DISCIPLINARY DECISION
Cboe Exchange, Inc.
File No. URE-462-01/Matter No. 20240800955-07
Instinet, 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 Rules 3.30 – Registration Requirements; 3.31 – Registration Categories; and 8.16 – Supervision.

Sanction

A censure and a monetary fine in the amount of $12,202.17.[1]

Effective Date

September 15, 2026

[redacted]

Greg Hoogasian, EVP, CRO

[1] This settlement relates to other settlements the Firm reached with BOX Exchange LLC, Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., The Nasdaq Stock Market, Nasdaq GEMX, LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC, Nasdaq PHLX LLC, and Nasdaq Texas, LLC.

Cboe Exchange, Inc.
LETTER OF CONSENT
FILE NO. URE-462-01/MATTER NO. 20240800955-07

In the Matter of:

Instinet, LLC
Worldwide Plaza
309 West 49th Street
New York, NY 10019

Subject

Pursuant to the provisions of Cboe Exchange, Inc. ("Cboe" or the "Exchange") Rule 13.3 – Expedited Proceeding, Instinet, LLC ("Instinet" 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, Instinet was acting as a registered Broker-Dealer and was an Exchange Trading Permit Holder registered to conduct a floor brokerage business. The Firm's registrations remain in effect.

VIOLATIVE CONDUCT

Applicable Rules

2. During all relevant periods herein, as specified below, the following rules were in full force and effect: Cboe Rule 3.30 – Registration Requirements, and its predecessor Cboe Rule 3.6A – Qualification and Registration of Trading Permit Holders and Associated Persons; Cboe Rule 3.31 – Registration Categories;[1] and Cboe Rule 8.16 – Supervision.

3. Between December 2007 and October 7, 2019, Cboe Rule 3.6A required, in relevant part, that "[i]ndividual Trading Permit Holders . . . engaged or to be engaged in the securities business of a Trading Permit Holder or TPH organization shall be registered with the Exchange in the category of registration appropriate to the function to be performed as prescribed by the Exchange . . . [and] pass a qualification examination appropriate to the category of registration . . . ."

[1] Cboe Rule 3.6A was re-numbered to Cboe Rule 3.30 as of October 7, 2019. On July 1, 2021, the relevant provisions of Cboe Rules 3.30 were reorganized and amended, and some of the relevant provisions were incorporated into Cboe Rule 3.31. Instinet therefore violated Cboe Rule 3.6A from December 2007 through October 6, 2019; Cboe Rule 3.30 on and after October 7, 2019; and Cboe Rules 3.30 and 3.31 on and after July 1, 2021.

4. Beginning on October 7, 2019, Cboe Rule 3.30 provided that "[e]ach person engaged in the securities business of a Trading Permit Holder . . . shall be registered with the Exchange as a representative or principal in each category of registration appropriate to his or her functions and responsibilities as specified in [Cboe] Rule 3.31, unless exempt from registration pursuant to [Cboe] Rule 3.32."

5. Between October 7, 2019 and July 1, 2021, Interpretation and Policy .08(a) to Cboe Rule 3.30 provided that an associated person who is "engaged in proprietary trading, market-making and/or effecting transactions on behalf of a broker-dealer is required to register and qualify as a Securities Trader," and required the Securities Trader Qualification Examination ("Series 57").

6. Between October 7, 2019 and July 1, 2021, Interpretation and Policy .08(b) to Cboe Rule 3.30 provided that an associated person who "supervises or trains those engaged in proprietary trading, market-making and/or effecting transactions on behalf of a broker dealer . . . is required to register and qualify as a Securities Trader Principal," and required the Series 24 as one of the qualification requirements for the Securities Trader Principal registration.

7. Beginning on July 1, 2021, Cboe Rule 3.31(b)(3) provided that an associated person "shall be required to register with the Exchange as a Securities Trader if, with respect to transactions in equity, preferred or convertible debt securities, or options such person is engaged in proprietary trading or Market Making, the execution of transactions on an agency basis, or the direct supervision of such activities . . . ." Cboe Rule 3.31(b)(3)(B) further required that each person "seeking to register as a Securities Trader, shall, prior to or concurrent with such registration, pass . . . the Securities Trader qualification examination [Series 57]."

8. Beginning on July 1, 2021, Cboe Rule 3.31(a)(6) provided that an associated person "who is responsible for supervising the securities trading activities specified in paragraph (b)(3) of this Rule shall be required to register with the Exchange as a Securities Trader Principal." Cboe Rule 3.31(a)(6) further required that "[e]ach person seeking to register as a Securities Trader Principal shall, prior to or concurrent with such registration, become registered . . . as a Securities Trader and pass the General Securities Principal qualification examination [the Series 24]."

9. During the relevant period 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."

Failure to Qualify and Register

10. From December 2007 through July 2024, Instinet failed to qualify and register two associated persons in violation of Exchange Rules.

11. Specifically, from December 2007 through November 2020, Instinet failed to qualify and register one associated person as a Securities Trader Principal. The associated person was assigned to supervise a trading desk that executed certain equity trades, which required the associated person to be qualified and registered as a Securities Trader Principal, but the associated person did not pass the Series 24 exam during this period. From November 2020 through July 2024, Instinet failed to register the associated person as a Securities Trader Principal.

12. In addition, from July 2020 through July 2024, Instinet failed to qualify and register a second associated person as a Securities Trader and Securities Trader Principal. The associated person was assigned to supervise a trading desk that executed certain equity trades, which required the associated person to be qualified and registered as a Securities Trader and Securities Trader Principal, but the associated person did not pass the Series 24 or Series 57 exams.

13. The acts, practices and conduct described in Paragraphs 10-12 constitute violations of Cboe Rules 3.30, 3.31, and predecessor Rule 3.6A by the Firm, in that the Firm failed to qualify and register with the Exchange two associated persons in accordance with Exchange rules.

Written Supervisory Procedures ("WSPs")

14. From at least June 2023 through October 2024, Instinet failed to establish, maintain, and enforce written supervisory procedures ("WSPs"), and a system for applying such procedures, reasonably designed to achieve compliance with the Exchange's qualification and registration rules. In particular, while its WSPs required the Firm to review monthly registration reports to ensure personnel were appropriately registered for their job functions, the registration reports did not include sufficient information to determine whether employees required additional qualifications or registrations. Nor did the Firm provide sufficient guidance to supervisors as to how they should determine when an employee required additional registrations.

15. The acts, practices and conduct described in Paragraph 14 constitute violations of Cboe Rule 8.16(e) by the Firm, in that the Firm failed to establish, maintain and enforce reasonably designed WSPs and a supervisory system for applying such WSPs.

SANCTIONS

16. The Firm has relevant disciplinary history. On October 30, 2023, Instinet was censured and fined a total of $15,000 for failing to qualify and register as Securities Traders three associated persons in violation of registration rules on Cboe and Cboe C2 Exchange, Inc.

17. In light of the alleged rule violations described above, and prior relevant disciplinary history, the Firm consents to the imposition of the following sanctions:

    a. A censure; and

b. A monetary fine in the amount of $12,202.17.[2]

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 Cboe 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 upon notice that this Letter of Consent has been accepted and that such payment is 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 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 Cboe 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 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: 9/2/26

Instinet, LLC

[2] This settlement relates to settlements the Firm concurrently reached with Cboe BYX Exchange, Inc.; Cboe BZX Exchange, Inc., Cboe EDGA Exchange, Inc., and Cboe EDGX Exchange, Inc.

[redacted]

Name: David Sieradzki

Title: GL - Americas