

**DISCIPLINARY DECISION**  
**Cboe Exchange, Inc.**  
**File No. URE-216-01/Star No. 20170567262-13**  
**Credit Suisse Securities (USA) LLC**

Pursuant to Exchange Rule 13.3, attached to and incorporated as part of this Decision is a Letter of Consent.

**Applicable Rule(s)**

- Cboe Rule 8.16 – Supervision

**Sanction**

A censure and a monetary fine in the amount of \$445,312.50.<sup>1</sup>

**Effective Date**

December 11, 2025

/s/ Greg Hoogasian

Greg Hoogasian, CRO, EVP

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<sup>1</sup> This settlement relates to other settlements the Firm reached with Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe C2 Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe EDGA Exchange, Inc. and other self-regulatory organizations as detailed in the Letter of Consent.

**Cboe Exchange, Inc.**  
**LETTER OF CONSENT**  
**File No. URE-216-01/Star No. 20170567262-13**

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In the Matter of:

Credit Suisse Securities (USA) LLC  
11 Madison Avenue  
11<sup>th</sup> Floor  
New York, NY 10010

Subject

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Pursuant to the provisions of Cboe Exchange, Inc. (“Cboe” or the “Exchange”) Rule 13.3 - Expedited Proceeding, Credit Suisse Securities (USA) LLC (“Credit Suisse” or the “Firm”) submits this Letter of Consent for the purpose of proposing a settlement of the alleged rule violations described below.

The Firm neither admits nor denies that violations of Exchange Rules have been committed, and the stipulations described herein do not constitute such an admission.

**BACKGROUND**

1. During all relevant periods herein, Credit Suisse was acting as a registered Broker-Dealer and was an Exchange Trading Permit Holder. The Firm’s Cboe registration was terminated on December 9, 2024.
2. This matter originated from the Firm’s filing of a FINRA Rule 4530 report.

**VIOLATIVE CONDUCT**

**Applicable Rules**

3. During all relevant periods herein, Cboe Rule 8.16 - Supervision<sup>1</sup> was in full force and effect.
4. During all relevant periods herein, Cboe Rule 8.16 required Trading Permit Holders to “establish, maintain, and enforce written supervisory procedures, and a system for applying such procedures, to supervise the types of business in which the Trading Permit Holder engages and to supervise the activities of all associated persons. The written supervisory procedures and the system for applying such procedures shall reasonably be designed to prevent and detect violations of applicable securities laws and regulations, and applicable Exchange rules.”

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<sup>1</sup> Cboe Rule 4.24 was re-numbered to Cboe Rule 8.16 as of October 7, 2019.

## **Credit Suisse's Failure to Surveil for Potentially Manipulative Trading**

5. From in or about August 2012 through in or about September 2020 (the "Relevant Period"), Credit Suisse maintained two Firm systems that provided data to the Firm's surveillance systems for review and analysis, including Firm surveillances designed to detect potential front running, layering, spoofing, watch list and restricted list trading, and the potential misuse of material non-public information. One of the affected systems failed to transmit reliable data to the surveillance systems and as early as 2013, the Firm should have been on notice of such failures.
6. Credit Suisse's system for monitoring trading relied on surveillance units to review reports from automated surveillance systems designed to detect, among other things, various forms of potentially manipulative trading. Many of the surveillance systems used by the Firm and its affiliates, in turn, relied on a Credit Suisse global proprietary database known as the Legal and Compliance Database (the "LCDB") to supply them with the necessary transactional and related data generated by Credit Suisse's systems and received from external data sources. The LCDB supplied data to surveillance systems that generated more than 60 different surveillance reports, including those used by (i) Credit Suisse's Information Barrier Surveillance Unit (the "IBSU"), which monitored for trading involving securities on the Firm's restricted list and watch list and the potential misuse of material non-public information, and (ii) the Trade Surveillance Unit (the "TSU"), which monitored for potential manipulative trading such as front running, wash trades, spoofing, and layering.
7. During the Relevant Period, hundreds of millions of trade and order records were not sent to the IBSU and TSU surveillance reports for review and analysis. The failures stemmed from two causes. First, from August 2012 to May 2015, the LCDB did not receive from Agora, one of Credit Suisse's order management systems, data concerning approximately 440 million equity trades. These omissions were caused by a software update to Agora, which affected an extractor application (the "Agora extractor") used to retrieve trading records from Agora for transmission to the LCDB.
8. Second, beginning no later than January 2015, the LCDB failed to process an estimated 480 million trade, order, and position records. Instead of sending the required data to the appropriate surveillance systems, the LCDB stored the data in its own electronic repository, known as the "Orphan File." During the Relevant Period, approximately 550,000 trade, order, or position records were sent to the Orphan File each day. On a daily basis, approximately 60 percent of all options trade records were sent to the Orphan File. An analysis of Orphan File data showed that records for hundreds of thousands of options trades executed on Cboe-affiliated options exchanges were sent to the Orphan File over a sampled period of six months. As discussed below, the Firm had no supervisory system or procedure requiring the Orphan File to be reviewed, and no Firm personnel ever reviewed it for any surveillance purpose until June 2018.
9. As a result of data missing from its IBSU and TSU surveillance systems, Credit Suisse did not detect and investigate numerous instances of potentially violative trading. For example, based on a sampling of data in the LCDB's Orphan File, on

