

**NASDAQ OMX BX, INC.
NOTICE OF ACCEPTANCE OF AWC**

Certified, Return Receipt Requested

**TO: Wolverine Trading LLC
Mr. Eoin Callery
Managing Director**

**Wolverine Execution Services, LLC
Mr. Robert Bellick
Chief Executive Officer**

**175 W. Jackson
Suite 200
Chicago, IL 60604**

**FROM: The NASDAQ OMX BX, Inc. (the "Exchange")
c/o Financial Industry Regulatory Authority ("FINRA")
Department of Market Regulation
9509 Key West Avenue
Rockville, MD 20850**

DATE: January 13, 2014

RE: Notice of Acceptance of Letter of Acceptance, Waiver and Consent No. 20110291711--01

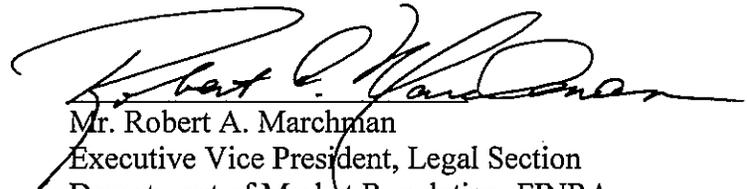
Please be advised that your above-referenced Letter of Acceptance, Waiver and Consent ("AWC") has been accepted on **January 9, 2014** by the Exchange Review Council's Review Subcommittee, or by the Office of Disciplinary Affairs on behalf of the Exchange Review Council, pursuant to Nasdaq OMX BX Rule 9216. A copy of the AWC is enclosed herewith.

You are again reminded of your obligation, if currently registered, immediately to update your Uniform Application for Broker-Dealer Registration ("Form BD") to reflect the conclusion of this disciplinary action. Additionally, you must also notify FINRA (or the Exchange if you are not a member of FINRA) in writing of any change of address or other changes required to be made to your Form BD.

You will be notified by the Registration and Disclosure Department regarding sanctions if a suspension has been imposed and by the Nasdaq's Finance Department regarding the payment of any fine if a fine has been imposed.

Wolverine Trading LLC
Wolverine Execution Services, LLC
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If you have any questions concerning this matter, please call Theresa Clarkson, Counsel,
at (212) 858-4326



Mr. Robert A. Marchman
Executive Vice President, Legal Section
Department of Market Regulation, FINRA

Signed on behalf of Nasdaq OMX BX, Inc.

Enclosure

FINRA District 8 – Chicago
Carla A. Romano
Regional Director
(via email)

David L. Cavicke
Counsel for Respondent
Wolverine Trading, LLC
175 West Jackson Blvd., Suite 200
Chicago, IL 60604
(DCavicke@Wolve.com)

NASDAQ OMX BX, INC.
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20110291711-01

TO: NASDAQ OMX BX, Inc.
c/o Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: Wolverine Trading, LLC, Respondent
Broker-Dealer
CRD No. 36848

Wolverine Execution Services, LLC, Respondent
Broker-Dealer
CRD No. 120719

Pursuant to Chapter XXX of the Grandfathered Rules of NASDAQ OMX BX, Inc.¹ (the "Exchange")² and Rule 9216 of The Exchange Code of Procedure, Wolverine Trading, LLC ("WTLP") and Wolverine Execution Services, LLC ("WEXX") (collectively, "the Firms") submit 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 Exchange will not bring any future actions against the Firms alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. WTLP and WEXX hereby accept and consent, 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 Exchange, or to which the Exchange 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 Exchange:

BACKGROUND

1. WTLP became a Participant of the Boston Options Exchange ("BOX")³ on January 20, 2004, when its Options Participation Agreement was accepted by the Exchange. Under the terms of that agreement, the Firm agreed, among other things, to be bound by the Rules of the Exchange, as amended, including the BOX

¹ The applicable Rules and authority for this action can be found in the By-Laws of NASDAQ OMX BX, Inc., the Rules of NASDAQ OMX BX ("The Equities Rules") and the Grandfathered Rules of the Exchange.

² Please note, for purposes of this AWC, "Exchange" includes NASDAQ OMX BX, Inc.

³ BOX became a facility of NASDAQ OMX BX in August 2008.

Trading Rules, and to be subject to the Exchange's jurisdiction and oversight. WTLP remains a BOX Participant.

2. WEXX is a FINRA member and has been a member since November 14, 2002. WEXX became a Participant of the Boston Options Exchange ("BOX") on January 21, 2004, when its Options Participation Agreement was accepted by the Exchange. Under the terms of that agreement, the Firm agreed, among other things, to be bound by the Rules of the Exchange, as amended, including the BOX Trading Rules, and to be subject to the Exchange's jurisdiction and oversight. WEXX's remains a BOX Participant.

RELEVANT DISCIPLINARY HISTORY

Pursuant to a BOXR AWC dated July 21, 2010 (STAR No. 20090197765), WTLP was censured and fined \$75,000. WTLP: (i) had failed to meet its market maker continuous quoting obligations at the BOX during April 3, 2006 through June 30, 2006; (ii) had failed to adequately participate in the pre-opening phase at the BOX during February 2, 2009 through October 30, 2009; (iii) had failed to avoid displaying a locked or crossed market on a total of 3,522 occasions during July 2009 through October 2009; (iv) had initiated a purchase or sale of options contracts on the Exchange at a price inferior to the National Best Bid and Offer on a total of 98 occasions during February 2009 through August 2009, and October 2009 through January 2010; and (v) had failed to have adequate WSPs related to its quoting obligations, and the avoidance of locked/crossed markets and trade-throughs during each of the aforementioned time periods.

