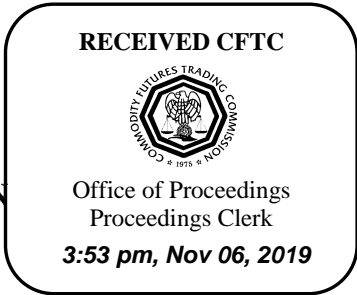


UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION



In the Matter of:

Tower Research Capital LLC,

Respondent.

CFTC Docket No. 20-06

**ORDER INSTITUTING PROCEEDINGS PURSUANT TO
SECTION 6(c) AND (d) OF THE COMMODITY EXCHANGE ACT,
MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS**

I. INTRODUCTION

The Commodity Futures Trading Commission (“Commission”) has reason to believe that from at least March 2012 through December 2013 (“Relevant Period”), Tower Research Capital LLC (“Tower”) violated Sections 4c(a)(5)(C) and 6(c)(1) of the Commodity Exchange Act (“Act”), 7 U.S.C. §§ 6c(a)(5)(C), 9(1) (2012), and Commission Regulation (“Regulation”) 180.1(a)(1) and (3), 17 C.F.R. § 180.1(a)(1),(3) (2019). Therefore, the Commission deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted to determine whether Tower engaged in the violations set forth herein and to determine whether any order should be issued imposing remedial sanctions.

In anticipation of the institution of an administrative proceeding, Tower has submitted an Offer of Settlement (“Offer”), which the Commission has determined to accept. Without admitting or denying any of the findings or conclusions herein, except to the extent that Tower admits those findings in any related action against Tower by, or any agreement with, the United States Department of Justice (“DOJ”) or any other governmental agency or office, Tower consents to the entry of this Order Instituting Proceedings Pursuant to Section 6(c) and (d) of the Commodity Exchange Act, Making Findings, and Imposing Remedial Sanctions (“Order”), and acknowledges service of this Order.¹

¹ Tower consents to the use of the findings of fact and conclusions of law in this Order in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party or claimant, and agrees that they shall be taken as true and correct and be given preclusive effect therein, without further proof. Tower does not consent, however, to the use of this Order, or the findings or conclusions herein, as the sole basis for any other proceeding brought by the Commission or to which the Commission is a party or claimant, other than: a proceeding in bankruptcy or receivership; or a proceeding to enforce the terms of this Order. Tower does not consent to the use of the Offer or this Order, or the findings or conclusions in this Order, by any other party in any other proceeding.

II. FINDINGS

The Commission finds the following:

A. SUMMARY

During the Relevant Period, Tower employed three traders to engage in proprietary futures trading for its benefit (the “Traders”). On numerous occasions throughout the Relevant Period, Tower, by and through the Traders, engaged in a manipulative and deceptive scheme while placing orders for and trading futures contracts on registered entities, resulting in significant harm to the markets and to other market participants.

In furtherance of the scheme, the Traders repeatedly engaged in “spoofing” (bidding or offering with the intent to cancel the bid or offer before execution). On thousands of occasions the Traders placed orders to buy or sell futures contracts that they intended to cancel before execution at the time the orders were placed. In doing so, the Traders intentionally sent false signals of increased supply or demand designed to trick market participants into executing against the orders they wanted filled. By and through the acts of these Traders, Tower violated Sections 4c(a)(5)(C) and 6(c)(1) of the Act, 7 U.S.C. §§ 6c(a)(5)(C), 9(1) (2012), and Regulation 180.1(a)(1) and (3), 17 C.F.R. § 180.1(a)(1),(3) (2019).

In accepting the Offer, the Commission recognizes Tower’s cooperation with the Division of Enforcement’s (“Division”) investigation of this matter, which is explained in more detail below. The Commission notes that Tower’s cooperation is reflected in the form of a reduced civil monetary penalty.

B. RESPONDENT

Tower Research Capital LLC is a New York limited liability company engaged in, among other things, futures trading. Tower is headquartered in New York, New York. Tower is a proprietary trading firm and is a member of the Chicago Mercantile Exchange (“CME”). Tower formerly held commodity pool operator and commodity trading advisor registrations with the Commission, but withdrew those registrations on March 21, 2012, and has since not been registered with the Commission in any capacity.

