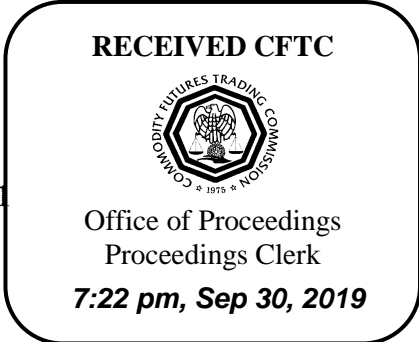


UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

_____)
In the Matter of:)
 _____)
HSBC Bank USA, N.A.,) **CFTC Docket No. 19-41**
 _____)
Respondent.)
 _____)



**ORDER INSTITUTING PROCEEDINGS PURSUANT TO
 SECTION 6(c) AND (d) OF THE COMMODITY EXCHANGE ACT,
 MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS**

I. INTRODUCTION

The Commodity Futures Trading Commission (“Commission” or “CFTC”) has reason to believe that HSBC Bank USA, N.A. (“Respondent” or “HSBC”), from in or about February 2013 to March 2017, violated Sections 2(a)(13)(G) and 4r(a)(3) of the Commodity Exchange Act (the “Act”), 7 U.S.C. §§ 2(a)(13)(G), 6r(a)(3) (2012), and Commission Regulations (“Regulations”) 43.3(e)(1)(ii), 43.4(a), 45.3(c)(1), 45.4(c)(2)(i), 45.13(b), and 45.14(a), 17 C.F.R. §§ 43.3(e)(1)(ii), 43.4(a), 45.3(c)(1), 45.4(c)(2)(i), 45.13(b), 45.14(a) (2016);¹ and, from January 2013 until November 2015, Section 4s(j)(2) of the Act, 7 U.S.C. § 6s(j)(2) (2012), and Regulations 23.600(b)(1) and (3), 23.600(c)(1)(i) and (2)(i), 23.600(d)(1), 23.600(e)(2), and 23.603(f), 17 C.F.R. §§ 23.600(b)(1), (3), 23.600(c)(1)(i), (2)(i), 23.600(d)(1), 23.600(e)(2), 23.603(f) (2019). Therefore, the Commission deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted to determine whether Respondent engaged in the violations set forth herein and to determine whether any order should be issued imposing remedial sanctions.

In anticipation of the institution of an administrative proceeding, Respondent has submitted an Offer of Settlement (“Offer”) that the Commission has determined to accept. Without admitting or denying any of the findings or conclusions herein, Respondent consents to the entry of this Order Instituting Proceedings Pursuant to Section 6(c) and (d) of the Commodity Exchange Act, Making Findings, and Imposing Remedial Sanctions (“Order”), and acknowledges service of this Order.²

¹ The conduct at issue in this Order spanned an amendment to the cited Regulations in Part 45, which affected the numbering of a subset of the cited Regulations, but did not substantively amend the requirements therein; where referring to historical conduct, this Order cites to the 2016 edition of the Code of Federal Regulations for Parts 43 and 45. See Amendments to Swap Data Recordkeeping and Reporting Requirements for Cleared Swaps, 81 Fed. Reg. 41,736 (June 27, 2016) (codified at 17 C.F.R. pt. 45 (2019)).

² Respondent consents to the use of the findings of fact and conclusions of law in this Order in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party or claimant, and agrees

II. FINDINGS

The Commission finds the following:

A. SUMMARY

As a provisionally registered swap dealer, HSBC is required to comply with certain reporting requirements related to its swap transactions and to establish appropriate risk management systems for its swap activities. Parts 43 and 45 of the Regulations, 17 C.F.R. pts. 43, 45 (2016), specify requirements for real-time public reporting, public availability of swap transaction and pricing data, and reporting of creation and continuation data to a registered swap data repository (“SDR”). Further, Part 23 of the Regulations, 17 C.F.R. pt. 23 (2019), provides various swap dealer risk management regulations that require the swap dealer to designate a governing body and senior management to perform oversight and approval functions over various swap dealer activities, including activities related to the swap dealer’s risk management program, and business continuity and disaster recovery plans.

