

BATS EXCHANGE, INC.
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20100233908

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

RE: IMC Financial Markets, Respondent
Broker-Dealer
CRD No. 104143

Pursuant to Rule 8.3 of the Rules of BATS-Z Exchange, Inc. ("BATS"), IMC Financial Markets (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, BATS 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 BATS, or to which BATS 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 BATS.

BACKGROUND

The firm is a proprietary trading firm and U.S. broker-dealer registered with multiple equity and options exchanges, including the NASDAQ Stock Market, LLC ("Nasdaq") and BATS. The firm became a BATS member on August 18, 2008.

The firm has no relevant prior disciplinary history.

SUMMARY

In Review No. 20100233908, the Department of Market Regulation's Market Analysis Section (the "Staff") reviewed Intermarket Sweep Orders ("ISOs") routed by the firm to BATS for the period of November 1, 2009 through August 31, 2010 (the "Review Period").

FACTS AND VIOLATIVE CONDUCT

During the Review Period, certain latencies in the software and infrastructure of its order management system caused the firm, on a number of occasions, to improperly trade through protected quotations on other Reg NMS protected venues at the time it routed ISOs to BATS.

As a result, the firm, during the Review Period, failed to take reasonable steps to establish that, simultaneously with the routing of ISOs to BATS, one or more additional ISOs, as necessary, are routed to execute against the full displayed size of any protected bid or offer for the NMS stock with a price that is superior to the limit price of the limit order identified as an ISO. The conduct described in these paragraphs constitutes a violation of Rule 611(c) of Regulation NMS and BATS Rule 11.9(d)(1) and (2).

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

Censure and a fine in the amount of \$17,500 to be paid jointly to Nasdaq, of which \$8,750 shall be paid to BATS.

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. 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 BATS.

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under BATS 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 the Appeals Committee of the BATS'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"), in connection with 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 BATS 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 BATS 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 BATS or any other regulator against the firm;
 2. this AWC will be published on a website maintained by BATS in accordance with BATS Rule 8.11, *Interpretations and Policies .01*; 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 BATS, or to which BATS 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 BATS 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 BATS, nor does it reflect the views of BATS 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.


11/5/2013
Date

IMC Financial Markets
Respondent

By: 
Name: DANIEL Ooermye

Title: CLO

11/6/2013
Date


Tamara Schademann
Chief Regulatory Officer
BATS 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; or
- Wire transfer.

Respectfully submitted,

Date

Respondent
IMC Financial Markets

By: 

Name: Daniel Overmyer

Title: CCO