C. FACTS

1. **Spoofing and Manipulative and Deceptive Scheme**

During the Relevant Period, Tower employed the Traders as part of the same trading team and for the purpose of engaging in proprietary trading on behalf of Tower in the futures markets. The Traders traded in numerous futures markets on behalf of Tower, including the E-

mini S&P 500, E-mini NASDAQ 100, and E-mini Dow (\$5) futures contracts (“Relevant Markets”).²

On thousands of occasions during the Relevant Period, the Traders engaged in spoofing in the Relevant Markets while placing orders for and trading futures contracts through accounts owned by Tower.

The Traders implemented their manipulative and deceptive scheme by placing one or more orders that they wanted to get filled (“Genuine Order(s)”) on one side of the market, typically consisting of passive iceberg orders that showed a small visible quantity to the market; and, on the opposite side of the market, placing one or more orders that the Traders intended to cancel before execution (“Spoof Order(s)”), typically consisting of fully-visible passive orders for a larger total quantity. Generally, after receiving a full or partial fill on the Genuine Order(s), the Traders then cancelled the Spoof Order(s). In placing the Spoof Orders, the Traders often used an order splitter to enter several smaller, randomly-sized orders in an attempt to obscure their scheme from other market participants.

The Traders engaged in this manipulative and deceptive scheme to induce other market participants to trade against their Genuine Orders—so that the Genuine Orders would fill sooner, at better prices, or in larger quantities than the Genuine Orders otherwise would. The Traders entered their Spoof Orders to create or exacerbate an order book imbalance in the Relevant Markets and to intentionally send a false signal to the market that they wanted to buy or sell the number of contracts specified in the Spoof Orders, thereby creating a false impression of supply or demand. The Traders’ scheme benefitted Tower financially while also inflicting harm on the markets and other market participants, causing \$32,593,849 million in market losses.

2. Cooperation and Remediation

Tower provided assistance to the Division’s investigation by making factual presentations and collecting, analyzing, and organizing voluminous evidence and information. Further, Tower represents that since this conduct occurred it has engaged in extensive remedial measures, including swiftly moving in early 2014 to terminate the Traders and enhancing its compliance program and internal controls to deter and detect spoofing and market manipulation.

III. LEGAL DISCUSSION

A. Spoofing in Violation of Section 4c(a)(5)(C) of the Act

Section 4c(a)(5)(C) of the Act, 7 U.S.C. § 6c(a)(5)(C) (2012), makes it unlawful for “[a]ny person to engage in any trading, practice, or conduct on or subject to the rules of a registered entity that . . . is, is of the character of, or is commonly known to the trade as, ‘spoofing’ (bidding or offering with the intent to cancel the bid or offer before the execution).” See, e.g., *United States v. Coscia*, 866 F.3d 782, 792-93 (7th Cir. 2017) (holding that because the

² The E-mini S&P 500 and the E-mini NASDAQ futures contracts referenced herein are traded on the CME, a designated contract market and swap execution facility. The E-mini Dow (\$5) futures contract referenced herein is traded on the Chicago Board of Trade (“CBOT”). CME and CBOT are owned and operated by CME Group Inc.

Act clearly defines spoofing, it provides adequate notice of prohibited conduct), *cert denied*, 138 S. Ct. 1989 (2018).

As described above, during the Relevant Period, Tower, by and through the acts of the Traders, placed bids and offers for futures contracts listed on the registered entities CME and CBOT with the intent to cancel those bids and offers before they were executed. By engaging in this conduct, Tower violated Section 4c(a)(5)(C) of the Act. *See CFTC v. Oystacher*, 203 F. Supp. 3d 934, 942 (N.D. Ill. 2016) (denying motion for judgment on the pleadings, holding that allegations of placing “both bids and offers with the intent to cancel those bids or offers before execution” constitutes “trading behavior [that] falls within the Spoofing Statute’s defined prohibition”).

