

## BrokerCheck Report

# INSIGNEO INTERNATIONAL FINANCIAL SERVICES LLC

CRD# 17053

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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.

• **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](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://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).

**INSIGNEO INTERNATIONAL  
FINANCIAL SERVICES LLC**

CRD# 17053

SEC# 8-33185

**Main Office Location**

PARQUE LAS AMERICAS 1  
235 FEDERICO COSTA STREET-SUITE 101  
SAN JUAN, PR 00918

**Mailing Address**

P.O. BOX 70263  
SAN JUAN, PR 00936-8263

**Business Telephone Number**

787-999-8017

**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 Puerto Rico on 08/10/1970.

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 brokerage firm is no longer registered with FINRA or a national securities exchange.

**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	4



## Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.

**Date firm ceased business:** 12/02/2024

**Does this brokerage firm owe any money or securities to any customer or brokerage firm?** No



## Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Puerto Rico on 08/10/1970.

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.

### **INSIGNEO INTERNATIONAL FINANCIAL SERVICES LLC**

**Doing business as INSIGNEO INTERNATIONAL FINANCIAL SERVICES LLC**

**CRD#** 17053

**SEC#** 8-33185

### **Main Office Location**

PARQUE LAS AMERICAS 1  
235 FEDERICO COSTA STREET-SUITE 101  
SAN JUAN, PR 00918

### **Mailing Address**

P.O. BOX 70263  
SAN JUAN, PR 00936-8263

### **Business Telephone Number**

787-999-8017



## 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):** INSIGNEO PUERTO RICAN HOLDINGS, LLC

**Is this a domestic or foreign entity or an individual?** Foreign Entity

**Position** MEMBER

**Position Start Date** 08/2022

**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

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**Legal Name & CRD# (if any):** POLEMENI PEREZ, MONICA

4130068

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

**Position** PRINCIPAL OPERATIONS OFFICER

**Position Start Date** 09/2023

**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

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**Legal Name & CRD# (if any):** RIVERA CRUZ, MIGUEL ANGEL

3255902

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

**Position** CHIEF FINANCIAL OFFICER / PRINCIPAL FINANCIAL OFFICER

**Position Start Date** 05/2017

## 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?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** RIVERO, JAVIER  
4498023

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

**Position** PRESIDENT & CHIEF OPERATING OFFICER

**Position Start Date** 01/2023

**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

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**Legal Name & CRD# (if any):** VALLADARES-TORRES, MOISES  
5011784

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

**Position** EXECUTIVE REPRESENTATIVE & CHIEF COMPLIANCE OFFICER

**Position Start Date** 07/2010

**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

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## Firm Profile

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

### Indirect Owners

<b>Legal Name &amp; CRD# (if any):</b>	INSIGNEO FINANCIAL GROUP, LLC
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	INSIGNEO PUERTO RICO HOLDINGS (DELAWARE) LLC
<b>Relationship to Direct Owner</b>	MEMBER
<b>Relationship Established</b>	08/2022
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	INSIGNEO PUERTO RICO (DELAWARE) HOLDINGS LLC
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	INSIGNEO PUERTO RICAN HOLDINGS, LLC
<b>Relationship to Direct Owner</b>	MEMBER
<b>Relationship Established</b>	08/2022
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	R-HENRIQUEZ HOLDINGS, LLC
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity



## Firm Profile



### Indirect Owners (continued)

**Company through which indirect ownership is established** NORTHEASTGIS HOLDINGS, INC

**Relationship to Direct Owner** SHAREHOLDER

**Relationship Established** 02/2017

**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

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**Legal Name & CRD# (if any):** RAUL HENRIQUEZ REVOCABLE TRUST

**Is this a domestic or foreign entity or an individual?** Domestic Entity

**Company through which indirect ownership is established** R-HENRIQUEZ HOLDINGS, LLC

**Relationship to Direct Owner** MEMBER

**Relationship Established** 12/2005

**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

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**Legal Name & CRD# (if any):** NORTHEASTGIS HOLDINGS, INC

**Is this a domestic or foreign entity or an individual?** Domestic Entity

**Company through which indirect ownership is established** INSIGNEO FINANCIAL GROUP, LLC

**Relationship to Direct Owner** MEMBER

**Relationship Established** 02/2017

## Firm Profile



### Indirect Owners (continued)

**Percentage of Ownership** 25% but less than 50%

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

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** RAUL HENRIQUEZ CHILDREN'S TRUST