For certain periods between February 2013 and March 2017, HSBC failed to, for certain asset classes, comply with aspects of its Part 43 and 45 swap data reporting obligations for certain swap transactions for which HSBC served as the reporting counterparty. Specifically, HSBC did not report or misreported for certain asset classes four categories of swap data with respect to some of its swap transactions during the relevant time period: collateralization indicators, financial entity status fields, corrections to swap reports, and valuation reports. As a result, HSBC did not properly report swap data in these categories for certain swap transactions to an SDR in violation of the Act and Regulations.

Reporting is at the heart of the Commission’s market and financial surveillance programs, which are critical to the Commission’s mission to protect market participants and promote market integrity. Accurate swap data is essential to effective fulfillment of the regulatory functions of the Commission, including meaningful surveillance and enforcement programs.

In addition, from January 2013 (when it began to operate as a provisionally registered swap dealer) until November 2015, HSBC failed to designate a swap dealer governing body to properly consider and approve swap dealer risk management policies and procedures, and to perform certain other swap dealer-designated governing body oversight duties related to swap activities in violation of the Act and Regulations. Relatedly, HSBC did not separately identify and consider certain risks specific to HSBC’s business as a swap dealer, apart from its other, non-swap dealing activities. Although HSBC was evaluating its swap risk in conjunction with its other trading activities between January 2013 and November 2015, risk management programs specifically tailored to swap activities play an essential role in reducing systemic risk

that they shall be taken as true and correct and be given preclusive effect therein, without further proof. Respondent does not consent, however, to the use of this Order, or the findings or conclusions herein, as the sole basis for any other proceeding brought by the Commission or to which the Commission is a party, other than: a proceeding in bankruptcy or receivership; or a proceeding to enforce the terms of this Order. Respondent does not consent to the use of the Offer or this Order, or the findings or conclusions in this Order, by any other party in any other proceeding.

across financial markets.³ And more broadly, swap dealers' internal risk management regimes are essential to protect the financial stability of individual firms, in turn reducing the risk of defaults across multiple firms.⁴

In accepting HSBC's Offer, the Commission recognizes HSBC's cooperation during the Division of Enforcement's (the "Division") investigation of this matter. The Commission also recognizes that HSBC has remediated the identified deficiencies with its swap data reporting and has designated a swap dealer governing body as required. The Commission notes that HSBC's cooperation and remediation are being recognized in the form of a substantially reduced civil monetary penalty.

B. RESPONDENT

HSBC Bank USA, N.A. is an indirectly wholly-owned subsidiary of HSBC North America Holdings Inc. HSBC is a national banking association with its principal office in New York. HSBC provisionally registered as a swap dealer on December 31, 2012.

C. FACTS

1. HSBC's Failure To Properly Report Swap Data

For certain periods between 2013 and 2017, HSBC failed to properly report for certain asset classes four categories of swap data: (1) indication of collateralization; (2) financial entity status of counterparty; (3) corrections to swap reports; and (4) daily valuations.

First, from April 2013 to March 2016, HSBC did not properly indicate whether and to what extent swaps were collateralized as required by the Act and Regulations—specifically, as uncollateralized, partially collateralized, one-way collateralized, or fully collateralized—because throughout this period, HSBC's systems populated the collateral indicator field for each new swap at the time of execution with a default value based on an analysis of the product type, which led to inaccurate reporting in this field in some cases.

Second, from February 2014 to September 2016, due to a flaw in its reporting system's design, HSBC's Part 45 reporting for equity swaps did not include the financial entity status of counterparties.

