

ATTORNEY GENERAL OF THE STATE OF NEW YORK
INVESTOR PROTECTION BUREAU

In the Matter of
BARCLAYS PLC and BARCLAYS CAPITAL INC.

SETTLEMENT AGREEMENT

The Office of the Attorney General of the State of New York (“NYAG”) commenced an investigation pursuant to Section 352 *et seq.* of the General Business Law (the “Martin Act”) and Executive Law § 63(12) into potentially false and misleading statements by Barclays PLC and Barclays Capital Inc. (collectively, “Barclays”) regarding certain electronic trading practices by Barclays. On June 25, 2014, the NYAG filed a lawsuit in New York Supreme Court against Barclays, alleging violations of the Martin Act and Executive Law § 63(12). The lawsuit is captioned *Schneiderman v. Barclays Capital Inc. et al.*, Index No. 451391/2014 (Docket No. 1) (hereinafter, the “Litigation”). The NYAG filed an Amended Complaint on February 3, 2015 (Docket No. 72).

This Settlement Agreement (“Agreement”) resolves the Litigation, and sets forth the relief agreed to by the NYAG and Barclays (together, the “Parties”).

I. OVERVIEW

In order to resolve the Litigation, Barclays admits the facts set forth in Section III, acknowledges the jurisdiction of the NYAG over the conduct set forth in the Amended Complaint, and acknowledges that its conduct violated the federal securities laws. Accordingly, the NYAG deems it appropriate to enter into this Agreement with Barclays, which imposes on Barclays the obligation to refrain from engaging in future actions in violation of state and federal securities laws, requires certain undertakings by Barclays, and imposes a total penalty of \$70 million, half of which will be paid to the State of New York and half to the Securities and Exchange Commission (the “SEC” or “Commission”).¹

¹ Barclays has consented to the entry by the SEC of an Order Instituting Administrative and Cease-and-Desist Proceedings in Administrative Proceeding File No. 3-17077 concerning matters substantially related to those set forth in this Agreement.

II. NYAG's FINDINGS OF FACT

1. The NYAG's findings of fact in connection with its investigation of Barclays are set forth in the Amended Complaint, Docket No. 72 in *Schneiderman v. Barclays Capital, Inc., et al.*, New York Supreme Court, Index No. 451391/2014 (filed January 21, 2015).

III. ADMISSION OF FACTS

Barclays admits to the following facts:

1. Barclays Capital Inc. is a broker-dealer registered under the Securities Exchange Act of 1934 and is a Connecticut corporation with its principal office located in New York, New York. Barclays is an indirect wholly owned subsidiary of Barclays Bank Plc. Since 2008, Barclays has operated LX, an ATS that operates pursuant to Regulation ATS. As of May 2014, LX was the second-largest ATS (as measured by daily average trading volume in National Market System ("NMS") stocks) in the United States.

A. Barclays' Liquidity Profiling

2. In late 2011, Barclays developed and implemented a product feature for LX called Liquidity Profiling. From December 2011 through June 2014, Barclays described Liquidity Profiling as a "powerful tool to proactively monitor LX" and as a "sophisticated surveillance framework that protects clients from predatory trading." Liquidity Profiling could be used only by LX subscribers permitted by Barclays to trade in LX. These LX subscribers included institutional investors, broker-dealers, electronic liquidity providers ("ELPs"), and Barclays' internal desks. High frequency trading firms would be included in the ELP classification.

3. Prior to the implementation of Liquidity Profiling, Barclays allowed LX subscribers to block their interactions with certain categories of other subscribers based on static classifications of LX subscribers by type, such as institutional, broker-dealer, ELP, or internal. Subscribers that did not want to trade with a certain type of LX subscriber could ask Barclays to block interactions with those LX subscriber types.

4. Barclays designed Liquidity Profiling to measure trading based on the manner in which LX subscribers traded, rather than by static classifications of LX subscribers by type. Specifically, Barclays designed Liquidity Profiling to analyze LX subscribers' order flow and segment it into various "categories" numbered 0 through 5 (0 representing the most aggressive flow, and 5 representing the least aggressive flow). Barclays designed Liquidity Profiling to then allow LX subscribers to block trading with other subscribers that were assigned to certain categories, rather than with certain client types. For example, an LX subscriber that did not want to trade with other subscribers that Liquidity Profiling rated as most aggressive could choose not to interact with LX subscribers that were rated as type 0 or 1. Barclays also continued to offer LX subscribers the option to block trading based on traditional LX subscriber types, as well as the option to block trading with specific counterparties.

