

**NASDAQ PHLX LLC**  
**LETTER OF ACCEPTANCE, WAIVER, AND CONSENT**  
**Case No. 2021.08.0337**

**TO:** Nasdaq PHLX LLC  
Phlx Enforcement Department

**RE:** Virtu Americas LLC  
Respondent Member Firm  
CRD No. 149823

Pursuant to Rule 9216 of the Nasdaq PHLX LLC (“Phlx”) Code of Procedure<sup>1</sup>, Respondent Virtu Americas LLC (“Virtu” 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, Phlx will not bring any future actions against the Firm alleging violations based on the same factual findings described herein.

**I.**

**ACCEPTANCE AND CONSENT**

A. Virtu 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 Phlx, or to which Phlx is a party, prior to a hearing and without adjudication of any issue of law or fact, to the entry of the following findings by Phlx.

**BACKGROUND AND RELEVANT DISCIPLINARY HISTORY**

Virtu is a registered broker-dealer with its principal office in New York, NY. The Firm engages in both customer-facing execution services and proprietary trading operations. Virtu became a member of Phlx in October 2009. Its registration remains in effect.

On August 27, 2021, Virtu consented to findings with The Nasdaq Options Market, LLC (“NOM”) that, during the period September 1, 2020 through October 30, 2020, the Firm violated NOM Rules Options 2, Section 4 and Options 2, Section 5(d)(1)(A) by failing to provide two-sided quotations in 60% of the cumulative number of seconds for which the Firm’s assigned options series were open for trading on nineteen trade dates. The Firm also consented to findings that it violated the NOM Rules Options 9, Section 2(b) and Nasdaq Rule General 9, Sections 20(a) and 1(a). The Firm was fined \$35,000.<sup>2</sup>

**SUMMARY**

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<sup>1</sup> Series 9000 of The Nasdaq Stock Market, LLC (“Nasdaq”) Rules are incorporated by reference into the Nasdaq Phlx Rules General 5, Section 3, and are thus Nasdaq Phlx Rules and thereby applicable to Nasdaq Phlx Members, Associated Persons, and other persons subject to Nasdaq Phlx’s jurisdiction.

<sup>2</sup> Nasdaq Case No. 2020.11.0260.

Between July 16, 2021 and August 17, 2022 (the “Relevant Period”), the Firm was registered as a Remote Streaming Quote Trader (“RSQT”) on Phlx. On 38 instances during the Relevant Period, the Firm did not provide two-sided quotations in at least 60% of the cumulative number of seconds for which the Firm’s assigned options series were open for trading. The Firm also did not adhere to the supervisory procedures that it had established to supervise the activities of the registered representatives and associated persons responsible for preventing and detecting, insofar as practicable, violations of Phlx’s continuous quoting requirements. Based on the foregoing, the Firm violated Phlx Rule Options 2, Section 5(c)(2)(A) and Phlx Rule General 9, Sections 1(c) and 20(h).

### **FACTS AND VIOLATIVE CONDUCT**

1. This matter originated from surveillance conducted by the Nasdaq Options Review Department.
2. Phlx Rule Options 2, Section 5(a) provides that “[i]n registering as an electronic Market Maker, a member organization commits to various obligations.” In particular, during trading hours, an electronic Market Maker must “[m]aintain a two-sided market in those options in which the electronic Market Maker is registered to trade, in a manner that enhances the depth, liquidity and competitiveness of the market.”<sup>3</sup>
3. Phlx Rule Options 2, Section 5(c)(2) provides that, “An electronic Market Maker that enters a bid (offer) in a series of an option in which he is registered on Phlx must enter an offer (bid).” Phlx Rule Options 2, Section 5(c)(2)(A) provides, in relevant part, that RSQTs are “required to provide two-sided quotations in 60% of the cumulative number of seconds, or such higher percentage as Phlx may announce in advance, for which that member organization’s assigned options series are open for trading.”
4. On 38 instances during the Relevant Period, the Firm, acting as an RSQT, did not provide two-sided quotations in 60% of the cumulative number of seconds for which the Firm’s assigned options series were open for trading. The violations occurred, in part, due to a technological issue that affected the way that the Firm processed quote width exemptions. Other violations resulted from the Firm’s misunderstanding of how compliance with the Phlx continuous quoting obligations are calculated.
5. The conduct described in paragraph 4 constitutes a violation of Phlx Options 2, Section 5(c)(2)(A).
6. Phlx Rule General 9, Section 20(h) provides that Phlx members “shall establish, maintain, and enforce written supervisory procedures, and a system for applying such procedures, to supervise the types of business(es) in which the member or member organization engages in and to supervise the activities of all registered representatives, employees, and associated persons. The written supervisory procedures and the system for applying such procedures shall reasonably be designed

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<sup>3</sup> Phlx Rule Options 2, Section 5 defines “electronic Market Maker” to include RSQTs.

to prevent and detect, insofar as practicable, violations of the applicable securities laws and regulations, including the By-Laws and Rules of the Exchange.”

7. Phlx Rule General 9, Section 1(c) provides that member firms “shall not engage in conduct inconsistent with just and equitable principles of trade.” A violation of Phlx Rule General 9, Section 20(h) constitutes a violation of Phlx Rule General 9, Section 1(c).
8. While the Firm’s written supervisory procedures set forth a system for supervising the activities of Firm personnel that was reasonably designed to prevent and detect violations of Phlx Rule Options 2, Section 5(c)(2)(A), the Firm did not adhere to the procedures it set forth for itself in its WSPs. Specifically, the Firm did not review its continuous quoting performance in accordance with the schedule set forth in its WSPs, resulting in delays in detecting deficiencies in its continuous quoting performance and identifying the underlying cause.
9. The conduct in paragraph 8 constitutes a violation of Phlx Rule General 9, Sections 20(h) and 1(c).

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

1. A censure; and
2. A fine in the amount of \$41,250 (resolved simultaneously with similar matters for a total fine of \$55,000).

The Firm agrees to pay the fine upon notice that this AWC has been accepted and that such payment is due and payable. The Firm has submitted a Payment Information form showing the method by which it proposes to 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 fine imposed in this matter.

The sanctions imposed herein shall be effective on a date set by Phlx staff.

## II.

### WAIVER OF PROCEDURAL RIGHTS

The Firm specifically and voluntarily waives the following rights granted under Phlx’s Code of Procedure:

- A. To have a Complaint issued specifying the allegations against the Firm;
- B. To be notified of the 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, the Firm specifically and voluntarily waives any right to claim bias or pre-judgment 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.

The Firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of Phlx Rule 9143 or the separation of functions prohibitions of Phlx 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 and accepted by the Phlx Enforcement Department and the Exchange Review Council, the Review Subcommittee, or the Office of Disciplinary Affairs, pursuant to Phlx 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. This AWC will become part of the Firm's permanent disciplinary record and may be considered in any future actions brought by Phlx or any other regulator against it;
  2. Phlx may release this AWC or make a public announcement concerning this agreement and the subject matter thereof in accordance with Phlx Rule 8310 and IM-8310-3; and
  3. 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 Phlx, or to which Phlx is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the Firm's right to

take legal or factual positions in litigation or other legal proceedings in which Phlx is not a party.

D. 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 changes or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by Phlx, nor does it reflect the views of Phlx or its staff.

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.

July 9, 2025

Date



Virtu Americas LLC  
Respondent

Justin Miller

Name

Chief Compliance Officer

Title

Accepted by Phlx:

July 16, 2025

Date



Reagan Drake  
Enforcement Counsel  
Phlx Enforcement Department

On behalf of Phlx, by delegated  
authority from the Director of ODA