NYSE ARCA, INC.
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2025-04-15-01106

TO: NYSE Arca, Inc.

RE: UBS Financial Services, Inc., Respondent
CRD No. 8174

Between January 2021 and December 2023 (the "Relevant Period"), UBS Financial Services, Inc. ("UBS FSI" or the "Firm") violated: (1) NYSE Arca Rule 6.78-O (Transactions Off the Exchange) by improperly engaging in off-exchange transactions; (2) NYSE Arca Rule 6.14-O (General Comparison and Clearance Rule) by improperly effecting internal adjustments of positions with the Options Clearing Corporation ("OCC"); and (3) NYSE Arca Rule 6.78A-O(d) (Off-Floor Transfer of Positions) by failing to notify NYSE Arca of the off-exchange transactions. In addition, between January 2021 and January 2026, UBS FSI violated NYSE Arca Rule 11.18(b) and (c) (Supervision) by failing to have a supervisory system, including written supervisory procedures ("WSPs"), reasonably designed to ensure compliance with applicable rules regarding off-exchange options transactions and adjustments of OCC positions. Consent to a censure and a $20,000 fine.

* * *

Pursuant to Rule 10.9216 of the NYSE Arca, Inc. ("NYSE Arca" or the "Exchange") Code of Procedure, UBS FSI 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. UBS FSI 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. UBS FSI is a Delaware corporation with its primary place of business in Weehawken, New Jersey. UBS FSI is a NYSE Arca member and is currently registered as an Options Trading Permit ("OTP") holder. The Firm has no relevant disciplinary history.

VIOLATIONS

Off-Exchange Options Transactions and OCC Adjustments

1. NYSE Arca Rule 6.78-O prohibits OTP Holders from effecting off-exchange transactions "in any class of option contracts listed on the Exchange for a premium in excess of $1.00" unless the OTP Holder "has attempted to execute the transaction on the floor of the Exchange and has reasonably ascertained that it may be executed at a better price off the floor."

2. NYSE Arca Rule 6.14-O prohibits OTP Holders from "adjust[ing] any position at the Options Clearing Corporation in any class of options traded on the Exchange" except for adjustments "for the purpose of correcting a bona fide error in recording or transferring a position as the result of an account transferring to another clearing member."

3. During the Relevant Period, UBS FSI conducted dozens of off-exchange transfers of existing options positions from customer accounts to Firm accounts. The transfers were conducted in mid-to-late December of each year, and involved positions that were largely scheduled to expire in January and could have been executed on Exchange as cabinet or sub-cabinet trades. As an accommodation to its customers, the Firm purchased each position from its customer for $1.00 and the customer, in turn, booked an end-of-year tax loss. The Firm's OCC position adjustments reflected the transfers of the positions to its account.

4. The Firm largely made no attempt to execute the transactions on the Exchange. Moreover, the Firm's OCC position adjustments were neither for the purpose of correcting a bona fide error nor the result of an account transferring to another clearing member.

5. The Firm voluntarily discontinued this conduct in 2024.

6. As a result of this conduct, the Firm violated NYSE Arca Rules 6.78-O and 6.14-O.

Notification Violations

7. NYSE Arca Rule 6.78A-O(d) requires members to notify the Exchange of off-floor transactions in a "manner determined by the Exchange."[1]

8. During the Relevant Period, UBS FSI failed to provide written notice to NYSE Arca of the off-exchange transactions described above.

9. As a result, the Firm violated NYSE Arca Rule 6.78A-O(d).

[1] NYSE Arca Rule 6.69-O(d), which was in effect until August 31, 2022, included the same requirement.

Supervisory Violations

10. NYSE Arca Rule 11.18(b) requires member firms 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."

11. 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."

12. Between January 2021 and January 2026, UBS FSI failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to ensure compliance with the restrictions on off-exchange options transactions described above and related OCC adjustments. Specifically, the Firm lacked a supervisory system or WSPs regarding compliance with rules related to off-exchange transfers of options positions described above and related OCC adjustments. As a result, the Firm violated NYSE Arca Rule 11.18(b) and (c).

SANCTIONS

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

Censure and fine in the amount of $20,000

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.

February 11, 2026
Date

UBS Financial Services, Inc.
Respondent

By: Darya Geetter
Darya Geetter
Managing Director

By:
Dave Lubkemann
Managing Director

Accepted by NYSE Regulation

February 11, 2026
Date

Alexander DeLisi
Emily Scherker
NYSE Regulation

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