

BrokerCheck Report

LIQUIDNET, INC.

CRD# 103987

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®



BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

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Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources.

[For more information about FINRA, visit www.finra.org.](http://www.finra.org)



LIQUIDNET, INC.

CRD# 103987

SEC# 8-52461

Main Office Location

200 VESEY STREET
5TH FLOOR
NEW YORK, NY 10281
Regulated by FINRA New York Office

Mailing Address

200 VESEY STREET
5TH FLOOR
NEW YORK, NY 10281

Business Telephone Number

212-208-2000

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 01/12/2000.

Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This firm is registered with:

- the SEC
- 2 Self-Regulatory Organizations
- 16 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 9 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	11

The number of disclosures from non-registered control affiliates is 5



Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 01/12/2000.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

LIQUIDNET, INC.

Doing business as LIQUIDNET, INC.

CRD# 103987

SEC# 8-52461

Main Office Location

200 VESEY STREET
5TH FLOOR
NEW YORK, NY 10281

Regulated by FINRA New York Office

Mailing Address

200 VESEY STREET
5TH FLOOR
NEW YORK, NY 10281

Business Telephone Number

212-208-2000



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any):	ICAP GLOBAL BROKING INC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	SOLEMEMBER
Position Start Date	11/2025
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	BOND, ROBERT 4121948
Is this a domestic or foreign entity or an individual?	Individual
Position	CEO/DIRECTOR
Position Start Date	09/2021
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	DUGAN, PETER 6352313
Is this a domestic or foreign entity or an individual?	Individual
Position	GENERAL COUNSEL
Position Start Date	03/2026

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No

Legal Name & CRD# (if any): LANE, JASON
2671708

Is this a domestic or foreign entity or an individual? Individual

Position CHIEF COMPLIANCE OFFICER

Position Start Date 06/2026

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): PEZEU, CHRISTIAN JEAN MICHEL
5661987

Is this a domestic or foreign entity or an individual? Individual

Position CHIEF FINANCIAL OFFICER

Position Start Date 04/2021

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No



Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

Legal Name & CRD# (if any):	TP ICAP AMERICAS HOLDINGS INC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	ICAP GLOBAL BROKING INC
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	03/2018
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	TP ICAP GROUP PLC
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	TP ICAP HOLDINGS LIMITED
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	03/2021
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	TP ICAP HOLDINGS LIMITED
Is this a domestic or foreign entity or an individual?	Foreign Entity

Firm Profile



Indirect Owners (continued)

Company through which indirect ownership is established	TP ICAP AMERICAS HOLDINGS INC.
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	03/2021
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.





Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is currently registered with the SEC, 2 SROs and 16 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	10/10/2000

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	10/10/2000
Nasdaq Stock Market	Approved	07/12/2006

Firm Operations



Registrations (continued)

U.S. States & Territories	Status	Date Effective
Arizona	Approved	02/07/2014
California	Approved	11/03/2000
Colorado	Approved	02/14/2018
Connecticut	Approved	02/01/2018
Delaware	Approved	05/16/2011
Florida	Approved	03/23/2023
Illinois	Approved	01/22/2001
Massachusetts	Approved	11/17/2000
Michigan	Approved	02/05/2018
New York	Approved	08/14/2000
Ohio	Approved	08/20/2001
Oregon	Approved	04/01/2003
Pennsylvania	Approved	07/27/2011
South Carolina	Approved	05/01/2015
Tennessee	Approved	02/13/2014
Texas	Approved	04/17/2008



Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 9 types of businesses.

Types of Business

Exchange member engaged in exchange commission business other than floor activities

Broker or dealer retailing corporate equity securities over-the-counter

Broker or dealer selling corporate debt securities

Underwriter or selling group participant (corporate securities other than mutual funds)

Put and call broker or dealer or option writer

Non-exchange member arranging for transactions in listed securities by exchange member

Trading securities for own account

Private placements of securities

Other - 1)OPERATING AN ALTERNATIVE TRADING SYSTEM FOR TRANSACTIONS IN EQUITY SECURITIES. 2)CONDUCTING SOFT DOLLAR BUSINESS INCIDENTAL TO THE OPERATION OF THE ALTERNATIVE TRADING SYSTEM. 3)LIQUIDNET HAS THE ABILITY TO HOLD CUSTOMER FUNDS AND SECURITIES IN THE EVENT A CUSTOMER OF LIQUIDNET IS NOT ABLE TO CLEAR AND SETTLE TRANSACTIONS THROUGH DVP/RVP. 4)OPERATION OF ALTERNATIVE TRADING SYSTEM FOR TRANSACTIONS IN CONVERTIBLE DEBT AND CORPORATE (INCLUDING HIGH YIELD) DEBT SECURITIES AND FOREIGN DEBT SECURITIES

Other Types of Business

This firm does effect transactions in commodities, commodity futures, or commodity options.

This firm does engage in other non-securities business.

Non-Securities Business Description: EFFECTS TRANSACTIONS IN COMMODITY FUTURES, COMMODITIES, TREASURIES, COMMODITY OPTIONS AS BROKER FOR OTHERS OR DEALER.

Firm Operations



Clearing Arrangements

This firm does hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name:	GOLDMAN, SACHS & CO.
CRD #:	361
Business Address:	200 WEST STREET NEW YORK, NY 10282
Effective Date:	08/04/2015
Description:	LIQUIDNET, INC. CLEARS THROUGH GOLDMAN, SACHS & CO.(GSCO) ON A FULLY-DISCLOSED BASIS.

Firm Operations

Industry Arrangements



This firm does have books or records maintained by a third party.

Name: AWS GLACIER
Business Address: SEATTLE IS 410 TERRY AVENUE NORTH,
NORTH SEATTLE, WA 98109
Effective Date: 10/01/2025
Description: WHERE THE BOOKS AND RECORDS ARE STORED

Name: GLOBAL RELAY COMMUNICATIONS INC
Business Address: 220 CAMBIE STREET
2ND FL
VANCOUVER, BC V6B 2M9
Effective Date: 06/24/2014
Description: THE FIRM ARCHIVES RECORDS USING GLOBAL RELAY

Name: RQD CLEARING
Business Address: 1 WORLD TRADE CENTER
NEW YORK, NY 10007
Effective Date: 07/11/2024
Description: RECORDS CUSTODIAN/CLEARING FIRM OF OPTIONS

Name: GOLDMAN, SACHS & CO.
CRD #: 361
Business Address: 200 WEST STREET
NEW YORK, NY 10282
Effective Date: 08/04/2015
Description: LIQUIDNET, INC. CLEARS TRADE THROUGH GOLDMAN, SACHS & CO. (GSCO) ON A FULLY-DISCLOSED BASIS. IN CONNECTION WITH THIS ARRANGEMENT, CERTAIN BOOKS AND RECORDS OF LIQUIDNET MAY BE MAINTAINED BY GSCO.

This firm does have accounts, funds, or securities maintained by a third party.

Name: GOLDMAN, SACHS & CO.
CRD #: 361
Business Address: 200 WEST STREET

Firm Operations



Industry Arrangements (continued)

NEW YORK, NY 10282

Effective Date: 08/04/2015

Description: LIQUIDNET, INC. CLEARS THROUGH GOLDMAN, SACHS & CO. (GSCO) ON A FULLY-DISCLOSED BASIS. IN CONNECTION WITH THIS ARRANGEMENT, SOME ACCOUNTS, FUNDS, AND SECURITIES OF LIQUIDNET MAY BE MAINTAINED BY GSCO.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name: GOLDMAN, SACHS & CO.

CRD #: 361

Business Address: 200 WEST STREET
NEW YORK, NY 10282

Effective Date: 08/04/2015

Description: LIQUIDNET, INC. CLEARS CUSTOMER TRADES THROUGH GOLDMAN, SACHS & CO.(GSCO). IN CONNECTION WITH THIS ARRANGEMENT, CERTAIN ACCOUNTS, FUNDS AND SECURITIES OF LIQUIDNET CUSTOMERS MAY BE HELD BY GSCO.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

ICAP SECURITIES LTD is under common control with the firm.

Business Address:	2 BROADGATE LONDON, UK EC2M 7UR
Effective Date:	03/23/2021
Foreign Entity:	Yes
Country:	UK
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

FIRST BROKERS SECURITIES LLC is under common control with the firm.

