

DISCIPLINARY DECISION
Cboe BZX Exchange, Inc.
File No. URE-440-05
BofA Securities, Inc.

Pursuant to Exchange Rule 8.3, attached to and incorporated as part of this Decision is a Letter of Consent.

Applicable Rule(s)

- Cboe BZX Rules 3.2 – Violations Prohibited; 4.1 – Requirements; and 11.21 – Input of Accurate Information.
- Section 17(a) of the Exchange Act and Rule 17a-3 – Records to be Made by Certain Exchange Members, Brokers and Dealers, thereunder.

Sanction

A censure and a monetary fine in the amount of \$27,500 of which \$16,500 is allocated to Cboe BZX.¹

Effective Date

May 27, 2026



Greg Hoogasian, EVP, CRO

¹ This settlement relates to a settlement the Firm reached with Cboe EDGX Exchange, Inc.

Cboe BZX Exchange, Inc.
LETTER OF CONSENT
File No. URE-440-05

In the Matter of:

BofA Securities, Inc.
One Bryant Park
New York, NY 10036

Subject

Pursuant to the provisions of Cboe BZX Exchange, Inc. (“Cboe BZX” or the “Exchange”) Rule 8.3 – Expedited Proceeding, BofA Securities, Inc. (“BofAS” 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 or the Securities Exchange Act of 1934, as amended (“Exchange Act”), rules have been committed, and the stipulations described herein do not constitute such an admission.

BACKGROUND

1. During all relevant periods herein, the Firm was acting as a registered Broker-Dealer and was an Exchange Member. The Firm’s registrations remain in effect.

VIOLATIVE CONDUCT

Applicable Rules

2. During all relevant periods herein, the following laws and rules were in full force and effect: Exchange Rules 3.2 – Violations Prohibited; 4.1 – Requirements, 11.21 – Input of Accurate Information; and Section 17(a) of the Exchange Act and Rule 17a-3 – Records to Be Made by Certain Exchange Members, Brokers and Dealers, thereunder.
3. During all relevant periods herein, Exchange Rule 3.2 provided in relevant part that no Member shall engage in conduct in violation of the Exchange Act, the rules or regulations thereunder, or Exchange Rules.
4. During all relevant periods herein, Exchange Rule 4.1 provided that each Member shall make and keep books, accounts, records, memoranda, and correspondence in conformity with the Exchange Act, all other applicable laws, and Exchange rules.
5. During all relevant periods herein, Exchange Rule 11.21 provided that each Member shall input accurate information to the Exchange including, but not limited to, whether the Member acted in a principal, agent, or riskless principal capacity for each order entered.

6. During all relevant periods herein, Section 17(a)(1) of the Exchange Act provided that every member of an exchange shall make and keep for prescribed periods such records, furnish such copies thereof, and make and disseminate such reports as the Securities and Exchange Commission, by rule, prescribes as necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Exchange Act.
7. During all relevant periods herein, Rule 17a-3(a)(6) of the Exchange Act required member firms to create a memorandum of each brokerage order, and any other instruction, showing, among other things, the terms and conditions of the orders.

Inaccurate Order Capacity Reporting

8. From on or about April 4, 2024 through on or about May 30, 2024 (the “Review Period”), BofAS entered approximately 2,387,248 orders for one of its clients on Cboe BZX with the “Principal” capacity code when they should have been marked with the “Agency” capacity code due to a coding error when the Firm added new ports for that client.¹
9. The acts, practices, and conduct described in Paragraph 7 constitute violations of Exchange Rules 4.1 and 11.21, and Section 17(a) of the Exchange Act and Rule 17a-3 thereunder by the Firm, in that the Firm submitted orders with an inaccurate capacity to Cboe BZX and failed to maintain accurate books and records relating to the capacity of such orders.

SANCTIONS

10. The Firm has relevant prior disciplinary history. It was fined a total of \$1,925,000 in 2022 by Cboe BZX; Cboe BYX Exchange, Inc.; Cboe EDGA Exchange, Inc.; and Cboe EDGX Exchange, Inc. (the “Cboe Exchanges”) for improperly marking approximately 11.9 billion orders with the “Principal” capacity code when they should have been marked with the “Agency” capacity code. Additionally, the Firm’s supervisory system was not reasonably designed to comply with rules regarding submission of accurate capacity codes.²
11. In light of the alleged rule violations described above, the Firm consents to the imposition of the following sanctions:
 - a. A censure; and
 - b. A monetary fine in the amount of \$16,500.³

¹ The Firm self-identified the issue and represents that it remediated it upon discovery.

² The Firm’s prior settlement with the Cboe Exchanges concerned violations that were also resolved with similar settlements that the Firm reached with the Nasdaq Stock Market LLC (\$385,000); the New York Stock Exchange, LLC (\$40,000); and NYSE Arca, Inc. (\$400,000).

³ This settlement relates to another settlement the Firm concurrently reached with Cboe EDGX Exchange, Inc.

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 8.3, 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 prejudice 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 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 8.3. 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 the Exchange or any other regulator against the Firm. The Letter of Consent will be published on a website maintained by the Exchange.

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 by or on 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: May 27, 2026

BofA Securities, Inc.

By: 

Name: Allison Layson

Title: Associate General Counsel & Managing Director