

BEFORE THE BUSINESS CONDUCT COMMITTEE
OF THE
CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED

_____)
In the Matter of:)
)
Wolverine Trading, LLC)
175 West Jackson Boulevard)
Suite 200) File No. 09-0046
Chicago, IL 60604)
)
Respondent)
_____)

DECISION ACCEPTING OFFER OF SETTLEMENT

This proceeding was instituted by the Business Conduct Committee (the “Committee”) of the Chicago Board Options Exchange, Incorporated (the “Exchange”) as a result of an investigation by the staff of the Exchange, which indicated that there was probable cause for finding a violation within the disciplinary jurisdiction of the Exchange. In accordance with that determination, the Committee directed the issuance of a Statement of Charges (“Statement of Charges”). Pursuant to Exchange Rule 17.8, the respondent (“Respondent”), Wolverine Trading, LLC (“Wolverine”), submitted an offer of settlement (“Offer of Settlement”).

In submitting the Offer of Settlement, the Respondent neither admitted nor denied the violations alleged in the Statement of Charges.

The Respondent has agreed that the determination of the Committee to accept the Offer of Settlement shall constitute a final Decision, and, as provided in Exchange Rule 17.8, the Respondent may not seek review thereof.

The Respondent understands and acknowledges that the Committee’s decision in this matter will become part of its disciplinary record and may be considered in any future Exchange proceeding.

With due regard to the particulars of this matter, the Committee believes it is appropriate to accept the Respondent’s Offer of Settlement based on the following stipulated facts and findings and thereby to impose the sanction specified below.

FACTS

1. During all relevant periods, Wolverine an Exchange member organization, was registered to transact business on the Exchange in accordance with Exchange Rules as a Market-Maker, Designated Primary Market-Maker and Electronic Designated Primary Market-Maker.

2. During all relevant periods in which the activity noted below occurred, Wolverine was acting as a registered broker/dealer.
3. During all relevant periods herein, Exchange Rule 4.2 - Adherence to Law; and Regulation SHO of the Securities and Exchange Act of 1934, as amended (the "Act") and Rule 200 – Definitions and Marking Requirements for Short Sales thereunder, were in full force and effect.
4. In or about April 2009, the Exchange conducted an examination of Wolverine that included a review of the policies, procedures, and practices of Wolverine's Regulation SHO compliance program.
5. In or about April 2009, Wolverine improperly marked 627 of 3413 sales reviewed, or approximately 18%. Specifically, Wolverine marked 434 sell orders as "sell long" when Wolverine did not have a long position. In addition, Wolverine marked 193 sell orders as "sell short" when Wolverine was long the security.

FINDINGS

The acts, practices and conduct described in Paragraph 5 above constitute a violation of Exchange Rule 4.2; and Regulation SHO of the Act and Rule 200 thereunder, by Wolverine, in that Wolverine improperly marked 627 of 3413 sales reviewed, or approximately 18%.

SANCTION

The sanction to be imposed shall consist of a \$10,000 fine and a censure.

ORDER

ACCORDINGLY IT IS ORDERED THAT, the Respondent, Wolverine Trading, LLC shall be and hereby is censured and fined in the amount of ten thousand dollars (\$10,000).

**SO ORDERED
FOR THE COMMITTEE**

Dated: January 20, 2010

**By: /s/ Bruce Andrews
Bruce Andrews
Chairman
Business Conduct Committee**