



VIA CERTIFIED MAIL

May 9, 2018

Barclays Capital Inc.
Ms. Magda Jimenez Train
Director
745 7th Avenue
New York, NY 10019

RE: Payment of Fine in Connection with Executed Letter of Consent
FINRA Matter No. 20130364720-03

Dear Ms. Train:

Enclosed is an executed copy of the Letter of Consent (“LOC”), signed by you at Barclays Capital Inc. (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 **May 3, 2018**. 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. 20130364720-03

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

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.

Barclays Capital Inc.
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If you have any questions concerning this matter, please contact Jacqueline Gorham, Senior Counsel, at (646) 430-7044.

Sincerely,



Kenneth R. Bozza
Senior Director
Department of Enforcement, FINRA

Enclosure

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

FINRA District 10 – New York
Michael Solomon
Senior Vice President and Regional Director
(Via email)

Michael J. Diver
Counsel for Respondent
Katten Muchin Rosenman LLP
525 W. Monroe Street
Chicago, IL 60661

This letter is issued on behalf of the Miami International Securities Exchange, LLC, by FINRA Department of Enforcement 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. 20130364720-03**

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

**RE: Barclays Capital Inc., Respondent
Broker-Dealer
CRD No. 19714**

Pursuant to Rule 1003 of the Rules of the Miami International Securities Exchange, LLC ("MIAX"), Barclays Capital Inc. ("BCAP" or 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

BCAP has been a member of MIAX since December 7, 2012, and became a member of FINRA on October 19, 1987, and its registrations remains in effect. The Firm does not have a relevant disciplinary history.

SUMMARY

In connection with Matter No. 20150444593, the Options Regulation Staff of FINRA's Department of Market Regulation, on behalf of MIAX, commenced a review to determine the accuracy of the Firm's reporting of options positions to the Large Options Positions Reporting ("LOPR") system between October 23, 2013 and December 31, 2014 (the "Relevant Period").¹

¹ The Options Regulation Staff also conducted a review of the accuracy of the Firm's reporting of options positions to the LOPR under Matter Nos. 20130364720 and 20150472919 on behalf of FINRA, and under Matter No. 20140423662 on behalf of the Cboe BZX Exchange, Inc., during various periods collectively between at least January 19, 2010 and December 31, 2015.

LOPR data is used extensively by self-regulatory organizations to identify holders of large option positions who may be, among other things, attempting to manipulate the market or otherwise violate securities rules and regulations. The accuracy of LOPR data is essential for the analysis of potential violations, including insider trading, position limits, exercise limits, front-running, capping and pegging, mini-manipulation, and marking-the-close.

As a result of its review in Matter No. 20150444593, FINRA determined that during the Relevant Period, the Firm failed to report and inaccurately reported positions to the LOPR in thousands of instances.² In addition, the Firm failed to establish and maintain adequate supervisory procedures, including written supervisory procedures, by failing to implement an adequate system of follow-up and review reasonably designed to ensure compliance with LOPR reporting obligations.

FACTS AND VIOLATIVE CONDUCT

1. During the Relevant Period, the Firm failed to report and inaccurately reported options positions to the LOPR in approximately 20,000 instances as follows:
 - a. Between October 23, 2013 and November 7, 2014, the Firm reported positions to the LOPR with incorrect effective dates in approximately 18,890 instances;
 - b. Between January 10, 2014 and November 7, 2014, the Firm failed to report options position updates to the LOPR in approximately 700 instances;
 - c. Between November 27, 2013 and December 19, 2013, the Firm failed to report listed options positions to the LOPR for approximately 48 options positions in approximately 450 instances involving rejected records that were not resubmitted to the LOPR.
 - d. On six dates in October and November 2014, the Firm reported certain foreign and domestic accounts to the LOPR with incomplete street addresses and no postal codes in an unknown number of instances; and
 - e. On October 17, 2014 and October 20, 2014, the Firm failed to report to the LOPR a position in one symbol that the Firm thought had been cancelled, but had been sold at a different price; and on November 10, 2014, the Firm over-reported an options position in one symbol, and under-reported an options position in one symbol.

The foregoing conduct constitutes violations of MIAX Rule 310.

² An "instance" is a single failure to report, or inaccurate report, for 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 been reported inaccurately.

2. During the Relevant Period, the Firm failed to establish and maintain an adequate supervisory system, including a system of follow-up and review, that was reasonably designed to achieve compliance with the rules governing the reporting of options positions to the LOPR system. In addition, the Firm's supervisory system did not include sufficient written supervisory procedures to ensure the proper reporting of positions to the LOPR. The conduct described in this paragraph constitutes a violation of MIAX Rule 1308(c).

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

1. A censure;
2. A total fine in the amount of \$400,000, of which \$60,000 is payable to MIAX³ for the violations of MIAX Rules 310 and 1308(e); and
3. An undertaking requiring the Firm to address the LOPR deficiencies described in this LOC and to ensure that it has implemented controls and procedures that are reasonably designed to achieve compliance with the rules and regulations cited herein.
 - a. Within 60 days of the date of the issuance of the Notice of Acceptance of this LOC, BCAP shall submit to the COMPLIANCE ASSISTANT, DEPARTMENT OF ENFORCEMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850, a written representation from a senior management Firm executive, to MarketRegulationCompliance@finra.org that provides the following information:
 - i. A reference to this matter;
 - ii. A representation that the Firm (a) has revised its written supervisory procedures as indicated above, and (b) for those deficiencies requiring technology and/or system changes, has implemented such changes; and
 - iii. The date(s) this was completed.
 - b. The Department of Enforcement may, upon a showing of good cause and in its sole discretion, extend the time for compliance with these provisions.
4. Acceptance of this LOC is conditioned upon acceptance of parallel settlement agreements in related matters between the Firm and each of the following self-regulatory organizations: FINRA and the Cboe BZX Exchange, Inc.

³ The balance of the sanction will be paid to the self-regulatory organizations listed in Paragraph B.4.

The Firm agrees to pay the monetary sanction(s) upon notice that this LOC has been accepted and that such payment(s) are 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(s) 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.**

[Continued on Next Page]

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.

4/10/18
Date

Respondent
Barclays Capital Inc.

By: Magda Jimenez Truan

Name: Magda Jimenez Truan

Title: Director, Legal

Reviewed by:

Michael J. Diver

MICHAEL J. DIVER
Partner
Katten Muchin Rosenman LLP
525 W. Monroe Street
Chicago, IL 60661-3693
(312) 902-5671

Accepted by Miami International Securities Exchange, LLC:

5/3/18
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

5/3/18
Date

Edward Deitzel

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
Barclays Capital Inc.

4/10/18
Date

By: Magda Jimenez
Name: Magda Jimenez Train
Title: Director, Legal