CRD #:	27369
Business Address:	185 HUDSON STREET HARBORSIDE 5, SUITE 1500 JERSEY CITY, NJ 07311
Effective Date:	03/23/2021
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

Firm Operations**Organization Affiliates (continued)**

TP ICAP GLOBAL MARKETS AMERICAS LLC is under common control with the firm.

CRD #: 2762

Business Address: 200 VESEY STREET
6TH FLOOR
NEW YORK, NY 10281

Effective Date: 03/23/2021

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF TP ICAP GROUP PLC

LIQUIDNET SINGAPORE PRIVATE LIMITED is under common control with the firm.

Business Address: 50 RAFFLES PLACE, 41ST FLOOR
SINGAPORE LAND TOWER
SINGAPORE, SINGAPORE 048623

Effective Date: 10/30/2021

Foreign Entity: Yes

Country: SINGAPORE

Securities Activities: Yes

Investment Advisory Activities: No

Description: LIQUIDNET SINGAPORE PRIVATE LIMITED IS WHOLLY OWNED BY LIQUIDNET HOLDINGS, INC.

LIQUIDNET BERMUDA LIMITED is under common control with the firm.

Business Address: 55 PAR-LA-VILLE ROAD
HAMILTON, BERMUDA HM 11

Effective Date: 10/31/2017

Foreign Entity: Yes

Country: BERMUDA

Firm Operations



Organization Affiliates (continued)

Securities Activities: Yes

Investment Advisory Activities: No

Description: LIQUIDNET BERMUDA LIMITED IS A HOLDING COMPANY FOR CERTAIN OF THE OVERSEAS ENTITIES OF THE LIQUIDNET GROUP. THE "LIQUIDNET GROUP" CONSISTS OF LIQUIDNET HOLDINGS, INC. AND ITS WHOLLY-OWNED SUBSIDIARIES.

LIQUIDNET AUSTRALIA PTY LTD. is under common control with the firm.

Business Address: LEVEL 10
1 CASTLEREAGH STREET
SYDNEY, AUSTRALIA 2000

Effective Date: 10/26/2007

Foreign Entity: Yes

Country: AUSTRALIA

Securities Activities: Yes

Investment Advisory Activities: No

Description: LIQUIDNET, INC. AND LIQUIDNET AUSTRALIA PTY LTD. ARE BOTH WHOLLY-OWNED SUBSIDIARIES OF LIQUIDNET HOLDINGS, INC.

LIQUIDNET ASIA LIMITED is under common control with the firm.

Business Address: 24TH FLOOR, 28 HENNESSY ROAD
LEVEL 21
WANCHAI, HONG KONG

Effective Date: 02/28/2014

Foreign Entity: Yes

Country: HONG KONG

Securities Activities: Yes

Investment Advisory Activities: No

Description: LIQUIDNET, INC. AND LIQUIDNET ASIA LIMITED ARE BOTH WHOLLY-OWNED SUBSIDIARIES OF LIQUIDNET HOLDINGS, INC.

LIQUIDNET JAPAN INC. is under common control with the firm.

Firm Operations**Organization Affiliates (continued)**

Business Address: 4-15-1 AKASAKA MINATO-KU
AKASAKA GARDEN CITY 4F
TOKYO, JAPAN 107-0052

Effective Date: 04/24/2006

Foreign Entity: Yes

Country: JAPAN

Securities Activities: Yes

Investment Advisory Activities: No

Description: LIQUIDNET, INC. AND LIQUIDNET JAPAN INC. ARE BOTH WHOLLY-OWNED SUBSIDIARIES OF LIQUIDNET HOLDINGS, INC.

LIQUIDNET CANADA INC. is under common control with the firm.

Business Address: 79 WELLINGTON ST WEST
TD SOUTH TOWER, SUITE 2403
TORONTO, CANADA M5K 1K2

Effective Date: 02/28/2014

Foreign Entity: Yes

Country: CANADA

Securities Activities: Yes

Investment Advisory Activities: No

Description: LIQUIDNET, INC. AND LIQUIDNET CANADA INC. ARE BOTH WHOLLY-OWNED SUBSIDIARIES OF LIQUIDNET HOLDINGS, INC.

LIQUIDNET EUROPE LIMITED is under common control with the firm.

Business Address: 21ST FLOOR, BROADGATE TOWER
PRIMROSE STREET
LONDON, ENGLAND EC2A 2EW

Effective Date: 02/28/2014

Foreign Entity: Yes

Country: ENGLAND AND WALES

Securities Activities: Yes

Investment Advisory Activities: No

Firm Operations



Organization Affiliates (continued)

Activities:

Description: LIQUIDNET, INC. AND LIQUIDNET EUROPE ARE BOTH WHOLLY-OWNED SUBSIDIARIES OF LIQUIDNET HOLDINGS, INC.

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	11	0

Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 11

Reporting Source: Regulator

Current Status: Final



Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT PUBLISHED INACCURATE MONTHLY REPORTS OF EXECUTIONS OF COVERED ORDERS IN NATIONAL MARKET SYSTEM (NMS) SECURITIES REQUIRED UNDER REGULATION NMS RULE 605 OF THE SECURITIES EXCHANGE ACT OF 1934. THE FINDINGS STATED THAT THE FIRM ERRONEOUSLY INCLUDED IN ITS RULE 605 REPORTS APPROXIMATELY 67 MILLION ORDERS THAT REQUIRED SPECIAL HANDLING BECAUSE THE FIRM INCORRECTLY CLASSIFIED THOSE ORDERS AS COVERED ORDERS, WHICH CAUSED THE REPORTS TO CONTAIN INACCURATE ORDER AND EXECUTION QUALITY STATISTICS. FINRA IDENTIFIED THESE INACCURACIES DURING AN EXAM IN MARCH 2023. BY APRIL 2024, THE FIRM IMPLEMENTED CODING FIXES FOR THE ERRONEOUSLY CLASSIFIED ORDERS AND NO LONGER REPORTED THEM IN THE FIRM'S RULE 605 REPORTS. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM, INCLUDING ITS WSPS, WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RULE 605. THE FIRM'S SUPERVISORY SYSTEM WAS UNREASONABLE BECAUSE THE FIRM HAD NO PROCEDURES AND NO SUPERVISORY PROCESS TO DETERMINE WHETHER ORDERS WERE PROPERLY CLASSIFIED AS COVERED ORDERS. BY APRIL 2024, THE FIRM HAD UPDATED ITS WSPS AND IMPLEMENTED SUPERVISORY REVIEWS ADDRESSING THE PROPER CLASSIFICATION OF ORDERS AS COVERED ORDERS.

Initiated By: FINRA

Date Initiated: 05/04/2026

Docket/Case Number: [2023077018401](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/04/2026

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No



Sanctions Ordered: Censure
Monetary/Fine \$250,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$250,000. FINE PAID IN FULL ON MAY 14, 2026.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT PUBLISHED INACCURATE MONTHLY REPORTS OF EXECUTIONS OF COVERED ORDERS IN NATIONAL MARKET SYSTEM (NMS) SECURITIES REQUIRED UNDER REGULATION NMS RULE 605 OF THE SECURITIES EXCHANGE ACT OF 1934. THE FINDINGS STATED THAT THE FIRM ERRONEOUSLY INCLUDED IN ITS RULE 605 REPORTS APPROXIMATELY 67 MILLION ORDERS THAT REQUIRED SPECIAL HANDLING BECAUSE THE FIRM INCORRECTLY CLASSIFIED THOSE ORDERS AS COVERED ORDERS, WHICH CAUSED THE REPORTS TO CONTAIN INACCURATE ORDER AND EXECUTION QUALITY STATISTICS. FINRA IDENTIFIED THESE INACCURACIES DURING AN EXAM IN MARCH 2023. BY APRIL 2024, THE FIRM IMPLEMENTED CODING FIXES FOR THE ERRONEOUSLY CLASSIFIED ORDERS AND NO LONGER REPORTED THEM IN THE FIRM'S RULE 605 REPORTS. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM, INCLUDING ITS WSPS, WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RULE 605. THE FIRM'S SUPERVISORY SYSTEM WAS UNREASONABLE BECAUSE THE FIRM HAD NO PROCEDURES AND NO SUPERVISORY PROCESS TO DETERMINE WHETHER ORDERS WERE PROPERLY CLASSIFIED AS COVERED ORDERS. BY APRIL 2024, THE FIRM HAD UPDATED ITS WSPS AND IMPLEMENTED SUPERVISORY REVIEWS ADDRESSING THE PROPER CLASSIFICATION OF ORDERS AS COVERED ORDERS

