

**LEDGERX DCM  
NOTICE OF DISCIPLINARY ACTION**

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**CASE:** 2023-MINV-0004

**PARTICIPANT:** Otium Absolute Return Fund, LP

**RULE**

**VIOLATION:** **LedgerX DCM Rule 8.9(G) Trading Practices**

Abusive trading practices are prohibited on the Platform. No Participant, Authorized User or other Person subject to the Company's jurisdiction shall place or accept buy and sell Orders in the same product and expiration month, and for options, the same strike, when they know or reasonably should know that the purpose of the Orders is to avoid taking a bona fide market position exposed to market risk (transactions commonly known or referred to as "wash sales"). Buy and sell Orders that are entered with the intent to negate market risk or price competition shall be deemed to violate the prohibition on wash sales. Additionally, no Participant, Authorized User or other Person subject to the Company's jurisdiction shall knowingly execute or accommodate the execution of such Orders by direct or indirect means.

**LedgerX DCM Rule 8.7(A) Supervision; Information Sharing**

A Participant shall be responsible for establishing, maintaining, and administering reasonable supervisory procedures to ensure that its Authorized Users comply with these Rules and Applicable Law, and such Participant may be held accountable for the actions of such Authorized Users with respect to the Company.

**FINDINGS:** Pursuant to an offer of settlement in which Otium Absolute Return Fund, LP ("Otium") neither admitted nor denied the rule violations or factual findings upon which the penalty is based, on October 1, 2024, the LedgerX DCM Disciplinary Panel found that on November 22, 2023 and January 19, 2024, the Authorized Representative of Otium placed opposing buy and sell orders in two Participant accounts with common beneficial ownership. The orders traded against each other in full in the first instance and in part in the second instance, and Otium knew or reasonably should have known that the entry of the orders would result in a prohibited wash result. Furthermore, Otium lacked pre-trade risk controls to account for the risk of wash trades.

The Panel thereby concluded that Otium violated LedgerX DCM Rules 8.9(G) and 8.7(A).

**PENALTY:** In accordance with the settlement offer, the Panel ordered Otium to pay a fine in the amount of \$2,250.

**EFFECTIVE DATE:** October 1, 2024