

DISCIPLINARY NOTICE

May 9, 2017

CASE NUMBER 2014-090

SETTLEMENT OF CHARGES AGAINST JASON VACCARO & AC POWER FINANCIAL CORPORATION

Exchange Rules:

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)(i) - Block Trading

Each party to a Block Trade must be an eligible contract participant as that term is defined in Section 1a(18) of the Act; provided that, if the Block Trade is entered into on behalf of Customers by (A) a commodity trading advisor registered under the Act ("CTA"), including without limitation any investment advisor registered as such with the Securities and Exchange Commission that is exempt from regulation under the Act or CFTC regulations ("Exempt Investment Adviser"), with total assets under management exceeding US \$25 million, or by (B) a foreign entity performing a similar role or function to a CTA or investment advisor that is subject to foreign regulation ("Foreign Adviser"), with total assets under management exceeding US \$50 million, the individual Customers need not so qualify.

Summary:

A subcommittee of the Exchange's Business Conduct Committee determined that AC Power Financial Corporation ("AC Power") and its President Jason Vaccaro ("Vaccaro") may have violated Exchange Rule 4.04 between August 2013 and July 2014 ("Relevant Period"). On various occasions during the Relevant Period, Vaccaro received from his Introducing Broker and may have used non-public information concerning the identity or trade activity of the Introducing Broker's customers. This disclosure of customer information did not appear to be in furtherance of block trade negotiations between Vaccaro and such customers. The Panel also found that AC Power may not have been an eligible contract participant and therefore block trades executed by it may have violated Exchange Rule 4.07(a)(i).

Penalty:

In accordance with the terms of settlement, in which AC Power and Vaccaro neither admitted nor denied the rule violations, AC Power and Vaccaro paid a fine in the amount of \$225,000.00, for which they are jointly and severally liable, and agreed to serve a 30-day suspension from direct and indirect access to all Exchange energy markets, including financial natural gas, financial power and physical environmental contracts. Additionally, AC Power agreed to cease and desist from future violations of Rule 4.07(a)(i).

Effective Date: May 8, 2017

FOR MORE INFORMATION

Jason Fusco
jason.fusco@theice.com
(212) 748-4021

Conor Weber
conor.weber@theice.com
(312) 836-6746