Initiated By: FINRA

Date Initiated: 05/04/2026

Docket/Case Number: [2023077018401](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought: Other



Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/04/2026
Sanctions Ordered:	Censure Monetary/Fine \$250,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$250,000

Disclosure 2 of 11

Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 ("SECURITIES ACT") AND SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AGAINST LIQUIDNET, INC. ("LIQUIDNET" OR "RESPONDENT"). THE COMMISSION FINDS THAT THIS MATTER INVOLVES VIOLATIONS OF THE FEDERAL SECURITIES LAWS IN TWO REGULATORY AREAS BY LIQUIDNET, A REGISTERED BROKER-DEALER THAT OPERATES THREE ALTERNATIVE TRADING SYSTEMS ("ATSS"): TWO ATSS THAT TRADE NATIONAL MARKET SYSTEM ("NMS") STOCKS, LIQUIDNET NEGOTIATION ATS AND LIQUIDNET H20 ATS (THE "NMS STOCK ATSS"), AND ONE ATS THAT TRADES FIXED INCOME SECURITIES, LIQUIDNET FIXED INCOME ATS (THE "FIXED INCOME ATS" AND TOGETHER WITH THE NMS STOCK ATSS, THE "LIQUIDNET ATSS"). FIRST, LIQUIDNET VIOLATED SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULE 15C3-5 THEREUNDER (THE "MARKET ACCESS RULE") BY FAILING TO HAVE ADEQUATE RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES IN PLACE RELATED TO MARKET ACCESS FOR ITS ATSS. SECOND, LIQUIDNET FAILED TO ESTABLISH ADEQUATE WRITTEN SAFEGUARDS AND WRITTEN PROCEDURES TO PROTECT CONFIDENTIAL SUBSCRIBER TRADING INFORMATION AND FAILED TO AMEND ITS FORMS ATS-N AND ATS, AS REQUIRED BY REGULATION ATS. LIQUIDNET ALSO MADE MATERIAL MISREPRESENTATIONS ABOUT THE FIRM'S COMPLIANCE WITH BOTH REGULATION ATS AND THE MARKET ACCESS RULE.</p>

FROM APPROXIMATELY 2019 THROUGH 2023, LIQUIDNET VIOLATED THE



MARKET ACCESS RULE BY SETTING CREDIT THRESHOLDS FOR NON-BROKER-DEALER CUSTOMERS WITHOUT FIRST PERFORMING ADEQUATE DUE DILIGENCE ON THEIR CREDITWORTHINESS AND FREQUENTLY SETTING CUSTOMER CREDIT THRESHOLDS AT A DEFAULT OF \$1 BILLION - REGARDLESS OF THE CUSTOMER'S FINANCIAL STANDING. LIQUIDNET ALSO FAILED TO IMPLEMENT SYSTEMS TO PREVENT THESE THRESHOLDS FROM BEING BREACHED WITHIN THE NMS STOCK ATSS, AND, UNTIL 2023, FAILED TO REGULARLY REVIEW AND CERTIFY ITS COMPLIANCE WITH THE MARKET ACCESS RULE. LIQUIDNET FURTHER MADE MATERIAL MISREPRESENTATIONS TO CERTAIN CUSTOMERS ABOUT THE FIRM'S COMPLIANCE WITH THE MARKET ACCESS RULE.

FROM APPROXIMATELY 2019 THROUGH 2024, LIQUIDNET FAILED TO ADEQUATELY LIMIT INTERNAL ACCESS TO SPECIFIC SYSTEMS AND TOOLS CONTAINING CERTAIN CONFIDENTIAL SUBSCRIBER TRADING INFORMATION IN TWO WAYS. FIRST, LIQUIDNET DID NOT HAVE APPROPRIATE ACCESS CONTROLS FOR CERTAIN ATS DATA USED BY TECHNOLOGY PERSONNEL FOR TESTING PURPOSES. SECOND, LIQUIDNET PERMITTED INTERNAL ACCESS TO CERTAIN CONFIDENTIAL SUBSCRIBER TRADING INFORMATION BY CERTAIN EMPLOYEES WHO HAD NO OPERATIONAL OR COMPLIANCE RESPONSIBILITIES FOR THE LIQUIDNET ATSS. THIS INFORMATION PRIMARILY INCLUDED MATCH AND EXECUTION DATA, BUT GENERALLY DID NOT INCLUDE SUBSCRIBERS' UNMATCHED INDICATIONS OF INTEREST OTHER THAN ON AN AGGREGATE, NON-SYMBOL SPECIFIC BASIS. THE ACCESS GRANTED TO THESE EMPLOYEES WAS AT TIMES INCONSISTENT WITH LIQUIDNET'S PUBLIC DISCLOSURES.

LIQUIDNET ALSO MADE MATERIAL MISREPRESENTATIONS TO SUBSCRIBERS AND POTENTIAL SUBSCRIBERS IN RESPONSE TO DUE DILIGENCE INQUIRIES ABOUT THE SAFEGUARDS IT MAINTAINED OVER CONFIDENTIAL SUBSCRIBER TRADING INFORMATION, THE EMPLOYEES WHO HAD ACCESS TO THE LIQUIDNET ATSS, AND THE SCOPE OF THAT ACCESS. IN ADDITION, LIQUIDNET FAILED TO DISCLOSE CERTAIN INFORMATION ON ITS FORM ATS-N AND FORM ATS TO ACCURATELY REFLECT WHO HAD ACCESS TO CONFIDENTIAL SUBSCRIBER TRADING INFORMATION AND THE NATURE OF THAT ACCESS.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated: 01/10/2025
Docket/Case Number: 3-22394
Principal Product Type: No Product
Other Product Type(s):



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 01/10/2025

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? Yes

Sanctions Ordered: Censure
Monetary/Fine \$5,000,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: THE FIRM WAS CENSURED; SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT; SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULES 15C3-5(B), (C), AND (E) THEREUNDER; AND SECTION 5 OF THE EXCHANGE ACT BY FAILING TO COMPLY WITH RULES 301(B)(2), 301(B)(10), AND 304 OF REGULATION ATS PROMULGATED UNDER THE EXCHANGE ACT; SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$5,000,000; AND SHALL COMPLY WITH UNDERTAKINGS.

Regulator Statement THE FIRM HAS SUBMITTED AN OFFER OF SETTLEMENT (THE OFFER) WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. AS A RESULT OF ITS CONDUCT, THE FIRM WILLFULLY VIOLATED SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT; WILLFULLY VIOLATED SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULES 15C3-5(B), (C) AND (E) THEREUNDER; AND WILLFULLY VIOLATED SECTION 5 OF THE EXCHANGE ACT BY FAILING TO COMPLY WITH RULES 301(B)(2), 301(B)(10), AND 304 OF REGULATION ATS PROMULGATED UNDER THE EXCHANGE ACT. ACCORDINGLY, IT IS HEREBY ORDERED THAT THE FIRM IS CENSURED; SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT; SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULES 15C3-5(B), (C), AND (E) THEREUNDER; AND SECTION 5 OF THE EXCHANGE ACT BY FAILING TO COMPLY WITH RULES 301(B)(2), 301(B)(10), AND 304 OF REGULATION ATS PROMULGATED UNDER THE EXCHANGE ACT; SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$5,000,000; AND SHALL COMPLY WITH UNDERTAKINGS.



