



Andy Hubbardt
Principal Counsel

Department of Enforcement

FINRA | 425 S. Financial Place
Suite 3500
Chicago, IL
Phone: (312) 899-4603
Email: andy.hubbardt@finra.org

June 9, 2020

Via Certified Mail, Return Receipt Requested and Email (Brian.Sopinsky@sig.com)

Susquehanna Investment Group
Attn: Mr. Brian Sopinsky
General Counsel
401 City Avenue, Suite 220
Bala Cynwyd, PA 19004

**Re: Payment of Fine in Connection with Executed Letter of Consent
FINRA Matter No. 2018057173402**

Enclosed is an executed copy of the Letter of Consent ("LOC"), which was signed by you on May 20, 2020 for Susquehanna Investment Group (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 28, 2020. 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:

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

Susquehanna Investment Group
Attn: Mr. Brian Sopinsky
June 9, 2020
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 call me at 312-899-4603.

Sincerely,

Andy Hubbartt

Andy Hubbartt

Enclosure

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

Bill Bidell, FINRA Risk Monitoring Director (via email)

Raghu Raghavendra, FINRA Risk Monitoring Analyst (via email)

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. 2018057173402**

TO: Miami International Securities Exchange, LLC
c/o Department of Enforcement
FINRA

RE: Susquehanna Investment Group, Respondent
Broker-Dealer
CRD No. 33875

Pursuant to Rule 1003 of the Rules of the Miami International Securities Exchange, LLC (“MIAX”), Susquehanna Investment Group (“SIG” 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

The firm became a member of the Exchange on November 23, 2016, and its registration remains in effect. The firm has no relevant prior disciplinary history.

SUMMARY

This matter originated from a 2018 Trading and Financial Compliance cycle examination conducted by FINRA’s Department of Market Regulation, which reviewed the firm’s compliance with order marking requirements of Regulation SHO, promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and related supervisory obligations.

FACTS AND VIOLATIVE CONDUCT

1. Pursuant to Regulation SHO Rule 200(g), broker-dealers must mark all sell orders of any equity security as “long,” “short,” or “short exempt.” Sell orders may be marked “long” only if the seller is deemed to own the security being sold. Pursuant to Regulation SHO Rule 201(c), broker-dealers may not route to a trading center a short sale order in a covered security during a short sale circuit breaker unless the order is marked “short exempt” and meets certain defined criteria. In turn, Exchange Rule 300

requires every member to supervise persons associated with it to assure compliance with the Exchange Act and the Exchange's By-Laws and Rules.

2. Exchange Rule 500(b) prohibits members from 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. Activities that may violate Exchange Rule 500(b) include, but are not limited to, the failure of a member to supervise a person employed by or associated with such member adequately to ensure that person's compliance with this paragraph. Similarly, Exchange Rule 1308(c)(1) provides that members must develop and maintain adequate controls over each of its business activities, and that such controls must provide for the establishment of procedures for verification and testing of those business activities.
3. From April 16, 2018 through April 20, 2018, the firm improperly marked 18 out of 27 sampled equity sell orders as sell long instead of sell short. This conduct constitutes violations of Regulation SHO Rule 200(g) and Exchange Rule 300.
4. From April 16, 2018 through April 20, 2018, the firm improperly marked 1 out of 27 sampled equity sell orders as sell long and routed this order to a trading center during a short sale circuit breaker. This conduct constitutes a violation of Regulation SHO Rule 201(c) and Exchange Rule 300.
5. From in or around June 2017 through in or around June 2018, the firm failed to establish, maintain, and enforce written supervisory procedures ("WSPs") reasonably designed to ensure compliance with Regulation SHO order marking requirements. Although the firm had WSPs in place that referenced the firm's review of sell order marking, the WSPs did not address how the review would be conducted, who was responsible for the review, the frequency of the review, or how the review would be documented. As a result of the foregoing, the firm violated Exchange Rules 500 and 1308.

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

1. A censure; and
2. A total fine of \$35,000, of which \$17,500 is payable to MIAX.¹

The firm agrees to pay the monetary sanctions upon notice that this LOC has been accepted and that such payments 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 sanctions imposed in this matter.

¹ The remainder of the fine total shall be paid to Cboe Exchange, Inc. ("Cboe").

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 prejudgment 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 AWC 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 Complaint, has been made to induce the firm to submit it.

5/20/20
Date

Respondent
Susquehanna Investment Group
By: [Signature]
Name: Brian Szymanski
Title: General Counsel

Accepted by Miami International Securities Exchange, LLC:

May 28, 2020
Date

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

Decision of the Business Conduct Committee:

Accept Decline

May 28, 2020

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

Susquehanna Investment Group

Date By: 
Name: MICHAEL P. CAHERTY
Title: CHIEF COMPLIANCE OFFICER