

DISCIPLINARY NOTICE

August 15, 2017

CASE NUMBER 2016-045

SETTLEMENT OF CHARGES AGAINST DOMINICK MINERVINI

Exchange Rules:

Rule 4.02(l). Trade Practice Violations

In connection with the placement of any order or execution of any Transaction, it shall be a violation of the Rules for any Person to.... [e]ngage in any other manipulative or disruptive trading practices prohibited by the Act or by the Commission pursuant to Commission regulation, including, but not limited to:

(1) Entering an order or market message, or cause an order or market message to be entered, with:

(A) The intent to cancel the order before execution, or modify the order to avoid execution;

(B) The intent to overload, delay, or disrupt the systems of the Exchange or other market participants;

(C) The intent to disrupt the orderly conduct of trading, the fair execution of transactions or mislead other market participants, or

(D) Reckless disregard for the adverse impact of the order or market message.

(2) Knowingly entering any bid or offer for the purpose of making a market price which does not reflect the true state of the market, or knowingly entering, or causing to be entered, bids or offers other than in good faith for the purpose of executing *bona fide* Transactions.

Summary:

Dominick Minervini (“Minervini”) engaged in a pattern of trading activity in the Sugar No. 11 futures market between April 2016 and August 2016 where numerous order book imbalances were created wherein he entered a small order relative to market conditions to buy or sell on one side of the market and a large order to sell or buy on the opposite side of the market. In numerous instances, the small order transacted and Minervini would cancel the larger order on the opposite side of the market.

With respect to the larger orders that were entered and subsequently cancelled as described above, a subcommittee of the Exchange’s Business Conduct Committee determined that Minervini may have violated Exchange Rule 4.02(l)(1)(A) by entering orders with the intent to cancel such orders before execution; Exchange Rule 4.02(l)(1)(C) by entering orders with the intent to mislead market participants; and Exchange Rule 4.02(l)(2) by knowingly entering bids and offers other than in good faith for the purpose of executing *bona fide* transactions. Market Regulation Staff determined that Minervini realized profits in the amount of \$17,785.60 from this activity in the Sugar No. 11 market.



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Penalty:

In accordance with the terms of settlement, in which Minervini neither admitted nor denied the violations of Rules 4.02(i)(1)(A), 4.02(l)(1)(C) and 4.02(l)(2), Minervini agreed to pay a monetary penalty of \$200,000.00, which included disgorgement of profits in the amount of \$17,785.60, and agreed to serve a 150 day suspension from direct and indirect access to trade for himself or others on any ICE Futures U.S. market, which shall run from August 14, 2017 through and including January 13, 2018. Minervini also agreed to cease and desist from violating Rules 4.02(i)(1)(A), 4.02(l)(1)(C) and 4.02(l)(2).

Effective Date: August 14, 2017

FOR MORE INFORMATION

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