

ADMINISTRATIVE PROCEEDING

File No. 3-16978

Options Traders Fined and Barred for Spoofing and Order Mismarking

June 13, 2016 – The Securities and Exchange Commission today sanctioned Behruz Afshar and his twin brother, Shahryar Afshar, and their close friend and former broker, Richard F. Kenny, IV, all residents of Chicago, for two fraudulent options trading schemes involving the mismarking of option orders to obtain execution priority and avoid transaction fees charged by options exchanges and “spoofing” to generate liquidity rebates from an options exchange.

The Afshar brothers and Kenny conducted the schemes through brokerage accounts in the name of Fineline Trading Group LLC and Makino Capital LLC, companies which the Afshar brothers owned.

The SEC’s order stems from [proceedings instituted](#) against the Afshar brothers, Kenny, Fineline, and Makino on December 3, 2015. The Afshar brothers, Kenny, Fineline, and Makino, without admitting or denying the SEC’s findings, consented to the entry of an order finding that each of them violated Section 17(a) of the Securities Act, Sections 9(a)(2) and 10(b) of the Exchange Act, and Rule 10b-5 thereunder, ordering each of them to cease-and-desist from violating these provisions, ordering the Afshar brothers and Kenny to pay disgorgement and civil penalties totaling over \$1.89 million, and barring Behruz Afshar and Kenny from the securities industry.

The SEC’s investigation was conducted by Paul E. Kim and Deborah A. Tarasevich of the Market Abuse Unit with assistance from Mandy B. Sturmfelz and Ainsley Kerr and Division of Economic and Risk Analysis economists Michael Barnes and Carmen Taveras. The case was supervised by Robert A. Cohen, Co-Chief of the Market Abuse Unit. The litigation was led by Melissa Armstrong, Frederick L. Block, Mr. Kim, and Rami Sibay with the assistance of Jeffrey Anderson and Dan Furlano.

See also: [Order](#)