Third, from roughly mid-2014 until March 2017, HSBC failed to promptly correct certain errors in its swap data reporting and did not comply with the data standards of the SDR to which it reports. Specifically, HSBC's SDR, DTCC Data Repository (U.S.) LLC ("DDR"), requires revisions to swap reports to distinguish between corrections of errors in the original report (designated as "modify" messages) and agreements by the trade parties to change the financial

³ See Swap Dealer and Major Swap Participant Recordkeeping, Reporting, and Duties Rules, 77 Fed. Reg. 20,128, 20,166 (Apr. 3, 2012) (codified at 17 C.F.R. pt. 23 (2019)).

⁴ See Regulations Establishing and Governing the Duties of Swap Dealers and Major Swap Participants, 75 Fed. Reg. 71,397, 71,399 (proposed Nov. 23, 2010) (codified at 17 C.F.R. pt. 23 (2019)).

terms of the swap (designated as “amendment/new”). HSBC’s reporting system for foreign exchange and equity swaps during this period enabled revisions to be designated only as “amendment/new.” As a result, HSBC did not properly designate corrections to foreign exchange and equity swaps.

Fourth, during a 31-day period in 2016, HSBC failed to report the daily valuations for thousands of its live interest rate swaps booked in its trade capture system as required by the Act and Regulations. The error was caused by a faulty system update that changed the way HSBC’s reporting system interacted with DDR. HSBC represented to the Commission that it identified this issue less than a month after the update occurred and remedied it within three days of identification.

2. HSBC’s Swap Dealer Risk Management Program Failures

From January 2013 to November 2015, HSBC failed to appoint a swap dealer “governing body,” as defined in Regulation 23.600(a)(4), 17 C.F.R. § 23.600(a)(4) (2019), to play its required role in HSBC’s development and maintenance of its swap risk management program, as well as other functions for which the Part 23 Regulations require oversight or approval by the swap dealer’s governing body. Thus, there was also no swap dealer-designated governing body to specifically grant to the swap dealer’s designated “senior management,” as defined in Regulation 23.600(a)(6), the authority and responsibility to fulfill the Part 23 requirements of such senior management. According to HSBC’s representation to the Division during the course of this investigation, certain functions of the swap dealer-designated governing body and senior management were being fulfilled by other bank oversight groups and committees. Nevertheless, the fact that HSBC did not have these swap dealer specific functions in place contributed to the absence of a review of certain swap activity separate from other business lines, and where required, review and approval by a designated governing body and/or senior management of the swap dealer.

First, and most importantly, during this period, HSBC did not have its risk management policies and procedures (“Risk Management Program”) and risk-tolerance limits for its swap activities separately considered and approved by a swap dealer-designated governing body and/or senior management, as required under the Regulations. Although HSBC included its risk management policies and procedures in its Swap Dealer Compliance Manual, and existing risk management committees approved combined risk tolerance limits across business lines, with the swap dealing business subsumed in those limits, the swap dealer’s Risk Management Program and risk tolerance limits were not separately reviewed and approved in relation to HSBC’s swap activities.

Second, as a result of HSBC’s failure to designate a governing body for the swap dealer, a swap dealer-designated governing body and senior management did not review the results of the annual test of HSBC’s swap dealer Risk Management Program for 2013 and 2014. While HSBC conducted internal audits of various risks, such as market and credit risk that covered HSBC’s swap activities, not all of these audits were annual and the results were not reviewed by a swap dealer-designated governing body or senior management as required.

Third, while HSBC had its swap dealer trading policies approved by the Head of Global Banking and Markets Americas as part of its Business Instruction Manual certification process, it failed to have them reviewed and approved by a swap dealer-designated governing body. Similarly, although the Commission understands that HSBC had swap dealer risk exposure reports and swap dealer business continuity and disaster recovery plans, which were reviewed by other bank committees, because HSBC failed to make the appropriate designations of a swap dealer-designated governing body and senior management, neither HSBC's quarterly risk exposure reports, nor its business continuity and disaster recovery plans were provided to or reviewed by a swap dealer-designated governing body and/or senior management.

