

**NASDAQ BX, INC.**  
**LETTER OF ACCEPTANCE, WAIVER AND CONSENT**  
**NO. 2023.11.0424**

**TO:** Nasdaq BX, Inc.  
Nasdaq BX Enforcement Department

**RE:** Optiver US, LLC  
Member Firm  
CRD No. 128030

Pursuant to Rule 9216 of the Nasdaq BX, Inc. (“BX” or the “Exchange”) Code of Procedure,<sup>1</sup> Optiver US, LLC (“Optiver,” “Respondent,” 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, BX will not bring any future actions against the Respondent 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 BX, or to which BX 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 BX:

**BACKGROUND**

Optiver became a BX and BX Options member on June 9, 2021, and its registration remains in effect. Optiver’s business includes market making on BX Options, and at all times relevant to this matter, Optiver was a Lead Market Maker (“LMM”) on BX Options. Optiver has no relevant disciplinary history.

**SUMMARY**

During the period October 28, 2022 through December 14, 2022 (the “Quoting Review Period”), Optiver violated BX Rule Options 2, Section 4(j)(1) by failing to provide two-sided quotations for at least 90% of the cumulative number of seconds for which its assigned options series were open for trading. During the period of at least September 6, 2022 through May 11, 2023 (the “Supervisory Review Period”), Optiver also violated BX Rules General 9, Sections 20(a) and 1(a) and Options 9, Sections 2(a) and (b)(1) by failing to establish and maintain a supervisory process, including written supervisory procedures, reasonably designed to achieve compliance with BX’s continuous quoting rules.

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<sup>1</sup> The Nasdaq Stock Market Rules General 5 Section 9000 et al. are incorporated by reference into BX Rule General 5, Section 2 and are thus BX Rules and thereby applicable to BX members, associated persons, and other persons subject to BX’s jurisdiction.

## **FACTS AND VIOLATIVE CONDUCT**

1. This matter originated from surveillance conducted by the BX Options Review Department.
2. BX Rule Options 2, Section 4(j)(1) states in relevant part that “LMMs, associated with the same Options Participant, are collectively required to provide two-sided quotations in 90% of the cumulative number of seconds ... for which that Option Participant’s assigned options series are open for trading.”
3. BX Rule General 9, Section 20(a) states in relevant part that each “member shall establish and maintain a system to supervise the activities of each registered representative and associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations and with applicable Exchange rules.”
4. BX Rule General 9, Section 1(a) states that a “member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.” A violation of General 9, Section 20(a) also constitutes a violation of General 9, Section 1(a).
5. BX Rule Options 9, Section 2(a) states in relevant part that “[n]o Options Participant shall engage in conduct in violation of ... the Rules of the Exchange.... Every Options Participant shall supervise persons associated with the Participant to assure compliance therewith.”
6. BX Rule Options 9, Section 2(b)(1) states in relevant part that each Options Participant shall “have adequate arrangements to ensure that all staff involved in the conduct of business on BX Options are suitable, adequately trained, and properly supervised.”
7. During the Quoting Review Period, Optiver failed on 22 trading days to provide two-sided quotations in 90% of the cumulative number of seconds for which its assigned options series were open for trading. The violations occurred because a system misconfiguration caused Optiver to quote too few options series to meet its continuous quoting obligation on the 22 trading days.
8. The conduct specified in paragraph 7 violated BX Rule Options 2, Section 4(j)(1).
9. During the Supervisory Review Period, Optiver’s supervisory system, including its written supervisory procedures, were not reasonably designed to achieve compliance with BX’s continuous quoting rules for two reasons:
  - a. Optiver’s quoting surveillance system was not properly configured to monitor the Firm’s compliance with BX’s continuous quoting rules during the Quoting Review Period. As a result of a system misconfiguration, Optiver failed to detect the majority of the 22 continuous quoting violations during the Quoting Review Period.

- b. Optiver's written supervisory procedures for achieving compliance with BX's continuous quoting rules did not accurately reflect the frequency of Optiver's review of its quoting surveillance reports.

10. The conduct specified in paragraph 9 violated BX Rules General 9, Sections 20(a) and 1(a) and Options 9, Sections 2(a) and (b)(1).

## **SANCTIONS**

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

- a. A censure; and
- b. A fine of \$35,000.

Respondent agrees to pay the monetary sanction(s) in accordance with its executed Election of Payment Form.

Respondent 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 imposed herein shall be effective on a date set by BX Enforcement Department staff.

## **II.**

### **WAIVER OF PROCEDURAL RIGHTS**

Respondent specifically and voluntarily waives the following rights granted under BX's 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 Review Council and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Regulatory Officer, the Exchange Review Council, or any member of the Exchange Review Council, 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.

Respondent further specifically and voluntarily waives any right to claim that a person violated

the ex parte prohibitions of BX Rule 9143 or the separation of functions prohibitions of BX 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**

Respondent 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 the BX Enforcement Department and the Exchange Review Council, the Review Subcommittee, or the Office of Disciplinary Affairs ("ODA"), pursuant to BX 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 Respondent; and
- C. If accepted:
  1. This AWC will become part of the Respondent's permanent disciplinary record and may be considered in any future actions brought by BX or any other regulator against the Respondent;
  2. BX may release this AWC or make a public announcement concerning this agreement and the subject matter thereof in accordance with BX Rule 8310 and IM-8310-3;<sup>2</sup> and
  3. Respondent 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. Respondent may not take any position in any proceeding brought by or on behalf of BX, or to which BX is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the Respondent's right to take legal or factual positions in litigation or other legal proceedings in which BX is not a party.
- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent 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 BX, nor does it reflect the views of BX or its staff.

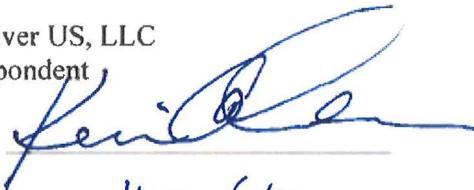
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<sup>2</sup> On May 1, 2020, Series 8000 of Nasdaq Rules were incorporated by reference into BX Rule General 5, Section 1, and are thus BX Rules and thereby applicable to BX members, associated persons, and other persons subject to BX's jurisdiction.

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 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 it.

Optiver US, LLC

Respondent

By: 

Print Name: Kevin B. Cole

Title: CCO

5/7/25

Date

Accepted by Nasdaq:

5/13/25

Date



Jonathan S. Klein

Enforcement Counsel

Nasdaq BX, Inc. Enforcement Department

Signed on behalf of Nasdaq BX, Inc., by  
delegated authority from the Director of ODA