

**NASDAQ PHLX LLC**  
**LETTER OF ACCEPTANCE, WAIVER, AND CONSENT**  
**Case No. 2022.10.0406**

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

**RE:** Jane Street Options, LLC  
Respondent Member Firm  
CRD No. 134159

Pursuant to Rule 9216 of the Nasdaq PHLX LLC (“Phlx”) Code of Procedure<sup>1</sup>, Respondent Jane Street Options, LLC (“JSO” 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. JSO 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**

JSO is a quantitative trading firm and options market maker based in New York, NY. The Firm became a member of Phlx in August 2012. The Firm has no relevant disciplinary history.

**SUMMARY**

During the period August 1, 2022 through April 1, 2025 (the “Relevant Period”), the Firm was registered as a Market Maker on Phlx. Throughout the Relevant Period, the Firm failed to establish adequate supervisory systems and controls that were reasonably designed to prevent and detect, insofar as practicable, violations of Phlx rules concerning allowable quote widths (“Phlx Quote Spread Rules”). As a result, the Firm violated Phlx Rule General 9, Sections 20(h) and 1(c)(1).

**FACTS AND VIOLATIVE CONDUCT**

1. This matter originated from surveillance conducted by the Nasdaq Options Review Department.

---

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

2. Phlx Rule General 9, Section 20(h) requires member organizations to “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 to prevent and detect, insofar as practicable, violations of the applicable securities laws and regulations, including the By-Laws and Rules of the Exchange.”
3. Phlx Rule General 9, Section 1(c)(1) states that, “A member, member organization, or person associated with or employed by a member or member organization 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)(1).
4. During the Relevant Period, the Firm’s supervisory system for detecting violations of Phlx Quote Spread Rules was not reasonably designed. Specifically, the Firm did not have a dedicated surveillance process in place to detect violations of the Phlx Quote Spread Rules. Rather, the Firm relied upon a system-wide surveillance that would detect any failure to adhere to quote width parameters that were automatically configured in JSO’s quoting system. This system would not necessarily alert the Firm to misconfigurations of the internal quoting system.
5. Until September 7, 2022, the Firm did not have a defined process in place for reviewing and implementing quote spread parameter relief provided via Nasdaq Options Regulatory Alerts (“ORAs”). The Firm relied on a manual process that required Firm personnel to identify ORAs and code any quote spread parameter relief into the Firm’s trading systems.
6. In addition, during the Relevant Period, the Firm’s written supervisory procedures (“WSPs”) were not reasonably designed to prevent and detect, insofar as practicable, violations of Phlx Quote Spread Rules. Specifically, the Firm’s WSPs did not identify the individuals responsible for supervision; explain the supervisory steps and reviews to be taken; set forth the frequency of reviews; or describe how such reviews shall be documented with respect to the Firm’s compliance with Phlx Quote Spread Rules.
7. The conduct in paragraphs 4 through 6 constitute violations of Phlx Rule General 9, Section 20(h) and Phlx Rule General 9, Section 1(c)(1).
8. The Firm has taken corrective actions to address the matter set forth herein by (i) implementing a defined process for reviewing quote spread parameter relief provided via ORAs and automatically configuring any such relief into the Firm’s trading systems; and (ii) building new surveillance modules, including one that actively monitors the Firm’s quote spread performance intraday, and by implementing new supervisory processes and procedures related to this surveillance.

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

1. A censure; and

2. A fine in the amount of \$25,000.

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 charges 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 21, 2025

Date



Jane Street Options, LLC  
Respondent

Andrew Steinman

Name

Authorized Signatory

Title

Accepted by Phlx:

07/28/2025

Date



Reagan Drake  
Enforcement Counsel  
Phlx Enforcement Department

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