III. LEGAL DISCUSSION

A. Respondent Failed To Report or Misreported Swap Data

To enhance transparency, promote standardization, and reduce systemic risk, Section 2(a)(13) of the Act, 7 U.S.C. § 2(a)(13) (2012), requires that all swaps, both cleared and uncleared, shall be reported to a registered SDR, and establishes requirements for real-time reporting and public availability of swap transaction data. In addition, Section 4r(a)(3) of the Act, 7 U.S.C. § 6r(a)(3) (2012), requires swap dealers to report uncleared swap transactions to an SDR. Pursuant to these requirements, the Commission adopted implementing reporting regulations, including those under Parts 43 and 45 of the Regulations, 17 C.F.R. pts. 43, 45 (2016).

Part 43 establishes requirements for the real-time public reporting and public availability of swap transaction and pricing data. *See* Regulations 43.2 and 43.3, 17 C.F.R. §§ 43.2, 43.3 (2016). Under Part 43, reporting parties must report transaction and pricing data for a publicly reportable swap transaction to an SDR. *See* Regulation 43.4(a), 17 C.F.R. § 43.4(a) (2016) (“Swap transaction and pricing information shall be reported to a registered swap data repository so that the registered swap data repository can publicly disseminate swap transaction and pricing data in real-time”). A publicly reportable swap transaction is defined in Regulation 43.2 and includes, among other things, “[a]ny termination, assignment, novation, exchange, transfer, amendment, conveyance, or extinguishing of rights or obligations of a swap that changes the pricing of a swap.”

Part 45 requires reporting counterparties to, among other things, report swap creation and continuation data to ensure that all data concerning a swap remains current and accurate. *See* Regulations 45.3 and 45.4, 17 C.F.R. §§ 45.3, 45.4 (2016). Specifically, Regulation 45.3 sets forth the requirements for reporting creation data, including primary economic terms data, and Regulation 45.4 sets forth the requirements for reporting continuation data, including daily valuation data. *See* Regulations 45.3(c)(1) and 45.4(c)(2)(i). Primary economic terms data required to be reported under Regulation 45.3 for foreign exchange and equity swaps includes an indication of collateralization and an indication of whether the non-reporting counterparty is a financial entity, in certain circumstances. *See* Appendix 1 to Part 45, 17 C.F.R. pt. 45, app. 1 (2016).

The Regulations also require reporting parties to correct any errors or omissions in their swap reporting. Under Part 43, if a reporting party to a swap becomes aware of an error or

omission in the swap transaction or pricing data which it reported to an SDR, the reporting party shall notify the SDR of the error or omission and shall promptly submit corrected data to the SDR. *See* Regulation 43.3(e)(1)(ii). In addition, under Part 45, the reporting counterparty must report a correction of errors or omissions as soon as technologically practicable after discovery of the error. *See* Regulation 45.14(a), 17 C.F.R. § 45.14(a) (2016). Finally, each reporting counterparty must use the facilities, methods, and data standards required by the SDR to which it reports. *See* Regulation 45.13(b), 17 C.F.R. §45.13(b) (2016).

The accuracy and completeness of swap reporting are critical to the Commission's mission to protect market participants and to ensure market integrity. *See, e.g., In re Deutsche Bank AG*, CFTC No. 15-40, 2015 WL 5783049 (Sept. 30, 2015) (consent order); *In re ICE Futures U.S., Inc.*, CFTC No. 15-17, 2015 WL 1276463 (Mar. 16, 2015) (consent order); *In re Société Générale S.A.*, CFTC No. 17-01, 2016 WL 7210405 (Dec. 7, 2016) (consent order). Market participants rely upon the public availability of swaps data for price discovery purposes. The Commission, in turn, requires complete and accurate reporting data to engage in meaningful oversight of the swaps market.

For certain periods between 2013 and 2017, HSBC failed to properly report for certain asset classes four categories of swap data: (1) indication of collateralization; (2) financial entity status of counterparty; (3) corrections to swap reports; and (4) daily valuations. These errors violated Sections 2(a)(13)(G) and 4r(a)(3) of the Act, and Regulations 43.3(e)(1)(ii), 43.4(a), 45.3(c)(1), 45.4(c)(2)(i), 45.13(b), and 45.14(a).

