

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2021069274901**

TO: Department of Enforcement
Financial Industry Regulatory Authority (FINRA)

RE: T3 Trading Group, LLC (Respondent)
Member Firm
CRD No. 154431

Pursuant to FINRA Rule 9216, Respondent T3 Trading Group, LLC submits this Letter of Acceptance, Waiver, and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

T3 has been a FINRA member since October 2019. The firm is headquartered in New York, New York, has four branch offices, and employs approximately 200 registered representatives. The firm primarily engages in day trading and proprietary trading in exchange-listed equity securities, equity option contracts, and futures. Since January 2020, the firm has also maintained a retail day-trading business line.¹

OVERVIEW

From April 2020 to April 2025, T3 failed to comply with its obligation to publish quarterly reports concerning the firm's handling of customer orders in National Market System (NMS) securities. T3 failed to publish any such reports from April 2020 to July 2021. Thereafter, from July 2021 to April 2025, the firm published quarterly reports that contained none, or very little, of the information that the firm was required to disclose. As a result, the firm violated Rule 606(a) of Regulation NMS under the Securities Exchange Act of 1934 and FINRA Rule 2010.

In addition, from January 2020 to the present, T3 has failed to establish and maintain a supervisory system, including written supervisory procedures (WSPs), reasonably

¹ For more information about the firm, including prior regulatory events, visit BrokerCheck® at www.finra.org/brokercheck.

designed to achieve compliance with Rule 606(a) of Regulation NMS. As a result, the firm has violated FINRA Rules 3110 and 2010.

For these violations, T3 is censured, fined \$175,000, and consents to an undertaking to take corrective action.

FACTS AND VIOLATIVE CONDUCT

This matter originated from a FINRA examination of T3.

A. T3 initially did not publish Rule 606(a) reports at all and then published reports that were blank or otherwise incomplete.

Rule 606 of Regulation NMS is designed to foster greater transparency in connection with a broker-dealer's best execution responsibilities. Rule 606 requires every broker-dealer to make available to the public a quarterly report containing information on its routing of non-directed orders in NMS securities.² The disclosures contained in these quarterly reports are designed to help customers better understand how the firm routes and handles their orders; assess the quality of order handling services provided by the firm; and ascertain whether the firm is effectively managing potential conflicts of interest that may impact the firm's routing decisions.

Rule 606(a)(1) requires broker-dealers to publish quarterly reports that contain statistical information regarding the routing of held, non-directed customer orders in NMS stocks, and both held and not held, non-directed customer orders in NMS securities that are option contracts.³ The reports must include the following information:

- (i) The percentage of total orders that were non-directed, and the percentages of non-directed orders that were market orders, marketable limit orders, non-marketable limit orders, and other orders;
- (ii) The ten venues to which the largest number of non-directed orders were routed for execution, any venue to which five percent or more of non-directed orders were routed for execution, and information concerning the types of orders that were routed to the venue;
- (iii) For each venue identified, the net aggregate amount of any payment for order flow received, payment from any profit-sharing relationship received, transaction fees paid, and transaction rebates received, both as a total dollar amount and per share, for specified types of non-directed orders; and

² A "non-directed order" means any customer order other than a directed order. A "directed order" means a customer order that the customer specifically instructed the broker-dealer to route to a particular venue for execution. *See* Regulation NMS Rule 600(b).

³ A broker-dealer must attempt to execute a "held" order immediately, whereas "not-held" orders provide the broker-dealer with price and time discretion in handling the order.

(iv) A discussion of the material aspects of the broker-dealer's relationship with each venue identified, including a description of any arrangement for payment for order flow, any profit-sharing relationship, and any terms of such arrangements, that may influence a broker's or dealer's order routing decision, including arrangements specified in the rule. Such material aspects include amounts per share or per order that a broker-dealer received from each venue.

Under Rule 606(a)(2), broker-dealers must make these reports publicly available within one month after the end of the quarter addressed in the report.

