

BrokerCheck Report

ACORNS SECURITIES, LLC

CRD# 168172

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our [investor alert](#) on imposters.

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.

• **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.



ACORNS SECURITIES, LLC

CRD# 168172

SEC# 8-69294

Main Office Location

5300 CALIFORNIA AVENUE
IRVINE, CA 92617
Regulated by FINRA Los Angeles Office

Mailing Address

5300 CALIFORNIA AVENUE
IRVINE, CA 92617

Business Telephone Number

8557392859

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 limited liability company.

This firm was formed in Delaware on 04/09/2013.

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
- 1 Self-Regulatory Organization
- 53 U.S. states and territories

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

This firm conducts 2 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm does not have 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	2



Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 04/09/2013.

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.

ACORNS SECURITIES, LLC

Doing business as ACORNS SECURITIES, LLC

CRD# 168172

SEC# 8-69294

Main Office Location

5300 CALIFORNIA AVENUE
IRVINE, CA 92617

Regulated by FINRA Los Angeles Office

Mailing Address

5300 CALIFORNIA AVENUE
IRVINE, CA 92617

Business Telephone Number

8557392859



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):	ACORNS GROW INCORPORATED
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	MANAGING MEMBER
Position Start Date	04/2013
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):	CHISOLM, DENISE 2743307
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF COMPLIANCE OFFICER
Position Start Date	07/2022
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):	HARPER, DEREK 6402693
Is this a domestic or foreign entity or an individual?	Individual
Position	CONTROLLER, FINOP
Position Start Date	10/2023

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): WUNDER, SETH
2904212

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

Position CHIEF EXECUTIVE OFFICER

Position Start Date 07/2022

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

No information reported.



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, 1 SRO and 53 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	03/05/2014

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	03/05/2014



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	03/10/2014
Alaska	Approved	03/13/2014
Arizona	Approved	03/12/2014
Arkansas	Approved	03/18/2014
California	Approved	03/07/2014
Colorado	Approved	03/14/2014
Connecticut	Approved	03/18/2014
Delaware	Approved	03/13/2014
District of Columbia	Approved	03/20/2014
Florida	Approved	03/13/2014
Georgia	Approved	03/20/2014
Hawaii	Approved	03/14/2014
Idaho	Approved	03/10/2014
Illinois	Approved	03/24/2014
Indiana	Approved	03/26/2014
Iowa	Approved	03/13/2014
Kansas	Approved	03/13/2014
Kentucky	Approved	03/10/2014
Louisiana	Approved	03/12/2014
Maine	Approved	03/18/2014
Maryland	Approved	03/20/2014
Massachusetts	Approved	03/12/2014
Michigan	Approved	03/17/2014
Minnesota	Approved	03/27/2014
Mississippi	Approved	03/17/2014
Missouri	Approved	03/12/2014
Montana	Approved	03/14/2014
Nebraska	Approved	04/03/2014
Nevada	Approved	03/12/2014
New Hampshire	Approved	04/08/2014
New Jersey	Approved	03/13/2014
New Mexico	Approved	03/26/2014
New York	Approved	03/13/2014

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	03/12/2014
North Dakota	Approved	03/11/2014
Ohio	Approved	03/11/2014
Oklahoma	Approved	03/07/2014
Oregon	Approved	03/10/2014
Pennsylvania	Approved	03/13/2014
Puerto Rico	Approved	03/12/2014
Rhode Island	Approved	03/12/2014
South Carolina	Approved	03/27/2014
South Dakota	Approved	03/12/2014
Tennessee	Approved	03/24/2014
Texas	Approved	03/06/2014
Utah	Approved	03/06/2014
Vermont	Approved	03/14/2014
Virgin Islands	Approved	03/27/2014
Virginia	Approved	03/07/2014
Washington	Approved	03/07/2014
West Virginia	Approved	03/31/2014
Wisconsin	Approved	03/24/2014
Wyoming	Approved	03/18/2014



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 2 types of businesses.

Types of Business

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

Other - MAINTAINS SUBACCOUNTS PURSUANT TO OMNIBUS ARRANGEMENTS WITH RBC CAPITAL MARKETS AND DRIVEWEALTH, LLC (CLEARING FIRMS). MAINTAINS ONE OR MORE ACCOUNT(S) OWNED BY AFFILIATED SEC-REGISTERED INVESTMENT ADVISER, ACORNS ADVISERS, LLC AND TRANSMITS OMNIBUS ORDERS FOR AFFILIATED INVESTMENT ADVISER AND ON ITS CUSTOMER'S BEHALF.

Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.

This firm does not engage in other non-securities business.

Non-Securities Business Description:

Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does not refer or introduce customers to other brokers and dealers.

Firm Operations

Industry Arrangements



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

Name: RED OAK COMPLIANCE SOLUTIONS

Business Address: 1320 ARROW POINT DRIVE
SUITE 411
CEDAR PARK, TX 78613

Effective Date: 11/01/2022

Description: ELECTRONIC COPIES OF CERTAIN BOOKS AND RECORDS FOR COMMUNICATIONS WITH THE PUBLIC.

Name: STAR COMPLIANCE, OPERATING LLC

Business Address: 9200 CORPORATE BLVD.
SUITE 440
ROCKVILLE, MD 20850

Effective Date: 12/24/2018

Description: STARCOMPLIANCE MAINTAINS CERTAIN COMPLIANCE RECORDS.

Name: AMAZON WEB SERVICES, INC.

Business Address: 410 TERRY AVENUE N.
SEATTLE, WA 98109

Effective Date: 04/20/2017

Description: CLOUD BASED ARCHIVAL SERVICE CONFIGURED TO STORE AND RETAIN BUSINESS AND FINANCIAL RECORDS.

Name: SMARSH

Business Address: 921 SW WASHINGTON ST.
SUITE 540
PORTLAND, OR 97205

Effective Date: 06/14/2013

Description: SMARSH PROVIDES EMAIL HOSTING AND ARCHIVING.

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

Name: DRIVEWEALTH, LLC

CRD #: 165429

Business Address: 15 EXCHANGE PLACE
10TH FLOOR

Firm Operations



Industry Arrangements (continued)

	JERSEY CITY, NJ 07302
Effective Date:	08/25/2021
Description:	DRIVEWEALTH LLC WILL MAINTAIN ONE OR MORE ACCOUNT(S) OWNED BY ACORNS SECURITIES LLC.
Name:	RBC CAPITAL MARKETS, LLC
CRD #:	31194
Business Address:	60 SOUTH 6TH STREET MINNEAPOLIS, MN 55402
Effective Date:	06/03/2013
Description:	RBC CAPITAL MARKETS LLC, WILL MAINTAIN ONE OR MORE ACCOUNT(S) OWNED BY ACORNS SECURITIES LLC.

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

Name:	DRIVEWEALTH, LLC
CRD #:	165429
Business Address:	15 EXCHANGE PLACE 10TH FLOOR JERSEY CITY, NJ 07302
Effective Date:	08/25/2021
Description:	DRIVEWEALTH, LLC, WILL, PURSUANT TO AN OMNIBUS CLEARING AGREEMENT, MAINTAIN CUSTODY OF CUSTOMER SECURITIES AND MONEY.

Name:	RBC CAPITAL MARKETS, LLC
CRD #:	31194
Business Address:	60 SOUTH 6TH STREET MINNEAPOLIS, MN 55402
Effective Date:	06/03/2013
Description:	RBC CAPITAL MARKETS LLC, WILL, PURSUANT TO AN OMNIBUS CLEARING AGREEMENT, MAINTAIN CUSTODY OF CUSTOMER SECURITIES AND MONEY.

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.

ACORNS is under common control with the firm.

CRD #:	165926
Business Address:	5300 CALIFORNIA AVENUE IRVINE, CA 92617
Effective Date:	09/19/2013
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	ACORNS (ACORNS ADVISERS, LLC) IS AN SEC REGISTERED INVESTMENT ADVISER AFFILIATE. ACORNS ADVISERS, LLC AND ACORNS SECURITIES, LLC ARE UNDER COMMON CONTROL BY THE SAME PARENT COMPANY, ACORNS GROW INCORPORATED.

