

NOTICE OF SUMMARY ACTION

January 26, 2016

VIA ELECTRONIC MAIL

Mr. Steve Vjestica
Mr. Peter Weston
Beaufort House
15 St. Botolph Street
London EC3A 7QX

Dear Mr. Vjestica and Mr. Weston:

As the Authorized Representative and Compliance Representative of TFS Derivatives Ltd., you are receiving this Notice of Summary Action as a result of a trading reviews conducted into your firm's pre-arranged trade execution procedures. Pursuant to Regulation 37.201(b) of the Commodity Exchange Act ("CEA"), Tradition SEF ("TSEF") must enforce compliance with its Rules. In accordance with CFTC Regulation 37.9(b)(1), TSEF Rule 529(b)(3) requires a 15 second delay between entering the first and second orders of a pre-negotiated required transaction.

In reference to NFA Inquiry Letters dated November 6, 2015 and November 12, 2015, TSEF has found that TFS Derivatives Ltd. may have violated Rule 529(b)(3) in 4 instances by not exposing the first side of a pre-arranged transaction for the required 15 seconds:

- Deal ID 1010000286N0AIR0000000151030020710000001-3 – Trade Date October 30, 2015
- Deal ID 1010000286N0AIR0000000151105020710000001-3 – Trade Date November 5, 2015
- Deal ID 1010000286N0AIR0000000151105020710000002-3 – Trade Date November 5, 2015
- Deal ID 1010000286N0AIR0000000151105020710000003-3 – Trade Date November 5, 2015

In all four of the above instances, the deal was pre-negotiated prior to the orders being entered into the Order Book. However, the first order was not exposed for the required minimum 15 seconds prior to entry of the matching contra order.

As a result of these findings, TSEF is imposing a summary fine in accordance with TSEF Rule 617. TFS Derivatives Ltd. is ordered to remit \$2,000 to TSEF. Please contact me at Eric.Earnhardt@tradition-na.com in order to arrange payment.

Continuation of this conduct may be cause for TSEF to impose further sanctions, including a warning, fines or denial of access, on TFS Derivatives Ltd. This letter does not preclude TSEF from taking enforcement action based upon the conduct described herein. Please note CFTC Regulations prohibit TSEF from issuing more than one warning letter per rolling 12-month period for the same violation.

Please feel free to contact me if you have any questions.

Sincerely,

Eric Earnhardt
Chief Compliance Officer
Tradition SEF, Inc.