

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

Certified, Return Receipt Requested

**TO: COR Clearing LLC
Mr. Mark R. Bell
Chief Legal Officer
1200 Landmark Center
1299 Farnam Street
Suite 800
Omaha, NE 68102**

**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: December 29, 2015

RE: Notice of Acceptance of Letter of Acceptance, Waiver and Consent No. 20130362207-02

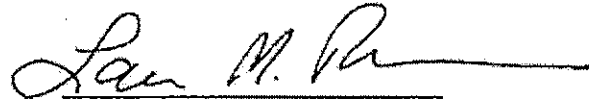
Please be advised that your above-referenced Letter of Acceptance, Waiver and Consent ("AWC") has been accepted on December 29, 2015 by the Exchange Review Council's Review Subcommittee, or by the Office of Disciplinary Affairs on behalf of the Exchange Review Council, pursuant to Nasdaq OMX BX Rule 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.

COR Clearing LLC
Page 2

If you have any questions concerning this matter, please contact Michael W. Bautz, Senior Counsel,
at (646) 430-7032.

A handwritten signature in black ink, appearing to read "Lara M. Posner", with a long horizontal line extending to the right.

Lara M. Posner
Chief Counsel, Legal Section
Department of Market Regulation

Signed on behalf of Nasdaq OMX BX, Inc.

Enclosure

FINRA District 4 – Kansas City
Edward Wegener
Regional Director
55 West Monroe Street
Chicago, IL 60603

NASDAQ OMX BX, INC.
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20130362207-02

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

RE: COR Clearing LLC, Respondent
Broker-Dealer
CRD No. 117176

Pursuant to Chapter XXX of the Grandfathered Rules of NASDAQ OMX BX, Inc. (the "Exchange")¹ and Rule 9216 of the Exchange Code of Procedure, COR Clearing LLC (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 Exchange will not bring any future actions against the firm 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 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

The firm is a registered broker-dealer and has been a FINRA member since June 4, 2002. The firm became a member of the Boston Options Exchange ("BOX") in March 2008. From August 29, 2008 to May 11, 2012 BOX was a facility of the Exchange. Under the terms of its Options Participation Agreement with the Exchange, the firm agreed, among other things, to be bound by the Rules of the Exchange, as amended, including the Grandfathered Boston Options Exchange Group LLC Rules ("BOX Trading Rules"), and to be subject to the Exchange's jurisdiction and oversight.

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

The firm has no relevant prior disciplinary history.

SUMMARY

In connection with Matter 20130362207, the Options Regulation Department of the Division of Market Regulation at FINRA (the "staff") on behalf of the Exchange conducted a review of the firm's reporting to the Options Clearing Corporation ("OCC") Large Options Positions Report ("LOPR") for the period January 19, 2010 through May 11, 2012.

FACTS AND VIOLATIVE CONDUCT

Reporting of Options Positions

1. LOPR data is used extensively by self-regulatory organizations as they conduct reviews that have the ultimate goal of identifying and deterring the establishment of options positions that may provide an incentive to manipulate the market.
2. The accuracy of LOPR data is essential for the analysis of potential violations related to insider trading, position limits, exercise limits, front-running, capping and pegging, mini-manipulation, and marking-the-close.
3. From January 19, 2010 through May 11, 2012 the firm:
 - a) reported records to the Options Clearing Corporation ("OCC") Large Options Position Report ("LOPR") with "No City" in 14,084 instances;¹
 - b) reported records to the OCC LOPR with the account name field incorrectly populated (*i.e.*, truncated account name) in 17,995 instances; and
 - c) reported records to the OCC LOPR in the wrong account type in 2,079 instances.
4. The conduct described in paragraph three constitutes separate and distinct violations of BOX Rules; Chapter III, Sec. 10.

Supervision

5. From January 19, 2010 through May 11, 2012, the firm failed to maintain an adequate system of supervision, including effective monitoring, reasonably designed to achieve compliance with BOX Rules; Chapter III, Sec. 10. The conduct described in this paragraph constitutes a violation of BOX Rules; Chapter III, Sec. 2(a)(i).

¹ An "instance" is a single failure to report, or inaccurately report, a given options position. The number of instances is determined by multiplying a given reportable position by the number of trade dates the position had not been reported or was reported inaccurately (*e.g.*, if a position was effective day 1 and expired day 10, this would be equivalent of 10 position-days or instances).

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

Censure and a fine of \$20,000 (consisting of \$15,000 for violation of BOX Rules; Chapter III, Sec. 10; and \$5,000 for violation of BOX Rules; Chapter III, Sec. 2(a)(i)).

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

The firm 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 FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under the Exchange'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, 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 FINRA's Department of Market Regulation and the Exchange Review Council, the Review Subcommittee, or the Office of Disciplinary Affairs ("ODA"), pursuant to THE 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 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 the Exchange or any other regulator against the firm;
 - 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 the Exchange, or to which the Exchange 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 the Exchange 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 the Exchange, nor does it reflect the views of the Exchange 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 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 the firm to submit it.

DECEMBER 4, 2015
Date

COR Clearing LLC
Respondent

By: MARIL R. BELL
Name: MARIL R. BELL
Title: CHIEF LEGAL OFFICER

Accepted by the Exchange:

12/29/2015
Date

Lara M. Posner
Lara M. Posner
Chief Counsel
Department of Market Regulation

Signed on behalf of the Exchange, by
delegated authority from the Director of
ODA

ELECTION OF PAYMENT FORM

The firm intends to pay the fine proposed in the attached Letter of Acceptance, Waiver and Consent by the following method (check one):

- A firm check or bank check for the full amount;
- Wire transfer;
- The installment payment plan.¹
 - Monthly
 - Quarterly

Respectfully submitted,

Respondent
COR Clearing LLC

DECEMBER 4, 2015
Date

By: Mark R. Bell

Name: MARK R. BELL

Title: CHIEF LEGAL OFFICER

¹ The installment payment plan is only available for a fine of \$50,000 or more. Certain requirements apply.