

**THE NASDAQ OPTIONS MARKET
NOTICE OF ACCEPTANCE OF AWC**

Certified, Return Receipt Requested

**TO: Thinkorswim, Inc.
Steve Quirk
Managing Director
600 West Chicago
Suite 100
Chicago, IL 60654-2597**

**FROM: The NASDAQ Options Market LLC ("Nasdaq")
c/o Financial Industry Regulatory Authority ("FINRA")
Department of Market Regulation
9509 Key West Avenue
Rockville, MD 20850**

DATE: May 27, 2011

RE: Notice of Acceptance of Letter of Acceptance, Waiver and Consent No. 20090180679-01


Please be advised that your above-referenced Letter of Acceptance, Waiver and Consent ("AWC") has been accepted by the Nasdaq Review Council's Review Subcommittee, or by the Office of Disciplinary Affairs on behalf of the Nasdaq Review Council, pursuant to Nasdaq Rule 9216. A copy of the AWC is enclosed herewith.

You are again reminded of your obligation, if currently registered, immediately to update your Uniform Application for Broker-Dealer Registration ("Form BD") to reflect the conclusion of this disciplinary action. Additionally, you must also notify FINRA (or NASDAQ if you are not a member of FINRA) in writing of any change of address or other changes required to be made to your Form BD.

You will be notified by the Registration and Disclosure Department regarding sanctions, and NASDAQ's Finance Department will send you an invoice regarding the payment of any fine.

Thinkorswim, Inc.
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If you have any questions concerning this matter, please call Theresa Clarkson, Counsel, at (212) 858-4326.



Thomas R. Gira
Executive Vice President
Department of Market Regulation, FINRA

Signed on behalf of NASDAQ

Enclosure

FINRA District 8 – Chicago
Carla A. Romano
Regional Director
55 West Monroe Street
Suite 2700
Chicago, IL 60603-5052

Ann Grady
Senior Compliance Officer
Bellevue Chicago, LLC
600 West Chicago
Suite 100
Chicago, IL 60654-2597

Caroline Langner
Associate General Counsel
TD Ameritrade Clearing, Inc.
1005 N. Ameritrade Place
Bellevue, NE 68005

Edward S. Knight, Chief Regulatory Officer
The NASDAQ Stock Market LLC
9600 Blackwell Road
Rockville, MD 20850

THE NASDAQ OPTIONS MARKET
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090180679-01

TO: The NASDAQ Options Market
c/o Department of Market Regulation
Financial Industry Regulatory Authority (“FINRA”)

RE: Thinkorswim, Inc.,¹ Respondent
Broker-Dealer
CRD No. 106069

Pursuant to Rule 9216 of The NASDAQ Stock Market LLC (“Nasdaq”)² Code of Procedure, Thinkorswim, Inc. (the “Firm” or “Thinkorswim”) submits this Letter of Acceptance, Waiver and Consent (“AWC”) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, Nasdaq will not bring any future actions against the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Thinkorswim 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 Nasdaq, or to which Nasdaq 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 Nasdaq:

BACKGROUND

Thinkorswim had been a member of FINRA since July 9, 2001. The Firm terminated its FINRA registration as of December 13, 2010. The Firm was approved for The NASDAQ Options Market, LLC (“NOM”) membership on August 7, 2008, and the Firm terminated its NOM registration as of November 12, 2010.

RELEVANT DISCIPLINARY HISTORY

Thinkorswim has no relevant disciplinary history.

¹ Thinkorswim, Inc., changed its name to Bellevue Chicago, LLC, on July 19, 2010, which was after the subject activity occurred.

² All NASDAQ Options Market disciplinary matters are governed by The Nasdaq Code of Procedure.

SUMMARY

In connection with matter 20090180679, the staff of the Department of Market Regulation of FINRA ("the staff") conducted a review of Thinkorswim's customers' exercised options positions during the period between May 6, 2009 and July 29, 2009 (the "review period") for compliance with the rules and regulations relating to exercise limits.

