

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

Certified, Return Receipt Requested

**TO: Wolverine Trading, LLC
Mr. Matthew Scott
Managing Director
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: December 12, 2013

RE: Notice of Acceptance of Letter of Acceptance, Waiver and Consent No. 20100249660-01

Please be advised that your above-referenced Letter of Acceptance, Waiver and Consent ("AWC") has been accepted 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
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If you have any questions concerning this matter, please call Theresa Clarkson, Counsel,
at (212) 858-4326.



Eric Brown
Chief Counsel, 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
55 West Monroe Street
Suite 2700
Chicago, IL 60603-5052

David L. Cavicke
Counsel for Respondent
Wolverine Trading, LLC
175 West Jackson Blvd.
Chicago, IL 60604

NASDAQ OMX BX, INC.
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20100249660-01

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

Pursuant to Chapter XXX of the Grandfathered Rules of NASDAQ OMX BX, Inc.¹ ("BX" or the "Exchange")² and Rule 9216 of the Exchange Code of Procedure, Wolverine Trading, LLC ("WTLP") 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 WTLP alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. WTLP 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

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, WTLP 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. WTLP's registration remains in effect.

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.

RELEVANT DISCIPLINARY HISTORY

On July 21, 2010, Boston Options Exchange Regulation (“BOXR”) accepted an AWC that found that the Firm: (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 written supervisory procedures related to its quoting obligations, and the avoidance of locked/crossed markets and trade-throughs during each of the aforementioned time periods. For the aforementioned violations, WTLP was censured and fined a total of \$75,000.

SUMMARY

In connection with matter 20100249660, FINRA staff (“Staff”) conducted a review of WTLP’s compliance with Chapter XII, Section 3 of the BOX Trading Rules (locked/crossed market obligations) during the periods of August 1, 2010 through October 31, 2010; November 1, 2010 through January 31, 2011; and February 1, 2011 through April 30, 2011 (collectively “the review period”).

FACTS AND VIOLATIVE CONDUCT

Locked/Crossed Market Obligations

1. During the review period, WTLP failed to reasonably avoid displaying and engaging in a pattern or practice of displaying quotations that locked or crossed the National Best Bid or Offer (“NBBO”) without taking corrective action within a timely manner: (i) on 17,382 occasions between August 2010 and October 2010 (6,265 of which lasted at least six seconds), with each occasion lasting an average of 14.56 seconds; (ii) on 14,126 occasions between November 2010 and January 2011 (4,898 of which lasted at least six seconds), with each occasion lasting an average of 17.26 seconds; and (iii) on 1,373 occasions between February 2011 and April 2011 (362 of which lasted at least six seconds), with each occasion lasting an average of 10.41 seconds.
2. The conduct described in paragraph one above constitutes separate and distinct violations of Chapter XII, Section 3 of the BOX Trading Rules.

Supervision

3. During the review period and through May 14, 2012, WTLP failed to establish and maintain an adequate system of supervision, including adequate written supervisory procedures, to ensure compliance with Exchange rules relating to surveillance of locked/crossed markets and Chapter XII, Section 3 of the BOX Trading Rules.

4. The conduct described in paragraph three constitutes separate and distinct violations of Chapter V, Section 1(b)(iv) of the BOX Trading Rules.

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

A censure and a total fine of \$25,000.

The sanction imposed herein shall become effective upon approval or acceptance of this AWC by the Exchange Review Council.

II.

WAIVER OF PROCEDURAL RIGHTS

WTLP specifically and voluntarily waives the following rights granted under the Rules of the Exchange and the Exchange Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against the Firm 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 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.

WTLP 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

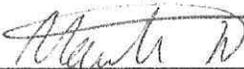
WTLP understands that:

- 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 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
- C. If accepted:
 1. This AWC will become part of WTLP's permanent disciplinary record and may be considered in any future actions brought by the Exchange or any other regulator against the Firm;
 2. This AWC will be made available through FINRA's public disclosure program in response to public inquiries about WTLP'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 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. WTLP may not take any position in any proceeding brought by or on behalf of the Exchange, or to which Nasdaq is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects WTLP's right to take legal or factual positions in litigation or other legal proceedings in which the Exchange is not a party.
- D. WTLP may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. WTLP 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 WTLP, 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 WTLP to submit it.

11/13/2013
Date

Respondent
Wolverine Trading, LLC

By: 

Name: Matthew Scott

Title: Managing Director

Reviewed by:


Counsel for Wolverine Trading, LLC

Name: David L. Cavicke

Address: 175 West Jackson Blvd

Telephone No.: (312) 884-3440

Accepted by Nasdaq OMX BX, Inc.:

12/12/2013
Date



Eric Brown
Chief Counsel
Department of Market Regulation
Signed on behalf of Nasdaq OMX BX, Inc.,
by delegated authority from the Director of
ODA

ELECTION OF PAYMENT FORM

WTLP 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.⁴
 - Monthly
 - Quarterly

Respectfully submitted,
Wolverine Trading, LLC

11/13/13
Date

By: D J Cavicke

Name: David H. Cavicke

Title: Chief legal officer

⁴ The installment payment plan is only available for a fine of \$50,000 or more. Certain requirements apply.