
DISCIPLINARY NOTICE

JULY 2, 2019

CASE NO. 2017-041: SETTLEMENT OF CHARGES AGAINST CRAIG COWELL

EXCHANGE RULES

Rule 4.02(I)(1)(A) - Trade Practice Violations

In connection with the placement of any order or execution of any Transaction, it shall be a violation of the Rules for any Person to . . . [enter] an order or market message, or cause an order or market message to be entered, with the intent to cancel the order before execution, or modify the order to avoid execution.

Rule 4.02(I)(1)(C) - Trade Practice Violations

In connection with the placement of any order or execution of any Transaction, it shall be a violation of the Rules for any Person to . . . [enter] an order or market message, or cause an order or market message to be entered, with the intent to disrupt the orderly conduct of trading, the fair execution of transactions or mislead other market participants.

Rule 4.02(I)(2) - Trade Practice Violations

In connection with the placement of any order or execution of any Transaction, it shall be a violation of the Rules for any Person to . . . knowingly [enter] any bid or offer for the purpose of making a market price which does not reflect the true state of the market, or knowingly [enter], or causing to be entered, bids or offers other than in good faith for the purpose of executing bona fide Transactions.

Rule 4.04 - Conduct Detrimental to the Exchange

It shall be a violation of the Rules for any Person to fail to conform to, the Rules or the procedures of the Exchange or the Clearing Organization, or to engage in conduct or practices inconsistent with just and equitable principles of trade or conduct detrimental to the best interests of the Exchange.

SUMMARY

On numerous occasions between October 2016 and November 2017, Craig Cowell (“Cowell”), a manual trader, engaged in a pattern of placing one or more fully visible large order(s) on one side of the market while having a smaller order (typically an ICEberg order) resting on the opposite side of the market. In each instance, Cowell deleted the larger layered order(s) within seconds of the execution of the smaller

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order. The use of large fully disclosed quantity order(s) gave the appearance of false market depth and pressure on the market, which appeared to mislead market participants into trading opposite the smaller order on the opposite side of the market. Therefore, the large orders did not appear to be entered with the intent to be executed. Upon review, a subcommittee of the Exchange's Business Conduct Committee determined that Cowell may have violated Exchange Rules 4.02(l)(1)(A), 4.02(l)(1)(C), 4.02(l)(2), and 4.04 by engaging in this pattern of trading.

PRODUCTS

Coffee C Futures
Sugar No. 11 Futures
Cocoa Futures

PENALTY

In accordance with the terms of settlement, in which Cowell neither admitted nor denied the alleged rule violations, Cowell agreed to a permanent suspension from direct and indirect trading access to all ICE Futures U.S., Inc. electronic trading platforms, including ICE Block.

EFFECTIVE DATE

July 1, 2019

FOR MORE INFORMATION

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Key Information Documents for certain products covered by the EU Packaged Retail and Insurance-based Investment Products Regulation can be accessed on the relevant exchange website under the heading "Key information Documents (KIDS)," commencing January 1, 2018.