

**LEDGERX DCM
NOTICE OF DISCIPLINARY ACTION**

CASE: 2023-MINV-0003

PARTICIPANT: Farhaz Aziz

RULE

VIOLATION:

LedgerX DCM Rule 3.3(A) Participant Obligations

Each Participant and any Authorized User(s) thereof, must comply with these Rules, applicable provisions of the CEA and relevant CFTC Regulations. Each Participant and any Authorized User(s) thereof also must cooperate promptly and fully with the Company, its agents, and the CFTC in any investigation, call for information, inquiry, audit, examination, or proceeding. Such cooperation shall include providing the Company with access to information on the activities of such Participant and/or its Authorized User(s) in any referenced market that provides the underlying prices for any Company market. If any Participant or Authorized User thereof fails to satisfy any Obligation, the Company may revoke or suspend the Participant's privileges in full or in part. Each Participant also may be subject to civil or criminal prosecution.

LedgerX DCM Rule 3.3(F) Participant Obligations

Each Participant and Customer, upon a request of the Company or any Regulatory Agency, must promptly respond to any requests for information, including by providing any necessary information for the Company to perform any of the functions described in the CEA.

LedgerX DCM Rule 8.3(M) Prohibited Trading Activity; Prohibitions on Fictitious Transactions, Fraudulent Activity and Manipulation

No Person shall engage in any of the following activities in connection with or related to any Company activity:

(M) making...trifling bids or offers...

FINDINGS:

On September 3, 2024, the Chief Regulatory Officer of LedgerX's DCM issued charges against Farhaz Aziz ("Aziz") for violating DCM Rules 3.3(A), 3.3(F) and 8.3(M) based on allegations that from October 10, 2023 through December 8, 2023, Aziz entered numerous orders priced significantly away from the best bid and best offer. While these orders were ultimately deemed not materially disruptive to the market, they had the potential to induce the entry and execution of other off-market orders and trades. Further, as Aziz failed to answer all of Market Regulation's inquiries in connection with the placement of these orders, Market Regulation was unable to ascertain the rationale behind these orders. In failing to answer Market Regulation, Aziz failed to cooperate with the DCM in its investigative process.

On October 1, 2024, the LedgerX DCM Disciplinary Panel determined that Aziz, having failed to submit a written answer to the charges issued against him, was deemed to have admitted the charges pursuant to DCM Rule 9.5.C. Aziz, therefore, waived his right to a hearing on the merits of the charges. The Disciplinary Panel then found Aziz guilty of committing the charges and held a penalty hearing thereafter, approving the proposed penalty recommended by Market Regulation.

PENALTY: Based on the record and the Panel's findings and conclusions, the Panel orders Aziz to pay \$20,000 and permanently suspended Aziz from direct and indirect access to any designated contract market, derivatives clearing organization, or swap execution facility owned or controlled by LedgerX LLC.

EFFECTIVE DATE: December 4, 2024