Reporting Source: Firm

Current Status: Final

Allegations: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 ("SECURITIES ACT") AND SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AGAINST LIQUIDNET, INC. ("LIQUIDNET" OR "RESPONDENT"). THE COMMISSION FINDS THAT THIS MATTER INVOLVES VIOLATIONS OF THE FEDERAL SECURITIES LAWS IN TWO REGULATORY AREAS BY LIQUIDNET, A REGISTERED BROKER-DEALER THAT OPERATES THREE ALTERNATIVE TRADING SYSTEMS ("ATSS"): TWO ATSS THAT TRADE NATIONAL MARKET SYSTEM ("NMS") STOCKS, LIQUIDNET NEGOTIATION ATS AND LIQUIDNET H20 ATS (THE "NMS STOCK ATSS"), AND ONE ATS THAT TRADES FIXED INCOME SECURITIES, LIQUIDNET FIXED INCOME ATS (THE "FIXED INCOME ATS" AND TOGETHER WITH THE NMS STOCK ATSS, THE "LIQUIDNET ATSS"). FIRST, LIQUIDNET VIOLATED SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULE 15C3-5 THEREUNDER (THE "MARKET ACCESS RULE") BY FAILING TO HAVE ADEQUATE RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES IN PLACE RELATED TO MARKET ACCESS FOR ITS ATSS. SECOND, LIQUIDNET FAILED TO ESTABLISH ADEQUATE WRITTEN SAFEGUARDS AND WRITTEN PROCEDURES TO PROTECT CONFIDENTIAL SUBSCRIBER TRADING INFORMATION AND FAILED TO AMEND ITS FORMS ATS-N AND ATS, AS REQUIRED BY REGULATION ATS. LIQUIDNET ALSO MADE MATERIAL MISREPRESENTATIONS ABOUT THE FIRM'S COMPLIANCE WITH BOTH REGULATION ATS AND THE MARKET ACCESS RULE. FROM APPROXIMATELY 2019 THROUGH 2023, LIQUIDNET VIOLATED THE MARKET ACCESS RULE BY SETTING CREDIT THRESHOLDS FOR NON-BROKER-DEALER CUSTOMERS WITHOUT FIRST PERFORMING ADEQUATE DUE DILIGENCE ON THEIR CREDITWORTHINESS AND FREQUENTLY SETTING CUSTOMER CREDIT THRESHOLDS AT A DEFAULT OF \$1 BILLION - REGARDLESS OF THE CUSTOMER'S FINANCIAL STANDING. LIQUIDNET ALSO FAILED TO IMPLEMENT SYSTEMS TO PREVENT THESE THRESHOLDS FROM BEING BREACHED WITHIN THE NMS STOCK ATSS, AND, UNTIL 2023, FAILED TO REGULARLY REVIEW AND CERTIFY ITS COMPLIANCE WITH THE MARKET ACCESS RULE. LIQUIDNET FURTHER MADE MATERIAL MISREPRESENTATIONS TO CERTAIN CUSTOMERS ABOUT THE FIRM'S COMPLIANCE WITH THE MARKET ACCESS RULE. FROM APPROXIMATELY 2019 THROUGH 2024, LIQUIDNET FAILED TO ADEQUATELY LIMIT INTERNAL ACCESS TO SPECIFIC SYSTEMS AND TOOLS CONTAINING CERTAIN CONFIDENTIAL SUBSCRIBER TRADING INFORMATION IN TWO



WAYS. FIRST, LIQUIDNET DID NOT HAVE APPROPRIATE ACCESS CONTROLS FOR CERTAIN ATS DATA USED BY TECHNOLOGY PERSONNEL FOR TESTING PURPOSES. SECOND, LIQUIDNET PERMITTED INTERNAL ACCESS TO CERTAIN CONFIDENTIAL SUBSCRIBER TRADING INFORMATION BY CERTAIN EMPLOYEES WHO HAD NO OPERATIONAL OR COMPLIANCE RESPONSIBILITIES FOR THE LIQUIDNET ATSS. THIS INFORMATION PRIMARILY INCLUDED MATCH AND EXECUTION DATA, BUT GENERALLY DID NOT INCLUDE SUBSCRIBERS' UNMATCHED INDICATIONS OF INTEREST OTHER THAN ON AN AGGREGATE, NON-SYMBOL SPECIFIC BASIS. THE ACCESS GRANTED TO THESE EMPLOYEES WAS AT TIMES INCONSISTENT WITH LIQUIDNET'S PUBLIC DISCLOSURES. LIQUIDNET ALSO MADE MATERIAL MISREPRESENTATIONS TO SUBSCRIBERS AND POTENTIAL SUBSCRIBERS IN RESPONSE TO DUE DILIGENCE INQUIRIES ABOUT THE SAFEGUARDS IT MAINTAINED OVER CONFIDENTIAL SUBSCRIBER TRADING INFORMATION, THE EMPLOYEES WHO HAD ACCESS TO THE LIQUIDNET ATSS, AND THE SCOPE OF THAT ACCESS. IN ADDITION, LIQUIDNET FAILED TO DISCLOSE CERTAIN INFORMATION ON ITS FORM ATS-N AND FORM ATS TO ACCURATELY REFLECT WHO HAD ACCESS TO CONFIDENTIAL SUBSCRIBER TRADING INFORMATION AND THE NATURE OF THAT ACCESS.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 01/10/2025

Docket/Case Number: 3-22394

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 01/10/2025

Sanctions Ordered: Censure
Monetary/Fine \$5,000,000.00

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: THE FIRM WAS CENSURED; SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT; SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULES 15C3-5(B), (C), AND (E) THEREUNDER; AND SECTION 5 OF THE EXCHANGE ACT BY FAILING TO COMPLY WITH



RULES 301(B)(2), 301(B)(10), AND 304 OF REGULATION ATS PROMULGATED UNDER THE EXCHANGE ACT; SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$5,000,000; AND SHALL COMPLY WITH UNDERTAKINGS.

Firm Statement

THE FIRM HAS SUBMITTED AN OFFER OF SETTLEMENT (THE OFFER) WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. AS A RESULT OF ITS CONDUCT, THE FIRM WILLFULLY VIOLATED SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT; WILLFULLY VIOLATED SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULES 15C3-5(B), (C) AND (E) THEREUNDER; AND WILLFULLY VIOLATED SECTION 5 OF THE EXCHANGE ACT BY FAILING TO COMPLY WITH RULES 301(B)(2), 301(B)(10), AND 304 OF REGULATION ATS PROMULGATED UNDER THE EXCHANGE ACT. ACCORDINGLY, IT IS HEREBY ORDERED THAT THE FIRM IS CENSURED; SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT; SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULES 15C3-5(B), (C), AND (E) THEREUNDER; AND SECTION 5 OF THE EXCHANGE ACT BY FAILING TO COMPLY WITH RULES 301(B)(2), 301(B)(10), AND 304 OF REGULATION ATS PROMULGATED UNDER THE EXCHANGE ACT; SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$5,000,000; AND SHALL COMPLY WITH UNDERTAKINGS.

Disclosure 3 of 11

Reporting Source:

Regulator

Current Status:

Final

Allegations:

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT PUBLISHED INACCURATE DATA IN MONTHLY REPORTS IT WAS REQUIRED TO PUBLISH PURSUANT TO REGULATION NMS RULE 605. THE FINDINGS STATED THAT THOSE REPORTS WERE INACCURATE BECAUSE THE FIRM MISCLASSIFIED, AND INCORRECTLY REFLECTED IN ITS RULE 605 REPORTS, CERTAIN MARKETABLE LIMIT ORDERS IN NMS STOCKS AS INSIDE-THE-QUOTE LIMIT ORDERS. SPECIFICALLY, THE FIRM RECEIVED "PARENT" LIMIT ORDERS FROM ITS CUSTOMERS AND, UPON RECEIPT, SIMULTANEOUSLY ROUTED "CHILD" ORDERS TO ITS ALTERNATIVE TRADING SYSTEMS. THE FIRM INCORRECTLY CLASSIFIED THESE ORDER TYPES FOR PURPOSES OF RULE 605 IN ONE OF ITS ALTERNATIVE TRADING SYSTEMS BASED ON THE EXECUTION PRICE OF THE CHILD ORDER INSTEAD OF THE LIMIT PRICE OF THE PARENT ORDER. THIS MISCLASSIFICATION AFFECTED 30 CONSECUTIVE RULE 605 REPORTS PUBLISHED BY THE FIRM.