B. Use of a Manipulative and Deceptive Scheme in Violation of Section 6c(1) of the Act and Regulation 180.1(a)(1) and (3)

Under Section 6(c)(1) of the Act, 7 U.S.C. § 9(1) (2012), and Regulation 180.1(a)(1) and (3), 17 C.F.R. § 180.1(a)(1),(3) (2019), it is unlawful to, directly or indirectly, in connection with any contract for future delivery on or subject to the rules of a registered entity, intentionally or recklessly “(1) [u]se or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud;” or “(3) [e]ngage or attempt to engage, in any act, practice, or course of business, which operates or would operate as a fraud or deceit upon any person.”

As described above, Tower, through the Traders, employed a manipulative and deceptive scheme wherein the Traders entered Spoof Orders to intentionally send false signals to the market that they actually wanted to buy or sell the number of contracts specified in the Spoof Orders. The Traders engaged in this scheme to trick other market participants into executing against their Genuine Orders on the opposite side of the market—to fill sooner, at better prices, or in larger quantities than the Genuine Orders otherwise would. The Traders knew that their Spoof Orders would create the false appearance of market depth and result in misinformation, thereby luring market participants to trade based on the Traders’ spoofing. *See In re Edmonds*, CFTC No. 19-16, 2019 WL 3425040 (July 25, 2019) (finding that spoofing intended to send false signals of greater buying or selling interest constituted a manipulative or deceptive device in violation of Section 6(c)(1) and Regulation 180.1); *cf. SEC v. Lek Sec. Corp.*, 276 F. Supp. 3d 49, 58-60 (S.D.N.Y. Aug. 25, 2017) (noting that ““trading engineered to stimulate demand”” may inject false pricing signals into the market and thus constitute manipulation under the securities laws (quoting *ATSI Commc’ns, Inc. v. Shaar Fund, Ltd.*, 493 F.3d 87, 101 (2d Cir. 2007))). Tower, through the Traders’ misconduct, violated Section 6(c)(1) of the Act, 7 U.S.C. § 9(1) (2012), and Regulation 180.1(a)(1) and (3), 17 C.F.R. § 180(a)(1),(3) (2019).

C. Tower Is Liable for the Acts of Its Agents

Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2012), and Regulation 1.2, 17 C.F.R. § 1.2 (2019), provide that “[t]he act, omission, or failure of any official, agent, or other person acting for any individual, association, partnership, corporation, or trust within the scope of his employment or office shall be deemed the act, omission, or failure of such individual, association, partnership, corporation, or trust.” Pursuant to Section 2(a)(1)(B) of the Act and Regulation 1.2, strict liability is imposed on principals for the actions of their agents. *See, e.g.,*

Dohmen-Ramirez & Wellington Advisory, Inc. v. CFTC, 837 F.2d 847, 857-58 (9th Cir. 1988); *Rosenthal & Co. v. CFTC*, 802 F.2d 963, 966 (7th Cir. 1986); *CFTC v. Byrnes*, 58 F. Supp. 3d 319, 324 (S.D.N.Y. 2014).

The Traders engaged in the conduct described herein within the scope of their employment or agency with Tower; therefore, pursuant to Section 2(a)(1)(B) of the Act and Regulation 1.2, Tower is liable for those acts, omissions, and failures in violation of the provisions of the Act and Regulations cited above.

IV. FINDINGS OF VIOLATIONS

Based on the foregoing, the Commission finds that, during the Relevant Period, Tower violated Sections 4c(a)(5)(C) and 6(c)(1) of the Act, 7 U.S.C. §§ 6c(a)(5)(C), 9(1) (2012), and Regulation 180.1(a)(1) and (3), 17 C.F.R. § 180.1(a)(1),(3) (2019).

V. OFFER OF SETTLEMENT

Tower has submitted the Offer in which, without admitting or denying the findings and conclusions herein, except to the extent that Tower admits those findings in any related action against Tower by, or any agreement with, DOJ or any other governmental agency or office, Tower:

- A. Acknowledges service of this Order;
- B. Admits the jurisdiction of the Commission with respect to all matters set forth in this Order and for any action or proceeding brought or authorized by the Commission based on violation of or enforcement of this Order;
- C. Waives:
 - 1. The filing and service of a complaint and notice of hearing;
 - 2. A hearing;
 - 3. All post-hearing procedures;
 - 4. Judicial review by any court;
 - 5. Any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of the Offer;
 - 6. Any and all claims that it may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 (2012) and 28 U.S.C. § 2412 (2012), and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Regulations, 17 C.F.R. pt. 148 (2019), relating to, or arising from, this proceeding;
 - 7. Any and all claims that it may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, tit. II, §§ 201-253, 110