B. Respondent Failed To Designate a Governing Body and Relatedly Did Not Maintain an Adequate Swap Dealer Risk Management Program

Because effective systemic risk management for swaps begins with effective internal risk management protocols of individual swap dealers, Section 4s(j)(2) of the Act, 7 U.S.C. § 6s(j)(2) (2012), requires swap dealers to establish adequate risk management systems for managing their day-to-day swap activities.⁵ Pursuant to this requirement, the Commission adopted the implementing Regulations 23.600, and 23.603, 17 C.F.R. §§ 23.600, 23.603 (2019), among others.

Regulation 23.600 and its subsections require swaps dealers to establish, document, and maintain a system of risk management policies and procedures that address the risks posed by swaps as a unique asset class. *See* Regulation 23.600(b)(1). Regulation 23.600 requires the Risk Management Program to expressly identify and consider those risks, including market, credit, liquidity, foreign currency, legal, operational, and settlement risks and to take into account the swap dealer's risk tolerance limits. *See* Regulation 23.600(c)(1)(i).

Regulation 23.600 further requires that swap dealers have a governing body to oversee their Risk Management Programs. *See* Regulation 23.600(a)(4) (defining "governing body"). In particular, the designated governing body of a swap dealer is responsible for reviewing and approving the swap dealer's risk management policies and procedures, its risk tolerance limits, and its trading policies and reviewing annual audits of its Risk Management Program and its

⁵ *See supra* note 3.

quarterly risk exposure reports. *See* Regulations 23.600(b)(3), 23.600(c)(1)(i) and (2)(i), 23.600(d)(1), 23.600(e)(2). In addition, the designated governing body must grant authority and responsibility to an officer or officers as swap dealer-designated senior management to carry out certain oversight duties of the swap dealer's Risk Management Program, including reviewing and approving the swap dealer's risk tolerance limits quarterly and reviewing the annual audits of its Risk Management Program. *See* Regulation 23.600(a)(6), 23.600(c)(1)(i), 23.600(e)(2).

Regulation 23.603 requires senior management to review annually the swap dealer's business continuity and disaster recovery plan. *See* Regulation 23.603(f).

Inadequate oversight of swaps can contribute to systemic risk. *See supra* note 3. Effective systemic risk management for swaps begins with adequate Risk Management Programs of individual swap dealers. *Id.* For swap dealers, inadequate internal risk management policies and procedures may also have repercussions for the stability, safety, and soundness of the financial system more broadly. *See* 75 Fed. Reg. 71,397, 71,399 (noting that by reducing the risk of losses to individual firms, risk management programs "in turn, may reduce the risk that spreading losses would cause defaults by multiple firms, thereby undermining markets as a whole").

From January 2013 until November 2015, HSBC did not designate a swap dealer governing body and senior management to fulfill the requisite oversight duties under Regulations 23.600 and 23.603, and relatedly, with respect to its swap dealing activities, failed to: (1) separately consider certain risks associated with its swap activities; (2) properly approve its risk tolerance limits, risk management program and policies and procedures, and trading policies; and (3) properly review its quarterly risk exposure reports, annual audits of its Risk Management Program, and its business continuity and disaster recovery plan. Accordingly, HSBC violated Section 4s(j)(2) of the Act and Regulations 23.600(b)(1) and (3), 23.600(c)(1)(i) and (2)(ii), 23.600(d)(1), 23.600(e)(2), and 23.603(f).

