

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

Certified, Return Receipt Requested

**TO: UBS Securities LLC
Frederic L. Greenbaum
Head of Regulatory Inquiries and Relations
UBS Securities LLC
677 Washington Boulevard, 8th Fl.
Stamford, CT 06901**

**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: January 15, 2013

RE: Notice of Acceptance of Letter of Acceptance, Waiver and Consent No. 20110259552-01

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.

UBS Securities LLC
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If you have any questions concerning this matter, please contact 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 11 – Boston
Elizabeth F. Page
Director
99 High Street
Suite 900
Boston, MA 02110

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. 20110259552-01**

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

RE: UBS Securities LLC, Respondent
Broker-Dealer
CRD No. 7654

Pursuant to Rule 9216 of The NASDAQ Stock Market LLC ("Nasdaq")¹ Code of Procedure, UBS Securities LLC (the "Firm" or "UBSW") 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. UBSW 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

UBSW has been a member of FINRA since August 17, 1978, and its registration remains in effect. The Firm was approved for NASDAQ Options Market, LLC ("NOM") membership on March 12, 2008, and its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

UBSW does not have any relevant formal disciplinary history.

SUMMARY

In connection with matter 20110259552, the staff of the Department of Market Regulation of FINRA ("the staff") conducted a review to determine if UBSW, in

¹ All NASDAQ Options Market disciplinary matters are governed by The Nasdaq Code of Procedure.

compliance with the rules and regulations of NOM relating to position limits, established any options position, or allowed customers to establish an options position, outside the prescribed limits during the period between January 1, 2011 and March 31, 2011 (the "Review Period").

FACTS AND VIOLATIVE CONDUCT

Position Limits

1. During the Review Period, one of UBSW's customers exceeded the position limit on the bullish side of the market in SPDR S&P 500 ("SPY") within a range of 2.26% to 16.04% on five consecutive trading days between February 23, 2011 and March 1, 2011.
2. On February 24, 2011, the Firm effected transactions in SPY for the same customer while the customer's position in SPY exceeded the position limit.
3. The conduct described in paragraphs one and two constitutes separate and distinct violations of Chapter III, Section 7 of the NOM Rules.

Supervision

4. During the Review Period, UBSW failed to have an adequate supervisory system with respect to position limit reviews and failed to enforce its written supervisory procedures to ensure compliance with Chapter III, Section 7 of the NOM Rules.
 5. The conduct described in paragraph four constitutes separate and distinct violations of Chapter V, Section (1)(b)(iii) and (iv) of the NOM Rules.
- B. The Firm also consents to the imposition of the following sanctions:

A censure and a fine of \$15,000 (consisting of a \$7,500 fine for position limit violations and a \$7,500 fine for supervision violations).

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

UBSW 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.

WAIVER OF PROCEDURAL RIGHTS

UBSW 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, UBSW 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.

UBSW 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

UBSW 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 UBSW and
- C. If accepted:
 - 1. This AWC will become part of UBSW'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 UBSW'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. UBSW 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 UBSW's right to take legal or factual positions in litigation or other legal proceedings in which Nasdaq is not a party.
- D. UBSW may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. UBSW 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 UBSW, 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 Complaint, has been made to induce UBSW to submit it.

12/10/12
Date

Respondent
UBS Securities LLC

By: Frederic Greenbaum

Name: Frederic Greenbaum

Title: Executive Director

Accepted by Nasdaq:

1/15/13
Date

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

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

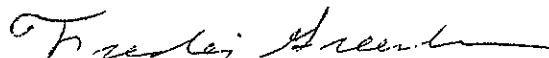
ELECTION OF PAYMENT FORM

UBSW intends to pay the fine proposed in the attached AWC by the following method (check one):

- A firm check or bank check for the full amount;
- Wire transfer;
- The installment payment plan.¹
 - Monthly
 - Quarterly

Respectfully submitted,
Respondent
UBS Securities LLC

12/10/12
Date

By: 
Name: Frederic Greenbaum
Title: Executive Director

¹ The installment payment plan is only available for a fine of \$50,000 or more. Certain requirements apply.