

# Disciplinary Notice

## Case No. 2020-006: Permanent Ban on ROC Capital Markets & Keval Patel

### Exchange Rules

#### Rule 4.02(I)(1)(A) - Trade Practice Violations

In connection with the placement of any order or execution of any Transaction, it shall be a violation of the Rules for any Person to . . . [enter] an order or market message, or cause an order or market message to be entered, with the intent to cancel the order before execution, or modify the order to avoid execution.

#### Rule 4.02(I)(1)(C) - Trade Practice Violations

In connection with the placement of any order or execution of any Transaction, it shall be a violation of the Rules for any Person to . . . [enter] an order or market message, or cause an order or market message to be entered, with the intent to disrupt the orderly conduct of trading, the fair execution of transactions or mislead other market participants.

#### Rule 4.02(I)(2) - Trade Practice Violations

In connection with the placement of any order or execution of any Transaction, it shall be a violation of the Rules for any Person to . . . knowingly [enter] any bid or offer for the purpose of making a market price which does not reflect the true state of the market, or knowingly [enter], or causing to be entered, bids or offers other than in good faith for the purpose of executing bona fide Transactions.

#### Rule 4.04 - Conduct Detrimental to the Exchange

It shall be a violation of the Rules for any Person to fail to conform to, the Rules or the procedures of the Exchange or the Clearing Organization, or to engage in conduct or practices inconsistent with just and equitable principles of trade or conduct detrimental to the best interests of the Exchange.

#### Rule 21.04 - Power to Compel Testimony and Production of Documents

The President, the Board, the Chief Regulatory Officer, the Compliance staff, any committee or subcommittee and any panel of any committee or subcommittee, engaged in any investigation of, examination into, or hearing involving any matter pursuant to the Rules shall have the power to summon any Member, any employee of any Member and any non-member market participant to appear before him or it, to give testimony under oath or in any other manner required by him or it and to produce any documents, books or records. A Firm so summoned shall appear by a partner, officer or responsible employee fully acquainted with the relevant facts. If any Member, any employee of any Member, or non-member market participant fails to obey any such summons or to give any such testimony or to produce any such documents, books or records, such failure shall constitute a violation of this Rule and shall be reported to the Business Conduct Committee for appropriate action.

**[View All Notices](#) / [Contact Us](#) / [Media Inquiries](#)**



### **Rule 21.05 - Notice of Charges**

In any case in which a subcommittee of the Business Conduct Committee refers a matter to a formal hearing, the Compliance staff shall serve a Notice of Charges ("Notice") on the Respondent . . .

### **Rule 21.06 - Answer; Request for Hearing; Failure to Answer or Deny Charges**

(a) The Respondent shall serve on the Compliance staff and the Office of the General Counsel a written Answer to the Notice of Charges and a written request for a hearing on the charges within twenty (20) days of the date of service of the Notice of Charges.

(b) The Respondent's failure to file an Answer within such twenty (20) days shall be deemed an admission of all of the allegations contained in the Notice.

(c) The Respondent's failure to expressly deny a particular allegation contained in the Notice shall be deemed an admission of such allegation.

(d) The Respondent's failure to request a hearing within such twenty (20) days shall be deemed a waiver of Respondent's right to a hearing.

### **Rule 21.10 - Hearing on Penalty in the Event of Failure to Deny Charges; Failure to Request Hearing Deemed Acceptance of Penalty**

In the event the Respondent fails to file an Answer or admits the allegations or fails to deny the allegations in support of a charge of a Rule violation contained in the Notice, the Hearing Panel shall find the Respondent guilty of each such violation and may impose a penalty for each such violation subject to the limitations set forth in Rule 21.13(b)(v). The Hearing Panel shall promptly notify the Respondent of any such penalty and of the Respondent's right to a hearing on the penalty within ten (10) days, or such longer period as the Hearing Panel may determine, after the imposition of such penalty. Failure to request a hearing on the penalty in a timely manner shall be deemed to be acceptance of the penalty.

### **Summary**

Pursuant to Exchange Rule 21.10, following ROC Capital Markets' and Keval Patel's ("Respondents") failure to request a hearing and file an Answer to a Notice of Charges issued by the Exchange's Market Regulation Department, on September 26, 2022, a Hearing Panel of the Exchange's Business Conduct Committee ("Panel") found that, between October 2019 and November 2019 (the "Relevant Period"), Respondents violated Exchange Rules 4.02(l)(1)(A), 4.02(l)(1)(C), 4.02(l)(2), and 4.04. The Panel found that during the Relevant Period, Respondents engaged in a pattern of layering orders at various price levels on one side of the orderbook while trading orders of smaller collective volume on the opposite side. Shortly after the opposing smaller volume traded, Respondents deleted the layered orders. Instead of entering orders with the intent to trade, Respondents were found to have entered the layered orders on one side of the orderbook to create false depth, put pressure on the market, and mislead market participants into trading against, or moving the market closer to, its opposing orders. The Panel also found that Respondents violated Exchange Rule 21.04 by failing to appear in response to the Exchange's summons.

### **Products**

Cocoa Futures  
Coffee C Futures

### **Customer Harm**

No

**[View All Notices / Contact Us / Media Inquiries](#)**

© 2022 Intercontinental Exchange, Inc. The following are trademarks of Intercontinental Exchange, Inc. and/or its affiliated companies: Intercontinental Exchange, ICE, New York Stock Exchange and NYSE. For more information regarding trademarks owned by Intercontinental Exchange, Inc. and/or its affiliated companies see: [intercontinentalexchange.com/terms-of-use](https://intercontinentalexchange.com/terms-of-use)

Key Information Documents for certain products covered by the EU Packaged Retail and Insurance-based Investment Products Regulation can be accessed on the relevant exchange website under the heading "Key information Documents (KIDS)," commencing January 1, 2022.



### **Penalty**

Respondents are permanently banned from access to all ICE Futures U.S. electronic trading platforms, including ICE Block.

### **Effective Date**

October 21, 2022

### **For more information:**

Jason Fusco

[jason.fusco@ice.com](mailto:jason.fusco@ice.com) -or-  
(212) 748-4021

Frances M. Mendieta

[frances.mendieta@ice.com](mailto:frances.mendieta@ice.com)  
(312) 523-5617

### **View All Notices / Contact Us / Media Inquiries**

© 2022 Intercontinental Exchange, Inc. The following are trademarks of Intercontinental Exchange, Inc. and/or its affiliated companies: Intercontinental Exchange, ICE, New York Stock Exchange and NYSE. For more information regarding trademarks owned by Intercontinental Exchange, Inc. and/or its affiliated companies see: [intercontinentalexchange.com/terms-of-use](https://intercontinentalexchange.com/terms-of-use)

Key Information Documents for certain products covered by the EU Packaged Retail and Insurance-based Investment Products Regulation can be accessed on the relevant exchange website under the heading "Key information Documents (KIDS)," commencing January 1, 2022.