

NYSE ARCA, INC.
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2020-01-00080

TO: NYSE Arca, Inc.

RE: Virtu Americas LLC, Respondent
CRD No. 149823

During the period between October 1, 2019 and September 30, 2020 (the “Relevant Period”), Virtu Americas LLC violated NYSE Arca Rule 7.23-E by failing to maintain continuous, two-sided trading interest in approximately 53,627 instances. Consent to a censure and an aggregate fine of \$55,000 (\$35,000 of which will be payable to NYSE Arca, Inc.).

* * *

Pursuant to Rule 10.9216 of the NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) Code of Procedure, Virtu Americas LLC (“Virtu” or 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, NYSE Arca will not bring any future actions against the Firm alleging violations based on the same factual findings described herein.

I. ACCEPTANCE AND CONSENT

- A. Virtu 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 NYSE Arca, or to which NYSE Arca 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 NYSE Arca:

BACKGROUND AND JURISDICTION

1. The Firm became registered as an Equities Trading Permit (“ETP”) and Options Trading Permit (“OTP”) holder with NYSE Arca on November 6, 2009, and its registrations remain in effect. Virtu is a broker-dealer firm based in New York, New York.

PROCEDURAL HISTORY

2. This matter arises from a NYSE Regulation (“NYSER”) investigation. NYSER staff commenced this matter upon detection of potential failures to enter and maintain continuous, two-sided trading interest on NYSE Arca as required by NYSE Arca Rule 7.23-E during the Relevant Period.

VIOLATIONS

3. NYSE Arca Rule 7.23-E(a)(1) sets forth the requirement that ETP Holders registered as Market Makers in one or more securities that trade on the NYSE Arca market “shall maintain continuous, two-sided trading interest in those securities in which the Market Maker is registered to trade.”
4. Because Market Makers receive benefits for their registration in particular symbols, it is essential that they uphold the quoting obligations associated with their registered symbols and provide market liquidity in the form of continuous quoting, as required by NYSE Arca Rule 7.23-E.
5. Virtu was registered in approximately 2,755 symbols on average during the Relevant Period.
6. In approximately 53,627 instances during the Relevant Period, Virtu violated NYSE Arca Rule 7.23-E(a)(1) by failing to enter and maintain continuous, two-sided trading interest as required by the rule.
7. The Firm attributed the quote gaps to several reasons, including, among others:
 - (i) various technological issues, including data feed issues and connectivity outages, and
 - (ii) reliance on the incorrect Exchange-provided file to determine Virtu’s market-maker registrations.
8. Accordingly, the aforementioned instances constitute violations of NYSE Arca Rule 7.23-E.

RELEVANT PRIOR DISCIPLINARY HISTORY

9. On December 7, 2018, Virtu was fined \$15,000 for failing to maintain continuous, two-sided trading interest in approximately 6,800 instances from April 1, 2018 through September 30, 2018, along with violations of NYSE Arca Rule 11.18(b) for related supervisory failures.
10. On December 20, 2016, Virtu Financial BD LLC¹ was fined \$70,000 for failing to maintain continuous, two-sided trading interest in 57,045 instances over 11 quarters, along with violations of NYSE Arca Equities Rules 6.18(b) and (c) for related supervisory failures.
11. On September 29, 2016, KCG Americas LLC² was fined \$70,000 for failing to maintain continuous, two-sided trading interest in approximately 54,962 instances from October 1, 2013 through December 31, 2015, along with violations of NYSE Arca Equities Rules 6.18(b) and (c) for related supervisory failures.

¹ Virtu Financial BD LLC was a predecessor entity to Virtu Americas LLC.

² KCG Americas LLC was a predecessor entity to Virtu Americas LLC.

OTHER FACTORS

12. In determining to resolve this matter on the basis set forth herein, Enforcement took into consideration, among other things, that a substantial number of the quoting failures were detected in real-time and remediated by the Firm. Further, the Firm has represented that it has implemented additional changes to its quoting and supervisory systems to prevent similar such issues in the future.

SANCTIONS

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

1. **Censure and fine in the aggregate amount of \$55,000, \$35,000 of which shall be payable to NYSE Arca.**³

The Firm agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. The Firm has submitted a Method of Payment Confirmation form showing the method by which it will 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 Firm agrees that it shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made pursuant to any insurance policy, with regard to any fine amounts that the Firm pays pursuant to this AWC, regardless of the use of the fine amounts. The Firm further agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any fine amounts that the Firm pays pursuant to this AWC, regardless of the use of the fine amounts.

The sanctions imposed herein shall be effective on a date set by NYSE Regulation staff.

II. WAIVER OF PROCEDURAL RIGHTS

The Firm specifically and voluntarily waives the following rights granted under the NYSE Arca 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;

³ The balance of the fine will be paid pursuant to an AWC with New York Stock Exchange LLC.

- 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'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 of NYSE Arca; the Exchange's Board of Directors, Disciplinary Action Committee ("DAC"), and Committee for Review ("CFR"); any Director, DAC member, or CFR member; Counsel to the Exchange Board of Directors or CFR; any other NYSE Arca employee; or any Regulatory Staff as defined in Rule 10.9120 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 communication prohibitions of Rule 10.9143 or the separation of functions prohibitions of Rule 10.9144, 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 by NYSE Regulation, and accepted by the Chief Regulatory Officer of NYSE Arca pursuant to NYSE Arca Rule 10.9216;
- 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. The AWC shall be sent to each Director and each member of the Committee for Review via courier, express delivery or electronic means, and shall be deemed final and shall constitute the complaint, answer, and decision in the matter, 10 days after it is sent to each Director and each member of the Committee for Review, unless review by the Exchange Board of Directors is requested pursuant to NYSE Arca Rule 10.9310(a)(1)(B);
 - 2. 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;
 - 3. NYSE Arca shall publish a copy of the AWC on its website in accordance with NYSE Arca Rule 10.8313;

4. NYSE Arca may make a public announcement concerning this agreement and the subject matter thereof in accordance with NYSE Arca Rule 10.8313; and
 5. 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 (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Exchange is not a party.
- D. A signed copy of this AWC and the accompanying Method of Payment Confirmation form delivered by email, facsimile or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy.
- E. 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. Any such statement does not constitute factual or legal findings by the Exchange, nor does it reflect the views of NYSE Regulation or its staff.

The Firm certifies that, in connection with each of the Exchange's requests for information in connection with this matter, the Firm made a diligent inquiry of all persons and systems that reasonably had possession of responsive documents and that all responsive documents have been produced. In agreeing to the AWC, the Exchange has relied upon, among other things, the completeness of the document productions.

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.

Date: August 26, 2021

Virtu Americas LLC,
Respondent




By: _____
Matthew Levine
Deputy General Counsel

Accepted by NYSE Regulation

August 30, 2021

Date



Russell A. Mawn, Jr.
Enforcement Counsel
NYSE Regulation

Signed on behalf of NYSE Arca, Inc., by
delegated authority from its Chief
Regulatory Officer