



DISCIPLINARY DECISION
Cboe Exchange, Inc.
File No. URE-260-01
TJM Investments, LLC and Ronald Myers

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

Applicable Rules

- Cboe Rules 5.80(b) – Admission to and Conduct on the Trading Floor, 5.86 – Facilitated and Solicited Transactions, 5.87 – Crossing Orders, 5.91(a) – Floor Broker Responsibilities, 8.1 – Just and Equitable Principles of Trade, and 8.16 – Supervision.

Sanction

A censure to each of TJM and Myers; a monetary fine in the amount of \$45,000 of which TJM agrees to pay \$35,000 and Myers agrees to pay \$10,000; and for Myers, a twenty consecutive business day suspension from association with any Exchange Trading Permit Holder or TPH organization.

Effective Date

July 26, 2024

/s/ Greg Hoogasian

Greg Hoogasian, CRO, EVP

Cboe Exchange, Inc.
LETTER OF CONSENT
File No. URE-260-01

In the Matter of:

TJM Investments, LLC
318 West Adams Street, Suite 900
Chicago, IL 60606

and

Ronald Myers
CRD No. 2242687,

Subjects

Pursuant to the provisions of Cboe Exchange, Inc. ("Cboe" or the "Exchange") Rule 13.3 – Expedited Proceeding, TJM Investments, LLC ("TJM" or the "Firm") and Ronald Myers ("Myers"), together, the subjects ("Subjects"), submit this Letter of Consent for the purpose of proposing a settlement of the alleged rule violations described below.

The Subjects neither admit nor deny 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, TJM was acting as a registered Broker-Dealer and was an Exchange Trading Permit Holder registered to conduct business on the Exchange. The Firm's registrations remain in effect.
2. From in or about December 2018 through in or about December 2022, Myers was an Associated Person of TJM and was employed by TJM as a Floor Broker on the Exchange.

VIOLATIVE CONDUCT

Applicable Rules

3. During all relevant periods herein, the following rules were in full force and effect: Exchange Rules 5.80(b) – Admission to and Conduct on the Trading Floor, 5.86 – Facilitated and Solicited Transactions, 5.87 – Crossing Orders, 5.91(a) – Floor Broker Responsibilities, 8.1 – Just and Equitable Principles of Trade, and 8.16 – Supervision.

4. During all relevant periods herein, Exchange Rule 5.80(b)(1) provided, in relevant part: "Trading Permit Holders and persons employed by or associated with any Trading Permit Holder, while on any premises of the Exchange, including the trading floor of the Exchange, may not engage in conduct: ... inconsistent with the maintenance of a fair and orderly market; ... apt to impair public confidence in the operations of the Exchange; [or] inconsistent with the ordinary and efficient conduct of business" and Exchange Rule 5.80(b)(2) provided, in relevant part: "Activities that may violate the provisions of this paragraph (b) include, but are not limited to: ... effecting or attempting to effect a transaction with no public outcry in violation of Rule 5.87".
5. During all relevant periods herein, Exchange Rule 5.86 provided, in relevant part: "A Trading Permit Holder or TPH organization representing an order respecting an option traded on the Exchange (an "original order"), including a complex order, may solicit a Trading Permit Holder or TPH organization or a public customer or broker-dealer (the "solicited person") to transact in person or by order (a "solicited order") with the original order. In addition, whenever a Floor Broker who is aware of, but does not represent, an original order solicits one or more persons or orders in response to an original order, the persons solicited and any resulting orders are solicited persons or solicited orders subject to this Rule. Original orders and solicited orders are subject to the following conditions. ... (d) *Undisclosed original order*. If the terms and conditions of the original order are not disclosed to the trading crowd prior to the solicitation, then, prior to crossing the original order with the solicited order or executing the original order with the solicited person or his agent, the Trading Permit Holder initiating the original order or his agent must disclose all the terms and conditions of the original order to the trading crowd. Non-solicited Market-Makers and Floor Brokers holding non-solicited discretionary orders in the trading crowd will have priority over the solicited person or the solicited order to trade with the original order at the best bid or offered price subject to Book priorities set forth in Rule 5.85." Interpretation and Policy .07 of Exchange Rule 5.86 provided, in relevant part: "The phrase "terms and conditions," as used in this Rule with respect to an order that is subject to facilitation, refers to class; series; volume; option price; any contingencies; and any components related to the order (e.g., stock, options, futures or other related instruments or interests)."
6. During all relevant periods herein, Exchange Rule 5.87(f) provided, in relevant part: "Notwithstanding the provisions of paragraphs (c) and (d) above, when a Floor Broker holds an option order for the eligible order size or greater ("original order"), the Floor Broker is entitled to cross a certain percentage of the order with other orders that he is holding or in the case of a Public Customer order with a facilitation order of the originating firm (i.e., the firm from which the original customer order originated). The Exchange

