

DISCIPLINARY NOTICE

December 14, 2016

CASE NUMBER 2015-114 (1 of 4)

SETTLEMENT OF CHARGES AGAINST MATHEW WEBB

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 4.02(d) - 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 . . . [c]ommit or attempt to commit fraudulent action on the Exchange or use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud

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 Mathew Webb ("Webb") may have violated Exchange Rule 4.02(c) by executing 52 fictitious transactions; Exchange Rule 4.02(d) by committing or attempting to commit fraudulent action on the Exchange; 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 allowing a co-worker, Lee Tippett, to use his User ID to trade on the ETS.



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Penalty:

In accordance with the terms of settlement, in which Webb neither admitted nor denied the rule violations, Webb paid a monetary penalty of \$503,627.50, which included disgorgement of profits in the amount of \$303,627.50, and agreed to cease and desist from future violations of Rules 4.02(c), 4.02(d), 4.04, and 27.09(b). Additionally, Webb agreed to serve a 5 year suspension from direct and indirect access to all electronic trading and clearing platforms owned or controlled by ICE Futures U.S. The suspension shall run from January 3, 2017, through and including January 3, 2022.

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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