**Is this a domestic or foreign entity or an individual?** Domestic Entity

**Company through which indirect ownership is established** R-HENRIQUEZ HOLDINGS, LLC

**Relationship to Direct Owner** MEMBER

**Relationship Established** 02/2017

**Percentage of Ownership** 25% but less than 50%

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

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** HENRIQUEZ, RAUL JR  
1647412

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

**Company through which indirect ownership is established** RAUL HENRIQUEZ REVOCABLE TRUST

**Relationship to Direct Owner** TRUSTEE

**Relationship Established** 12/2005

**Percentage of Ownership** Other General Partners

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

Firm Profile



Indirect Owners (continued)

Is this a public reporting company? No

Legal Name & CRD# (if any): SILVA HENRIQUEZ, SARA ROXANA  
6759348

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

Company through which indirect ownership is established RAUL HENRIQUEZ CHILDREN'S TRUST

Relationship to Direct Owner TRUSTEE

Relationship Established 02/2017

Percentage of Ownership Other General Partners

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.

<b>This firm was previously:</b>	CITI INTERNATIONAL FINANCIAL SERVICES LLC
<b>Date of Succession:</b>	08/01/2022
<b>Predecessor CRD#:</b>	17053
<b>Predecessor SEC#:</b>	8-33185
<b>Description</b>	DETAILS OF THE SUCCESSION, INCLUDING ASSETS OR LIABILITIES NOT ASSUMED BY THE SUCCESSOR, CHANGES TO THE CORPORATE STRUCTURE, CAPITAL STRUCTURE, OWNERSHIP, FINANCIAL/OPERATIONAL/SUPERVISORY AND COMPLIANCE SYSTEMS, HAVE BEEN PREVIOUSLY DISCUSSED WITH FINRA AS PART OF THE REVIEW AND APPROVAL OF THE BROKER/DEALER CONTINUING MEMBERSHIP APPLICATION (CMA).
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<b>This firm was previously:</b>	CITICORP FINANCIAL SERVICES CORPORATION
<b>Date of Succession:</b>	07/04/2008
<b>Predecessor CRD#:</b>	17053
<b>Predecessor SEC#:</b>	8-33185
<b>Description</b>	THE DESCRIBED CHANGES TO THE CFSC CORPORATE STRUCTURE (I.E. SUCCESSION) WILL NOT IMPACT OUR CAPITAL STRUCTURE, A CHANGE IN OWNERSHIP, RESULT IN A NEW LINE OF BUSINESS NOR AFFECT CFSC'S EXISTING FINANCIAL, OPERATIONAL, SUPERVISORY OR COMPLIANCE SYSTEM. CITI INTERNATIONAL FINANCIAL SERVICES, LLC (I.E. SUCCESSOR) WILL ASSUME ALL OF CFSC'S (PREDECESSOR) ASSETS AND LIABILITIES. THIS CHANGE HAS BEEN PREVIOUSLY DISCUSSED WITH FINRA AND DEEMED NOT TO BE MATERIAL.

## 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 no longer registered.**

**The firm's registration was from 01/27/1987 to 02/07/2024.**



## 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 11 types of businesses.**

#### Types of Business

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)
Mutual fund retailer
U S. government securities dealer
U S. government securities broker
Broker or dealer selling variable life insurance or annuities
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
Broker or dealer selling interests in mortgages or other receivables



## 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 refer or introduce customers to other brokers and dealers.

<b>Name:</b>	PERSHING LLC
<b>CRD #:</b>	7560
<b>Business Address:</b>	ONE PERSHING PLAZA JERSEY CITY, NJ 07399
<b>Effective Date:</b>	01/03/2008
<b>Description:</b>	EFFECTIVE JULY 4, 2008, INSIGNEO INTERNATIONAL FINANCIAL SERVICES LLC (HEREIN AFTER "IIFS", FORMERLY CITI INTERNATIONAL FINANCIAL SERVICES, LLC OR "CIFS") WILL INTRODUCE ALL IT CUSTOMERS THRU PERSHING LLC.

