

# DISCIPLINARY NOTICE

December 4, 2017

CASE NO. 2014-090

**SETTLEMENT OF CHARGES AGAINST  
EOX HOLDINGS, LLC,  
ANDREW GIZIENSKI, &  
ERIC TORRES**

## Exchange Rules:

### **Rule 4.01 - Duty to Supervise**

Every Person shall diligently supervise the Exchange-related activities of such Person's employees and shall be responsible for the acts and omissions of such employees.

### **Rule 4.02(i) - 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 . . . [d]isclose or divulge the buy or sell order of another Person except (1) in furtherance of executing the order, (2) at the request of an authorized representative of the CFTC, or (3) pursuant to sub-paragraph (k) of this Rule regarding certain pre-execution communications.

### **Rule 4.04 - Conduct Detrimental to the Exchange**

It shall be a violation of the Rules for any Person to fail to conform to, the Rules or the procedures of the Exchange or the Clearing Organization, or to engage in conduct or practices inconsistent with just and equitable principles of trade or conduct detrimental to the best interests of the Exchange.

### **Rule 4.07(a)(ii)(A) - Block Trading**

Privately negotiated Transactions may be entered into with respect to Commodity Contracts designated by the Exchange for such purpose (hereinafter referred to as "Block Trades"), provided that all of the following conditions are satisfied:

. . . .  
(ii) Each buy or sell order underlying a Block Trade must: (A) state explicitly that it is to be, or may be, executed by means of a Block Trade . . . .

### **Rule 6.08(b)(i) - Order Ticket Requirements**

Each Person who is a Futures Commission Merchant, an introducing broker or an equivalent foreign intermediary receiving a Customer's or Option Customer's order shall immediately upon receipt thereof prepare a written record of such order in non-erasable ink, including the account identification

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and order number, and shall record thereon, by time-stamp or other timing device, the date and time to the nearest minute, the order is received, and in addition, for Option Customer's orders the time, to the nearest minute, the order is transmitted for execution.

### Summary:

A Hearing Panel of the Exchange's Business Conduct Committee ("BCC Subcommittee") determined the following:

EOX Holdings, LLC ("EOX"), a registered introducing broker, may have violated the following Exchange Rules:

Rule 4.01 by (i) failing to adequately supervise the Exchange-related activities of its brokers between August 2013 and July 2014; and (ii) failing to adequately supervise the Exchange-related activities of Andrew Gizienski ("Gizienski"), a voice broker employed by EOX, in connection with his exercise of a power of attorney for a discretionary account.

Rule 4.04 by failing to supervise the exercise of a power of attorney by Gizienski for a discretionary account; and

Rule 6.08(b)(i) by failing to comply with recordkeeping requirements.

Andrew Gizienski, a voice broker employed by EOX, may have violated:

Exchange Rule 4.04 in connection with the trading of a discretionary account opposite EOX customer orders;

Exchange Rule 4.07(a)(ii)(A) by executing inadequately-documented block trades by accepting an alleged standing verbal order; and

Exchange Rule 4.02(i) by disclosing customer information.

Eric Torres, a voice broker employed by EOX, may have violated:

Exchange Rule 4.07(a)(ii)(A) by executing inadequately-documented block trades by accepting an alleged standing verbal order.

### Penalty:

The BCC Subcommittee ordered:

EOX to pay a monetary penalty of \$442,500 and cease and desist from future violations of Exchange Rule 4.01 and 6.08(b)(i).



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Gizienski to pay a monetary penalty of \$50,000 and be denied access to all of the Exchange's markets for a period of six (6) weeks and cease and desist from future violations of Exchange Rules 4.02(i) and 4.07(a)(ii)(A); and

Torres to pay a monetary penalty of \$7,500 and cease and desist from future violations of Exchange Rule 4.07(a)(ii)(A).

**Effective Date:** December 4, 2017

**Linked to:** 2014-090 - [Susquehanna Energy Partners](#)  
2014-090 - [Jason Vaccaro & AC Power Financial Corporation](#)

### FOR MORE INFORMATION

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