



**CHICAGO MERCANTILE EXCHANGE  
NOTICE OF DISCIPLINARY ACTION**

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**FILE NO.:** CME 22-1625-BC

**NON-MEMBER:** Gang Hyeok Lee

**EXCHANGE RULES:** Rule 432 General Offenses (in part)

It shall be an offense:

L.1. to fail to appear before the Board, Exchange staff or any investigation or hearing committee at a duly convened hearing, scheduled staff interview or in connection with any investigation.

**Rule 575.B. Disruptive Practices Prohibited (in part)**

All orders must be entered for the purpose of executing bona fide transactions. Additionally, all non-actionable messages must be entered in good faith for legitimate purposes.

B. No person shall enter or cause to be entered an actionable or non-actionable message or messages with intent to mislead other market participants.

**FINDINGS:**

On May 1, 2024, the Chief Regulatory Officer of CME Group's Market Regulation Department issued charges against Gang Hyeok Lee for violating CME Rules 432.L.1., and 575.B. based on allegations that on multiple occasions between August 22, 2022, through May 15, 2023, Lee entered actionable messages in various Lean Hogs futures with the intent to mislead other market participants and receive favorable pricing. Lee exhibited a pattern of order entry and modification that alternated between creating buy-side pressure and sell-side pressure in order to induce market participants to trade into his smaller resting quantity on the opposite side of the market. The imbalance induced market participants to trade into his orders for smaller quantities he entered or modified on the opposite side of the market. Similarly, if a market participant improved the bid or offer after being misled by the market imbalance he created, Lee aggressively traded into the improved price.

In addition, Lee failed to appear before Exchange staff at a scheduled staff interview.

On September 17, 2024, a Hearing Panel Chair of the CME Business Conduct Committee ("BCC") first determined that Lee, having failed to submit a written answer to the charges issued against him, was deemed to have admitted the charges. Lee therefore waived his right to a hearing on the merits of the charges. Pursuant to CME Rule 408.F., a BCC Panel then found Lee guilty of committing the admitted charges and held a penalty hearing thereafter.

**PENALTY:**

Based on the record and the Panel's findings and conclusions, the Panel ordered Lee to pay a fine in the amount of \$115,000 and to be permanently suspended from access to any trading floor owned or controlled by CME Group and from direct and indirect access to any designated contract market, derivatives clearing organization or swap execution facility owned or controlled by CME Group.

**EFFECTIVE DATE:** October 8, 2024