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## Firm Operations

### Industry Arrangements



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

**Name:** PERSHING LLC  
**CRD #:** 7560  
**Business Address:** ONE PERSHING PLAZA  
JERSEY CITY, NJ 07399  
**Effective Date:** 07/04/2008  
**Description:** EFFECTIVE JULY 4, 2008, INSIGNEO INTERNATIONAL FINANCIAL SERVICES LLC (HEREIN AFTER "IIFS", FORMERLY CITI INTERNATIONAL FINANCIAL SERVICES LLC OR "CIFS) WILL INTRODUCE ALL ITS CUSTOMERS THRU PERSHING LLC

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

**Name:** PERSHING LLC  
**CRD #:** 7560  
**Business Address:** ONE PERSHING PLAZA  
JERSEY CITY, NJ 07399  
**Effective Date:** 07/04/2008  
**Description:** EFFECTIVE JULY 4, 2008, INSIGNEO INTERNATIONAL FINANCIAL SERVICES LLC (HEREIN AFTER "IIFS", FORMERLY CITI INTERNATIONAL FINANCIAL SERVICES LLC OR "CIFS) WILL INTRODUCE ALL ITS CUSTOMERS THRU PERSHING LLC

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

**Name:** PERSHING LLC  
**CRD #:** 7560  
**Business Address:** ONE PERSHING PLAZA  
JERSEY CITY, NJ 07399  
**Effective Date:** 01/03/2008  
**Description:** EFFECTIVE JULY 4, 2008, INSIGNEO INTERNATIONAL FINANCIAL SERVICES LLC (HEREIN AFTER "IIFS", FORMERLY CITI INTERNATIONAL FINANCIAL SERVICES LLC OR "CIFS) WILL INTRODUCE ALL IT CUSTOMERS THRU PERSHING LLC

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### Control Persons/Financing

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



## Firm Operations

### Industry Arrangements (continued)



**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.

**HENCORP, S.A. DE C.V. CASA DE CORREDORES DE BOLSA is under common control with the firm.**

<b>Business Address:</b>	C. LLAMA DEL BOSQUE PONIENTE, EDIF. AVANTE URB. MADRE SELVA, ANTIGUO CUSCATLAN LA LIBERTAD, EL SALVADOR
<b>Effective Date:</b>	08/01/2022
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	EL SALVADOR
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	INDIRECT OWNERSHIP BY R-HENRIQUEZ HOLDING LLC THEREFORE UNDER COMMON CONTROL WITH THE APPLICANT

**HENCORP VALORES, LTDA. TITULARIZADORA is under common control with the firm.**

<b>Business Address:</b>	BLVD. ORDEN DE MALTA, EDIF. D'CORA URB. SANTA ELENA ANTIGUO CUSCATLAN LA LIBERTAD, EL SALVADOR
<b>Effective Date:</b>	08/01/2022
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	EL SALVADOR
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	INDIRECT OWNERSHIP BY R-HENRIQUEZ HOLDING LLC THEREFORE UNDER COMMON CONTROL WITH THE APPLICANT

## Firm Operations



### Organization Affiliates (continued)

**INSIGNEO ASESORIAS FINANCIERAS SPA is under common control with the firm.**

**Business Address:** AV. EL BOSQUE NORTE 0211 OF 101  
LAS CONDES  
SANTIAGO, CHILE

**Effective Date:** 08/01/2022

**Foreign Entity:** Yes

**Country:** CHILE

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** INSIGNEO FINANCIAL GROUP OWNS 100% OF INSIGNEO ASESORIAS FINANCIERAS SPA, ACCORDINGLY INSIGNEO ASESORIAS FINANCIERAS SPA AND THE APPLICANT ARE AFFILIATES UNDER COMMON CONTROL.

**INSIGNEO ARGENTINA SOCIEDAD ANONIMA UNIPERSONAL is under common control with the firm.**

**Business Address:** FONDO DE LA LEGUA 936 PB  
SAN ISIDRO  
BUENOS AIRES, ARGENTINA 1640

**Effective Date:** 08/01/2022

**Foreign Entity:** Yes

**Country:** ARGENTINA

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** INSIGNEO FINANCIAL GROUP OWNS 100% OF INSIGNEO ARGENTINA SOCIEDAD ANONIMA UNIPERSONAL, ACCORDINGLY INSIGNEO ARGENTINA SOCIEDAD ANONIMA UNIPERSONAL AND THE APPLICANT ARE AFFILIATES UNDER COMMON CONTROL.

**INSIGNEO ASESORES DE INVERSION URUGUAY SA is under common control with the firm.**

**Business Address:** AV URUGUAY 872, APTO. 501  
MONTEVIDEO, URUGUAY

**Effective Date:** 08/01/2022

**Foreign Entity:** Yes

## Firm Operations



### Organization Affiliates (continued)

<b>Country:</b>	URUGUAY
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	THE AFFILIATED ENTITY (INSIGNEO ASESORES DE INVERSION URUGUAY SA) AND THE APPLICANT ARE UNDER COMMON CONTROL OF INSIGNEO FINANCIAL GROUP, WHICH IS THE APPLICANT'S, AND AFFILIATE'S INDIRECT OWNER.