5. Barclays designed Liquidity Profiling to use various metrics to assess the

aggressiveness of LX subscribers' trading activity in LX. The primary metrics used included: 1-Second Take Alpha (which Barclays defined as the movement of the mid-quote from the time of the trade to one second later, normalized by the size of the spread) and Normalized Order Size (which Barclays defined as the average LX subscriber order size in LX, normalized by the average execution size in the market, for an individual security).

6. Beginning in early 2012 and throughout the relevant period, Barclays distributed marketing material or otherwise communicated to current and prospective LX subscribers that it used Liquidity Profiling to review LX subscriber behavior.

7. In particular, Barclays distributed a two-page marketing piece titled: "LX Liquidity Profiling: Protecting clients in the dark" (hereinafter, "Tear Sheet"). The Tear Sheet stated that "Liquidity Profiling is a sophisticated surveillance framework that protects clients from predatory trading" and "utilizes robust visualization tools . . . to continuously police the trading activity in LX." The Tear Sheet also included a graphical depiction [*see supra* Figure 2] of one of the aforementioned visualization tools used by "the Barclays ATS team to identify predatory behavior." The graphic's caption stated that it was an example of a visualization tool identifying a "latency arbitrage" strategy.

8. In addition to the Tear Sheet, Barclays also conveyed the following to current and prospective LX subscribers in response to LX subscriber questionnaires or as proactive marketing: "Client behavior is reviewed on a weekly basis, allowing the Barclays ATS team to quickly identify aggressive behavior and take corrective action with clients who exhibit opportunistic behavior," and "Barclays runs surveillance reports every week to make sure that there is no toxic flow in the book."

9. Barclays did not use such visualization tools to monitor for latency arbitrage on a regular basis. Barclays also did not run such surveillance reports every week during the relevant period.

B. Barclays' Liquidity Profiling Overrides

10. As described above, Barclays designed Liquidity Profiling to evaluate the nature of its LX subscribers' trading. In particular, Barclays designed Liquidity Profiling to analyze LX subscribers' order flow and segment it into various "buckets" numbered 0 through 5 (0 representing the most aggressive order flow, and 5 representing the least aggressive order flow). Liquidity Profiling would then allow LX subscribers to block trading with other subscribers that were assigned to certain categories.

11. During the relevant period, Barclays assigned certain LX subscribers to more aggressive or less aggressive buckets than they should have been assigned ("Overrides") based solely on the objective application of the Liquidity Profiling metrics described above. While the majority of these Overrides moved LX subscribers from less aggressive categories to more aggressive categories, Barclays at times also moved LX subscribers from more aggressive categories to less aggressive categories.

12. Because Barclays applied Overrides to move certain subscribers from more aggressive categories to less aggressive categories, certain LX subscribers interacted with other LX subscribers in the most aggressive categories (namely, the 0 and 1 buckets) despite electing not to do so.

13. The subscribers that Barclays re-assigned to less aggressive categories included a Barclays market making desk. At times in 2012 and 2013, Liquidity Profiling rated this Barclays market making desk as engaging in type 0 or 2 trading, two of the more “aggressive” Liquidity Profiling subscriber categories. Barclays, however, overrode this categorization and instead recategorized that desk as type 4, one of the least aggressive Liquidity Profiling subscriber categories. As a result, at times in 2012 and 2013, the Barclays market making desk was allowed to trade with LX subscribers that specifically opted not to trade against other subscribers that Liquidity Profiling labeled as type 0 or 2.

14. At times during the relevant period, Barclays also overrode its Liquidity Profiling categorizations with respect to the categorization of the trading activity of two institutional subscribers. Liquidity Profiling rated these subscribers as engaging in type 0 or 1 trading, the most “aggressive” Liquidity Profiling trader categories. Barclays, however, overrode these categorizations and instead recategorized them as type 2 or 4 subscribers. Because of Barclays’ recategorization of these subscribers, they were allowed to trade with LX subscribers that specifically opted not to trade against other subscribers that the Liquidity Profiling tool had labeled as type 0 or 1.

