



Financial Industry Regulatory Authority

Eric S. Brown
Chief Counsel, Legal Section
Market Regulation Department
eric.brown@finra.org
t 212 858 4308

By: Certified Mail, Return Receipt Requested and Email (dcavicke@wolve.com)

October 28, 2016

Wolverine Trading, LLC
175 West Jackson Boulevard, Suite 200
Chicago, Illinois 60604

Attn: David Cavicke, Chief Legal Counsel

**RE: Payment of Fine in Connection with Executed Letter of Consent
FINRA Matter No. 20140438298**

Dear Mr. Cavicke:

Enclosed is an executed copy of the Letter of Consent ("LOC"), which was signed by you on October 11, 2016, for Wolverine Trading LLC (the "Firm"), and countersigned by Edward Deitzel, Executive Vice President and Chief Regulatory Officer, for the Business Conduct Committee at the Miami International Securities Exchange, LLC ("MIAX" or the "Exchange") on October 27, 2016. Please consider this correspondence as notice to the Firm that this LOC has been accepted, and as a result, the Firm must promptly remit payment of the agreed upon sanction. Please make the payment to Miami International Securities Exchange, LLC.

The payment should be sent to the below address if payment is by check:

MIAX Options
Attn: Tia Toms
7 Roszel Road, Suite 5A
Princeton, NJ 08540
Reference Number: Matter No. 20140438298

If payment is by wire, wiring instructions are as follows:

October 28, 2016
Page 2

Pursuant to MIAX Rule 1011, after seven calendar days' notice in writing, the Exchange may summarily suspend a Member that fails to pay promptly a fine when such fine becomes finally due and payable.

If you have any questions, please do not hesitate to telephone me.

Sincerely,

A handwritten signature in black ink, appearing to read "L. O'Leary", written in a cursive style.

Enclosure

cc: Larry O'Leary, VP Regulation, Miami International Securities Exchange, LLC
(via e-mail to loleary@miaxoptions.com)

This letter is issued on behalf of the Miami International Securities Exchange, LLC, by FINRA Market Regulation pursuant to a grant of authority to FINRA. Accordingly, this constitutes a letter by the Miami International Securities Exchange, LLC.

MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC
LETTER OF CONSENT
NO. 20140438298-01

TO: Miami International Securities Exchange, LLC
c/o Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

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

Pursuant to Rule 1003 of the Rules of the Miami International Securities Exchange, LLC ("MIAX"), Wolverine Trading, LLC (the "firm") submits this Letter of Consent ("LOC") for the purpose of proposing a settlement of the alleged rule violations described below. This LOC is submitted on the condition that, if accepted, MIAX 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 MIAX, or to which MIAX 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 MIAX:

BACKGROUND

~~The firm has been registered as a member of MIAX since December 7, 2012, and has been approved to conduct business as a Primary Lead Market Maker ("PLMM") on MIAX.~~

SUMMARY

The Options Regulation staff in FINRA's Department of Market Regulation conducted an investigation on behalf of MIAX concerning the firm's compliance with quoting obligations in the opening rotation on MIAX during the period between February 2013 and July 2016 (the "Review Period"). As a result of this investigation, it was determined that on 305 days during the Review Period, the firm violated MIAX Rules 503(e) and 603(c) by failing to properly disseminate valid width opening and re-opening quotations and by failing to open or re-open series in various appointed classes.