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	2	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 2

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, DESPITE RECEIVING WARNINGS FROM FINRA AND ANOTHER REGULATOR, IT SENT ACCOUNT STATEMENTS THAT INACCURATELY STATED THAT THE CUSTOMERS HELD A NEGATIVE QUANTITY OF SHARES IN PARTICULAR EXCHANGE TRADED FUNDS (ETFs) WITH A NEGATIVE VALUE. THE FINDINGS STATED THAT THESE CUSTOMERS DID NOT HOLD ANY POSITIONS IN THE ETF, BUT RATHER HAD WITHDRAWN MORE CASH FROM THEIR FIRM ACCOUNTS THAN THEY HAD DEPOSITED. THE ACCOUNT STATEMENTS DID NOT CONTAIN THOSE NEGATIVE CASH BALANCES, WHICH RANGED FROM \$0.01 TO APPROXIMATELY \$9,500, AND WHICH THE FIRM DID NOT PURSUE CUSTOMERS TO COLLECT. THE ACCOUNT STATEMENTS FOR THE CUSTOMERS ALSO CONTAINED INACCURATE INFORMATION PERTAINING TO INVESTMENTS IN ETFs THAT THE CUSTOMERS DID NOT HOLD. THESE MISSTATEMENTS CREATED THE POTENTIAL MISIMPRESSION THAT THE CUSTOMERS COULD SUSTAIN ADDITIONAL LOSSES OR GAINS DEPENDING UPON THE VALUE OF THE ETFs, EVEN THOUGH THEY DID NOT HOLD ANY CURRENT INVESTMENTS IN THESE ETFs. THE FIRM INITIATED A REMEDIATION PROCESS, HOWEVER, WHEN THE FIRM COMPLETED CERTAIN STEPS TO ENHANCE ITS PROCEDURES, IT SENT ADDITIONAL ACCOUNT STATEMENTS THAT EITHER INACCURATELY STATED THAT THE CUSTOMERS' ACCOUNTS CONTAINED NEGATIVE BALANCES OF ETF SHARES OR ALTERNATIVELY REFLECTED INACCURATE CASH BALANCES. THE FINDINGS ALSO STATED THAT THE FIRM CREATED AND MAINTAINED INTERNAL CASH AND SECURITIES REPORTS THAT STATED INACCURATELY THAT CUSTOMERS' ACCOUNTS CONTAINED NEGATIVE BALANCES OF ETF SHARES, RATHER THAN STATING THAT CUSTOMERS HAD NEGATIVE CASH BALANCES, OR REFLECTING INACCURATE CASH BALANCES. AS A RESULT, THE FIRM MAINTAINED INACCURATE BOOKS AND RECORDS. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A SUPERVISORY SYSTEM, INCLUDING WRITTEN SUPERVISORY PROCEDURES (WSPS), REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA RULES 2210 AND 4511 REGARDING ACCURATE CUSTOMER COMMUNICATIONS AND INTERNAL CASH AND SECURITIES REPORTS. THE FIRM PREPARED MULTIPLE, DISTINCT REPORTS THAT REQUIRED MANUAL COMPILATION TO ACCURATELY IDENTIFY THE AMOUNT OF CASH HELD BY THE FIRM FOR A CUSTOMER ON A GIVEN DAY. THE COMBINED REPORT INCLUDED ONLY ACCOUNTS WITH POSITIVE CASH BALANCES. ACCOUNTS WITH NEGATIVE CASH BALANCES APPEARED ON A SEPARATE REPORT THAT INACCURATELY STATED THAT THESE ACCOUNTS HAD NEGATIVE BALANCES OF ETF SHARES. DESPITE BEING AWARE THAT ITS INTERNAL RECORDS INACCURATELY REPORTED NEGATIVE CASH BALANCES AND NEGATIVE ETF SHARE BALANCES, THE FIRM DID NOT CREATE OR MAINTAIN AN INTERNAL REPORT RECORDING



CASH OWED BY CUSTOMERS TO THE FIRM. FURTHER, THE FIRM LACKED A SYSTEM, INCLUDING WSPS, FOR REVIEWING OR CONFIRMING THE ACCURACY OF CUSTOMER ACCOUNT STATEMENTS OR FOR CORRECTING ANY ERRORS IN THOSE STATEMENTS. AFTER ADDITIONAL WARNINGS FROM FINRA, THE FIRM IMPLEMENTED AN AUTOMATIC PROCESS TO CORRECT INTERNAL RECORDS THAT INACCURATELY REPORTED THAT CUSTOMERS' ACCOUNTS CONTAINED NEGATIVE BALANCES OF ETF SHARES AND INITIATED A MONTHLY REVIEW FOR ACCURACY OF A SAMPLE OF ACCOUNT STATEMENTS THAT THE FIRM PREPARED FOR CUSTOMER ACCOUNTS WITH NEGATIVE BALANCES. HOWEVER, THE REVIEW PROCESS WAS NOT REASONABLY DESIGNED TO PREVENT THE FIRM FROM CONTINUING TO DELIVER SOME ACCOUNT STATEMENTS THAT INACCURATELY REPORTED NEGATIVE ETF SHARE BALANCES. THE FIRM'S WRITTEN PROCEDURES DID NOT IDENTIFY THE CRITERIA TO BE USED TO SELECT STATEMENTS FOR REVIEW OR THE STEPS TO BE TAKEN TO IDENTIFY AND CORRECT INACCURATE INFORMATION. THE FIRM WAS AWARE THAT IT WAS CONTINUING TO PROVIDE CERTAIN CUSTOMERS WITH INACCURATE ACCOUNT STATEMENTS, BUT DID NOT CONDUCT ADDITIONAL REVIEWS. FURTHER, WHEN THE FIRM COMPLETED CERTAIN STEPS TO ENHANCE ITS PROCEDURES, IT CONTINUED TO ISSUE ACCOUNT STATEMENTS TO CUSTOMERS CONTAINING INACCURATE CASH BALANCES AND INACCURATELY STATING THAT CUSTOMERS' ACCOUNTS CONTAINED NEGATIVE BALANCES OF ETF SHARES.

