

# DISCIPLINARY NOTICE

SEPTEMBER 18, 2018

## CASE NO. 2017-030: SETTLEMENT OF CHARGES AGAINST SHAY CAHERLY

### EXCHANGE RULES

#### Rule 4.02(I)(1)(A) - 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 . . . ente[r] an order or market message, or cause an order or market message to be entered, with the intent to cancel the order before execution, or modify the order to avoid execution.

#### Rule 4.02(I)(1)(C) - 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 . . . ente[r] an order or market message, or cause an order or market message to be entered, with the intent to disrupt the orderly conduct of trading, the fair execution of transactions or mislead other market participants.

#### Rule 4.02(I)(2) - 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 . . . knowingly ente[r] 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

A subcommittee of the Exchange's Business Conduct Committee determined that on multiple occasions between September 2016 and March 2017, Shay Caherly ("Caherly"), a manual trader, may have violated Exchange Rules 4.02(I)(1)(A), 4.02(I)(1)(C), and 4.02(I)(2) by engaging in a pattern of placing a single or multiple fully-visible large order(s) on one side of the market while having a smaller order resting on the opposite side. In each instance, Caherly deleted the large order(s) within seconds of the smaller order trading. Therefore, the large orders did not appear to be entered with the intent to trade.

### PRODUCT

Cocoa Futures

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## **CUSTOMER HARM**

No

## **PENALTY**

In accordance with the terms of settlement, in which Caherly neither admitted nor denied the rule violation, Caherly agreed to pay a fine in the amount of \$25,000, to serve a two-week suspension from direct and indirect access to all electronic trading and clearing platforms owned or controlled by ICE Futures U.S., and to cease and desist from future violations of Rules 4.02(l)(1)(A), 4.02(l)(1)(C), and 4.02(l)(2).

## **EFFECTIVE DATE**

September 17, 2018

## **LINKED TO**

[2017-030 - Traditum Group LLC](#)

## **FOR MORE INFORMATION**

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Key Information Documents for certain products covered by the EU Packaged Retail and Insurance-based Investment Products Regulation can be accessed on the relevant exchange website under the heading "Key information Documents (KIDS)," commencing January 1, 2018.