FACTS AND VIOLATIVE CONDUCT

1. During the review period, Thinkorswim permitted one of its customers to exceed the exercise limit in Citigroup, Inc. ("C") on a total of 19 non-consecutive days. The conduct described in this paragraph constitutes separate and distinct violations of Chapter III, Section 9 of the NOM Rules.

2. During the review period, Thinkorswim failed to have reasonable supervisory systems and controls, including adequate written supervisory procedures, in place designed: (i) to identify instances in which its customers potentially exceeded applicable options exercise limits or to ensure that such instances were brought to Thinkorswim's attention by its clearing firm and (ii) to achieve compliance with applicable securities laws and regulations. Thinkorswim's written supervisory procedures relating to exercise limits, in particular, failed to provide for: (i) specific identification of the individual(s) responsible for such supervision; (ii) the supervisory steps and reviews to be taken by the appropriate supervisor; (iii) the frequency of such reviews; and (iv) how such reviews were to be documented. The conduct described in this paragraph constitutes a violation of Chapter III, Section 2(a)(i) of the NOM Rules and Nasdaq Exchange Rules 2110 and 3010.

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

A censure and a fine of \$20,000 (consisting of a \$10,000 fine for exercise limit violations and a \$10,000 fine for supervision violations).

Thinkorswim agrees to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. Thinkorswim has submitted an Election of Payment form showing the method by which they propose to pay the fine imposed.

Thinkorswim 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 FINRA staff.

II.

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WAIVER OF PROCEDURAL RIGHTS

Thinkorswim specifically and voluntarily waives the following rights granted under Nasdaq's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against the firm;
- B. To be notified of the Formal Complaint 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 the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Thinkorswim specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Regulatory Officer, the Nasdaq Review Council, or any member of the Nasdaq Review Council, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

Thinkorswim further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

The firm understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by FINRA's Department of Market Regulation and the Nasdaq Review Council, the Review Subcommittee, or the Office of Disciplinary Affairs ("ODA"), pursuant to Nasdaq Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Thinkorswim; and
- C. If accepted:
 - 1. This AWC will become part of Thinkorswim's permanent disciplinary record and may be considered in any future actions brought by Nasdaq or any other regulator against the firm;
 - 2. This AWC will be made available through Nasdaq's public disclosure program in response to public inquiries about Thinkorswim's disciplinary record;
 - 3. Nasdaq may make a public announcement concerning this agreement and the subject matter thereof in accordance with Nasdaq Rule 8310 and IM-8310-3; and
 - 4. Thinkorswim 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 AWC or create the impression that the AWC is without factual basis. The firm may not take any position in any proceeding brought by or on behalf of Nasdaq, or to which Nasdaq is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Thinkorswim's right to take legal or factual positions in litigation or other legal proceedings in which Nasdaq is not a party.
- D. Thinkorswim may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Thinkorswim understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by Nasdaq, nor does it reflect the views of Nasdaq or its staff.

The undersigned, on behalf of Thinkorswim, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC'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 Formal Complaint, has been made to induce Thinkorswim to submit it.

4/13/11
Date

Respondent
Thinkorswim, Inc.

By: [Signature]

Name: Steve Quirk

Title: Managing Director

Reviewed by:

Attorney Name
Counsel for Respondent

Firm Name: _____

Address: _____

Telephone No.: _____

Accepted by Nasdaq:

5/26/11
Date

[Signature]
Thomas R. Gira
Executive Vice President
Department of Market Regulation

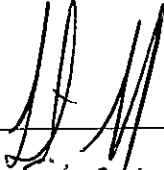
Signed on behalf of Nasdaq, by delegated
authority from the Director of ODA

ELECTION OF PAYMENT FORM

Nasdaq will send the firm an invoice for the full amount.

Respectfully submitted,
Respondent
Thinkorswim, Inc.

4/13/11
Date

By: 

Name: Steve Quirk

Title: Managing Director