

BATS EDGX EXCHANGE, INC.
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. _____

TO: Bats EDGX Exchange, Inc.
c/o Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: BNP Paribas Securities Corp., Respondent
Broker-Dealer
CRD No. 15794

Pursuant to Rule 8.3 of the Rules of Bats EDGX Exchange, Inc. ("EDGX"), BNP Paribas Securities Corp. ("BNPS" 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, EDGX 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 EDGX, or to which EDGX 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 EDGX.

BACKGROUND

BNPS became a member of EDGX on May 27, 2010. Its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

On April 5 2013, AWC 20100238925-01, the firm consented to a censure and a fine in the amount of \$12,500 for violations of Securities Exchange Act of 1934 ("SEA") Rules 611(a) and 611(c) of Regulation NMS during the periods of August 20, 2007 through December 2008; January 1, 2009 through March 31, 2009; and July 1, 2009 through December 31 2009.

SUMMARY

In connection with Matter No. 20140430988, the Market Analysis Section of the Department of Market Regulation (the "staff"), on behalf of EDGX, reviewed the firm's compliance with SEA Rule 611(c) of Regulation NMS, and EDGX Rules 11.8(c), 3.1 and 5.1 during the period of February 4, 2014 through January 14, 2015 (the "review

period"). The staff found that due to various technology system issues, the firm on numerous occasions sent intermarket sweep orders that traded through protected quotations.

FACTS AND VIOLATIVE CONDUCT

1. During the review period, the firm failed to take reasonable steps to establish that the intermarket sweep orders it routed met the definitional requirements set forth in Rule 600(b)(30) of Regulation NMS. The conduct described in this paragraph constitutes violations of Rule 611(c) of Regulation NMS and EDGX Rule 11.8(c).
 2. During the review period, the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to SEA Rule 611(c) of Regulation NMS and EDGX Rule 11.8(c). The conduct described in this paragraph constitutes a violation of EDGX Rules 3.1 and 5.1.
- B. The firm also consents to the imposition of the following sanctions:
1. A censure; and
 2. A total fine in the amount of \$135,000, of which \$22,500 is payable to EDGX¹ (consisting of \$17,500 for violations of SEA Rule 611(c) of Regulation NMS and EDGX Rule 11.8(c) and \$5,000 for supervisory violations of EDGX Rules 3.1 and 5.1).
 3. Acceptance of this AWC is conditioned upon acceptance of similar settlement agreements in related matters between the firm and each of the following self-regulatory organizations: Bats EDGA Exchange, Inc.; NYSE Arca Equities, Inc.; and FINRA.

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

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under EDGX 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

¹ The balance of the sanction will be paid to the self-regulatory organizations: Bats EDGA Exchange, Inc.; NYSE Arca Equities, Inc.; and FINRA.

- D. To appeal any such decision to the Appeals Committee of EDGX'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"), in connection with his or her 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 prohibitions of EDGX Rule 8.16, 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 and accepted by the CRO, pursuant to EDGX Rule 8.3;
- 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. this AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by EDGX or any other regulator against the firm;
 2. this AWC will be published on a website maintained by EDGX in accordance with EDGX Rule 8.11, *Interpretations and Policies .01*. In addition, this AWC will be made available through FINRA's public disclosure program in response to public inquiries about the firm's disciplinary record; 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 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 EDGX, or to which EDGX 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 EDGX is not a party.
- D. 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. This Statement does not constitute factual or legal findings by EDGX, nor does it reflect the views of EDGX 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 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.

9/22/16
Date

Respondent
BNP Paribas Securities Corp.

By: 

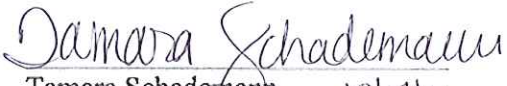
Name: Edward Speal
Managing Director

Title: _____

Reviewed by:

Attorney Name
Counsel for Respondent
BNP Paribas Corp.
Address
City/State/Zip
Phone Number

Date


Tamara Schademann 10/18/16
Chief Regulatory Officer
Bats EDGX Exchange, Inc.

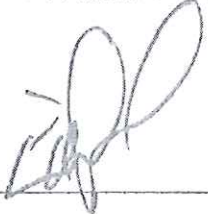
ELECTION OF PAYMENT FORM

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

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

Respectfully submitted,
Respondent
BNP Paribas Securities Corp.

9/22/16
Date

By: 

Name: Edward Speal
Managing Director

Title: _____