A violation of Rule 606(a) is also a violation of FINRA Rule 2010, which states that “[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.”

T3 began accepting non-directed customer orders in listed options in January 2020. Accordingly, beginning with the first quarter of 2020, T3 had an obligation to publish quarterly reports under Rule 606(a) disclosing certain information about its routing practices for its customers' options orders.

T3 failed to comply with its Rule 606(a) reporting obligations from April 2020 to April 2025. The firm did not publish Rule 606(a) reports for any of the four quarters in 2020. From July 2021 to April 2025, T3 published a document each quarter that it labeled a “Rule 606” report, but the reports were almost all blank versions of the sample reports available on the SEC's website, and none contained any of the information required by Rule 606(a). For five quarters—the first quarter of 2022 through the first quarter of 2023—the firm also published an additional document that it labeled a “Rule 606(a)” report. While these additional reports contained some substantive information, they did not disclose most of the information required by Rule 606(a), such as order routing percentages, execution venues, payment-for-order-flow calculations, or the material aspects of the firm's relationships with execution venues.

In total, from April 2020 to April 2025, T3 failed to disclose required information about its routing practices for its customers' options orders for 21 quarters. Therefore, T3 violated Rule 606(a) of Regulation NMS and FINRA Rule 2010.

B. T3 has failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with Rule 606(a) of Regulation NMS.

FINRA Rule 3110(a) requires member firms to establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules. FINRA Rule 3110(b) requires member firms to establish, maintain, and enforce written procedures to supervise the types of business in which it engages and the activities of its associated persons that are reasonably designed to achieve compliance

with applicable securities laws and regulations, and with applicable FINRA rules. A violation of FINRA Rule 3110 is also a violation of FINRA Rule 2010.

From January 2020 to the present, T3's supervisory system, including WSPs, has not been reasonably designed to achieve compliance with Rule 606. The firm did not have WSPs relating to Rule 606(a) until December 2021. From December 2021 to the present, the firm's WSPs have inaccurately stated that all of the firm's options orders are directed and therefore are exempt from public reporting. In addition, from December 2021 to the present, T3's WSPs have contained no guidance as to the supervisory steps that should be taken to assess the completeness and accuracy of the firm's Rule 606(a) reports, and the firm has not included in its reviews of Rule 606(a) reports any such reviews for completeness and accuracy.

Therefore, T3 violated FINRA Rules 3110 and 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a censure;
- a \$175,000 fine; and
- an undertaking that, within 90 days of the date of the notice of acceptance of this AWC, a member of Respondent's senior management who is a registered principal of the firm shall certify in writing that, as of the date of the certification, the firm has remediated the issues identified in this AWC and implemented a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with Rule 606(a) of Regulation NMS regarding the issues identified in this AWC. The certification shall include a narrative description and supporting exhibits sufficient to demonstrate Respondent's remediation and implementation. FINRA staff may request further evidence of Respondent's remediation and implementation, and Respondent agrees to provide such evidence. Respondent shall submit the certification to Becket Marum, Counsel, at 1700 K Street NW, Washington, DC 20006 and Becket.Marum@finra.org, with a copy to EnforcementNotice@finra.org. Upon written request showing good cause, FINRA staff may extend this deadline.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against it;
- B. To be notified of the complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council (NAC) and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and
- C. If accepted:

1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and
4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.

- D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this statement. This statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA.

The undersigned, on behalf of Respondent, certifies that a person duly authorized to act on Respondent's behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce Respondent to submit this AWC.

August 15, 2025

Date

Garret Marquis

T3 Trading Group, LLC
Respondent

Print Name: Garret Marquis

Title: Chief Executive Officer

Accepted by FINRA:

Signed on behalf of the
Director of ODA, by delegated authority

August 21, 2025

Date

Becket Marum

Becket Marum
Counsel
FINRA
Department of Enforcement
1700 K Street NW
Washington, DC 20006