

**NASDAQ PHLX LLC
NOTICE OF ACCEPTANCE OF AWC**

Certified, Return Receipt Requested

**TO: Deutsche Bank Securities Inc.
Mr. Steven F. Reich
General Counsel
60 Wall Street
New York, NY 10005**

**FROM: Nasdaq PHLX LLC (“PHLX”)
c/o Financial Industry Regulatory Authority (“FINRA”)
Department of Enforcement
9509 Key West Avenue
Rockville, MD 20850**

DATE: February 13, 2018

RE: Notice of Acceptance of Letter of Acceptance, Waiver and Consent No. 20150443242-03

Please be advised that your above-referenced Letter of Acceptance, Waiver and Consent (“AWC”) has been accepted on **February 13, 2018** by the PHLX Review Council’s Review Subcommittee, or by the Office of Disciplinary Affairs on behalf of the PHLX Review Council, pursuant to PHLX Rule 9216. A copy of the AWC is enclosed herewith.

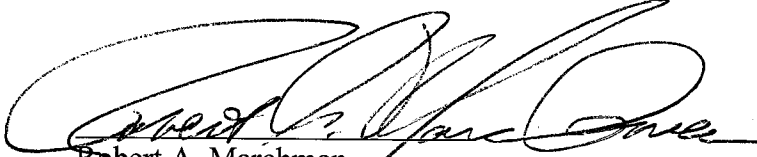
You are again reminded of your obligation, if currently registered, immediately to update your Uniform Application for Broker-Dealer Registration (“Form BD”) to reflect the conclusion of this disciplinary action. Additionally, you must also notify FINRA (or PHLX if you are not a member of FINRA) in writing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

You are reminded that Section I of the attached Letter of Acceptance, Waiver, and Consent includes an undertaking. In accordance with the terms of the AWC, a registered principal of the firm is required to notify the Compliance Assistant, Department of Enforcement, 9509 Key West Avenue, Rockville, MD 20850, of completion of the undertaking.

You will be notified by the Registration and Disclosure Department regarding sanctions if a suspension has been imposed and by Nasdaq’s Finance Department regarding the payment of any fine if a fine has been imposed.

Deutsche Bank Securities Inc.
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If you have any questions concerning this matter, please contact Gerald O'Hara, Principal Counsel,
at (240) 386-6871.



Robert A. Marchman
Executive Vice President, Legal Section
Department of Enforcement, FINRA

Signed on behalf of PHLX

Enclosure

FINRA District 10 – New York
Michael Solomon
Senior Vice President and Regional Director
(Via email)

Andrew Stemmer
Director & Associate General Counsel
Deutsche Bank Legal Department
60 Wall Street
New York, NY 10005

Andrew Cattell
General Counsel
Deutsche Bank Legal Department
60 Wall Street
New York, NY 10005

NASDAQ PHLX LLC
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20150443242-03

TO: Nasdaq PHLX LLC
c/o Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Deutsche Bank Securities Inc., Respondent
Member Firm
CRD No. 2525

Pursuant to Rule 9216 of Nasdaq PHLX LLC ("PHLX") Code of Procedure, Deutsche Bank Securities Inc. (the "firm" or "Respondent") 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, PHLX will not bring any future actions against the Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent 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 PHLX, or to which PHLX 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 PHLX:

BACKGROUND

The firm has been a member of PHLX since November 26, 1973, and its registration remains in effect. The firm has been a member of FINRA since March 16, 1940, and its registration remains in effect.

Respondent has no relevant disciplinary history.

SUMMARY

In connection with review 20150443242, the Trading and Financial Compliance Examinations ("TFCE") staff of FINRA's Market Regulation Department (the "staff"), on behalf of PHLX, conducted the 2015 Options Cycle Examination of the firm for the period May 2015 (the "review period"), unless otherwise indicated. Based on its review, staff determined the firm violated the rules set forth below.