Initiated By:

FINRA



Date Initiated:	02/22/2022
Docket/Case Number:	2017053083501
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	02/22/2022
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$50,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$50,000. FINE PAID IN FULL ON FEBRUARY 27, 2022.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT PUBLISHED INACCURATE DATA IN MONTHLY REPORTS IT WAS REQUIRED TO PUBLISH PURSUANT TO REGULATION NMS RULE 605. THE FINDINGS STATED THAT THOSE REPORTS WERE INACCURATE BECAUSE THE FIRM MISCLASSIFIED, AND INCORRECTLY REFLECTED IN ITS RULE 605 REPORTS, CERTAIN MARKETABLE LIMIT ORDERS IN NMS STOCKS AS INSIDE-THE-QUOTE LIMIT ORDERS. SPECIFICALLY, THE FIRM RECEIVED "PARENT" LIMIT ORDERS FROM ITS CUSTOMERS AND, UPON RECEIPT, SIMULTANEOUSLY ROUTED "CHILD" ORDERS TO ITS ALTERNATIVE TRADING SYSTEMS. THE FIRM INCORRECTLY CLASSIFIED THESE ORDER TYPES FOR PURPOSES OF RULE 605 IN ONE OF ITS ALTERNATIVE TRADING SYSTEMS BASED ON THE EXECUTION PRICE OF THE CHILD



ORDER INSTEAD OF THE LIMIT PRICE OF THE PARENT ORDER. THIS MISCLASSIFICATION AFFECTED 30 CONSECUTIVE RULE 605 REPORTS PUBLISHED BY THE FIRM.

Initiated By: FINRA

Date Initiated: 02/22/2022

Docket/Case Number: [2017053083501](#)

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/22/2022

Sanctions Ordered: Censure
Monetary/Fine \$50,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$50,000

Disclosure 4 of 11

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT TRANSMITTED REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES, CONCERNING OATS REPORTING. THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES TO ENSURE THE FIRM CONDUCTED A COMPREHENSIVE REVIEW OF THE FIRM'S OATS DATA SUBSEQUENT TO SOFTWARE CODING CHANGES AND TO ENSURE THAT MILLISECONDS WERE ACCURATELY REPORTED.

Initiated By: FINRA



Date Initiated:	03/13/2018
Docket/Case Number:	2015044327201
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/13/2018
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$17,500.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$17,500. FINES PAID IN FULL ON APRIL 13, 2018.
Regulator Statement	IN ASSESSING SANCTIONS FOR THIS MATTER, FINRA TOOK INTO CONSIDERATION THAT THE FIRM, PRIOR TO IDENTIFICATION BY FINRA, SELF-IDENTIFIED AND SELF-REPORTED THE CONDUCT IN ANOTHER MATTER.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT TRANSMITTED REPORTABLE ORDER EVENTS (ROES) TO THE OATS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED MILLISECOND DATA. FINDINGS STATED THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH OATS REPORTING. THE FIRMS SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY



PROCEDURES TO ENSURE THE FIRM CONDUCTED A COMPREHENSIVE REVIEW OF THE FIRM'S OATS DATA SUBSEQUENT TO SOFTWARE CODING CHANGES AND TO ENSURE THAT MILLISECONDS WERE ACCURATELY REPORTED.

IN ASSESSING SANCTIONS FOR THIS MATTER, FINRA TOOK INTO CONSIDERATION THAT THE FIRM, PRIOR TO IDENTIFICATION BY FINRA, SELF-IDENTIFIED AND SELF-REPORTED THE CONDUCT IN ANOTHER MATTER.

Initiated By: FINRA

Date Initiated: 03/13/2018

Docket/Case Number: 20150443272

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/13/2018

Sanctions Ordered: Censure
Monetary/Fine \$17,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$17,500.

Disclosure 5 of 11

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THOUGH IT WAS A MEMBER OF BOTH BATS EXCHANGE, INC. (BZX) AND BATS Y-EXCHANGE, INC. (BYX) AT THE TIME, THE FIRM FAILED TO PROVIDE TO BZX AND BYX COPIES OF ITS ANNUAL AUDIT FOR THE FISCAL YEAR ENDING ON DECEMBER 31, 2013 AS REQUIRED BY SECURITIES EXCHANGE ACT OF 1934 RULE 17A-5(D)(6). BY REASON OF THE FOREGOING, THE FIRM VIOLATED RULE 17A-5(D)(6) OF THE SECURITIES EXCHANGE ACT OF 1934.

Initiated By: BATS Y-EXCHANGE, INC.



Date Initiated: 11/20/2014
Docket/Case Number: 2014041283801
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 11/20/2014
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No
Sanctions Ordered: Censure
 Monetary/Fine \$5,000.00
Other Sanctions Ordered:
Sanction Details: THE FIRM WAS CENSURED AND FINED \$5,000.

Reporting Source: Firm
Current Status: Final
Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THOUGH IT WAS A MEMBER OF BOTH BATS EXCHANGE, INC. (BZX) AND BATS Y-EXCHANGE, INC. (BYX) AT THE TIME, THE FIRM FAILED TO PROVIDE TO BZX AND BYX COPIES OF ITS ANNUAL AUDIT FOR THE FISCAL YEAR ENDING ON DECEMBER 31, 2013 AS REQUIRED BY SECURITIES EXCHANGE ACT OF 1934 RULE 17A-5(D)(6). BY REASON OF THE FOREGOING, THE FIRM VIOLATED RULE 17A-5(D)(6) OF THE SECURITIES EXCHANGE ACT OF 1934.
Initiated By: BATS Y-EXCHANGE, INC.
Date Initiated: 11/20/2014
Docket/Case Number: 2014041283801



Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/20/2014

Sanctions Ordered: Censure
Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$5,000.

Disclosure 6 of 11

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THOUGH IT WAS A MEMBER OF BOTH BATS EXCHANGE, INC. (BZX) AND BATS Y-EXCHANGE, INC. (BYX) AT THE TIME, THE FIRM FAILED TO PROVIDE TO BZX AND BYX COPIES OF ITS ANNUAL AUDIT FOR THE FISCAL YEAR ENDING ON DECEMBER 31, 2013 AS REQUIRED BY SECURITIES EXCHANGE ACT OF 1934 RULE 17A-5(D)(6). BY REASON OF THE FOREGOING, THE FIRM VIOLATED RULE 17A-5(D)(6) OF THE SECURITIES EXCHANGE ACT OF 1934.

Initiated By: BATS Z-EXCHANGE, INC.

Date Initiated: 11/20/2014

Docket/Case Number: 2014041283801

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)



Resolution Date: 11/20/2014

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$5,000.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THOUGH IT WAS A MEMBER OF BOTH BATS EXCHANGE, INC. (BZX) AND BATS Y-EXCHANGE, INC. (BYX) AT THE TIME, THE FIRM FAILED TO PROVIDE TO BZX AND BYX COPIES OF ITS ANNUAL AUDIT FOR THE FISCAL YEAR ENDING ON DECEMBER 31, 2013 AS REQUIRED BY SECURITIES EXCHANGE ACT OF 1934 RULE 17A-5(D)(6). BY REASON OF THE FOREGOING, THE FIRM VIOLATED RULE 17A-5(D)(6) OF THE SECURITIES EXCHANGE ACT OF 1934.

Initiated By: BATS Z-EXCHANGE, INC.

Date Initiated: 11/20/2014

Docket/Case Number: 2014041283801

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/20/2014

Sanctions Ordered: Censure
Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

Sanction Details: THE FIRM WAS CENSURED AND FINED \$5,000.