15. At times during the relevant period, Barclays also overrode its Liquidity Profiling subscriber categorizations with respect to numerous institutions that traded through a direct connection to LX if, in addition to the direct connection to LX, they also accessed LX by using Barclays’ algorithms (trading activity from Barclays’ algorithms generally would have been categorized as type 4 or 5 based on an objective application of the Liquidity Profiling metrics). Liquidity Profiling rated these subscribers as engaging in type 0, 1, 2, or 3 trading, the more “aggressive” Liquidity Profiling subscriber categories. Barclays, however, overrode these categorizations and instead recategorized them as type 4 or 5 subscribers, the least aggressive Liquidity Profiling subscriber categories. As a result, these subscribers were allowed to trade with certain other LX subscribers that specifically opted not to trade against subscribers that the Liquidity Profiling tool had labeled as type 0, 1, 2, or 3.

16. During the relevant period, Barclays provided some subscribers with “LX 20-day Client Summary” reports. These reports contained the following footnote disclosure: “Barclays reserves the right as operators of LX to override the profile of any participant.” Neither these reports, nor any other material disseminated to LX subscribers, defined what it meant to “override the profile of [a] participant” or specifically disclosed that Barclays applied Overrides that allowed aggressive subscribers to trade against other LX subscribers that had specifically requested not to interact with LX subscribers that engaged in aggressive trading activity. Neither these reports, nor any other material disseminated to prospective or current subscribers, likewise specifically disclosed that Barclays at times applied an Override to its own internal market making desk.

C. Barclays' Liquidity Landscape Chart

17. Beginning in December 2011 and throughout the relevant period, LX employees prepared and distributed PowerPoint presentations ("Pitchbooks") to market LX and Barclays' electronic trading capabilities to current and prospective LX subscribers.

18. LX employees updated and revised certain pages in the Pitchbooks on a monthly basis. The cover page of the Pitchbooks stated the month and year of the Pitchbook (for example, "July 2013").

19. The December 2011 Pitchbook contained a slide that stated "New LX® Liquidity Profiling." The slide contained a graph titled "Modified Take % vs. 1-Second Alpha (spreads)." The chart (hereinafter, "bubble chart") depicted subscribers with a bubble, and the size of each bubble corresponded to the size of each subscriber's order flow at a static point in time. The x-axis of the bubble chart represented modified take percentage, and the y-axis of the graph represented "one second alpha."

20. The bubble chart in the December 2011 Pitchbook contained data for the flow in LX as of December 2011. The slide contained a footnote that stated: "This chart represents the top 100 participants in LX (~86% of total flow). The analysis spans more than 11.3 million trades."

21. The largest bubble in the December 2011 bubble chart represented the largest LX subscriber ("Subscriber 1"). Subscriber 1's location in the top right quadrant of the bubble chart demonstrated that its order flow made it one of the most aggressive subscribers in LX and that it benefitted from post-trade price movements.

22. From December 2011 to September 2012, Barclays updated the month and year on the cover of the Pitchbook on a monthly basis. Nonetheless, during this time, Barclays did not update the bubble chart on a monthly basis in its Pitchbooks. Rather, Barclays used the version of the bubble chart contained in the December 2011 Pitchbook, which had been created based on data from December 2011. During this time, Barclays also never modified the footnote on the slide containing the bubble chart that stated: "This chart represents the top 100 participants in LX (~86% of total flow). The analysis spans more than 11.3 million trades."

23. In or about October 2012, Barclays inserted a new version of the bubble chart into the Pitchbook that did not include the bubble corresponding to Subscriber 1. At this time, Subscriber 1 was the largest subscriber to LX with aggressive trading characteristics based on Liquidity Profiling's metrics, and Barclays did not revise the bubble chart to reflect that it had removed Subscriber 1. Apart from the absence of the bubble corresponding to Subscriber 1, the bubble chart was identical to the bubble chart that appeared in the December 2011 Pitchbook.

24. Even though Barclays removed the bubble representing Subscriber 1 from the bubble chart, it did not modify the footnote on the slide stating: "This chart represents the top

100 participants in LX (~86% of total flow). The analysis spans more than 11.3 million trades.”