an annual basis during the Relevant Period, the Firm did not review tens of thousands of end-of-day orders for potential marking the close activity and millions of canceled orders for potential spoofing or layering. The Firm's surveillance reports also did not detect specific instances of potentially manipulative trading by Firm customers during the Relevant Period, including instances of potential spoofing, marking the open, wash trades, and the potential misuse of material non-public information.

#### **Credit Suisse's Supervisory System and Written Supervisory Procedures**

10. The LCDB and Agora, which supplied equity trading data to the LCDB impacting options surveillances, were critical components of the Firm's surveillance and supervision of trading. The Firm's supervisory system, however, was not reasonably designed to prevent or detect gaps or omissions in LCDB and Agora data.
11. The Firm did not reasonably test how the Agora software update would affect the Agora extractor and its ability to supply data to the LCDB. During the Relevant Period, the Firm also had no system or procedure to monitor whether the Agora extractor retrieved all relevant data from Agora, despite the important function that the extractor performed in supplying data to the LCDB.
12. Although the IBSU and TSU surveillance reports depended on the LCDB for data, the Firm had no system or procedure to monitor the accuracy and completeness of the data that the LCDB supplied to the Firm's surveillance systems.
13. Moreover, the Firm's supervisory system and procedures did not require any review of the Orphan File. As discussed above, the Orphan File contained substantial information concerning transactions omitted from the Firm's surveillance reports, such as order codes, share quantities, and execution dates and times. The Orphan File was a resource for the Firm to use in conjunction with its surveillances, but no Firm personnel reviewed it for any surveillance purpose until June 2018.

#### **Credit Suisse's Failure to Reasonably Respond to Red Flags**

14. From in or about 2013 through in or about 2016, Credit Suisse was repeatedly notified that the LCDB failed to supply accurate and complete data to the Firm's surveillance systems, thus hindering the Firm's ability to effectively surveil for potentially violative trading. The Firm failed to respond reasonably to these notifications.
15. Four Firm audits conducted during 2013 through 2016 identified that the LCDB was omitting data and that the Firm lacked controls to address the LCDB issues. First, in 2013, a Firm audit of the TSU found that a large volume of trades had been improperly excluded from TSU surveillance reports, and concluded that the LCDB lacked appropriate safeguards to ensure that it supplied complete and accurate data to the Firm's surveillance reports. Second, a 2015 surveillance audit found that the data supplied by the LCDB to the Firm's surveillance reports suffered from "shortcomings" and "risks." Third, a separate 2015 audit of the Firm's insider trading surveillances observed that there were "known issues with the quality of

data provided by the [LCDB]” to these surveillance reports. Fourth, a Firm audit of the LCDB in 2016 concluded that the LCDB lacked “sufficient controls” to ensure the accuracy and completeness of the data disseminated to the Firm’s surveillances.

