

THE NASDAQ OPTIONS MARKET LLC
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
Case No. 2022.12.0417

TO: The Nasdaq Options Market LLC
NOM Enforcement Department

RE: IMC-Chicago, LLC
Respondent Member Firm
CRD No. 104143

Pursuant to Rule 9216 of The Nasdaq Stock Market, LLC (“Nasdaq”) Code of Procedure,¹ Respondent IMC-Chicago, LLC (“IMC Financial Markets,” “IMC,” 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, The Nasdaq Options Market, LLC (“NOM”) will not bring any future actions against the Firm alleging violations based on the same facts described herein.

I.

ACCEPTANCE AND CONSENT

- A. IMC 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 NOM, or to which NOM 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 NOM.

BACKGROUND AND RELEVANT DISCIPLINARY HISTORY

IMC is a proprietary trading firm and registered broker-dealer based in Chicago, IL. The Firm became a member of NOM in October 2009. Its registration remains in effect.

In Nasdaq Case No. 2020.08.0234, the Firm consented to findings with NOM that it violated the quote spread rules set forth in NOM Rule Options 2, Section 5(d)(2) in 56,965 instances during the period June 1, 2020 through June 30, 2020, and related supervisory violations under NOM Rule General 9, Section 20(a). The Firm was censured and fined \$35,000.

SUMMARY

During the period October 1, 2022 through December 31, 2022 (the “Review Period”), the Firm was registered as a Market Maker on NOM. Throughout the Review Period, the Firm exceeded the maximum allowable quote spreads 69,659,867 times for certain options classes in which the Firm was appointed. Further, the Firm failed to establish and maintain a supervisory system that was reasonably designed to assure compliance with NOM rules

¹ All Nasdaq Options Market LLC disciplinary matters are governed by the Nasdaq Code of Procedure.

concerning allowable quote widths during the Review Period. Based on the foregoing, the Firm violated NOM Rule Options 2, Section 5(d)(2) and NOM Rule General 9, Sections 20(a) and 1(a).

FACTS AND VIOLATIVE CONDUCT

IMC violated NOM Rule Options 2, Section 5(d)(2) by submitting overwide quotes for multiple options classes while acting as a Market Maker on NOM.

1. This matter originated from surveillance conducted by the Nasdaq Options Review Department.
2. NOM Rule Options 2, Section 5(d)(2) states that, “Options on equities (including Exchange-Traded Fund Shares), and on index options must be quoted with a difference not to exceed \$5 between the bid and offer regardless of the price of the bid. However, respecting in-the-money series where the market for the underlying security is wider than \$5, the bid/ask differential may be as wide as the spread between the national best bid and offer in the underlying security. The Exchange may establish differences other than the above for one or more series or class of options.”
3. In October 2022, the Firm, acting in the capacity of a Market Maker, failed to meet respective allowable quote spreads 5,363,078 times. The violations occurred because the Firm misconfigured its quoting system to submit quotes at the Firm’s “global width,” which was wider than the allowable quote spread on NOM.
4. In December 2022, the Firm, acting in the capacity of a Market Maker, failed to meet respective allowable quote spreads 64,296,789 times. The violations occurred because the Firm failed to reconfigure its systems after a NOM Options Regulatory Alert that removed certain quote spread parameter relief for options classes in which the Firm was appointed.
5. The conduct described in paragraphs 3 and 4 constitutes violations of NOM Rule Options 2, Section 5(d)(2).

IMC failed to establish and maintain a supervisory system reasonably designed to achieve compliance with NOM Rule Options 2, Section 5(d)(2).

6. NOM Rule General 9, Section 20(a) states 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 Nasdaq rules. Nasdaq members shall comply with FINRA Rule 3110 as if such Rule were part of Nasdaq’s Rules.”
7. NOM 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 NOM Rule General 9, Section 20(a) constitutes a violation of NOM Rule General 9, Section 1(a).

8. During the Review Period, the Firm's supervisory system for detecting violations of NOM Rule Options 2, Section 5(d)(2) was not reasonably designed.
9. Specifically, the surveillance system the Firm used to monitor compliance with NOM quote spread rules was not reasonably designed or configured to properly identify the quote spread rule violations at issue.
10. The conduct described in paragraph 9 constitutes a violation of NOM Rule General 9, Sections 20(a) and 1(a).

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

1. A censure; and
2. A fine in the amount of \$19,425 (resolved simultaneously with similar matters for a total fine of \$92,500).

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 NOM staff.

II.

WAIVER OF PROCEDURAL RIGHTS

The Firm specifically and voluntarily waives the following rights granted under Nasdaq'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 issue; 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 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.

The Firm further specifically and voluntarily waives any right to claim that a person violated the ex parte 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.

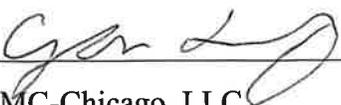
OTHER MATTERS

The Firm understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the Exchange Review Council, the Review Subcommittee, or the Office of Disciplinary Affairs, pursuant to 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 NOM or any other regulator against it;
 - 2. Nasdaq may release this AWC or make a public announcement concerning this agreement and the subject matter thereof in accordance with Nasdaq 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 NOM, or to which NOM 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 NOM 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 NOM, nor does it reflect the views of NOM 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.

2/25/2026
Date


IMC-Chicago, LLC
Respondent

Jason Downey
Name
CCO
Title

Accepted by NOM:

February 25, 2026
Date


Emily Shea
Senior Enforcement Counsel
NOM Enforcement Department

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