

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

NO. 20090211062 - 01

TO: Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: KCG Americas LLC, Respondent
Broker-Dealer
CRD No. 149823

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, KCG Americas LLC (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, FINRA 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 FINRA, or to which FINRA 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 FINRA:

BACKGROUND AND RELEVANT DISCIPLINARY HISTORY

The firm became a member on July 22, 2009.² Knight Capital Americas, L.P., a predecessor to the firm, became a member of FINRA on July 13, 1995. On October 28, 2011, an AWC was finalized whereby Knight Capital Americas, L.P. was censured and fined \$30,000 for violations of NASD Rules 4632 and 6130, and FINRA Rule 6380A.

SUMMARY

In 20090211062, 20110282171, 20120329418, 20130360823 and 20130380618, the staff in the Market Making Analysis Section of FINRA's Department of Market Regulation reviewed the firm's compliance with SEC Rule 611 of Regulation NMS during the periods October 1, 2009 through December 31, 2010, April 1, 2009 through June 30,

² On July 31, 2012, Knight Capital Americas, L.P. merged its operations into the firm, which was formerly known as Knight Capital Americas LLC. On September 27, 2012, Knight Capital Americas, L.P. withdrew from FINRA membership when its Form BDW was finalized.
20090211062 (Inc. 20110282171, 20120316574, 20120329418, 20120344452, 20130360823, and 20130380618)
(KM)

2009, October 1, 2011 through December 31, 2011, July 1, 2012 through September 30, 2012, and April 1, 2013 through June 30, 2013, respectively.

In 20120344452, the staff in the Order Audit Trail System ("OATS") Compliance Section of Market Regulation conducted a review of the firm's compliance with FINRA Rule 7450 during the period May 1, 2012 through August 31, 2012.

In 20120316574, the staff in the Trading and Market-Making Surveillance ("TMMS") Examination Section of Market Regulation reviewed the items listed on Exhibit 1, attached, as part of the firm's 2012 TMMS examination for the trade dates October 11 and 12, 2012.

FACTS AND VIOLATIVE CONDUCT

20090211062

1. The firm failed to establish, maintain, and enforce written policies and procedures that were reasonably designed to prevent trade-throughs of protected quotations in NMS stocks that do not fall within any applicable exception, and if relying on an exception, are reasonably designed to assure compliance with the terms of the exception. The conduct described in this paragraph constitutes a violation of SEC Rule 611(a)(1) of Regulation NMS, NASD Rule 3010 and FINRA Rule 2010.

20110282171

2. The firm failed to take reasonable steps to establish that the intermarket sweep orders it routed met the definitional requirements set forth in Rule 600(b)(30) of Regulation NMS. The conduct described in this paragraph constitutes a violation of SEC Rule 611(c) of Regulation NMS.

20120329418

3. The firm failed to take reasonable steps to establish that the intermarket sweep orders it routed met the definitional requirements set forth in Rule 600(b)(30) of Regulation NMS. The conduct described in this paragraph constitutes a violation of SEC Rule 611(c) of Regulation NMS.
4. The firm transmitted to the FINRA/Nasdaq Trade Reporting Facility 18 last sale reports with a trade report modifier that inaccurately indicated that the trade qualified for an exception or exemption from SEC Rule 611 of Regulation NMS; and transmitted two last sale reports to the FINRA/Nasdaq Trade Reporting Facility with an inaccurate execution time. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 6380A.

20130360823

5. The firm failed to take reasonable steps to establish that the intermarket sweep orders it routed met the definitional requirements set forth in Rule 600(b)(30) of Regulation NMS. The conduct described in this paragraph constitutes a violation of SEC Rule 611(c) of Regulation NMS.

20130380618

6. The firm failed to take reasonable steps to establish that the intermarket sweep orders it routed met the definitional requirements set forth in Rule 600(b)(30) of Regulation NMS. The conduct described in this paragraph constitutes a violation of SEC Rule 611(c) of Regulation NMS.
7. The firm transmitted to the FINRA/Nasdaq Trade Reporting Facility 25 last sale reports with a trade report modifier that inaccurately indicated that the trade qualified for an exception or exemption from SEC Rule 611 of Regulation NMS. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 6380A.

20120344452

8. During the period reviewed, the firm (a) failed to timely report to OATS 128,999,485 Reportable Order Events ("ROEs"); (b) submitted 206 New Order Reports and related subsequent reports to OATS where the timestamp for the related subsequent report occurred prior to the receipt of the order; (c) submitted 61 Execution or Combined Order/Execution Reports that OATS was unable to link to the related trade report in a FINRA transaction reporting system; (d) submitted 96 Route or Combined Order/Route Reports that OATS was unable to link to the related exchange order; (e) submitted 74 Route or Combined Order/Route Reports that OATS was unable to match to the receiving firm's related New/Combined Order Reports; and (f) submitted 56 Route or Combined Order/Route Reports that OATS was unable to match to a related New Order Report submitted by other members when NITE was named as the "Sent-to-Firm." The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 7450(a).

20120316574

9. During the period reviewed, the firm: (a) failed to submit an Execution Report to OATS in three instances; (b) failed to submit the Special Handling Code of "ADD" and/or the correct Order Share Quantity on a Cancel/Replace Report in five instances; (c) failed to submit the Special Handling Code of "ADD" to OATS in one instance; (d) incorrectly submitted the Special Handling Code of "ADD," failed to submit the correct Order Share Quantity and failed to submit an Execution Report to

OATS in one instance; and (e) failed to submit a Route Report to OATS to reflect the route of a portion of an order to another market center in four instances. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 7450(a).

- B. The firm also consents to the imposition of the following sanctions:
- A censure;
 - A fine of \$107,500 (comprised of \$50,000 for the SEC Rule 611 violations, \$7,500 for the trade reporting violations and \$50,000 for the OATS violations); and
 - An undertaking to submit to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850, no later than 30 days after the AWC becomes final, a signed, dated letter or e-mail from a work-related account of the registered principal to MarketRegulationComp@finra.org, acknowledging that the firm revised its written supervisory procedures to address the deficiencies described in paragraph A.1 above, and the date the revised procedures were implemented.

The firm agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. The firm 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 imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against the firm;
- B. To be notified of the Complaint 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 NAC 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 prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, 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 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 FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, 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 NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- 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 FINRA or any other regulator against the firm;
 - 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. 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 FINRA, or to which FINRA 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 FINRA 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 FINRA, nor does it reflect the views of FINRA 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.

June 5, 2015
Date

Respondent

KCG Americas LLC

By: Matt

Name: Matthew Levine

Title: Chief Compliance Officer

Reviewed by:

Attorney Name
Counsel for Respondent
Firm Name
Address
City/State/Zip
Phone Number

Accepted by FINRA:

6/9/15
Date

Signed on behalf of the
Director of ODA, by delegated authority

Robert A. Marchman /SG
Robert A. Marchman, Esq.
Executive Vice President
Department of Market Regulation