Stat. 847, 857-74 (codified as amended at 28 U.S.C. § 2412 and in scattered sections of 5 U.S.C. and 15 U.S.C.), relating to, or arising from, this proceeding; and

8. Any claims of Double Jeopardy based on the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any other relief, including this Order;
- D. Stipulates that the record basis on which this Order is entered shall consist solely of the findings contained in this Order to which Tower has consented in the Offer;
 - E. Requests, for the reasons set forth in Tower's letter dated October 21, 2019 ("Request Letter"), that the Commission advise that, under the circumstances, disqualification under Rule 506(d)(1) of Regulation D of the Securities & Exchange Commission ("SEC"), 17 C.F.R. § 230.560(d)(1) (2019), should not arise as a consequence of this Order;
 - F. Consents, solely on the basis of the Offer, to the Commission's entry of this Order that:
 1. Makes findings by the Commission that Tower violated Sections 4c(a)(5)(C) and 6(c)(1) of the Act, 7 U.S.C. §§ 6c(a)(5)(C), 9(1) (2012), and Regulation 180.1(a)(1) and (3), 17 C.F.R. § 180.1(a)(1),(3) (2019);
 2. Orders Tower to cease and desist from violating Sections 4c(a)(5)(C) and 6(c)(1) of the Act, 7 U.S.C. §§ 6c(a)(5)(C), 9(1) (2012), and Regulation 180.1(a)(1) and (3), 17 C.F.R. § 180.1(a)(1),(3) (2019);
 3. Orders Tower to pay restitution in the amount of thirty-two million, five hundred ninety-three thousand, eight hundred and forty-nine dollars (\$32,593,849), within ten business days of the date of the entry of this Order, plus post-judgment interest, if applicable; provided, however, that the restitution will be offset by the amount of any restitution payment made pursuant to the Deferred Prosecution Agreement between Tower and DOJ dated November 6, 2019 ("DPA");
 4. Orders Tower to pay a civil monetary penalty in the amount of twenty-four million, four hundred thousand dollars (\$24,400,000) within ten business days of the date of the entry of this Order, plus post-judgment interest, if applicable; provided, however, that the civil monetary penalty will be offset by the amount of any criminal monetary penalty paid pursuant to the DPA;
 5. Orders Tower and its successors and assigns to comply with the conditions and undertakings consented to in the Offer and as set forth in Part VI of this Order, including, but not limited to, Tower's undertaking to pay disgorgement in the amount of ten million, five hundred thousand dollars (\$10,500,000), within ten business days of the date of the entry of this Order, plus post-judgment interest, if applicable; provided, however, that the disgorgement will be offset by the amount of any criminal disgorgement payment made pursuant to the DPA; and

6. Advises that, under the circumstances, disqualification under Rule 506(d)(1) of Regulation D of the SEC should not arise as a consequence of this Order; and
- G. Represents that since learning of the Traders' misconduct, Tower has proactively engaged in remedial measures relating to its futures trading, including the reorganization and enhancements of its supervisory structure and compliance program through, among other things:
1. Substantial investments in staffing and resources for Tower's legal and compliance teams;
 2. Updated policies, procedures, and supervisory structures with a specific emphasis on the prohibitions against spoofing;
 3. Expanded compliance training on spoofing and market manipulation, including annual compliance training to all traders that covers spoofing, and the issuance of bulletins and alerts regarding new regulatory developments and enforcement cases; and
 4. Significant investments in sophisticated trade surveillance tools that are supported by a dedicated compliance staff and a team of in-house developers.

Upon consideration, the Commission has determined to accept the Offer.