25. From October 2012 through March 2014, Barclays continued to update certain pages in the Pitchbook on a monthly basis, and continued to update the month and year on the cover of the document. During this time, the Pitchbook used the version of the bubble chart that omitted Subscriber 1 and that otherwise was based on data from December 2011.

26. In April 2014, Barclays employees modified the footnote on the slide containing the bubble chart to say: “Note: This chart represents the top 100 clients in LX (~86% of total flow). The analysis spans more than 12 million trades. Source: Barclays Data, 2014.”

27. The bubble chart in the April 2014 version of the Pitchbook (which also appeared in the Pitchbooks from October 2012 through March 2014) did not represent the flow for the “top 100 clients in LX” as of April 2014 because it omitted a bubble corresponding to Subscriber 1’s order flow. The source for the data in the April 2014 Pitchbook was also not 2014 data but instead data from December 2011.

D. Barclays’ Use of Market Data Feeds

28. The National Best Bid and Offer (“NBBO”) is the highest bid (or purchase) price and the lowest ask (or sale) price for a security in the national market system (“NMS”). Regulation NMS requires trading centers to have and enforce policies and procedures reasonably designed to prevent executions at prices that are inferior to prices that are displayed and available at another market center. *See* Rule 611(a) of Regulation NMS, 17 CFR § 242.611(a). During the relevant period, Barclays calculated the NBBO in LX using a combination of data from (1) Securities Information Processors (“SIPs”) and (2) direct feeds from the BATS, ARCA, and NASDAQ exchanges.

29. At no time during the relevant period did LX subscribe to a direct market data feed from the New York Stock Exchange (“NYSE”).

30. Yet in July 2013, Barclays responded to the following question by a subscriber: “Does the pool utilize the SIP for the NBBO, direct feeds to construct an NBBO or some combination (for Reg NMS compliance purposes)?” by saying, “Combination of SIP (for regional venues) and direct feeds (for major exchanges).”

31. On April 9, 2014, Barclays sent LX subscribers a marketing piece that stated in relevant part: “We protect clients in our dark pool. We utilize direct data feeds from exchanges to deter latency arbitrage.” Barclays did not mention its use of the SIP to calculate the NBBO for LX or its lack of use of the NYSE direct feed in this document.

E. Barclays’ Pre-Set Credit Thresholds

32. Barclays had one primary control in place during the relevant period that it

used to monitor client orders and executions. This control was a proprietary developed system called NICON. During the relevant period, Barclays assigned credit thresholds to clients, including LX subscribers. NICON sent email messages to Barclays' service desk when percentages of the client's overall credit threshold had been reached (*e.g.*, at 33%, 50%, 66%, and 80% of the client's overall threshold).

33. NICON, however, did not have the functionality to prevent the entry of orders that would exceed pre-set credit thresholds by rejecting them, and Barclays did not have any other control in place that did so.

34. Barclays also allowed sales traders to enter orders using a placeholder acronym, OMNI, that was not tied to any specific client. This practice resulted in Barclays not crediting certain customer orders against their respective thresholds.

F. Barclays' Pre-Set Capital Thresholds

35. Although Barclays did have a firm-wide capital threshold, Barclays did not have controls in place that would prevent the entry of orders that would exceed the threshold.

36. In addition to not having controls, Barclays did not include all relevant orders in its capital threshold calculation, including orders by its own market making desk and two of its proprietary trading desks.

G. Barclays' Amendments to Form ATS and Protection of Confidential Client Information

37. Barclays instituted Overrides throughout the relevant period without amending its Form ATS to include information about these material changes to LX's operation.

38. Barclays employees assigned to the "Electronic Trading" and "All" user groups had the ability to view orders and executions the day after these orders and executions occurred in LX, if they knew the relevant computer language and had the ability to navigate through Barclays' computer systems. As such, Barclays did not limit the access to confidential trading information of LX subscribers to those employees of the ATS who operated the system or were responsible for its compliance.

IV. ACKNOWLEDGMENT OF JURISDICTION

Barclays acknowledges that the NYAG has jurisdiction over the matters alleged in the Amended Complaint pursuant to the Martin Act and Executive Law § 63(12).

