

**NEW YORK STOCK EXCHANGE LLC
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2020-12-14-00024**

TO: New York Stock Exchange LLC

RE: TJM Investments, LLC, Respondent
CRD No. 46300

On one known occasion between January 1, 2018 and the present, TJM Investments, LLC (“TJM” or the “Firm”) violated NYSE Rule 122 (Orders with More than One Broker) by maintaining orders for the account of the same principal with two different floor brokers in the same security that could execute at the same time and price.

In addition, TJM also violated NYSE Rule 3110(b) (Supervision) by failing to establish and maintain written supervisory procedures (“WSPs”) reasonably designed to achieve compliance with NYSE Rule 122 from at least January 1, 2018 through October 2020 (the “Supervisory Relevant Period”).

Consent to a censure and \$17,500 fine.

* * *

Pursuant to Rule 9216 of the New York Stock Exchange LLC (the “NYSE” or the “Exchange”) Code of Procedure, TJM 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, the NYSE will not bring any future actions against the Firm alleging violations based on the same factual findings described herein.

I. ACCEPTANCE AND CONSENT

A. TJM 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 the NYSE, or to which the NYSE 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 the NYSE:

BACKGROUND AND JURISDICTION

1. TJM became a member of the NYSE on February 6, 2013, and its registration remains in effect. Throughout the Relevant Period, the Firm operated a floor broker business on the NYSE.

PROCEDURAL HISTORY

2. This matter arises from an investigation conducted by NYSE Regulation. In a letter dated October 21, 2020, NYSE Regulation provided notice to the Firm that it was under investigation relating to the Firm's potential violations of NYSE Rule 122.

VIOLATIONS

The Firm Violated NYSE Rule 122

3. NYSE Rule 122 prohibits member organizations from sending and maintaining with more than one floor broker, for execution on the Exchange, orders at the same price for the purchase or sale of the same security with knowledge that such orders are for the account of the same principal. Sending to, maintaining with, or using more than one floor broker can mean more than one floor broker firm or two different individual floor brokers at the same floor broker firm.
4. On September 27, 2018, TJM executed orders on behalf of a customer serving as the lead bookrunner in an IPO. The Firm assigned one broker ("Broker 1") to stand in the trading crowd to execute buy orders sent from the customer to the Firm.
5. Shortly after opening, when Broker 1 was handling the customer's orders, another TJM broker ("Broker 2") received additional buy orders from the customer. Rather than routing the orders to Broker 1 who was assigned to execute the orders from the customer on that day, Broker 2 routed the orders to the market himself. This inadvertently led to 63,245 competing child orders in the market at the same time over a five-minute period through two TJM floor brokers.¹
6. One of the purposes of NYSE Rule 122 is to prevent circumvention of the NYSE parity allocation rules so that a member organization or its customer cannot obtain preferential execution – that is, be over-represented in the market – by sending competing orders to multiple floor brokers at the same time. As a result of the two TJM floor brokers sending the competing orders into the market over the same time on September 27, 2018, the Firm's customer was over-represented under the NYSE parity model, which resulted in the customer receiving an overallocation of executions in the amount of 5,500 shares. This prevented others in the market from receiving their fair allotment under the parity model.
7. As a result of the above conduct, TJM violated NYSE Rule 122.

¹ In connection with the trading at issue here, Broker 2 received a total of 44 parent orders from the customer. After Broker 2 routed those 44 parent orders to the market through a handheld algorithm, they were broken into child orders that competed with the orders Broker 1 sent into the market.

The Firm Violated NYSE Rule 3110(b)

8. NYSE Rule 3110(b) requires member organizations to establish and maintain WSPs that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable Exchange rules.
9. Prior to October 2020, although TJM principals reviewed trading for compliance with NYSE Rule 122, TJM had no WSPs specific to NYSE Rule 122, or describing its processes and procedures for achieving compliance with the rule.
10. Accordingly, by failing to maintain WSPs reasonably designed to achieve compliance with NYSE Rule 122 during the Supervisory Relevant Period, TJM violated NYSE Rule 3110(b).

RELEVANT PRIOR DISCIPLINARY HISTORY

11. TJM does not have any disciplinary history relevant to NYSE Rule 122.

OTHER FACTORS

12. In considering an appropriate sanction in this matter, NYSE Enforcement took into account, among other things, that the NYSE Rule 122 violations occurred on a single day over a five-minute span and that the customer orders were for a bookrunner during a volatile IPO.
13. Additionally, in response to this investigation, the Firm implemented WSPs specific to NYSE Rule 122 in October 2020, and adopted an additional post-trade surveillance report to identify potential violations of NYSE Rule 122.

SANCTIONS

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

1. Censure and fine in the amount of \$17,500

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 the Firm pays pursuant to this AWC, regardless of the use of the fine amounts.

II. WAIVER OF PROCEDURAL RIGHTS

The Firm specifically and voluntarily waives the following rights granted under the NYSE 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 the NYSE; 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 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 communication 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 by NYSE Regulation, and accepted by the Chief Regulatory Officer of the NYSE pursuant to NYSE 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, 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 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 the Exchange, or any other regulator against the Firm;
 3. The NYSE shall publish a copy of the AWC on its website in accordance with NYSE Rule 8313;
 4. The NYSE may make a public announcement concerning this agreement and the subject matter thereof in accordance with NYSE 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 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. Any such 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 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.

September 7, 2021
Date

TJM Investments, LLC,
Respondent

By: Steve beitler
Name: Steve Beitler
Title: CEO

Accepted by NYSE Regulation

Date

Hanna Seifert
Enforcement Counsel

Tony Frouge
Deputy Head of Enforcement
NYSE Regulation

Signed on behalf of New York Stock
Exchange LLC, by delegated authority from
its Chief Regulatory Officer

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Date

TJM Investments, LLC,
Respondent

By: _____
Name:
Title:

Accepted by NYSE Regulation



September 8, 2021
Date

Hanna Seifert
Enforcement Counsel

Tony Frouge
Deputy Head of Enforcement
NYSE Regulation

Signed on behalf of New York Stock
Exchange LLC, by delegated authority from
its Chief Regulatory Officer