Initiated By: FINRA

Date Initiated: 09/02/2022

Docket/Case Number: [2019064308401](#)

Principal Product Type: Other

Other Product Type(s): EXCHANGE TRADED FUNDS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/02/2022

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 \$200,000.00

Other Sanctions Ordered: CERTIFICATION

Sanction Details: THE FIRM WAS CENSURED, FINED \$200,000, AND REQUIRED TO CERTIFY THAT IT HAS IMPLEMENTED SUPERVISORY PROCEDURES AND WSPS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE FINRA RULES CITED IN THE AWC. FINE PAID IN FULL ON SEPTEMBER 28, 2022.

Reporting Source: Firm

Current Status: Final

Allegations: ACORNS SECURITIES, LLC ("ACORNS"), VOLUNTARILY SUBMITTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") WHICH WAS ACCEPTED BY FINRA FOR THE PURPOSE OF SETTLING ALLEGED RULE VIOLATIONS. IT WAS ALLEGED THAT ACORNS SENT CUSTOMERS ACCOUNT STATEMENTS CONTAINING INACCURATE INFORMATION ABOUT THEIR CASH BALANCES AND SECURITIES HOLDINGS IN VIOLATION OF FINRA RULES 2210(D)(1)(B) AND 2010. IT WAS ALSO ALLEGED THAT DURING THE SAME PERIOD, THE FIRM ALSO MAINTAINED INTERNAL BOOKS AND RECORDS THAT CONTAINED INACCURATE INFORMATION ABOUT CUSTOMERS' SECURITIES HOLDINGS AND CASH BALANCES IN VIOLATION OF FINRA RULES 4511 AND 2010. ADDITIONALLY, IT WAS ALLEGED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A SUPERVISORY SYSTEM, INCLUDING WRITTEN SUPERVISORY PROCEDURES, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA RULES 2210 AND 4511 IN VIOLATION OF FINRA RULES 3110 AND 2010. ACORNS HAS ACCEPTED AND CONSENTED TO THE FINDINGS, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS.

Initiated By: FINRA

Date Initiated: 09/02/2022

Docket/Case Number: [2019064308401](#)

Principal Product Type: Other

Other Product Type(s): ETFS

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: MONETARY/FINE, CERTIFICATION

Resolution: Acceptance, Waiver & Consent(AWC)



Resolution Date:	09/02/2022
Sanctions Ordered:	Censure Monetary/Fine \$200,000.00
Other Sanctions Ordered:	CERTIFICATION
Sanction Details:	ACORNS SECURITIES, LLC WAS CENSURED, FINED \$200,000, AND REQUIRED TO CERTIFY THAT IT HAS IMPLEMENTED SUPERVISORY PROCEDURES AND WSPS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA RULES.
Firm Statement	FINRA REGULATORY ACTION CASE NO. 2019064308401 ACCEPTANCE, WAIVER & CONSENT (AWC) ISSUED ON 09/02/2022.