IV. FINDINGS OF VIOLATIONS

Based on the foregoing, the Commission finds that Respondent, from in or about February 2013 to March 2017, violated Sections 2(a)(13)(G) and 4r(a)(3) of the Act, 7 U.S.C. §§ 2(a)(13)(G), 6r(a)(3) (2012), and Regulations 43.3(e)(1)(ii), 43.4(a), 45.3(c)(1), 45.4(c)(2)(i), 45.13(b), and 45.14(a), 17 C.F.R. §§ 43.3(e)(1)(ii), 43.4(a), 45.3(c)(1), 45.4(c)(2)(i), 45.13(b), 45.14(a) (2016); and, from January 2013 until November 2015, Section 4s(j)(2) of the Act, 7 U.S.C. §6s(j)(2) (2012), and Regulations 23.600(b)(1) and (3), 23.600(c)(1)(i) and (2)(i), 23.600(d)(1), 23.600(e)(2), and 23.603(f), 17 C.F.R. §§ 23.600(b)(1), (3), 23.600(c)(1)(i), (2)(i), 23.600(d)(1), 23.600(e)(2), 23.603(f) (2019).

V. OFFER OF SETTLEMENT

Respondent has submitted the Offer in which it, without admitting or denying the findings or conclusions herein:

A. Acknowledges service of this Order;

- B. Admits the jurisdiction of the Commission with respect to all matters set forth in this Order and for any action or proceeding brought or authorized by the Commission based on violation of or enforcement of this Order;
- C. Waives:
1. The filing and service of a complaint and notice of hearing;
 2. A hearing;
 3. All post-hearing procedures;
 4. Judicial review by any court;
 5. Any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of the Offer;
 6. Any and all claims that it may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 (2012) and 28 U.S.C. § 2412 (2012), and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Regulations, 17 C.F.R. pt. 148 (2019), relating to, or arising from, this proceeding;
 7. Any and all claims that it may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, tit. II, §§ 201-253, 110 Stat. 847, 857-74 (codified as amended at 28 U.S.C. § 2412 and in scattered sections of 5 U.S.C. and 15 U.S.C.), relating to, or arising from, this proceeding; and
 8. Any claims of Double Jeopardy based on the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any other relief, including this Order;
- D. Stipulates that the record basis on which this Order is entered shall consist solely of the findings contained in this Order to which Respondent has consented in the Offer; and
- E. Consents solely on the basis of the Offer, to the Commission's entry of this Order that:
1. Makes findings by the Commission that Respondent violated Sections 2(a)(13)(G), 4r(a)(3), and 4s(j)(2) of the Act, 7 U.S.C. §§ 2(a)(13)(G), 6r(a)(3), 6s(j)(2) (2012), and Regulations 43.3(e)(1)(ii), 43.4(a), 45.3(c)(1), 45.4(c)(2)(i), 45.13(b), 45.14(a) (2016), and Regulations 23.600(b)(1) and (3), 23.600(c)(1)(i) and (2)(ii), 23.600(d)(1), 23.600(e)(2), and 23.603(f), 17 C.F.R. §§ 43.3(e)(1)(ii), 43.4(a), 45.3(c)(1), 45.4(c)(2)(i), 45.13(b), 45.14(a) (2016), 23.600(b)(1), (3), 23.600(c)(1)(i), (2)(i), 23.600(d)(1), 23.600(e)(2), 23.603(f) (2019).
 2. Orders Respondent to cease and desist from violating Sections 2(a)(13)(G), 4r(a)(3), and 4s(j)(2) of the Act and Regulations 43.3(e)(1)(ii), 43.4(a), 45.3(c)(1),

45.4(d)(2)(i), 45.13(b), 45.14(a), 23.600(b)(1) and (3), 23.600(c)(1)(i) and (2)(i), 23.600(d)(1), 23.600(e)(2), and 23.603(f).

3. Orders Respondent to pay a civil monetary penalty in the amount of six hundred fifty thousand dollars (\$650,000), plus post-judgment interest within ten days of the date of the entry of this Order; and
4. Orders Respondent to comply with the conditions and undertakings consented to in the Offer and as set forth in Section VI of this Order.

Upon consideration, the Commission has determined to accept the Offer.

