

BATS BZX EXCHANGE, INC.
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20140418652-01

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

RE: optionsXpress, Inc. ("OXPS"), Respondent
Broker-Dealer
CRD No. 103849

Pursuant to Rule 8.3 of the Rules of Bats BZX Exchange, Inc. ("BZX"), optionsXpress, Inc. ("OXPS" 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, 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 became a member of BZX on June 15, 2010, and it terminated its BZX membership on August 29, 2014. OXPS also became a FINRA member on August 16, 2000, and its registration remains in effect. The Firm does not have a relevant disciplinary history.

SUMMARY

This matter concerns a review conducted by the Options Regulation Staff of the Department of Market Regulation to determine whether OXPS complied with BZX order exposure requirements during the period of November 18, 2010 through April 20, 2011 (the "Review Period").

FACTS AND VIOLATIVE CONDUCT

1. During the Review Period, in at least 29 instances, OXPS routed agency orders to BZX and executed those orders as principal by pairing and crossing them with orders from an OXPS affiliate without first exposing those orders on BZX for at least one second, or without having been bidding or offering on the BZX for at least one second prior to receiving the agency orders that were executable against such bids or offers. The conduct set forth in this paragraph constitutes separate and distinct violations of BZX Rule 22.12
2. During the Review Period, the firm failed to establish, maintain and enforce written supervisory procedures to assure compliance with the order exposure requirements of BZX Rule 22.12. The conduct set forth herein constitutes violations of BZX Rules 5.1, 5.2, 5.3 and 3.1.

OTHER FACTORS

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

Censure and a fine of \$60,000

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 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 prejudice 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 8.11, *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 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 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.

8/15/2016
Date

optionsXpress, Inc.
Respondent

By: 
Name: Ramon Murgueta
Title: CEO - optionsXpress

Reviewed by:

Stephen J. Senderowitz
Dentons US LLP
233 South Wacker Drive, Ste. 5900
Chicago, IL 60606-6361
(312) 876-8141

8/22/16
Date


Tamara Schademann
Chief Regulatory Officer
Bats BZX Exchange, Inc.

ELECTION OF PAYMENT FORM

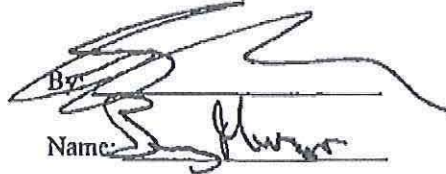
The firm intends to pay the fine proposed in the attached Letter of Acceptance, Waiver and Consent by the following method (check one):

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

Respectfully submitted,

8/15/2016
Date

Respondent
optionsXpress, Inc.

By: 

Name: _____

Title: CEO - optionsXpress