Disclosure 2 of 2

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 THE FIRM FAILED TO MAINTAIN ELECTRONIC BROKER-DEALER RECORDS IN NON-ERASABLE AND NON-REWRITABLE FORMAT, KNOWN AS "WRITE ONCE, READ MANY" (WORM) FORMAT, THAT IS INTENDED TO PREVENT THE ALTERATION OR DESTRUCTION OF BROKER-DEALER RECORDS STORED ELECTRONICALLY. THE FINDINGS STATED THAT THESE REQUIREMENTS ARE AN ESSENTIAL PART OF THE INVESTOR PROTECTION FUNCTION BECAUSE PRESERVATION OF THESE RECORDS IS THE PRIMARY MEANS OF MONITORING COMPLIANCE WITH APPLICABLE SECURITIES LAWS INCLUDING ANTIFRAUD PROVISIONS AND FINANCIAL RESPONSIBILITY STANDARDS. NEVERTHELESS, THE FIRM FAILED TO MAINTAIN IN WORM FORMAT APPROXIMATELY TEN MILLION ELECTRONIC RECORDS. THIS DEFICIENCY AFFECTED 22 CATEGORIES OF RECORDS SPANNING MANY ASPECTS OF THE FIRM'S BROKERAGE BUSINESS, INCLUDING ORDER TICKETS, TRADE CONFIRMATIONS, STATEMENTS AND OTHER TRANSACTION-RELATED RECORDS SUCH AS INSTANT MESSAGES. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO PROVIDE THE REQUIRED 90-DAY NOTICE TO ITS DESIGNATED EXAMINING AUTHORITY (FINRA), PRIOR TO RETAINING A VENDOR TO PROVIDE ELECTRONIC STORAGE. THE FINDINGS ALSO INCLUDED THAT THE FIRM DID NOT HAVE AN AUDIT SYSTEM AS REQUIRED BY SECURITIES EXCHANGE ACT RULE 17A-4(F)(3) FOR THOSE RECORDS IT FAILED TO MAINTAIN IN WORM FORMAT.
Initiated By:	FINRA
Date Initiated:	07/11/2017



Docket/Case Number: [2016052098301](#)

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: 07/11/2017

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 \$175,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$175,000, AND REQUIRED TO UNDERTAKE TO CONDUCT A COMPREHENSIVE REVIEW OF THE ADEQUACY OF THE FIRM'S RELEVANT POLICIES AND PROCEDURES (WRITTEN AND OTHERWISE). A LOWER FINE WAS IMPOSED AFTER CONSIDERING, AMONG OTHER THINGS, THE FIRM'S REVENUES AND FINANCIAL RESOURCES. FINES PAID IN FULL ON JULY 28, 2017.

Reporting Source: Firm

Current Status: Final

Allegations: ACORNS SECURITIES, LLC ("ACORNS"), VOLUNTARILY SUBMITTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") WHICH WAS ACCEPTED BY FINRA FOR THE PURPOSE OF SETTLING ALLEGED RULE VIOLATIONS. IT WAS ALLEGED THAT ACORNS FAILED TO MAINTAIN ELECTRONIC BROKER-DEALER RECORDS IN NON-ERASABLE AND NON-REWRITABLE FORMAT, KNOWN AS WORM FORMAT, AS REQUIRED BY SECTION 17(A) OF THE EXCHANGE ACT OF 1934 (THE "EXCHANGE ACT"), RULE 17A-4(F) AND FINRA RULE 4511. ADDITIONALLY, IT WAS ALLEGED THAT ACORNS EXPERIENCED RELATED NOTICE AND AUDIT DEFICIENCIES AFFECTING ITS ABILITY TO ADEQUATELY RETAIN AND PRESERVE



ELECTRONIC RECORDS, IN VIOLATION OF EXCHANGE ACT RULE 17A-4(F) AND FINRA RULE 4511. ACORNS HAS ACCEPTED AND CONSENTED TO THE FINDINGS, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS.

Initiated By:	FINRA
Date Initiated:	01/11/2017
Docket/Case Number:	2016052098301
Principal Product Type:	Other
Other Product Type(s):	ETFS
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	MONETARY FINE, REVIEW OF POLICIES AND PROCEDURES.
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	07/11/2017
Sanctions Ordered:	Censure Monetary/Fine \$175,000.00
Other Sanctions Ordered:	REVIEW OF POLICIES AND PROCEDURES
Sanction Details:	ACORNS SECURITIES LLC AGREED TO PAY FINRA \$175,000 FINE TO SETTLE ALLEGATIONS THAT THE FIRM FAILED TO MAINTAIN ELECTRONIC RECORDS IN A FORMAT THAT WOULD PREVENT THEM FROM BEING CHANGED AFTER CREATION.
Firm Statement	FINRA REGULATORY ACTION CASE NO. 2016052098301 ACCEPTANCE, WAIVER & CONSENT (AWC) ISSUED ON 07/11/2017.

End of Report



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