Disclosure 7 of 11

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RELEASE 33-9596, 34-72339, JUNE 6, 2014: THE SEC DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 AGAINST LIQUIDNET, INC. IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, THE FIRM HAS SUBMITTED AN OFFER OF SETTLEMENT WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. THE FIRM WILLFULLY VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT BY NOT DISCLOSING EITHER THE EXISTENCE OF A STAND-ALONE SMALL BUSINESS GROUP IT DEVELOPED OR THE FACT THAT THE GROUP EMPLOYEES HAD ACCESS TO DETAILED AND CONFIDENTIAL MEMBER TRADING INFORMATION, OR THE FACT THAT THE GROUP USED THAT INFORMATION. THESE OMISSIONS MADE THE FIRM'S REPRESENTATIONS TO MEMBERS MATERIALLY MISLEADING. THE FIRM'S TRADING RULES PROVIDED ASSURANCES OF CONFIDENTIALITY AND ANONYMITY AND DESCRIPTIONS OF ITS OPERATIONS, POLICIES AND PROCEDURES, BUT FAILED TO DISCLOSE AT ALL RELEVANT TIMES THE EXISTENCE OF THE GROUP, THE GROUP'S ACCESS TO THE CONFIDENTIAL TRADING INFORMATION OF THE FIRM ATS MEMBERS (A BLOCK-TRADING ALTERNATIVE TRADING SYSTEM, OR DARK POOL, FOR LARGE INSTITUTIONAL INVESTORS), OR THE GROUP'S USES OF THAT INFORMATION. THESE WERE MATERIAL CHANGES TO THE OPERATION OF THE FIRM ATS, FOR WHICH THE FIRM ATS WAS REQUIRED TO FILE AN AMENDMENT ON FORM ATS AT LEAST 20 DAYS PRIOR TO



IMPLEMENTATION. BY FAILING TO UPDATE ITS FILINGS TO INCLUDE THIS INFORMATION, THE FIRM WILLFULLY VIOLATED THE REQUIREMENTS OF RULE 301(B)(2). THE GROUP EMPLOYEES NEITHER OPERATED THE FIRM ATS NOR WERE RESPONSIBLE FOR THE FIRM ATS'S COMPLIANCE WITH THE APPLICABLE RULES AND REGULATIONS. INSTEAD, THE GROUP EMPLOYEES WERE TASKED WITH MARKETING THE FIRM'S BLOCK-EXECUTION ABILITIES AND WITH SERVING AS RELATIONSHIP MANAGERS. MOREOVER, THE GROUP'S CUSTOMERS WERE NOT THE FIRM'S ATS SUBSCRIBERS, OR MEMBERS, AND THEIR TRANSACTIONS WERE EXECUTED SOLELY THROUGH THE FIRM'S TRADING DESK. THUS, BY GIVING THE GROUP EMPLOYEES ACCESS TO THE FIRM MEMBERS' CONFIDENTIAL TRADING INFORMATION, THE FIRM ATS WILLFULLY VIOLATED RULE 301(B)(10) OF REGULATION ATS.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 06/06/2014

Docket/Case Number: 3-15912

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Order

Resolution Date: 06/06/2014

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? Yes

Sanctions Ordered: Censure
Monetary/Fine \$2,000,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: SEE ABOVE

Reporting Source: Firm



Current Status:	Final
Allegations:	THE SEC ALLEGED THAT LIQUIDNET VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT AND RULES 301(B)(2) AND 301(B)(10) OF REGULATION ATS. THE SEC ALLEGED THAT LIQUIDNET SHARED AND USED CERTAIN CONFIDENTIAL TRADING INFORMATION ABOUT ITS ATS CUSTOMERS' INTENTIONS TO BUY AND SELL SECURITIES IN CONNECTION WITH ITS EQUITY CAPITAL MARKETS BUSINESS AND TWO SALES TOOLS IN A MANNER THAT WAS NOT ADEQUATELY DISCLOSED TO ATS MEMBERS AND THAT WAS INCONSISTENT WITH PROMISES MADE TO THESE CUSTOMERS REGARDING CONFIDENTIALITY. THE SEC ALSO ALLEGED LIQUIDNET DID NOT FILE AN AMENDMENT TO ITS FORM ATS 20 DAYS PRIOR TO IMPLEMENTATION OF A MATERIAL CHANGE TO OPERATION OF ITS ATS.
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	04/30/2012
Docket/Case Number:	FILE NO. 3-15912
Principal Product Type:	Equity - OTC
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	06/06/2014
Sanctions Ordered:	Censure Monetary/Fine \$2,000,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	LIQUIDNET WAS CENSURED, FINED \$2,000,000 AND ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) OF THE SECURITIES ACT AND RULES 301(B)(2) AND 301(B)(10) OF REGULATION ATS. THE FINE WAS PAID IN FULL ON JUNE 10, 2014.
Firm Statement	WITHOUT ADMITTING OR DENYING THE SEC'S FINDINGS, LIQUIDNET CONSENTED TO THE ENTRY OF AN ORDER FINDING THAT LIQUIDNET WILLFULLY VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT AND RULES 301(B)(2) AND 301(B)(10) OF REGULATION ATS, ORDERING LIQUIDNET TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY



SUCH VIOLATIONS OR FUTURE VIOLATIONS, AND FINING LIQUIDNET \$2,000,000. THE ORDER WAS ENTERED JUNE 6, 2014.

Disclosure 8 of 11

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO GENERALLY DISCLOSE ON NEW ACCOUNT DOCUMENTATION PROVIDED TO ENTITIES THAT TRADED IN THE FIRM'S ALTERNATIVE TRADING SYSTEMS (ATSS) (I.E., THE FIRM'S "MEMBERS"), THE FIRM WEBSITE, AND OTHER MARKETING MATERIALS THAT IT, ON OCCASION, MAY TRADE WITHIN ITS ATS IN A PRINCIPAL CAPACITY. THE FINDINGS STATED THAT INSTEAD, AS WAS INDICATED ON ITS WEBSITE, THE FIRM DESCRIBED ITSELF AS TRADING "ONLY AS AN AGENT ON BEHALF OF CUSTOMERS" WHICH WOULD DIRECTLY "LINK BUY-SIDE TO BUY-SIDE TRADERS." ALTHOUGH ON CERTAIN OCCASIONS THE FIRM DID PROPERLY DISCLOSE ON ITS TRADE CONFIRMATIONS THAT IT ACTED IN A PRINCIPAL CAPACITY, ON OVER 400 OCCASIONS, THE FIRM ISSUED TRADE CONFIRMATIONS THAT INCORRECTLY REFLECTED ITS TRADING CAPACITY AS AGENT RATHER THAN AS PRINCIPAL. THE FINDINGS ALSO STATED THAT THE FIRM INCORRECTLY REPORTED TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (TRF) APPROXIMATELY 411 TRADES EXECUTED IN A PRINCIPAL CAPACITY AS AGENT AND EXECUTED APPROXIMATELY 425 SHORT SALE TRANSACTIONS, BUT REPORTED THESE TRADES TO THE TRF WITHOUT A SHORT SALE INDICATOR. IN CONJUNCTION WITH THE FIRM'S ATS PRINCIPAL TRADING ACTIVITY DESCRIBED ABOVE, THE FIRM WAS REQUIRED TO PERFORM A LOCATE BEFORE EFFECTING SHORT SALES. THE FINDINGS ALSO INCLUDED THAT ON APPROXIMATELY 520 OCCASIONS, THE FIRM EFFECTED A SHORT SALE IN AN EQUITY SECURITY FOR ITS OWN ACCOUNT, WITHOUT BORROWING THE SECURITY, OR ENTERING INTO A BONA-FIDE ARRANGEMENT TO BORROW THE SECURITY; OR HAVING REASONABLE GROUNDS TO BELIEVE THAT THE SECURITY COULD BE BORROWED SO THAT IT COULD BE DELIVERED ON THE DATE DELIVERY IS DUE; AND DOCUMENTING COMPLIANCE WITH SECURITIES EXCHANGE ACT OF 1934 RULE 203(B)(1) OF REGULATION SHO. THE FIRM INCORRECTLY MARKED APPROXIMATELY 563 TRANSACTIONS ON THE FIRM'S INTERNAL LEDGERS. FINRA FOUND THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO SECURITIES LAWS AND REGULATIONS AND FINRA RULES APPLICABLE TO THE CONDUCT DESCRIBED ABOVE, INCLUDING THOSE RELATED TO THE FIRM'S REQUIREMENT TO PROPERLY DISCLOSE TO ITS CUSTOMERS THAT



IT ACTED IN A PRINCIPAL CAPACITY WHILE EXECUTING TRADES WITHIN THE FIRM'S ATSS, AND THOSE RELATED TO ENSURING THE ACCURACY OF TRADE CONFIRMATIONS THAT REFLECTED ITS PRINCIPAL TRADING CAPACITY AND INCLUDING THOSE RELATED TO TRF REPORTING, MAINTAINING ACCURATE BOOKS AND RECORDS, AND REGULATION SHO LOCATE REQUIREMENTS.