FACTS AND VIOLATIVE CONDUCT

1. In an estimated 10,200 instances from January 1, 2015 through July 15, 2017, Respondent failed to make and keep an accurate record of the time it transmitted options orders to a floor broker for execution. Specifically, from January 1, 2015 through November 13, 2015, the firm did not require its personnel to capture the time of order transmission for orders routed to a floor broker for execution. On November 14, 2015, the firm began to capture the time of order transmission for this category of orders, but based on the manual process of capturing this time employed by the firm, it continued to fail to record the time of order transmission in a significant number of options orders routed to a floor broker for execution. The conduct described in this paragraph constitutes a violation of Rule 17a-3 promulgated under the Securities Exchange Act of 1934 and PHLX Rule 760.
 2. In one instance during the review period, Respondent failed to make and keep an accurate record of the order receipt time for an options order. Specifically, the time of order execution on the firm's order memorandum for an options order was later than the time of order receipt on the order memorandum. The conduct described in this paragraph constitutes a violation of Rule 17a-3 promulgated under the Securities Exchange Act of 1934 and PHLX Rule 760.
 3. During the review period, Respondent failed to maintain a system of supervision and supervisory review for options order memoranda that was reasonably designed to ensure compliance with Rule 17a-3 promulgated under the Securities Exchange Act of 1934 and PHLX Rule 760. Specifically, the firm's written supervisory procedures did not include supervisory steps describing a process for the firm to review whether the times of order receipt and order transmission recorded on its order memoranda for options orders were accurate. The conduct in this paragraph constitutes a violation of PHLX Rule 748.
- B. Respondent also consents to the imposition of the following sanctions:
1. a censure;
 2. a fine in the total amount of \$315,000 to be paid jointly to PHLX, NYSE Arca, Inc., NYSE American LLC, and Chicago Board Options Exchange, of which \$74,000 of that total amount shall be paid to PHLX; and
 3. an undertaking to revise the firm's written supervisory procedures with respect to the areas described in paragraph A.3. Within 30 business days of acceptance of this AWC by PHLX, a registered principal of the Respondent shall submit to the **COMPLIANCE ASSISTANT, DEPARTMENT OF ENFORCEMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850**, a signed, dated letter, or an e-mail from a work-related account of the registered principal to MarketRegulationComp@finra.org, providing the following information: (1) a reference to this matter; (2) a representation that the firm has revised its written supervisory procedures to address the deficiencies described in paragraph A.3; and, (3) the date the revised procedures were implemented.

Acceptance of this AWC is conditioned upon acceptance of parallel settlement agreements in related matters between the firm and Chicago Board Options Exchange, NYSE Arca, Inc., and NYSE American LLC.

Respondent agrees to pay the monetary sanction(s) in accordance with its executed Election of Payment Form.

Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under PHLX'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 PHLX Review Council and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Regulatory Officer, the PHLX Review Council, or any member of the PHLX 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.

Respondent 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

Respondent 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 Enforcement and the PHLX Review Council, the Review Subcommittee, or the Office of Disciplinary Affairs ("ODA"), pursuant to PHLX Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the Respondent; and
- C. If accepted:
 - 1. This AWC will become part of the Respondent's permanent disciplinary record and may be considered in any future actions brought by PHLX or any other regulator against the Respondent;
 - 2. PHLX may release this AWC or make a public announcement concerning this agreement and the subject matter thereof in accordance with PHLX Rule 8310 and IM-8310-3; and
 - 3. Respondent 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. Respondent may not take any position in any proceeding brought by or on behalf of PHLX, or to which PHLX is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the Respondent's right to take legal or factual positions in litigation or other legal proceedings in which PHLX is not a party.
- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent 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 PHLX, nor does it reflect the views of PHLX 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 AWC and has been given a full opportunity to ask questions about it; that the firm 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 the firm to submit it.

1-9-18
Date

Deutsche Bank Securities Inc.
Respondent

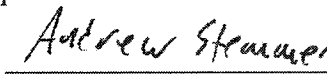
By: 

Print Name: Steven F. Reich

Title: General Counsel - Americas

Date

Deutsche Bank Securities Inc.
Respondent

By: 

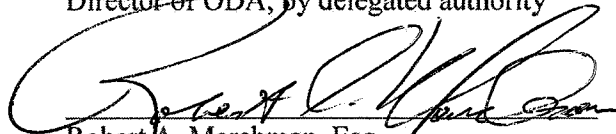
Print Name: 

Title: Andrew Stemmer
Director &
Associate General Counsel

Accepted by PHLX:

2/13/18
Date

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



Robert A. Marchman, Esq.
Executive Vice President
Department of Enforcement

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

ELECTION OF PAYMENT FORM

The firm intends to pay the fine proposed in the attached Letter of Acceptance, Waiver and Consent by the following method (check one):

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

Respectfully submitted,

Respondent

Deutsche Bank Securities Inc.

1-12-18

Date

By: 

Name: _____

Title: **Steven F. Reich**
General Counsel - Americas

Billing and Payment Contact

Please enter the billing contact information below. Nasdaq MarketWatch will contact you with billing options and payment instructions. *Please DO NOT submit payment until Nasdaq has sent you an invoice.*

Billing Contact Name: Andrew Cattell

Billing Contact Address: Deutsche Bank AG, 60 Wall Street, New York, NY 10005

Billing Contact Email: andrew.cattell@db.com

Billing Contact Phone Number: 212-250-7750