V. ADMISSION OF VIOLATIONS OF LAW

Barclays admits as a result of the conduct set forth in Section III, above, Barclays violated the federal securities laws.

VI. AGREEMENT

WHEREAS, Barclays admits to the jurisdiction of the NYAG over this matter as set forth in Section IV;

WHEREAS, Barclays will refrain from engaging in future actions in violation of state and federal securities laws;

WHEREAS, the NYAG is willing to accept the terms of this Agreement in order to resolve the Litigation;

WHEREAS, Barclays has engaged an independent third-party consultant (hereinafter, “third-party consultant”) to conduct a comprehensive review of its policies, procedures, practices and compliance related to its operation of LX, Market Access Rule compliance, and its compliance with certain requirements of Regulation ATS;

WHEREAS, Barclays has agreed to pay a penalty and to undertake certain reforms, as set forth below; and

WHEREAS, the NYAG believes that the obligations imposed by this Agreement are prudent and appropriate;

IT IS HEREBY UNDERSTOOD AND AGREED by and between the parties that:

A. Penalty and Censure

1. Within ten (10) business days of the execution of this Agreement, Barclays will pay a monetary penalty of \$70 million, with \$35 million payable to the State of New York by wire transfer, certified check, or bank check.

2. Barclays agrees that it will not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax, directly or indirectly, for any portion of the payment that it shall make pursuant to this Agreement.

3. The foregoing payment and all correspondence related to this Agreement must reference Agreement # 15-290.

4. The NYAG censures Barclays for the conduct set out in the findings of fact set forth in Section III of this Agreement.

B. Undertakings

1. Within five (5) days of the receipt of the penalty set forth in Section VI(A)(1), above, the parties shall file a Stipulation of Discontinuance, with prejudice, in the Litigation pursuant to CPLR 3217(a)(2).

2. Barclays agrees to undertake the following:
 - a) With the assistance of the aforementioned third-party consultant, conduct a review of its policies, procedures, practices and compliance related to the following and have the third-party consultant prepare a written report (the “Report”) that includes an evaluation of the following:
 - i. The process by which Barclays creates, approves, and disseminates (including how, to whom, and the tracking of such) marketing material, including written presentations and other sales materials concerning LX;
 - ii. Barclays’ risk management controls and supervisory procedures pertaining to Barclays’ financial exposure that could arise as a result of its market access, including, but not limited to, its credit and capital thresholds and the prevention of both the entry of orders that would exceed such thresholds;
 - iii. Barclays’ reporting on its Form ATS of material changes to the operation of LX; and
 - iv. Barclays’ safeguards and procedures to protect ATS subscribers’ confidential trading information, including how the ATS limits access to the confidential trading information of subscribers to those employees of the ATS who are operating the system or responsible for its compliance with applicable rules (and, in particular, how the ATS maintains adequate safeguards and procedures in regards to employees or business units of Barclays outside of the ATS from accessing ATS subscribers’ confidential trading information); and Barclays’ oversight procedures for ensuring that the safeguards and procedures for protecting subscribers’ confidential trading information are followed.²
 - b) Require the third-party consultant within ninety (90) days of the issuance of this Order, unless otherwise extended by Commission staff and/or NYAG for good cause, to provide Barclays, Commission staff, and NYAG with an estimate of the time needed to complete the review, to prepare the Report and to provide a proposed deadline for the Report, subject to the approval of Commission staff and/or NYAG.
 - c) Require the third-party consultant to issue the Report by the approved deadline and to provide the Report simultaneously to Commission staff, NYAG and Barclays.

² To the extent that the third-party consultant engages the services of any other consultant(s) to assist with its work, the third-party consultant shall have complete independence and discretion over the retention of any such consultant(s).