Initiated By: FINRA

Date Initiated: 06/09/2014

Docket/Case Number: [2011026147801](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/09/2014

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$125,000.00

Other Sanctions Ordered:

Sanction Details: SEE ABOVE

Regulator Statement IN DETERMINING TO RESOLVE THIS MATTER IN THE MANNER SET FORTH HEREIN, AND IN DETERMINING THE APPROPRIATE MONETARY SANCTION, FINRA TOOK INTO CONSIDERATION THAT THE FIRM, ON ITS OWN ACCORD, PROMPTLY TOOK ACTION TO ADDRESS THE VIOLATIVE ACTIVITY (INCLUDING HIRING NEW COMPLIANCE STAFF); ENGAGED A THIRD PARTY CONSULTANT TO REVIEW THE FIRM'S POLICIES; CEASED TO TRADE AS PRINCIPAL WITHIN THE ATSS, EVEN THOUGH THE FIRM HAS SINCE MADE REQUIRED DISCLOSURES; RE-ISSUED CORRECTED TRADE CONFIRMATIONS IDENTIFIED IN THIS EXAMINATION; AND SELF-REPORTED ADDITIONAL VIOLATIONS IT FOUND WHILE CONDUCTING AN INTERNAL REVIEW. FINE PAID JUNE 17, 2014.



Reporting Source:	Firm
Current Status:	Final
Allegations:	SEC RULES 10B-10, 17A-3, AND 203(B)(1) OF REGULATION SHO; NASD RULES 2110, 3010, AND 3110; FINRA RULES 2010, 6182, AND 7230A(D)(6)-(7) - RESPONDENT MEMBER FAILED TO DISCLOSE THAT IT TRADED, ON OCCASION, IN A PRINCIPAL CAPACITY WITHIN ITS ATS; THE FIRM ISSUED TRADE CONFIRMATIONS TO CUSTOMERS AND REPORTS TO THE FINRA TRADE REPORTING FACILITY ("TRF") THAT INCORRECTLY IDENTIFIED ITS CAPACITY AS AGENT RATHER THAN PRINCIPAL; THE FIRM EFFECTED SHORT SALE TRANSACTIONS WITHOUT PERFORMING "LOCATES" AND INCORRECTLY REPORTED SHORT SALE TRANSACTIONS TO THE TRF WITHOUT A SHORT SALE INDICATOR; IN ITS INTERNAL BOOKS AND RECORDS, THE FIRM INCORRECTLY RECORDED ITS CAPACITY AS AGENT RATHER THAN PRINCIPAL AND MARKED CERTAIN TRANSACTIONS AS LONG THAT SHOULD HAVE BEEN MARKED SHORT; AND THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE SECURITIES LAWS AND REGULATIONS AND THE RULES OF FINRA APPLICABLE TO CERTAIN OF THE CONDUCT DESCRIBED ABOVE.
Initiated By:	FINRA
Date Initiated:	03/23/2011
Docket/Case Number:	20110261478-01
Principal Product Type:	Equity - OTC
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	06/09/2014
Sanctions Ordered:	Monetary/Fine \$125,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$125,000. THE FINE WAS



PAID ON JUNE 18, 2014.

Disclosure 9 of 11

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC RULE 605 OF REGULATION NMS - LIQUIDNET, INC. MADE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED FOR EXECUTION FROM ANY PERSON THAT INCLUDED INCORRECT INFORMATION, INCLUDING INCORRECT CATEGORIZATION OF ORDER TYPES.
Initiated By:	FINRA
Date Initiated:	01/20/2010
Docket/Case Number:	2007009813901
Principal Product Type:	Other
Other Product Type(s):	NATIONAL MARKET SYSTEM SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	01/20/2010
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$12,500.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$12,500.



Reporting Source: Firm

Current Status: Final

Allegations: SEC RULE 605 OF REGULATION NMS - LIQUIDNET, INC. MADE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED FOR EXECUTION FROM ANY PERSON THAT INCLUDED INCORRECT INFORMATION, INCLUDING INCORRECT CATEGORIZATION OF ORDER TYPES.

Initiated By: FINRA

Date Initiated: 01/20/2010

Docket/Case Number: [2007009813901](#)

Principal Product Type: Other

Other Product Type(s): NATIONAL MARKET SYSTEM SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/20/2010

Sanctions Ordered: Censure
Monetary/Fine \$12,500.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$12,500.

Disclosure 10 of 11

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULE 6130 - LIQUIDNET, INC. EXECUTED SHORT SALE TRANSACTIONS AND FAILED TO REPORT EACH OF THE TRANSACTIONS TO THE AUTOMATED CONFIRMATION TRANSACTION SERVICE (ACT) WITH A SHORT SALE MODIFIER.

Initiated By: FINRA

Date Initiated: 12/13/2007



Docket/Case Number: 20060061583-01
Principal Product Type: Other
Other Product Type(s): UNKNOWN TYPE OF SECURITIES
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 12/13/2007
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No
Sanctions Ordered: Censure
 Monetary/Fine \$5,000.00
Other Sanctions Ordered:
Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$5,000.

Reporting Source: Firm
Current Status: Final
Allegations: NASD RULE 6130 - LIQUIDNET, INC. EXECUTED SHORT SALE TRANSACTIONS AND FAILED TO REPORT EACH OF THE TRANSACTIONS TO THE AUTOMATED CONFIRMATION TRANSACTION SERVICE (ACT) WITH A SHORT SALE MODIFIER.
Initiated By: FINRA
Date Initiated: 12/13/2007
Docket/Case Number: 20060061583-01
Principal Product Type: Other
Other Product Type(s): UNKNOWN TYPE OF SECURITIES



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/13/2007

Sanctions Ordered: Censure
Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$5,000.

Disclosure 11 of 11

Reporting Source: Regulator

Current Status: Final

Allegations: NASD CONDUCT RULES 2110 AND 3010 AND NASD MARKET PLACE RULE 6955(A) - RESPONDENT MEMBER FAILED TO TIMELY REPORT TO OATS REPORTABLE ORDER EVENTS; TRANSMITTED TO OATS REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA; AND, THE FIRMS SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD, CONCERNING OATS.

Initiated By: NASD

Date Initiated: 04/22/2004

Docket/Case Number: CMS040052

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)



Resolution Date:	04/22/2004
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$10,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	NASD CONDUCT RULES 2110 AND 3010 AND NASD MARKET PLACE RULE 6955(A) - RESPONDENT MEMBER FAILED TO TIMELY REPORT TO OATS REPORTABLE ORDER EVENTS; TRANSMITTED TO OATS REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA; AND, THE FIRMS SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD CONCERNING OATS. LIQUIDNET SELF-REPORTED THIS ISSUE TWO MONTHS PRIOR TO NASDR'S COMMENCEMENT OF THE CASE.
Initiated By:	NASD REGULATION, INC.
Date Initiated:	01/24/2003
Docket/Case Number:	CMS040052
Principal Product Type:	Equity - OTC
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CENSURE
Resolution:	Acceptance, Waiver & Consent(AWC)



Resolution Date: 04/22/2003

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000. THE FINE WAS PAID ON MAY 7TH, 2004.



Disclosure Events for Non-Registered Control Affiliates

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	1	3	0
Civil Event	1	0	0



Disclosure Event Details

Regulatory - Final

Disclosure 1 of 3

Reporting Source:	Firm
Affiliate:	ICAP SECURITIES LIMITED
Current Status:	Final
Allegations:	THE COMEX RULE 512 COMMITTEE, PURSUANT TO RULE 512, ASSESSED A FINE OF \$1000 AGAINST ICAP SECURITIES LTD. FOR ITS VIOLATION OF COMEX RULE 526F FOR FAILING TO PROPERLY REPORT 9 BLOCK TRADES IN AUGUST 2018 TO THE COMEX. ICAP SECURITIES LTD. PAID A SUMMARY FINE OF \$1000.
Initiated By:	COMMODITY EXCHANGE INC
Date Initiated:	12/07/2018
Docket/Case Number:	RSRH-18-5332
Principal Product Type:	Futures - Commodity
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Other
Resolution Date:	12/07/2018
Sanctions Ordered:	Monetary/Fine \$1,000.00
Other Sanctions Ordered:	
Sanction Details:	THE COMEX RULE 512 COMMITTEE, PURSUANT TO RULE 512, ASSESSED A FINE OF \$1000 AGAINST ICAP SECURITIES LTD. FOR ITS VIOLATION OF COMEX RULE 526F FOR FAILING TO PROPERLY REPORT 9 BLOCK TRADES IN AUGUST 2018 TO THE COMEX. ICAP SECURITIES LTD. PAID A SUMMARY FINE OF \$1000.