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#### INSIGNEO ASESORES DE INVERSION LATAM SA is under common control with the firm.

<b>Business Address:</b>	RUTA 8 KM 17.500, EDIFICIO ARROBA OFICINA 109 MONTEVIDEO, URUGUAY
<b>Effective Date:</b>	08/01/2022
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	URUGUAY
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	THE AFFILIATED ENTITY (INSIGNEO ASESORES DE INVERSION LATAM SA) AND THE APPLICANT ARE UNDER COMMON CONTROL OF INSIGNEO FINANCIAL GROUP, WHICH IS THE APPLICANT'S, AND AFFILIATE'S INDIRECT OWNER.

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#### INSIGNEO SECURITIES, LLC is under common control with the firm.

<b>CRD #:</b>	29249
<b>Business Address:</b>	1221 BRICKELL AVENUE, PH MIAMI, FL 33131
<b>Effective Date:</b>	08/01/2022
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No

## Firm Operations



### Organization Affiliates (continued)

**Description:** THE APPLICANT IS WHOLLY OWNED BY INSIGNEO PUERTO RICAN HOLDINGS LLC, WHICH IS WHOLLY OWNED BY INSIGNEO PR HOLDINGS LLC, WHICH IS WHOLLY OWNED BY INSIGNEO FINANCIAL GROUP. INSIGNEO FINANCIAL GROUP IS THE AFFILIATE ENTITY'S OWNER THEREFORE UNDER COMMON CONTROL.

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#### INSIGNEO ADVISORY SERVICES, LLC is under common control with the firm.

**CRD #:** 282589

**Business Address:** 1221 BRICKELL AVENUE, PH  
MIAMI, FL 33131

**Effective Date:** 08/01/2022

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** INSIGNEO FINANCIAL GROUP OWNS 100% OF INSIGNEO ADVISORY SERVICES LLC, ACCORDINGLY INSIGNEO ADVISORY SERVICES LLC AND THE APPLICANT ARE AFFILIATES UNDER COMMON CONTROL.

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#### INSIGNEO INTERNATIONAL ASESORES DE INVERSION URUGUAY SA is under common control with the firm.

**Business Address:** RUTA 8 KM 17.50  
EDIFICIO BETA 4 OFICINA 001A  
MONTEVIDEO, URUGUAY

**Effective Date:** 07/04/2011

**Foreign Entity:** Yes

**Country:** URUGUAY

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** THE AFFILIATED ENTITY (INSIGNEO INTERNATIONAL ASESORES DE INVERSION URUGUAY SA) AND THE APPLICANT ARE UNDER COMMON CONTROL OF INSIGNEO FINANCIAL GROUP, WHICH IS THE APPLICANT'S, AND AFFILIATE'S INDIRECT OWNER. FORMERLY KNOWN AS CITI ASESORES DE URUGUAY, NAME CHANGED AUG 2022 AND PREVIOUSLY JINKALER S.A., NAME CHANGED AUG 2011

## Firm Operations



### Organization Affiliates (continued)

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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	4	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 4