may determine on a class-by-class basis to include solicited orders within the provisions of this paragraph. In addition, the Exchange may determine on a class-by-class basis the eligible size for an order that may be transacted pursuant to this paragraph; however, the eligible order size may not be less than 50 standard option contracts (or 500 mini-option contracts, or 5,000 micro-option contracts, or 5,000 FLEX Index Option contracts with an index multiplier of one). In accordance with his responsibilities for due diligence, a Floor Broker representing an order of the eligible order size or greater that he wishes to cross must request bids and offers for such option series and make all persons in the trading crowd, including the PAR Official, aware of his request." Pursuant to Cboe Regulatory Circular RG16-179, during all relevant periods herein, the facilitation entitlement percentage in Standard & Poor's 500 Stock Index ("SPX") options was 40%.

7. During all relevant periods herein, Exchange Rule 5.91(a) provided, in relevant part: "A Floor Broker handling an order must use due diligence to execute the order at the best price or prices available to him or, in accordance with the Rules. Use of due diligence in handling and executing an order includes: ... announcing to the trading crowd a request for quotes".
8. During all relevant periods herein, Exchange Rule 8.1 provided, in relevant part: "No Trading Permit Holder shall engage in acts or practices inconsistent with just and equitable principles of trade. Persons associated with Trading Permit Holders shall have the same duties and obligations as Trading Permit Holders under the Rules of this Chapter."
9. During all relevant periods herein, Exchange Rule 8.16 provided, in relevant part: "Each Trading Permit Holder shall 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."

Crossing Orders in Open Outcry

10. On or about June 10, 2022, Myers, acting in the capacity of a TJM Floor Broker, received a public customer order to buy 5,500 SPX December 4000-4200 call option contracts and a contra-side order to sell up to 5,500 SPX December 4000-4200 call option contracts. Myers and TJM, by and through Myers, failed to properly represent to the SPX trading crowd the customer order to be crossed, in that Myers and TJM did not identify the total quantity of the customer order and failed to disclose, by public outcry, the portion of the trade to be executed either through a participation

entitlement or otherwise. Further, Myers and TJM, by and through Myers, exceeded any applicable permissible participation entitlement by executing 4,000 option contracts, or approximately 73%, of the customer order with the facilitation order without first determining whether the in-crowd market participant interest had been exhausted. Additionally, Myers and TJM, by and through Myers, failed to use due diligence in handling and executing the public customer order by not announcing to the trading crowd a request for quotes.

