



Andy Hubbartt
Senior Counsel

Department of Enforcement

FINRA | 55 West Monroe Street
Suite 2600
Chicago, IL 60603
Phone: 312-899-4603
Email: andy.hubbartt@FINRA.org

Via Certified Mail, Return Receipt Requested (7021 1970 0002 3047 7848), First Class Mail and Email (jaclvn.butler@iongroup.com; Derek.Lacarrubba@srz.com)

June 22, 2022

Ms. Jaclyn Butler, Chief Compliance Officer
Dash Financial Technologies, LLC
200 S. Wacker Drive, Suite 2450
Chicago, IL 60606

**RE: Payment of Fine in Connection with Executed Letter of Consent
FINRA Matter No. 20190611843**

Dear Ms. Butler:

Enclosed is an executed copy of the Letter of Consent (“LOC”), signed by Jaclyn Butler, Chief Compliance Officer at Dash Financial Technologies, LLC (the “Firm”), and countersigned by Edward Deitzel, Executive Vice President and Chief Regulatory Officer, for the Business Conduct Committee, at the MIAX PEARL, LLC (“PEARL”) on **June 22, 2022**. Please consider this correspondence as notice to the Firm that this LOC has been accepted, and as a result, the Firm must promptly remit payment of the agreed upon sanction. Please make the payment to MIAX PEARL, LLC.

By Wire:

If payment is by wire, wiring instructions are as follows:

Pursuant to MIAX PEARL Rule 1011, after seven calendar days’ notice in writing, the Exchange may summarily suspend a Member that fails to pay promptly a fine when such fine becomes finally due and payable.

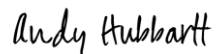
Jaclyn Butler, Chief Compliance Officer

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If you have any questions regarding this matter, please contact me at 312-899-4603.

Sincerely,



Andy Hubbartt

Senior Counsel

Enclosure

cc: Larry O'Leary, VP Regulation, Miami International Securities Exchange, LLC
(via e-mail to loleary@miaxoptions.com)

This letter is issued on behalf of the MIAX PEARL, LLC, by FINRA Department of Enforcement pursuant to a grant of authority to FINRA. Accordingly, this constitutes a letter by the MIAX PEARL, LLC.

**MIAX PEARL, LLC
LETTER OF CONSENT
NO. 2019061184302**

TO: MIAX PEARL, LLC
c/o Department of Enforcement
Financial Industry Regulatory Authority (“FINRA”)

RE: Dash Financial Technologies LLC, Respondent
Broker-Dealer
CRD No. 104031

Pursuant to Rule 1003 of the Rules of MIAX PEARL, LLC (“MIAX PEARL”), Dash Financial Technologies LLC (“Dash” or the “Firm”) submits this Letter of Consent (“LOC”) for the purpose of proposing a settlement of the alleged rule violations described below. This LOC is submitted on the condition that, if accepted, MIAX PEARL will not bring any future actions against the Firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The Firm hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of MIAX PEARL, or to which MIAX PEARL is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by MIAX PEARL:

BACKGROUND

Dash has been a member of FINRA since March 2001 and a member of MIAX PEARL since February 2017. Dash is an agency-only broker dealer that provides routing and execution services to institutional clients for options and equities. Dash does not have a relevant disciplinary history.

SUMMARY

On MIAX PEARL’s behalf, FINRA’s Department of Market Regulation, Options Regulation section, reviewed the Firm’s compliance with MIAX PEARL’s rules and federal securities laws and regulations governing the use of origin codes. From March 1, 2017 through November 8, 2017, Dash routed to nine options exchanges, including MIAX PEARL, approximately 60,277 options orders totaling approximately 271,658 contracts, with an incorrect origin code of “Customer” instead of “Broker-Dealer.”

FACTS AND VIOLATIVE CONDUCT

1. Applicable MIAX PEARL rules require that when accepting an order, a member must obtain and record an appropriate code to identify the origin of the order. Each options market has its own origin codes, but at a minimum, all have codes to indicate that an order is being executed for a customer, a firm, or a market maker. Origin codes are important because they are part of the audit trail data for every transaction. They also affect the accuracy of a firm's books and records and MIAX PEARL's audit trail, which may impact the priority of order execution and MIAX PEARL's surveillance for compliance with MIAX PEARL rules and federal securities laws. Finally, they are important for clearing purposes when trades are reported to the Options Clearing Corporation ("OCC").
2. On March 1, 2017, Dash acquired a third-party platform, LiquidPoint, from another broker-dealer. From March 1, 2017 through November 8, 2017, Dash routed to nine options exchanges, including MIAX PEARL, approximately 60,277 options orders, totaling approximately 271,658 contracts, from a broker-dealer client that had been incorrectly on-boarded in LiquidPoint as "Customer" instead of "Broker-Dealer". Dash learned of the issue in or about early October 2017, and by November 8, 2017, Firm technology personnel completed implementing corrective changes.
3. Each instance in which Dash routed an order with an incorrect origin code potentially had adverse consequences, such as inadvertently impacting the priority of order execution, creating an inaccurate audit trail and inaccurate order records, reporting trades to OCC with inaccurate trade details, and impeding MIAX PEARL's ability to surveil for and detect potential violations of its rules and federal securities laws.
4. By marking orders with incorrect origin codes from March 1, 2017 through November 8, 2017, the Firm violated the following laws and rules:
 - a. Section 17(a)(1) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 17a-3(a)(6) thereunder requiring firms to make and maintain a memorandum of each order, and any other instruction, that contains the terms and conditions of the order (the record must be accurate).
 - b. Chapter VIII of MIAX PEARL Rules, which incorporate by reference MIAX Rule 800, requiring each Member to make, keep current and preserve such books and records as MIAX may prescribe and as may be prescribed by the Exchange Act and the rules and regulations thereunder.
 - c. MIAX PEARL Rule 513, which requires each Member, when entering orders on the MIAX PEARL, to submit trade information in such form as may be prescribed by MIAX PEARL in order to allow MIAX PEARL to properly prioritize and match orders and quotations, and report resulting transactions to the OCC.

