

BEFORE THE BUSINESS CONDUCT COMMITTEE
OF THE
CBOE FUTURES EXCHANGE, LLC

_____)
In the Matter of:)
)
National Bank Financial Inc.)
The Exchange Tower)
130 King Street West, Suite 3000)
Toronto, Ontario M5X 1 J9)
_____)

File No. CFE 14-0007

DECISION ACCEPTING LETTER OF CONSENT

This proceeding was instituted by a Panel of the Business Conduct Committee (“Committee”) of CBOE Futures Exchange, LLC (“CFE”), as a result of an investigation by CFE staff. In order to resolve this matter, National Bank Financial Inc. has submitted a Letter of Consent for purposes of this proceeding without admitting or denying that a violation of Exchange Rules has been committed. With due regard to the stipulated facts and findings and the proposed sanction, contained therein, the Committee believes it is appropriate to accept the Letter of Consent, attached hereto and made a part of this decision.

SO ORDERED
FOR THE COMMITTEE

Dated: January 27, 2015

By: /s/ Bruce Andrews
Bruce Andrews
Chairman
Business Conduct Committee Panel

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National Bank Financial Inc.)	
The Exchange Tower)	File No. CFE 14-0007
130 King Street West, Suite 3000)	
Toronto, Ontario M5X 1 J9)	
)	
Subject)	
_____)	

LETTER OF CONSENT

In order to resolve these proceedings pursuant to the CBOE Futures Exchange, LLC (“CFE” or “Exchange”) Rule 703, Expedited Proceeding, the Subject, National Bank Financial Inc. (“NBF”), hereby submits this Letter of Consent in the above captioned matter. Only for purposes of this proceeding and without admitting or denying that a violation of Exchange Rules has been committed, NBF consents to the Stipulation of Facts and Findings and Sanction set forth below.

Stipulation of Facts and Findings

1. During all relevant periods herein, NBF was a market participant on CFE.¹
2. During all relevant periods herein, CFE Rule 412B- Reportable Positions was in full force and effect.
3. Any Person that is not a Trading Privilege Holder and that is required to report to the Commission pursuant to Commission regulations reportable positions and related information relating to Exchange Contracts shall report the foregoing reportable positions and related information to the Exchange in a form and manner prescribed by the Exchange
4. During the approximate period from on or about March 18, 2013, through on or about October 30, 2014, NBF failed to submit, in a form and manner prescribed by the Exchange, reportable positions and related information.² Specifically, NBF failed to transmit reportable position information via the Securities Industry Automation Corporation (SIAC) (however, on April 24, 2013, NBF began to manually report to the National Futures Association (NFA), on behalf of CFE, its large trader positions via a daily email). In addition, NBF failed to submit to CFE a timely CFTC Form 102 –

¹ CFE Rule 308(c) provides: “Any Person initiating or executing a transaction on or subject to the Rules of the Exchange directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the Rules of the Exchange in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes.

² See CFE Regulatory Circular RG13-009.

Reportable Account Identification (related information) no later than three business days after the establishment of a reportable position.³

5. The acts, practices, and conduct described in Paragraph 4 above constitute violations of Exchange Rule 412B(b) by NBF, in that NBF on numerous dates, failed to submit in a form and manner prescribed by the Exchange reportable positions and related information.

Sanction: A \$25,000 fine and censure.

Subject acknowledges that it has read the foregoing Letter of Consent, that no promise or inducement of any kind has been made to it by the Exchange or its staff, and that this Letter of Consent is voluntary on its part.

Subject understands and acknowledges that the Business Conduct Committee's ("Committee") decision in this matter will become part of its disciplinary record and may be considered in any future Exchange proceeding.

Subject also acknowledges that the Committee's decision to accept or reject this Letter of Consent is final, and that it may not seek review thereof in accordance with Exchange Rule 703.

Dated: December 17, 2014

By: /s/National Bank Financial Inc.
National Bank Financial Inc.

³ NBF filed CFTC Form 102 with CFE on April 9, 2013 and October 15, 2013.