

BATS BZX EXCHANGE, INC.
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20140411317-05

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

RE: Old Mission Capital, LLC, Respondent
Broker-Dealer
CRD No. 146991

Pursuant to Rule 8.3 of the Rules of Bats BZX Exchange, Inc. ("BZX"), Old Mission Capital, LLC (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, BZX 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 BZX, or to which BZX 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 BZX:

BACKGROUND

The firm has been a member of BZX since April 16, 2012, and its registration remains in effect.

RELEVANT PRIOR DISCIPLINARY HISTORY

The firm has no prior relevant disciplinary history.

FACTS AND VIOLATIVE CONDUCT

1. During the period from October 22, 2013 through April 4, 2014 (the Review Period"), the firm failed to input the correct capacity with respect to 2,518,915 new orders entered on the BZX. More specifically, as a result of a coding error, the firm entered the orders as agency orders when they were in fact principal orders. The conduct described in this paragraph constitutes separate and distinct violations of BZX Rules 3.1 and 11.21.

2. As a result of entering the wrong capacity code as described above, the firm also entered 80,868,755 cancel and replace orders with the wrong capacity code. The BZX system does not permit a firm to enter a capacity code when the firm amends an order by entering a cancel and replace. As stated in BZX's technical specifications, when a firm enters a cancel and replace, the BZX system automatically retains or re-uses the capacity code entered by the firm in connection with the original order. The firm knew, or should have known, that the BZX system would retain or re-use the incorrect capacity code. To change the capacity code when amending an existing order, a firm must first cancel the original order, and then enter a new order with the correct capacity. As a result of entering these 80,868,755 cancel and replace orders during the Review Period in connection with the 2,518,915 new orders described in paragraph A.1 above, the firm retained or reused the inaccurate capacity code originally entered by the firm. BZX audit trails and related surveillance programs rely on accurate information, including accurate capacity codes. The entry of inaccurate information causes the audit trail to be inaccurate, and adversely affects self-regulatory organization's ("SROs") ability to detect conduct that may violate SRO rules and the federal securities laws, and/or creates alerts that are false positives, requiring the expenditure of unnecessary resources to resolve the alerts.
3. During the Review Period, the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and BZX Rule 11.21, requiring firms to enter accurate information into the BZX system, including whether the firm acted in a principal, agent, or riskless principal capacity. Specifically, the firm's supervisory system did not include written supervisory procedures ("WSPs") providing for: (1) the identification of the person(s) responsible for supervision with respect to the applicable rule; (2) a statement of the supervisory step(s) to be taken by the identified person(s); (3) a statement as to how often such person(s) should take such step(s); and (4) a statement as to how the completion of the step(s) included in the written supervisory procedures should be documented. The conduct described in this paragraph constitutes a violation of BZX Rules 3.1 and 5.1.

OTHER FACTORS

In determining to resolve this matter on the basis set forth in this AWC, BZX took into consideration the fact that: (i) the firm self-reported its failure to input the correct capacity on BZX before BZX became aware of the issue, (ii) made coding changes so as to input the correct capacity code on all orders going forward, and (iii) implemented WSPs to detect and prevent the input of inaccurate capacity codes.

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

A censure, a fine of \$25,000 (consisting of \$20,000 for the capacity marking violations and \$5,000 for the related supervisory violation), and an undertaking to revise the firm's written supervisory procedures with respect to the areas described in paragraph I.A.3

above.

Within two weeks of acceptance of this AWC, a registered principal of the Respondent shall submit to the **COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850**, a signed, dated letter, or an e-mail from a work-related account of the registered principal to MarketRegulationComp@finra.org, providing the following information: (1) a reference to this matter; (2) a representation that the firm has revised its written supervisory procedures to address the deficiencies described in paragraphs I.A.3; and, (3) the date the revised procedures were implemented.

The firm agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is 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 imposed in this matter.

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

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under BZX 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 BZX'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 BZX 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 BZX 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 BZX or any other regulator against the firm;
 - 2. this AWC will be published on a website maintained by BZX in accordance with BZX Rule 8.18; 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 BZX, or to which BZX 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 BZX 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 BZX, nor does it reflect the views of BZX 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.

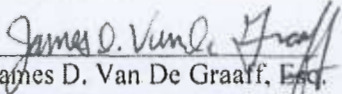
4/17/2017
Date

Old Mission Capital, LLC
Respondent

By: 
Name: PATRICK NICHOLS

Title: MANAGER

Reviewed by:


James D. Van De Graaff, Esq.
Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, IL 60661
(312) 902-5227

4/22/2017
Date


Greg Hoogasian
Senior Vice President & Chief Regulatory Officer
Bats BZX Exchange, Inc.

ELECTION OF PAYMENT FORM

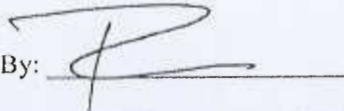
The firm intends to pay the fine proposed in the attached Letter of Acceptance, Waiver and Consent by the following method (check one):

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

Respectfully submitted,

4/17/2017
Date

Respondent
Old Mission Capital, LLC

By: 
Name: PATRICK NICHOLS
Title: MANAGER