- d) Submit to Commission staff, NYAG and the third-party consultant, within thirty (30) days of the third-party consultant's issuance of the Report, the date by which Barclays will adopt and implement any recommendations in the Report, subject to Section VI(B)(2)(d)(i)-(iii) below and subject to the approval of Commission staff and NYAG.
 - i. As to any recommendation that Barclays considers to be, in whole or in part, unduly burdensome or impractical, Barclays may submit in writing to the third-party consultant, Commission staff and NYAG a proposed alternative reasonably designed to accomplish the same objectives, within sixty (60) days of receiving the Report. Barclays shall then attempt in good faith to reach an agreement with the third-party consultant relating to each disputed recommendation and request that the third-party consultant reasonably evaluate any alternative proposed by Barclays. If, upon evaluating Barclays' proposal, the third-party consultant determines that the suggested alternative is reasonably designed to accomplish the same objectives as the recommendations in question, then the third-party consultant shall approve the suggested alternative and make the recommendations. If the third-party consultant determines that the suggested alternative is not reasonably designed to accomplish the same objectives, the third-party consultant shall reject or revise Barclays' proposal. The third-party consultant shall inform Barclays of the third-party consultant's final determination concerning any recommendation that Barclays considers to be unduly burdensome or impractical within twenty-one (21) days after the conclusion of the discussion and evaluation by Barclays and the third-party consultant.
 - ii. In the event that Barclays and the third-party consultant are unable to agree on an alternative proposal, Barclays shall accept the third-party consultant's recommendation(s).
 - iii. Within thirty (30) days after final agreement is reached on any disputed recommendation, Barclays shall submit to the third-party consultant, Commission staff and NYAG the date by which Barclays will adopt and implement the agreed-upon recommendation, subject to the approval of Commission staff and NYAG.
- e) Adopt and implement, on the timetable set forth by Barclays in accordance with Section VI(B)(2)(d), the recommendations in the Report. Barclays shall notify the third-party consultant, Commission staff and NYAG when the recommendations have been implemented.
- f) Require the third-party consultant to certify, in writing, to Barclays, Commission staff, and NYAG that Barclays has implemented the agreed-upon recommendations for which the third-party consultant was responsible. The third-party consultant's certification shall be received within sixty (60) days after

Barclays has notified the third-party consultant that the recommendations have been implemented.

- g) Within one hundred and eighty (180) days from the date of the applicable certification described in Section VI(B)(2)(f) above, require the third-party consultant to have completed a review of Barclays' policies, procedures, and practices described above and submit a final written report ("Final Report") to Barclays, Commission staff, and NYAG. The Final Report shall describe the review made of Barclays' policies, procedures, and practices and describe how Barclays is implementing, enforcing, and auditing the enforcement and implementation of any recommendations by the third-party consultant. The Final Report shall include an opinion of the third-party consultant on whether the revised policies, procedures, and practices and their implementation and enforcement by Barclays and Barclays' auditing of the implementation and enforcement of those policies, procedures, and practices are reasonably designed to ensure compliance with the federal securities laws.
- h) Barclays may apply to Commission staff and/or NYAG for an extension of the deadlines described above before their expiration and, upon a showing of good cause by Barclays, Commission staff and/or NYAG may, in their sole discretion, grant such extensions for whatever time period it deems appropriate.
- i) Barclays shall certify, in writing, compliance with the undertakings set forth above. The certification shall identify the undertakings, provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Commission staff and NYAG may make reasonable requests for further evidence of compliance, and Barclays agrees to provide such evidence. The certification and supporting material shall be submitted to (i) James A. Scoggins, Assistant Director, Market Abuse Unit, Division of Enforcement, Securities and Exchange Commission, with a copy to the Office of Chief Counsel of the Enforcement Division, and (ii) John D. Castiglione, Assistant Attorney General, Investor Protection Bureau, Office of the New York State Attorney General, no later than sixty (60) days from the date of the completion of the undertakings.
- j) Barclays shall require the third-party consultant to enter into an agreement that provides that for the period of engagement and for a period of two years from completion of the engagement, the third-party consultant shall not enter into any employment, consultant, attorney-client, auditing or other professional relationship with Barclays, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity. The agreement will also provide that the third-party consultant will require that any firm with which he/she is currently affiliated or of which he/she is currently a member shall not, without prior written consent of Commission staff and the NYAG, enter into any employment, consultant, attorney-client, auditing or other professional relationship with Barclays, or any of its present or former affiliates, directors,

officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

- k) To ensure the independence of the third-party consultant, Barclays shall not have the authority to terminate the third-party consultant without prior written approval of the NYAG and the Commission staff, and shall compensate the third-party consultant and persons engaged to assist the third-party consultant for services rendered pursuant to this Agreement at their reasonable and customary rates.