VI. ORDER

Accordingly, IT IS HEREBY ORDERED THAT:

- A. Tower and its successors and assigns shall cease and desist from violating Sections 4c(a)(5)(C) and 6(c)(1) of the Act, 7 U.S.C. §§ 6c(a)(5)(C), 9(1) (2012), and Regulation 180.1(a)(1) and (3), 17 C.F.R. § 180.1(a)(1),(3) (2019).
- B. Tower shall pay restitution in the amount of thirty-two million, five hundred ninety-three thousand, eight hundred and forty-nine dollars (\$32,593,849) ("Restitution Obligation"), within ten business days of the date of the entry of this Order. If the Restitution Obligation is not paid in full or otherwise satisfied within ten business days of the date of the entry of this Order, then post-judgment interest shall accrue on the Restitution Obligation beginning on the date of the entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961 (2012).

The Restitution Obligation will be offset by the amount of any restitution payment made pursuant to the DPA. Tower shall provide proof of any payment under the DPA, including the case name(s) and number(s) in connection with which such payment has been made, and the amount by which the Restitution Obligation is to be reduced, within ten days of making such payment to:

Charles Marvine

Deputy Director, Division of Enforcement
Commodity Futures Trading Commission
4900 Main Street, Suite 500
Kansas City, MO 64112

The Commission appoints the National Futures Association (“NFA”) to receive payments of restitution and any post-judgment interest from Tower and handle the distribution of payments to any persons designated to receive restitution. As provided in the DPA, DOJ will serve as the claims administrator with respect to the restitution payment received pursuant to the DPA and shall have sole discretion to determine how the restitution payment will be disbursed. The NFA shall receive such payment into an account designated the “Tower Victim Compensation Settlement Fund.” Because the NFA is not being specially compensated for these services, and these services are outside the normal duties of the NFA, it shall not be liable for any action or inaction arising from its appointment in this matter other than actions involving fraud.

- C. Tower shall pay a civil monetary penalty in the amount of twenty-four million, four hundred thousand dollars (\$24,400,000) (“CMP Obligation”), within ten business days of the date of the entry of this Order. If the CMP Obligation is not paid in full within ten business days of the date of the entry of this Order, then post-judgment interest shall accrue on the CMP Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of the entry of this Order pursuant to 28 U.S.C. § 1961 (2012).

The CMP Obligation will be offset by the amount of any criminal monetary penalty paid pursuant to the DPA. Tower shall provide (to the persons and addresses listed below) proof of any payment under the DPA, including the case name(s) and number(s) in connection with which such payment has been made, and the amount by which the CMP Obligation is to be reduced, within ten days of making such payment.

Tower shall pay any portion of the CMP Obligation that has not been offset and any post-judgment interest by electronic funds transfer, U.S. postal money order, certified check, bank cashier’s check, or bank money order. If payment is to be made other than by electronic funds transfer, the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

MMAC/ESC/AMK326
Commodity Futures Trading Commission
Division of Enforcement
6500 S. MacArthur Blvd.
HQ Room 181
Oklahoma City, OK 73169
(405) 954-6569 office
(405) 954-1620 facsimile
9-AMC-AR-CFTC@faa.gov

If payment is to be made by electronic transfer, Tower shall contact Marie Thorne or her successor at the above address to receive payment instructions and shall fully comply with those instructions. Tower shall accompany payment of the CMP Obligation with a cover letter that identifies Tower and the name and docket number of this proceeding. Tower shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

D. Tower and its successors and assigns shall comply with the following conditions and undertakings set forth in the Offer:

1. Public Statements: Tower agrees that neither it nor any of its successors, assigns, agents, or employees under its authority or control shall take any action or make any public statement denying, directly or indirectly, any findings or conclusions in this Order or creating, or tending to create, the impression that this Order is without a factual basis; provided, however, that nothing in this provision shall affect Tower's: (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Tower and its successors and assigns shall comply with this Order, and shall undertake all steps necessary to ensure that all of its agents and/or employees under its authority or control understand and comply with this agreement.
2. Disgorgement: Tower agrees to pay disgorgement in the amount of ten million, five hundred thousand dollars (\$10,500,000) ("Disgorgement Obligation"), within ten business days of the date of the entry of this Order. If the Disgorgement Obligation is not paid or otherwise satisfied in full within ten business days of the date of the entry of this Order, then post-judgment interest shall accrue on the Disgorgement Obligation beginning on the date of the entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of the entry of this Order pursuant to 28 U.S.C. § 1961 (2012).