16. The firm’s efforts to address these audit findings included retaining an outside consultant. In 2015, the outside consultant recommended that the LCDB be replaced because of the risks it posed to the Firm’s regulatory and compliance program. Nevertheless, until 2018, the Firm had not made material progress to replace the LCDB with a new database, and it did not substantially complete the replacement until September 2020.
17. The acts, practices, and conduct described in Paragraphs 5 through 16 constitute violations of Cboe Rule 8.16 by the Firm, in that the Firm failed to establish, maintain, and enforce a supervisory system reasonably designed to assure compliance with the federal securities laws and Exchange rules prohibiting various forms of manipulative and insider trading.

### **SANCTIONS**

18. The Firm does not have any prior relevant disciplinary history related to the specific supervisory systems described herein.
19. In light of the alleged rule violations described above, and prior disciplinary history that the Firm took into consideration<sup>2</sup>, the Firm consents to the imposition of the following sanctions:
  - a. A censure; and
  - b. A monetary fine in the amount of \$445,312.50.<sup>3</sup>

If this Letter of Consent is accepted, the Firm acknowledges that it shall be bound by all terms, conditions, representations, and acknowledgements of this Letter of Consent, and, in accordance with the provisions of Exchange Rule 13.3, waives the right to review or to defend against any of these allegations in a disciplinary hearing before a Hearing Panel. The Firm further waives the right to appeal any such decision to the Board of Directors, the U.S. Securities and Exchange Commission, a U.S. Federal District Court, or a U.S. Court of Appeals.

The Firm waives any right to claim bias or prejudgment of the Chief Regulatory Officer (“CRO”) in connection with the CRO’s participation in discussions regarding the terms and conditions of this Letter of Consent, or other consideration of this Letter of Consent, including acceptance or rejection of this Letter of Consent.

The Firm agrees to pay the monetary sanction(s) upon notice that this Letter of Consent has been accepted and that such payment(s) are due and payable. The Firm specifically and voluntarily

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<sup>2</sup> In November 2019, Credit Suisse consented to a settlement, on a neither admit nor deny basis, to resolve alleged violations of SEC Rule 15c3-5 and certain exchange rules (Matter No. 20120347345).

<sup>3</sup> This settlement relates to other settlements the Firm reached with the Financial Industry Regulatory Authority, New York Stock Exchange LLC, NYSE Arca, Inc., NYSE American LLC, Cboe BYX Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe C2 Exchange, Inc., Cboe BZX Exchange, Inc., NASDAQ Options Market LLC, NASDAQ Stock Market LLC, Nasdaq BX, Inc., and Nasdaq Phlx LLC.

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 Firm understands that submission of this Letter of Consent is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the CRO, pursuant to Exchange Rule 13.3. If the Letter of Consent is not accepted, it will not be used as evidence to prove any of the allegations against the Firm.

The Firm understands and acknowledges that acceptance of this Letter of Consent will become part of its disciplinary record and may be considered in any future actions brought by Cboe or any other regulator against the Firm.

The Firm understands that it may not deny the charges or make any public statement that is inconsistent with the Letter of Consent. The Firm may not take any position in any proceeding brought on or behalf of the Exchange, or to which the Exchange is a party, that is inconsistent with any part of this Letter of Consent. 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 the Exchange is not a party. The Firm may attach a Corrective Action Statement to this Letter of Consent that is a statement of demonstrable corrective steps taken to prevent future misconduct. Any such statement does not reflect the views of the Exchange 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 Letter of Consent and has been given a full opportunity to ask questions about it; that it has agreed to the Letter of Consent's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce the Firm to submit it.**

Date: 12/8/25

Credit Suisse Securities (USA) LLC

By: [REDACTED]

Name: Jaclyn Barnard

Title: Managing Director

Date: 12/8/25

Credit Suisse Securities (USA) LLC

By: [REDACTED]

Name: Jennifer Hoffman

Title: Executive Director