

# DISCIPLINARY NOTICE

October 12, 2017

CASE NUMBER 2016-082

## SETTLEMENT OF CHARGES AGAINST JAKE WILTSHIRE

### 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:

Jake Wiltshire engaged in a pattern of trading activity from May 2016 to October 2016 in the Cocoa futures market that created certain order book imbalances. Wiltshire manually entered large orders relative to market conditions to buy or sell on one side of the market and a small reserve quantity orders relative to market conditions on the other side of the market to sell or buy. The large orders appeared to be placed with the intent to induce others into transacting against the small reserve quantity orders. Once the small reserve quantity orders transacted, Wiltshire canceled the large orders placed 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 Wiltshire 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.



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### Penalty:

In accordance with the terms of settlement, in which Wiltshire neither admitted nor denied the violations of Rules 4.02(i)(1)(A), 4.02(l)(1)(C) and 4.02(l)(2), Wiltshire agreed to serve a 360 day suspension from direct and indirect access to trade for himself or others on any ICE Futures U.S. market, which shall run from October 12, 2017 through and including October 6, 2018. Wiltshire 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:** October 12, 2017

### FOR MORE INFORMATION

Jason Fusco  
[jason.fusco@theice.com](mailto:jason.fusco@theice.com)  
(212) 748-4021

-or-

Conor Weber  
[conor.weber@theice.com](mailto:conor.weber@theice.com)  
(312)836-6746