The Disgorgement Obligation will be offset by the amount of any criminal disgorgement payment made pursuant to the DPA. Tower shall provide (to the persons and addresses listed below) proof of any payment under the DPA, including the case name(s) and number(s) in connection with which such payment has been made, and the amount by which the Disgorgement Obligation is to be reduced, within ten days of making such payment.

Tower shall pay any portion of the Disgorgement Obligation that has not been offset and any post-judgment interest by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order. If payment is to be made other than by electronic funds transfer, the payment should be made payable to the Commodity Futures Trading Commission and sent to the address below:

MMAC/ESC/AMK326
Commodity Futures Trading Commission

Division of Enforcement
6500 S. MacArthur Blvd.
HQ Room 181
Oklahoma City, OK 73169
(405) 954-6569 office
(405) 954-1620 facsimile
9-AMC-AR-CFTC@faa.gov

If payment is to be made by electronic transfer, Tower shall contact Marie Thorne or her successor at the above address to receive payment instructions and shall fully comply with those instructions. Tower shall accompany payment of the Disgorgement Obligation with a cover letter that identifies Tower and the name and docket number of this proceeding. Tower shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

3. Cooperation with the Commission: Tower shall cooperate fully and expeditiously with the Commission, including the Division, in this action and in any current or future Commission investigation or action related thereto. Tower shall also cooperate with the Commission in any investigation, civil litigation, or administrative proceeding related to, or arising from, the subject matter of this proceeding. Tower's cooperation shall continue for a period of five years from the date of entry of this Order. As part of such cooperation, Tower agrees to:
 - a. Preserve and produce to the Commission in a responsive and prompt manner, as requested by Division staff, all non-privileged documents, information, and other materials wherever located, including but not limited to audio files, electronic communications, and trading records and data, in the possession, custody, or control of Tower;
 - b. Comply fully, promptly, completely, and truthfully, subject to any legally recognized privilege, with any inquiries or requests for information and documents by the Commission;
 - c. Identify and authenticate relevant documents and other evidentiary materials, execute affidavits or declarations, and provide a corporate representative to testify completely and truthfully at depositions, trial, and other judicial proceedings, when requested to do so by Division staff;
 - d. Use its best efforts to produce any current (as of the time of the request) officer, director, employee, or agent of Tower, regardless of the individual's location and at such a location that minimizes Commission travel expenditures, to provide assistance at any trial, proceeding, or Commission investigation related to the subject matter of this proceeding, including, but not limited to, requests for testimony, depositions, and/or

interviews, and to encourage them to testify completely and truthfully in any such trial, proceeding, or investigation; and

- e. Subject to applicable laws and regulations, use its best efforts to assist in locating and contacting any prior (as of the time of the request) officer, director, employee, or agent of Tower.
 4. Partial Satisfaction. Tower understands and agrees that any acceptance by the Commission of partial satisfaction of Tower's Restitution Obligation, CMP Obligation, or Disgorgement Obligation shall not be deemed a waiver of its obligation to make further payments pursuant to this Order or a waiver of the Commission's right to seek to compel payment of any remaining balance.
 5. Change of Address: Until such time as Tower satisfies in full its Restitution Obligation, CMP Obligation, and Disgorgement Obligation as set forth in this Order, Tower shall provide written notice to the Commission by certified mail of any change to its telephone number and mailing address within ten days of the change.
 6. Remediation: As set forth above, Tower represents that it has already undertaken and continues to undertake remedial measures to enhance its policies, procedures, and supervisory structures, with specific emphasis on prohibitions against spoofing. Tower shall maintain and update its compliance program as appropriate to effectively detect and deter violations of the Act and shall comply with the obligations relating to its corporate compliance program and reporting requirements as set forth in Attachments C and D to the DPA.
- E. Based on the nature of the violations; the findings made, and the sanctions, conditions, and undertakings imposed in this Order; and the facts and representations in the Request Letter, the Commission advises that, under the circumstances, disqualification under Rule 506(d)(1) of Regulation D of the SEC, 17 C.F.R. § 230.506(d)(1) (2019), should not arise as a consequence of this Order.

The provisions of this Order shall be effective as of this date.

By the Commission.



Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission

Dated: November 6, 2019