

**CHICAGO MERCANTILE EXCHANGE  
NOTICE OF DISCIPLINARY ACTION**

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**FILE NO.:** CME 12-8756-BC

**MEMBER:** Credit Suisse Securities (USA) LLC

**CME RULE VIOLATION:** 432 - General Offenses

- Q. It shall be an offense to commit an act which is detrimental to the interest or welfare of the Exchange or to engage in any conduct which tends to impair the dignity or good name of the Exchange.

**FINDINGS:** Pursuant to an offer of settlement in which Credit Suisse Securities (USA) LLC ("Credit Suisse") neither admitted nor denied the rule violation upon which the penalty is based, on November 18, 2014, a Panel of the Chicago Mercantile Exchange ("CME") Business Conduct Committee found that it had jurisdiction over Credit Suisse pursuant to Rules 400 and 402 as the conduct occurred while Credit Suisse was a CME member.

The Panel found that Credit Suisse operated an automatic trading system ("ATS"), which utilized market data to calculate risk and exposure in order to trade futures on CME Globex. On January 31, 2012, the stock price of an underlying component of an index was quoted incorrectly by a third-party vendor, causing errant calculations in determining the number of futures contracts to be traded by the ATS. The errant calculations caused the ATS to rapidly enter and execute buy and sell orders of varying sizes in March 2012 E-mini S&P and March 2012 E-mini NASDAQ futures contracts. These order entries and executions contributed to higher than usual volume in those contracts. Credit Suisse failed to have sufficient or adequate controls in place to prevent erroneous or incorrect third party data from impacting the operation of its ATS. Credit Suisse thereby violated Rule 432.Q.

**PENALTY:** In accordance with the settlement offer, the Panel ordered Credit Suisse to pay a fine of \$150,000.

**EFFECTIVE DATE:** November 20, 2014