SUMMARY

In connection with matter 20110291711, FINRA staff, on behalf of BOX, engaged in monthly surveillance of the quoting activity of its market makers to review for compliance with Chapter XII, Section 2(a) of the BOX Trading Rules during the period between May 2011 and May 2012 ("review period").

FACTS AND VIOLATIVE CONDUCT

Trade-Through Violations

1. Although separate legal entities, WTLP and WEXX share Legal and Compliance Departments and some technology staff.
2. As a result of Staff's investigation, the Firms disclosed that during the review period, a BOX-specific coding error in the Firms' proprietary system resulted in inadvertent trade-throughs that had not been detected by the Firms.
3. During the period August 1, 2010 through May 11, 2012: (i) WEXX effected 96 trade-throughs, many of which were on behalf of WTLP; and (ii) WTLP effected 310 trade-throughs.

4. The conduct described in paragraphs one through three constitutes violations of Chapter XII, Section 2(a) of the BOX Trading Rules.

Supervision

5. During the period from August 1, 2010 until May 11, 2012, WTLP and WEXX failed to maintain an adequate system of supervision, including adequate written supervisory procedures and effective monitoring reasonably designed to achieve compliance with Exchange rules and requirements relating to trade-throughs.
6. The conduct described in paragraph five constitutes violations Chapter V, Section 1(b)(iv) of the BOX Trading Rules.

- B. WTLP consents to the imposition of the following sanction:

A censure and a total fine of \$100,000.

WEXX consents to the imposition of the following sanction:

A censure and a total fine of \$50,000.

WTLP and WEXX agree to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. WTLP and WEXX have submitted an Election of Payment form showing the method by which they propose to pay the fine imposed.

WTLP and WEXX specifically and voluntarily waive any right to claim that they are unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

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

II.

WAIVER OF PROCEDURAL RIGHTS

WTLP and WEXX specifically and voluntarily waive the following rights granted under the Rules of the Exchange and the ExchangeCode of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against the Firms in writing;
- 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, WTLP and WEXX specifically and voluntarily waive any right to claim bias or prejudice 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.

WTLP and WEXX further specifically and voluntarily waive 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

WTLP and WEXX understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by FINRA's Department of Market Regulation and the Exchange Review Council, the Review Subcommittee, or the Office of Disciplinary Affairs ("ODA"), pursuant to Exchange Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against WTLP and WEXX.
- C. If accepted:
 - 1. This AWC will become part of WTLP and WEXX's permanent disciplinary record and may be considered in any future actions brought by the Exchange or any other regulator against the Firms;
 - 2. This AWC will be made available through FINRA's public disclosure program in response to public inquiries about WTLP and WEXX's disciplinary record;

3. The Exchange may make a public announcement concerning this agreement and the subject matter thereof in accordance with BX Rule 8310 and IM-8310-3; and
 4. WTLP and WEXX 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 Firms 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 WTLP and WEXX'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. WTLP and WEXX may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. WTLP and WEXX understand that they 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 the Exchange, nor does it reflect the views of the Exchange or its staff.

The undersigned(s), on behalf of WTLP and WEXX, certifies that a person duly authorized to act on their 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 WTLP and WEXX to submit it.

12/17/2013
Date

Respondent
Wolverine Trading, LLC

By: 

Name: E O I N C A L L E R Y

Title: M A N A G I N G D I R E C T O R

Reviewed by:

Counsel for Wolverine Trading, LLC

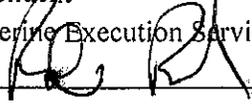
Firm Name: Chief Legal Officer

Address: 175 West Jackson Blvd.

Telephone No.: 312 884 4000

12/17/2013
Date

Respondent
Wolverine Execution Services, LLC

By: 

Name: Robert Bellick

Title: C E O

Reviewed by:

Counsel for Wolverine Execution Services, LLC

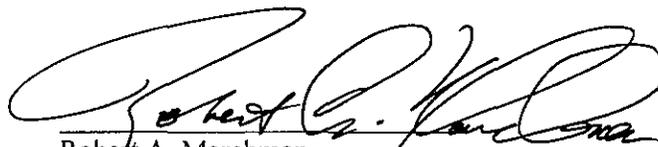
Firm Name: Chief Legal Officer

Address: 175 West Jackson Blvd

Telephone No.: 312 884 4000

Accepted by Nasdaq OMX BX, Inc.:

1/9/14
Date



Robert A. Marchman
Executive Vice President
Department of Market Regulation
Signed on behalf of Nasdaq OMX BX, Inc.,
by delegated authority from the Director of
ODA

ELECTION OF PAYMENT FORM

WEXX intends to pay the fine proposed in the attached AWC by the following method (check one):

- A firm check or bank check for the full amount;
- Wire transfer;
- The installment payment plan.⁵
 - Monthly
 - Quarterly

Respectfully submitted,
Wolverine Execution Services, LLC

12/17/2013
Date

By: 
Name: David Cavicke
Title: Chief Legal Officer

⁵ The installment payment plan is only available for a fine of \$50,000 or more. Certain requirements apply.