11. On or about July 25, 2022, Myers, acting in the capacity of a TJM Floor Broker, received a public customer order to buy 1,250 SPX October 3500 put option contracts, 5,250 SPX September 3400 put option contracts, and 5,300 SPX October 3400 put option contracts versus 15,500 SPX September 3500 put option contracts (the "Put Package") and a contra-side order to sell up to the full size of the Put Package. Myers and TJM, by and through Myers, exceeded any applicable permissible participation entitlement by executing the full size of the Put Package, or 100% of the customer order, with the facilitation order without first determining whether the in-crowd market participant interest had been exhausted. Additionally, Myers and TJM, by and through Myers, failed to use due diligence in handling and executing the public customer order by not announcing to the trading crowd a request for quotes.
12. The acts, practices, and conduct described in Paragraph 10 constitute violations of Exchange Rules 5.80(b), 5.86, 5.87, 5.91(a) and 8.1 by Myers and TJM, in that Myers and TJM, by and through Myers, failed to properly represent to the SPX trading crowd the customer order to be crossed, in that Myers and TJM failed to disclose, by public outcry, the total quantity of the customer order and the portion of the trade to be executed either through a participation entitlement or otherwise. Further, Myers and TJM, by and through Myers, exceeded any applicable permissible participation entitlement by executing 4,000 option contracts, or approximately 73%, of the customer order with a facilitation order without first determining whether the in-crowd market participant interest had been exhausted. Additionally, Myers and TJM, by and through Myers, failed to use due diligence in handling and executing the public customer order by failing to announce to the trading crowd a request for quotes.
13. The acts, practices, and conduct described in Paragraph 11 constitute violations of Exchange Rules 5.80(b), 5.86, 5.87, 5.91(a) and 8.1 by Myers and TJM, in that Myers and TJM, by and through Myers, exceeded any applicable permissible participation entitlement by executing the full size of the Put Package, or 100% of the customer order, with a facilitation order without first determining whether the in-crowd market participant interest had been exhausted. Additionally, Myers and TJM, by and through Myers,

failed to use due diligence in handling and executing the public customer order by not announcing to the trading crowd a request for quotes.

Supervision

14. The Firm's written supervisory procedures ("WSPs") in place from in or about June 2022 through in or about February 2024 did not include a supervisory review that was designed to prevent and detect potential violations of Cboe's open outcry crossing provisions. Additionally, TJM failed to reasonably supervise and train its Associated Persons so as to prevent and detect violations of Cboe Rules 5.80(b), 5.86, 5.87, 5.91(a), and 8.1.
15. The acts, practices and conduct described in Paragraph 14 constitute violations of Exchange Rule 8.16 by the Firm, in that the Firm failed to establish, maintain, and enforce WSPs, and a system for applying such procedures, reasonably designed to prevent and detect violations of applicable Cboe rules that set forth the requirements for obtaining a crossing participation entitlement in open outcry.

SANCTIONS

16. The Firm does not have any prior relevant disciplinary history related to crossing participation entitlements in open outcry.
17. Myers has prior relevant disciplinary history related to crossing participation entitlements in open outcry. In January 2019, Myers was censured and jointly and severally fined \$100,000 with MNR Executions, LLC and another MNR Executions, LLC Floor Broker for violations of Cboe Rules 4.1, 6.73, and 6.74.¹ Myers was alleged to have failed to comply with the requirements for obtaining a crossing participation entitlement in open outcry in two instances.
18. In light of the alleged rule violations described above, and prior relevant disciplinary history, the Subjects consent to the imposition of the following sanctions:
 - a. A censure of each Subject;
 - b. A monetary fine in the amount of \$45,000 of which the Firm agrees to pay \$35,000 and Myers agrees to pay \$10,000; and
 - c. Twenty consecutive business day suspension from association with any Exchange Trading Permit Holder or TPH organization for Myers from the date following the issuance of the decision in this matter.

¹ Cboe Rules 4.1, 6.73, and 6.74 were re-numbered to Cboe Rules 8.1, 5.91, and 5.87, respectively, as of October 7, 2019.

If this Letter of Consent is accepted, the Subjects acknowledges that they 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, waive the right to review or to defend against any of these allegations in a disciplinary hearing before a Hearing Panel. The Subjects further waive 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 Subjects waive 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 Subjects agree 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 Subjects specifically and voluntarily waive 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 Subjects understand 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 Subjects.

The Subjects understand and acknowledge that acceptance of this Letter of Consent will become part of their disciplinary records and may be considered in any future actions brought by the Exchange or any other regulator against the Subjects.

The Subjects understand that they may not deny the charges or make any public statement that is inconsistent with the Offer of Settlement. The Subjects 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 Offer of Settlement. Nothing in this provision affects the Subjects' (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 Subjects may attach a Corrective Action Statement to this Offer of Settlement 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: Jul 25, 2024

TJM Investments, LLC

By: [REDACTED]

Name: steve beitler

Title: co-manager

The undersigned certifies that he 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 he 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 him to submit it.

Date: 7/25/24

Ronald Myers

By: [REDACTED]

Name: Ronald A Myers