Chief Compliance Officer

Accepted by NYSE Regulation

February 27, 2026

Date



Daniel Northrop
Emily Scherker
NYSE Regulation

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