Disclosure 2 of 3

Reporting Source:	Firm
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Affiliate: ICAP SECURITIES LIMITED

Current Status: Final

Allegations: PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ICAP SECURITIES LTD. NEITHER ADMITTED OR DENIED THE RULE VIOLATION THE CME FOUND THAT ON NOVEMBER 16, 2011 ICAP SECURITIES LTD FAILED TO TIMELY REPORT A BLOCK TRADE. ICAP SECURITIES LTD PAID A FINE OF \$10,000.00

Initiated By: CHICAGO MERCANTILE EXCHANGE

Date Initiated: 08/26/2013

Docket/Case Number: 12-8852BC

Principal Product Type: Futures - Financial

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/26/2013

Sanctions Ordered: Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: PURSUANT TO AN OFFER OF SETTLEMENT IN WHICH ICAP SECURITIES LTD. NEITHER ADMITTED OR DENIED THE RULE VIOLATION THE CME FOUND THAT ON NOVEMBER 16, 2011 ICAP SECURITIES LTD FAILED TO TIMELY REPORT A BLOCK TRADE. ICAP SECURITIES LTD PAID A FINE OF \$10,000.00

Disclosure 3 of 3

Reporting Source: Firm

Affiliate: ICAP SECURITIES LIMITED

Current Status: Final

Allegations: EXCHANGE RULE 4.07 AND 4.07(Q)(II)(A) ON MARCH 18, 2015 BY AN EMPLOYEE OF ICAP SECURITIES LTD. BY FAILING TO REPORT 3 BLOCK TRADES WITHIN 15 MINUTES OF ITS EXECUTION AND BY FAILING TO INDICATE IN ITS RECORDS THAT THE TRADE WAS TO BE EXECUTED. ICAP



SECURITIES LTD. PAID A SUMMARY FINE OF \$2500

Initiated By: ICE FUTURES US INC

Date Initiated: 07/01/2015

Docket/Case Number: 2015-042B

Principal Product Type: Futures - Commodity

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Other

Resolution Date: 07/01/2015

Sanctions Ordered: Monetary/Fine \$2,500.00

Other Sanctions Ordered:

Sanction Details: EXCHANGE RULE 4.07 AND 4.07(Q)(II)(A) ON MARCH 18, 2015 BY AN EMPLOYEE OF ICAP SECURITIES LTD. BY FAILING TO REPORT 3 BLOCK TRADES WITHIN 15 MINUTES OF ITS EXECUTION AND BY FAILING TO INDICATE IN ITS RECORDS THAT THE TRADE WAS TO BE EXECUTED. ICAP SECURITIES LTD. PAID A SUMMARY FINE OF \$2500



Regulatory - Pending

Disclosure 1 of 1

Reporting Source:	Firm
Affiliate:	ICAP SECURITIES LIMITED
Current Status:	Pending
Allegations:	ON OCTOBER 19, 2018, THE GENERAL ATTORNEY'S OFFICE FRANKFURT AM MAIN NOTIFIED ICAP SECURITIES LIMITED (FRANKFURT BRANCH) ('ISL'), THAT ADMINISTRATIVE OFFENCE PROCEEDINGS HAVE BEEN INITIATED AGAINST ISL IN CONNECTION WITH CRIMINAL INVESTIGATIONS INTO TWO FORMER EMPLOYEES AND A FORMER DIRECTOR OF ISL SUSPECTED OF AIDING AND ABETTING TAX EVASION FOR THE BENEFIT OF A THIRD PARTY BETWEEN 2007 AND 2008. THE ATTORNEY GENERAL'S OFFICE IS CONSIDERING IMPOSING A CORPORATE ADMINISTRATIVE FINE AGAINST ISL OR CONFISCATING THE EARNINGS THAT ISL DERIVED FROM THE UNDERLYING ALLEGED CRIMINAL CONDUCT BY THE FORMER EMPLOYEES AND FORMER DIRECTOR. NOT ALL DETAILS OF THE ALLEGED WRONGDOING OR OF THE CASE AGAINST ISL ARE YET AVAILABLE
Initiated By:	GENERAL ATTORNEYS OFFICE FRANKFURT AM MAIN
Date Initiated:	10/19/2018
Docket/Case Number:	
Principal Product Type:	Other
Other Product Type(s):	GERMAN LISTED EQUITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Sanctions Ordered:	
Other Sanctions Ordered:	
Sanction Details:	ON OCTOBER 19, 2018, THE GENERAL ATTORNEY'S OFFICE FRANKFURT AM MAIN NOTIFIED ICAP SECURITIES LIMITED (FRANKFURT BRANCH) ('ISL'), THAT ADMINISTRATIVE OFFENCE PROCEEDINGS HAVE BEEN INITIATED AGAINST ISL IN CONNECTION WITH CRIMINAL INVESTIGATIONS INTO TWO FORMER EMPLOYEES AND A FORMER DIRECTOR OF ISL SUSPECTED OF AIDING AND ABETTING TAX EVASION FOR THE BENEFIT OF A THIRD PARTY BETWEEN 2007 AND 2008. THE ATTORNEY GENERAL'S OFFICE IS CONSIDERING IMPOSING A CORPORATE ADMINISTRATIVE FINE



AGAINST ISL OR CONFISCATING THE EARNINGS THAT ISL DERIVED FROM THE UNDERLYING ALLEGED CRIMINAL CONDUCT BY THE FORMER EMPLOYEES AND FORMER DIRECTOR. NOT ALL DETAILS OF THE ALLEGED WRONGDOING OR OF THE CASE AGAINST ISL ARE YET AVAILABLE



Civil - Pending

Disclosure 1 of 1

Reporting Source:	Firm
Affiliate:	ICAP SECURITIES LIMITED
Current Status:	Pending
Allegations:	ON OCTOBER 19, 2018, THE GENERAL ATTORNEY'S OFFICE FRANKFURT AM MAIN NOTIFIED ICAP SECURITIES LIMITED (FRANKFURT BRANCH) ('ISL'), THAT ADMINISTRATIVE OFFENCE PROCEEDINGS HAVE BEEN INITIATED AGAINST ISL IN CONNECTION WITH CRIMINAL INVESTIGATIONS INTO TWO FORMER EMPLOYEES AND A FORMER DIRECTOR OF ISL SUSPECTED OF AIDING AND ABETTING TAX EVASION FOR THE BENEFIT OF A THIRD PARTY BETWEEN 2007 AND 2008. THE ATTORNEY GENERAL'S OFFICE IS CONSIDERING IMPOSING A CORPORATE ADMINISTRATIVE FINE AGAINST ISL OR CONFISCATING THE EARNINGS THAT ISL DERIVED FROM THE UNDERLYING ALLEGED CRIMINAL CONDUCT BY THE FORMER EMPLOYEES AND FORMER DIRECTOR. NOT ALL DETAILS OF THE ALLEGED WRONGDOING OR OF THE CASE AGAINST ISL ARE YET AVAILABLE.
Initiated By:	GENERAL ATTORNEY'S OFFICE FRANKFURT AM MAIN
Court Details:	GENERALSTAATSANWALTSCHAFT FRANKFURT AM MAIN (GENERAL ATTORNEY'S OFFICE FRANKFURT AM MAIN) DOCKET NUMBER: 7 ER 105/18 - 1111 JS 24212/18
Date Court Action Filed:	10/19/2018
Date Notice/Process Served:	10/19/2018
Principal Product Type:	Other
Other Product Types:	GERMAN LISTED EQUITIES
Relief Sought:	Civil Penalty(ies)/Fine(s)
Other Relief Sought:	DISGORGEMENT

End of Report



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