FACTS AND VIOLATIVE CONDUCT

1. Among other things, MIAX Rules 503(e) and 603(c) require that a PLMM assigned in a particular equity option class enter valid width quotations no later than one minute following the dissemination of a quote or trade by the market for the underlying security.
2. On a total of 305 trading days during the Review Period, the firm failed to disseminate quotations at the opening or during a re-opening within one minute of the dissemination of a quotation or trade by the primary market for the underlying security, or failed to open or re-open series in various appointed classes. On over 100 of those 305 violative trading days, the firm had opening quoting non-compliance rates in excess of 10 percent.
3. The conduct in paragraph two constituted separate and distinct violations of MIAX Rules 503(e) and 603(c).
4. MIAX Rule 300 requires every Member to supervise persons associated with it to assure compliance with the Securities Exchange Act of 1934 and MIAX's By-Laws and Rules. MIAX Rule 500(b) (iii) makes it a violation for a Member to fail to supervise employed or associated persons to ensure that person's compliance with Rule 500(b), including the prohibition against engaging "in conduct (1) inconsistent with the maintenance of a fair and orderly market; (2) apt to impair public confidence in the operations of the Exchange; or (3) inconsistent with the ordinary and efficient conduct of business."
5. By repeatedly failing during the Review Period to disseminate quotations within one minute of the dissemination of a quotation or trade in underlying securities, or to open or re-open series in various appointed classes repeatedly for three years, the firm failed to supervise to assure compliance with Rules 503(e), 603(c), and 500(b).
6. The conduct in paragraph five violated MIAX Rules 300 and 500(b).

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

1. a censure,
2. a fine of \$70,000, and
3. an undertaking by the firm, within 30 days of notification of acceptance of this LOC, to correct the supervisory deficiencies identified above and submit, on behalf of MIAX, to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850, either by letter that identifies the firm and case number, or by email from a work-related account of the registered principal of the firm to MarketRegulationComp@finra.org, a signed, dated letter detailing the action taken to remediate the supervisory deficiency.

The firm agrees to pay the monetary sanction upon notice that this LOC has been accepted and that such payment is due and payable. It has submitted an Election of Payment 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 monetary sanction imposed in this matter.

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

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under MIAX Rules:

- A. To have a Statement of Charges issued specifying the allegations against the firm;
- B. To be notified of the Statement of Charges 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 MIAX's Board of Directors 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 prejudice of the Chief Regulatory Officer ("CRO"), as well as the Business Conduct Committee ("BCC"), in connection with participation in discussions regarding the terms and conditions of this LOC, or other consideration of this LOC, including acceptance or rejection of this LOC.

The firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of MIAX Rule 1006, in connection with such person's or body's participation in discussions regarding the terms and conditions of this LOC, or other consideration of this LOC, including its acceptance or rejection.

III.

OTHER MATTERS

The firm understands that:

- A. Submission of this LOC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the CRO and the BCC, pursuant to MIAX Rule 1003;
- B. If this LOC 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 LOC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by MIAX or any other regulator against the firm;

2. This LOC will be published on a website maintained by MIAX; 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 LOC or create the impression that the LOC is without factual basis. The firm may not take any position in any proceeding brought by or on behalf of MIAX, or to which MIAX is a party, that is inconsistent with any part of this LOC. Nothing in this provision affects the firm's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which MIAX is not a party.

D. The firm may attach a Corrective Action Statement to this LOC 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 LOC in this Statement. This Statement does not constitute factual or legal findings by MIAX, nor does it reflect the views of MIAX 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 LOC and has been given a full opportunity to ask questions about it; that it has agreed to the LOC'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 Statement of Charges, has been made to induce the firm to submit it.

10/11/2016
Date

Respondent
Wolverine Trading, LLC

By: David L. Cavicke

Name: David L. Cavicke

Title: Chief Compliance Officer,
Chief Legal Counsel

Accepted by the Miami International Securities Exchange, LLC:

10/27/16
Date

Edward Deitzel

Edward Deitzel
Executive Vice President and Chief Regulatory
Officer
Miami International Securities Exchange, LLC

Decision of the Business Conduct Committee:

Accept Decline

10/27/16
Date



By: Edward Deitzel
For the Business Conduct Committee

ELECTION OF PAYMENT FORM

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

- A firm check or bank check for the full amount;
- Wire transfer;

Respectfully submitted,
Respondent
Wolverine Trading, LLC

10/11/2016
Date

By: D L Cavicke

Name: David L. Cavicke

Title: Chief Compliance Officer,
Chief Legal Counsel