- d. Chapter III of MIAX PEARL Rules, which incorporate by reference MIAX Rule 301, prohibiting a Member from engaging in acts or practices inconsistent with just and equitable principles of trade.
- e. Chapter III of MIAX PEARL Rules, which incorporate by reference MIAX Rule 300, which prohibits a Member from violating the Exchange Act or rules thereunder, MIAX rules, or OCC rules as they relate to reporting or clearing any MIAX transactions.

B. The Firm also consents to the imposition of the following sanctions:

A censure and a \$2,500 fine.¹

The Firm agrees to pay the monetary sanctions upon notice that this LOC has been accepted and that such payments are due and payable. It has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

The Firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

The sanctions imposed herein shall be effective on a date set by MIAX PEARL.

II.

WAIVER OF PROCEDURAL RIGHTS

The Firm specifically and voluntarily waives the following rights granted under MIAX PEARL Rules:

- A. To have a Statement of Charges issued specifying the allegations against the Firm;
- B. To be notified of the Statement of Charges and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a Hearing Panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to MIAX PEARL's Board of Directors and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the Firm specifically and voluntarily waives any right to claim bias or prejudice of the Chief Regulatory Officer ("CRO"), as well as the Business Conduct Committee ("BCC"), in connection with participation in discussions regarding the terms and conditions of this LOC, or other consideration of this LOC, including acceptance or rejection of this LOC.

The Firm further specifically and voluntarily waives any right to claim that a person violated the

¹ This settlement relates to other settlements the Firm reached with Miami International Securities Exchange, LLC, NYSE Arca, Inc., and NYSE American LLC.

ex parte prohibitions of MIAX PEARL Rule 1006, in connection with such person's or body's participation in discussions regarding the terms and conditions of this LOC, or other consideration of this LOC, including its acceptance or rejection.

III.

OTHER MATTERS

The Firm understands that:

- A. Submission of this LOC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the CRO and the BCC, pursuant to MIAX PEARL Rule 1003;
- B. If this LOC is not accepted, its submission will not be used as evidence to prove any of the allegations against the Firm; and
- C. If accepted:
 - 1. This LOC will become part of the Firm's permanent disciplinary record and may be considered in any future actions brought by MIAX PEARL or any other regulator against the Firm;
 - 2. This LOC will be published on a website maintained by MIAX PEARL; and
 - 3. The Firm may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this LOC or create the impression that the LOC is without factual basis. The Firm may not take any position in any proceeding brought by or on behalf of MIAX PEARL, or to which MIAX PEARL is a party, that is inconsistent with any part of this LOC. Nothing in this provision affects the Firm's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which MIAX PEARL is not a party.
- D. The Firm may attach a Corrective Action Statement to this LOC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The Firm understands that it may not deny the charges or make any statement that is inconsistent with the LOC in this Statement. This Statement does not constitute factual or legal findings by MIAX PEARL, nor does it reflect the views of MIAX PEARL 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 LOC and has been given a full opportunity to ask questions about it; that it has agreed to the LOC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the Firm to submit it.

April 25, 2022

Date

Respondent
Dash Financial Technologies LLC

By: *Jaclyn L Butler*

Name: Jaclyn L Butler

Title: Chief Compliance Officer

Reviewed by:

Derek Lacarrubba

Julian Rainero
Derek Lacarrubba
Schulte Roth & Zabel LLP
919 Third Avenue
New York, NY 10022
Julian.Rainero@srz.com
(212) 756-2411

Accepted by MIAX PEARL, LLC:

June 22, 2022

Date

Ed Deitzel

Edward Deitzel
Executive Vice President and
Chief Regulatory Officer
MIAX PEARL, LLC

Decision of the Business Conduct Committee:

Accept Decline

June 22, 2022

Date

Ed Deitzel

By: Edward Deitzel
For the Business Conduct Committee

ELECTION OF PAYMENT FORM


The Firm intends to pay the fine proposed in the attached Letter of Consent by the following method (check one):

- A firm check or bank check for the full amount;
- Wire transfer;

Respectfully submitted,
Respondent
Dash Financial Technologies LLC

April 25, 2022

Date

By: 
Name: Jaclyn L Butler
Title: Chief Compliance Officer