

# DISCIPLINARY NOTICE

December 14, 2016

CASE NUMBER 2015-114 (3 of 4)

## SETTLEMENT OF CHARGES AGAINST LEE TIPPETT

### Exchange Rules:

#### Rule 4.02(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 . . . [e]xecute a wash sale, accommodation Trade, fictitious sale or prearranged Trade

#### 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 27.09(b) - Required Identifications

Orders entered on the ETS must include the unique identification assigned to the Registered Operator. A Registered Operator is prohibited from allowing any other Person or automated trading system to use such unique identification to enter orders on the ETS. A Registered Operator may not enter orders on the ETS using a unique identification that has not been assigned to the Registered Operator.

### Summary:

A subcommittee of the Exchange's Business Conduct Committee determined that Lee Tippet ("Tippet") may have violated Exchange Rule 4.02(c) by executing 25 fictitious transactions; Exchange Rule 4.04 by engaging in practices inconsistent with just and equitable principles of trade and conduct detrimental to the best interests of the Exchange; and Exchange Rule 27.09(b) by using the User ID of his coworker, Mathew Webb, to trade on the ETS.

### Penalty:

In accordance with the terms of settlement, in which Tippet neither admitted nor denied the rule violations, Tippet paid a monetary penalty of \$100,000.00, and agreed to cease and desist from future violations of Rules 4.02(c), 4.04 and 27.09(b). Additionally, Tippet agreed to serve a 9 month suspension from direct and indirect access to all electronic trading and clearing platforms owned or



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controlled by ICE Futures U.S. The suspension shall run from December 19, 2016, through and including September 19, 2017.

**Effective Date:** December 13, 2016

**Linked to:** 2015-114 - Classic Energy LLC, MDW Capital, LLC, Matthew Webb, and Lee Tippet

### FOR MORE INFORMATION

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