
Rule 9.216. Acceptance, Waiver, and Consent; Plan Pursuant to Exchange Act Rule 19d-1(c)(2)

(b) Procedure for Violation Under Plan Pursuant to Exchange Act Rule 19d-1(c)(2)

- (1) Notwithstanding IEX Rule 9.211, IEX or FINRA on its behalf, may, subject to the requirements set forth in paragraphs (b)(2) through (b)(4) and in Exchange Act Rule 19d-1(c)(2), impose a fine (not to exceed \$2,500) and/or a censure on any Member or associated person with respect to any rule listed in IEX Rule 9.218. If the Department of Enforcement or the Department of Market Regulation has reason to believe a violation has occurred and if the Member or associated person does not dispute the violation, the Department of Enforcement or the Department of Market Regulation may prepare and request that the Member or associated person execute a minor rule violation plan letter accepting a finding of violation, consenting to the imposition of sanctions, and agreeing to waive such Member's or associated person's right to a hearing before a Hearing Panel or, if applicable, an Extended Hearing Panel, and any right of appeal to the IEX Appeals Committee, the Board, the SEC, and the courts, or to otherwise challenge the validity of the letter, if the letter is accepted. The letter shall describe the act or practice engaged in or omitted, the rule, regulation, or statutory provision violated, and the sanction or sanctions to be imposed. Unless the letter states otherwise, the effective date of any sanction(s) imposed will be a date to be determined by IEX Regulation staff.
- (2) (A) If a Member or person associated with a Member submits an executed minor rule violation plan letter, by the submission such Member or person associated with a Member also waives:

- (i) any right of such Member or person associated with a Member to claim bias or prejudgment of the General Counsel, CRO, the IEX Appeals Committee, or any Member of the IEX Appeals Committee, in connection with such person's or body's participation in discussions regarding the terms and conditions of the minor rule violation plan letter or other consideration of the minor rule violation plan letter, including acceptance or rejection of such minor rule violation plan letter; and
 - (ii) any right of such Member or person associated with a Member to claim that a person violated the ex parte prohibitions of IEX Rule 9.143 or the separation of functions prohibitions of IEX Rule 9.144, in connection with such person's or body's participation in discussions regarding the terms and conditions of the minor rule violation plan letter or other consideration of the minor rule violation plan letter, including acceptance or rejection of such minor rule violation plan letter.
- (B) If a minor rule violation plan letter is rejected, the Member or person associated with a Member shall be bound by the waivers made under paragraphs (b)(1) and (b)(2)(A) for conduct by persons or bodies occurring during the period beginning on the date the minor rule violation plan letter was executed and submitted and ending upon the rejection of the minor rule violation plan letter.
- (3) If the Member or associated person executes the minor rule violation plan letter, it shall be submitted to the Office of Disciplinary Affairs. The Office of Disciplinary Affairs may, on behalf of the IEX Board, accept or reject such letter.
- (4) If the letter is accepted by the Office of Disciplinary Affairs, it shall be deemed final and IEX shall report the violation to the SEC as required by the SEC

pursuant to a plan approved under Exchange Act Rule 19d-1(c)(2). If the letter is rejected by the Office of Disciplinary Affairs, IEX, or FINRA on its behalf, may take any other appropriate disciplinary action with respect to the alleged violation or violations. If the letter is rejected, the Member or associated person shall not be prejudiced by the execution of the minor rule violation plan letter under paragraph (b)(1) and the letter may not be introduced into evidence in connection with the determination of the issues set forth in any complaint or in any other proceeding.

Rule 9.218. Violations Appropriate for Disposition Under Plan Pursuant to Exchange Act Rule 19d-1(c)(2)

- (a) Rule 2.160(p) – Continuing Education Requirements.
- (b) Rule 4.511 – General Requirements related to books and records requirements.
- (c) Rule 4.540 – Furnishing of records.
- (d) Rule 5.110 – Supervision.
- (e) Rule 8.220 – Automated submission of trading data requested.
- (f) Rule 11.151(a)(1) – Market Maker two-sided quotation requirement.
- (g) Rule 11.290 – Short sales.
- (h) Rule 11.310 – Locking or crossing quotations in NMS stocks.
- (i) Rule 11.420 – Order audit trail system requirements.

Recommended Fine Schedule – Rule 9.218(a) – (i)

Occurrence*	Individual	Member
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First time fined	\$100	\$500
Second time fined	\$300	\$1,000
Third time fined	\$500	\$2,500

* Within a "rolling" 12-month period.