

**INVESTORS EXCHANGE LLC  
NOTICE OF ACCEPTANCE OF AWC**

**Via Certified Mail, Return Receipt Requested and Email (Leonard.Amoruso@mmlawus.com)**

TO: SpeedRoute LLC  
c/o Leonard Amoruso, Esq.  
Murphy & McGonigle, PC  
1185 Avenue of the Americas, 21st Floor  
New York, NY 10036

FROM: Investors Exchange LLC (“IEX”)  
c/o Financial Industry Regulatory Authority (“FINRA”)  
Department of Enforcement  
15200 Omega Drive  
Suite 300  
Rockville, MD 20850

DATE: May 7, 2021

RE: Notice of Acceptance of Letter of Acceptance, Waiver and Consent No. 2014043627502

**Please be advised** that your above-referenced Letter of Acceptance, Waiver and Consent (“AWC”) has been accepted on **May 7, 2021** by the Office of Disciplinary Affairs, on behalf of the IEX Board, pursuant to IEX Rule 9.216. A copy of the AWC is enclosed herewith.

You are again reminded of your obligation, if currently registered, immediately to update your Form BD (Uniform Application for Broker-Dealer Registration) to reflect the conclusion of this disciplinary action. Additionally, you must also notify FINRA in writing of any change of address or other changes required to be made to your Form BD.

You will be notified by the Registration and Disclosure Department regarding sanctions if a suspension has been imposed and by the IEX’s Finance Department regarding the payment of any fine if a fine has been imposed.

If you have any questions concerning this matter, please call please call me at 240-386-6871.

*Gerald J. O'Hara*

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Gerald J. O’Hara  
Senior Attorney  
Department of Enforcement, FINRA

Signed on behalf of IEX

Enclosure

cc: Pina Patel, FINRA Risk Monitoring Director (via email)  
Charles Gentile, FINRA Risk Monitoring Analyst (via email)

**INVESTORS EXCHANGE LLC  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2014043627502**

TO: Investors Exchange LLC  
c/o Department of Enforcement  
Financial Industry Regulatory Authority (“FINRA”)

RE: SpeedRoute LLC, Respondent  
Broker-Dealer  
CRD No. 104138

Pursuant to Rule 9.216 of the Investors Exchange LLC (“IEX”) Code of Procedure, SpeedRoute LLC (the “firm” or “SpeedRoute”) 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, IEX will not bring any future actions against the firm alleging violations based on the same factual findings described herein.

**I.**

**ACCEPTANCE AND CONSENT**

- A. Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of IEX, or to which IEX is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by IEX:

**I. BACKGROUND**

SpeedRoute has been a FINRA member since August 2000, and a member of IEX since August 2016. SpeedRoute provides market access and order execution services to broker-dealer clients on an agency basis. SpeedRoute does not engage in proprietary trading. The firm has 17 registered representatives, and its principal place of business is New York, NY.

**DISCIPLINARY HISTORY**

Respondent does not have any relevant disciplinary history.

**SUMMARY**

From August 17, 2016 through August 17, 2017, SpeedRoute failed to establish and maintain a supervisory system, including written procedures, reasonably designed to achieve compliance with rules prohibiting manipulative activity, including layering, spoofing, and prearranged and wash trades.

Based on the foregoing, SpeedRoute violated IEX Rules 3.110 and 5.110(a).<sup>1</sup>