VI. ORDER

Accordingly, IT IS HEREBY ORDERED THAT:

- A. Respondent shall cease and desist from violating Sections 2(a)(13)(G), 4r(a)(3), and 4s(j)(2) of the Act, 7 U.S.C. §§ 2(a)(13)(G), 6r(a)(3), 6s(j)(2) (2012), and Regulations 43.3(e)(1)(ii), 43.4(a), 45.3(c)(1), 45.4(d)(2)(i), 45.13(b), 45.14(a), 23.600(b)(1) and (3), 23.600(c)(1)(i) and (2)(i), 23.600(d)(1), 23.600(e)(2), and 23.603(f), 17 C.F.R. §§ 43.3(e)(1)(ii), 43.4(a), 45.3(c)(1), 45.4(d)(2)(i), 45.13(b), 45.14(a), 23.600(b)(1), (3), 23.600(c)(1)(i), (2)(i), 23.600(d)(1), 23.600(e)(2), 23.603(f) (2019).
- B. Respondent shall pay a civil monetary penalty of six hundred fifty thousand dollars (\$650,000) (“CMP Obligation”) within ten days of the date of entry of this Order. If the CMP Obligation is not paid in full within ten days of the entry of this Order, then post-judgment interest shall accrue on the CMP Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961 (2012).

Respondent shall pay the CMP Obligation and any post-judgment interest by electronic funds transfer, U.S. postal money order, certified check, bank cashier’s check, or bank money order. If payment is to be made other than by electronic funds transfer, then the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

MMAC/ESC/AMK326
Commodity Futures Trading Commission
Division of Enforcement
6500 S. MacArthur Blvd.
Oklahoma City, OK 73169
(405) 954-6569 office
(405) 954-1620 fax
9-AMC-AR-CFTC@faa.gov

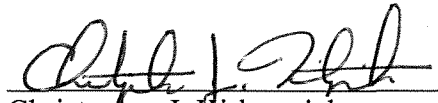
If payment is to be made by electronic funds transfer, Respondent shall contact Marie Thorne or her successor at the above address to receive payment instructions and shall

fully comply with those instructions. Respondent shall accompany payment of the CMP Obligation with a cover letter that identifies the Respondent and the name and docket number of this proceeding. Respondent shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

- C. Respondent and its successors and assigns shall comply with the following conditions and undertakings set forth in the Offer:
1. Remediation: Respondent represents that it has corrected, and is now in compliance with the risk management and swap reporting provisions of the Act and Regulations with respect to, the risk management deficiencies and reporting errors brought to the attention of Division staff as of the date of the filing of this Order.
 2. Public Statements: Respondent agrees that neither it nor any of its successors or assigns, agents or employees under its authority or control shall take any action or make any public statement denying, directly or indirectly, any findings or conclusions in this Order or creating, or tending to create, the impression that this Order is without a factual basis; provided, however, that nothing in this provision shall affect Respondent's: (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Respondent and its successors and assigns shall undertake all steps necessary to ensure that all of its agents and/or employees under their authority or control understand and comply with this agreement.
 3. Cooperation with the Commission: Respondent shall cooperate fully and expeditiously with the Commission, including the Division, in this action, and in any current or future Commission investigation or action related thereto. Respondent shall also cooperate in any investigation, civil litigation, or administrative matter related to, or arising from, the subject matter of this action.
 4. Partial Satisfaction: Respondent understands and agrees that any acceptance by the Commission of any partial payment of Respondent's CMP Obligation shall not be deemed a waiver of its obligation to make further payments pursuant to this Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.
 5. Change of Address/Phone: Until such time as Respondent satisfies in full its CMP Obligation as set forth in this Order, Respondent shall provide written notice to the Commission by certified mail of any change to its telephone number and mailing address within ten calendar days of the change.

The provisions of this Order shall be effective as of this date.

By the Commission.

A handwritten signature in black ink, appearing to read "C. J. Kirkpatrick", is written over a horizontal line.

Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission

Dated: September 30, 2019