C. General Provisions

1. Barclays represents and warrants, through the signatures below, that the terms and conditions of this Agreement are duly approved, and execution of this Agreement is duly authorized.

2. Barclays shall not take any action or make any statement denying, directly or indirectly, (i) the propriety of this Agreement, or (ii) contradicting the facts set forth in Section III. Nothing in this paragraph affects Barclays' (i) testimonial obligations or (ii) right to take legal or factual positions in defense of litigation or other legal proceedings to which the NYAG is not a party. This Agreement is not intended for use by any third party in any other proceeding.

3. This Agreement may not be amended except by an instrument in writing signed on behalf of all the parties to this Agreement.

4. This Agreement shall be binding on and inure to the benefit of the parties to this Agreement and their respective successors and assigns, provided that no party, other than the NYAG, may assign, delegate, or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the NYAG.

5. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, in the sole discretion of the NYAG such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement.

6. To the extent not already provided under this Agreement, Barclays shall, upon request by the NYAG, provide all documentation and information necessary for the NYAG to verify compliance with Section VI(B).

7. All notices, reports, requests, and other communications to any party pursuant to this Agreement shall be in writing and shall be directed as follows:

If to the NYAG to:

John D. Castiglione
Assistant Attorney General
Investor Protection Bureau

New York, New York 10271

If to Barclays, to:

James Meadows
Americas Head of Investigations and Enforcement
Litigation, Investigations & Enforcement
Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

8. Acceptance of this Agreement by the NYAG shall not be deemed approval by the NYAG of any of the practices or procedures referenced herein, and Barclays shall make no representation to the contrary.

9. The NYAG finds the relief and agreements contained in this Agreement appropriate and in the public interest. This Agreement shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

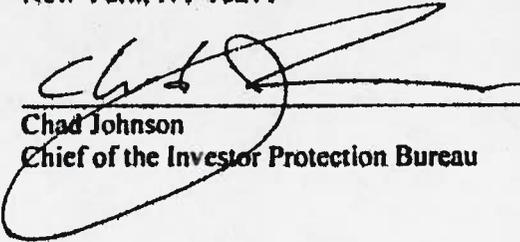
10. Nothing contained herein shall be construed as to deprive any person of any private right under the law, nor to deprive Barclays of any defense, claim or counterclaim in any action involving the assertion of any private right by any person, where NYAG is not a party to such action.

11. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

Dated: 1/21/2016, 2015
New York, New York

ERIC T. SCHNEIDERMAN
Attorney General of the State of New York
120 Broadway
New York, NY 10271

By:


Chad Johnson
Chief of the Investor Protection Bureau

Barclays PLC
Barclays Capital Inc.

Dated: _____, 2015
New York, New York

By: _____

Office of the New York State Attorney General
120 Broadway, 23rd Floor
New York, New York 10271

If to Barclays, to:

James Meadows
Americas Head of Investigations and Enforcement
Litigation, Investigations & Enforcement
Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

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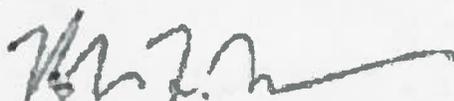
Dated: _____, 2016
New York, New York

ERIC T. SCHNEIDERMAN
Attorney General of the State of New York
120 Broadway
New York, NY 10271

By: _____
Chad Johnson
Chief of the Investor Protection Bureau

Barclays PLC

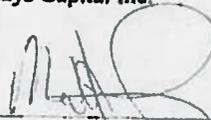
Dated: 29th January, 2016

By: _____


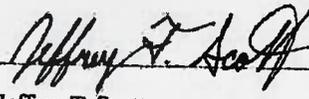
Barclays Capital Inc.

Dated: July 29, 2016

By:


Matthew Fitzwater
Managing Director

This Agreement has been reviewed by counsel, who also certifies that the Barclays signatory/ies above, ~~Rob Wright & Matt Fitzwater~~, are duly authorized by Barclays PLC and Barclays Capital Inc. to execute the same, and that the signature(s) above is/are true and authentic:



Dated: January 28, 2016

Jeffrey T. Scott
Sullivan & Cromwell LLP