### **FACTS AND VIOLATIVE CONDUCT**

1. IEX Rule 5.110(a) requires, in relevant part, that IEX members 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 IEX Rules.” The supervisory system must include “[t]he establishment and maintenance of written procedures.”
2. IEX Rule 3.110 requires that an IEX member, “in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.”
3. From August 17, 2016 through August 17, 2017, SpeedRoute failed to establish, maintain, and enforce a supervisory system, including written procedures, reasonably designed to achieve compliance with rules prohibiting manipulative trading activity, such as wash and pre-arranged trades, layering, and spoofing.<sup>2</sup>
4. SpeedRoute’s written procedures did not include a description of supervisory reviews for potentially manipulative trading activity. The written procedures included a list of real-time monitoring features and post-trade reports available to the firm, but the written procedures did not describe how the firm should use the reviews to identify potentially manipulative conduct.
5. The firm relied, in part, on manual reviews of trade blotters to detect potentially manipulative conduct. The written procedures, however, did not include such a review. Moreover, a single individual employed by the Respondent at the time conducted the manual reviews. Such manual reviews, conducted by one individual, were unreasonable given the number of orders the firm routed. For example, SpeedRoute routed an average of approximately 10 million orders per day.
6. According to SpeedRoute, it conducted supervisory reviews for potentially manipulative trading activity by using both real-time alerts and certain surveillance reports, but the firm was unable to provide evidence that it conducted such reviews.
7. Even if the firm had conducted such reviews, the parameters for some reports were set such that they would have excluded certain potentially manipulative activity, such as wash trades, spoofing, and layering. For example, the firm’s Spoofing Report applied a total order quantity of 20,000 shares or more before triggering an alert. Spoofing activity often occurs with small share orders, and SpeedRoute’s customer order flow included low share quantity.

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<sup>1</sup> A related disciplinary action on behalf of FINRA is being taken concurrently in conjunction with this matter.

<sup>2</sup> Layering and spoofing typically involve the placement and cancellation of non-bona fide orders on one side of the market, combined with the execution of at least one bona fide order on the opposite side of the market, over a short period of time. The manipulator uses the non-bona fide orders to create a false appearance of interest in the security to push the price in a direction that allows them to obtain a more favorable execution of the bona fide order that would otherwise have been available.

8. Therefore, SpeedRoute violated IEX Rules 3.110 and 5.110(a).

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

A censure and a total fine of \$187,500 to be paid jointly to FINRA and IEX, of which \$44,000 is allocated to IEX.

Acceptance of this AWC is conditional upon acceptance of a parallel settlement agreement between the firm and FINRA.

The firm agrees to pay the monetary sanction in accordance with its executed Election of Payment Form.

The firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

## II.

### WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Formal Complaint issued specifying the allegations against the firm;
- B. To be notified of the Formal 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 IEX Appeals Committee 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 General Counsel, Chief Regulatory Officer, the IEX Appeals Committee, or any member of the IEX Appeals Committee, 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 acceptance or rejection of this AWC.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of Rule 9.143 or the separation of functions prohibitions of Rule 9.144, 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 FINRA's Department of Enforcement and the Office of Disciplinary Affairs ("ODA"), pursuant to IEX Rule 9.216;
- 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 the Respondent's permanent disciplinary record and may be considered in any future actions brought by IEX or any other regulator against Respondent;
  - 2. IEX may release this AWC or make a public announcement concerning this agreement and the subject matter thereof in accordance with IEX Rule 8.340; and
  - 3. 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 IEX, or to which IEX is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the Respondent's (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which IEX is not a party.
- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. Any such Statement does not constitute factual or legal findings by IEX, nor does it reflect the views of IEX or its staff.

The undersigned, on behalf of the firm, certifies that a person duly authorized to act on its 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 it 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 herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

April 23, 2021

\_\_\_\_\_  
Date

SpeedRoute LLC  
Respondent

*Alex Vlastakis*

By: \_\_\_\_\_

Name: Alex Vlastakis

Title: President

Reviewed by:

*Leonard J. Amoruso*

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Leonard J. Amoruso, Esq.  
Counsel for Respondent  
Murphy & McGonigle, PC  
1185 Avenue of the Americas  
21<sup>st</sup> Floor  
New York, NY 10036

Accepted by IEX:

May 7, 2021

\_\_\_\_\_  
Date

*Gerald J. O'Hara*

\_\_\_\_\_  
Gerald J. O'Hara  
Senior Counsel  
FINRA  
Department of Enforcement  
15200 Omega Drive, Suite 300  
Rockville, MD 20850

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

**ELECTION OF PAYMENT FORM**

The firm intends to pay the fine proposed in the attached Letter of Acceptance, Waiver and Consent by the following method (check one):

- A firm check or bank check for the full amount
- Wire transfer

Respectfully submitted,

SpeedRoute LLC  
Respondent

April 23, 2021

\_\_\_\_\_  
Date

*Alex Vlastakis*

By: \_\_\_\_\_

Name: Alex Vlastakis

Title: President