**Reporting Source:** Regulator

**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 SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT"), AGAINST CITIGROUP GLOBAL MARKETS, INC. ("CGMI") AND CITI INTERNATIONAL FINANCIAL SERVICES, LLC ("CIFS"), NOW KNOWN AS INSIGNEO INTERNATIONAL FINANCIAL SERVICES, LLC, (CGMI AND CIFS, COLLECTIVELY, "RESPONDENTS"), AND SECTION 203(E) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AGAINST CGMI. THE COMMISSION FINDS THAT FROM JUNE 30, 2020 TO AT LEAST MARCH 2021, RESPONDENTS MADE SECURITIES RECOMMENDATIONS TO RETAIL CUSTOMERS WITHOUT COMPLYING WITH THE DISCLOSURE REQUIREMENTS UNDER REGULATION BEST INTEREST (REG. BI) OR THE REQUIREMENT TO DELIVER THE FORM CLIENT RELATIONSHIP SUMMARY (FORM CRS). THE COMMISSION ADOPTED REG. BI IN JUNE 2019, REQUIRING BROKER-DEALERS TO ACT IN THE BEST INTEREST OF THEIR RETAIL CUSTOMERS WHEN MAKING SECURITIES RECOMMENDATIONS AND TO PROVIDE CERTAIN DISCLOSURES TO THOSE CUSTOMERS PRIOR TO OR AT THE TIME OF SUCH RECOMMENDATIONS. AMONG OTHER THINGS, BROKER-DEALERS ARE REQUIRED TO PROVIDE RETAIL CUSTOMERS FULL AND FAIR WRITTEN DISCLOSURE OF ALL MATERIAL FACTS RELATING TO THE TERMS AND SCOPE OF THE RELATIONSHIP AND CONFLICTS OF INTEREST ASSOCIATED WITH SECURITIES RECOMMENDATIONS (THE "DISCLOSURE OBLIGATION"). LIKEWISE, IN JUNE 2019, THE COMMISSION ADOPTED EXCHANGE ACT RULE 17A-14, WHICH REQUIRES BROKER-DEALERS TO DELIVER FORM CRS TO, AMONG OTHERS, EXISTING RETAIL CUSTOMERS. BROKER-DEALERS WERE REQUIRED TO COMPLY WITH REG. BI'S DISCLOSURE OBLIGATION BY JUNE 30, 2020 AND PROVIDE FORM CRS TO EXISTING RETAIL CUSTOMERS BY JULY 30, 2020. BY THE SAME DATE, BROKER-DEALERS WERE ALSO REQUIRED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN POLICIES AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REG. BI (THE "COMPLIANCE OBLIGATION"). IN THE REG. BI AND FORM CRS ADOPTING RELEASES, THE COMMISSION AFFIRMED ITS LONG-STANDING GUIDANCE ON ELECTRONIC DELIVERY OF DISCLOSURES, WHICH STATES THAT IT IS GENERALLY NOT APPROPRIATE FOR BROKER-DEALERS TO RELY ON IMPLIED CONSENT TO MEET THE REQUIREMENT THAT THE BROKERDEALER RECEIVE EVIDENCE OF DELIVERY -I.E., WHERE THE BROKER-DEALER INFORMS CUSTOMERS OF ITS INTENT TO DELIVER DISCLOSURES ELECTRONICALLY AND DEEMS ITS DELIVERY OBLIGATION SATISFIED UNLESS INVESTORS AFFIRMATIVELY OBJECT TO SUCH ELECTRONIC DELIVERY. SEE REGULATION BEST INTEREST: THE BROKER-DEALER STANDARD OF CONDUCT, EXCHANGE ACT RELEASE NO. 86031 (JUNE 5, 2019) ("REG. BI ADOPTING RELEASE"); FORM CRS RELATIONSHIP



SUMMARY; AMENDMENTS TO FORM ADV, EXCHANGE ACT RELEASE NO. 86032, ADVISERS ACT RELEASE NO. 5247 (JUNE 5, 2019) ("FORM CRS ADOPTING RELEASE"). RESPONDENTS NONETHELESS USED IMPLIED CONSENT AND DEFAULTED THEIR APPROXIMATELY 360,000 ACCOUNTS BELONGING TO EXISTING RETAIL CUSTOMERS ("EXISTING RETAIL CUSTOMERS") TO ELECTRONIC DELIVERY OF THE REQUIRED DISCLOSURES. RESPONDENTS DID NOT COMPLY WITH THE DISCLOSURE OBLIGATION OF REG. BI AND THE DELIVERY REQUIREMENT OF FORM CRS UNTIL APRIL 2021, WHEN RESPONDENTS MAILED THE DISCLOSURES AND FORM CRS TO EXISTING RETAIL CUSTOMERS. BY THAT TIME, HOWEVER, REGISTERED REPRESENTATIVES OF THE FIRMS HAD MADE APPROXIMATELY 31,600 SECURITIES RECOMMENDATIONS TO APPROXIMATELY 13,600 EXISTING RETAIL CUSTOMERS, ALL WITHOUT EFFECTING DELIVERY WITHIN THE FRAMEWORK OF THE COMMISSION'S ELECTRONIC DELIVERY GUIDANCE FOR THE REQUIRED DISCLOSURES AND FORM CRS TO NEARLY ALL THOSE RETAIL CUSTOMERS, IN VIOLATION OF EXCHANGE ACT RULE 15L-1(A)(1), AS WELL AS SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULE 17A-14(F)(3) THEREUNDER.

**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 09/28/2023

**Docket/Case Number:** 3-21753

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:**

**Resolution:** Order

**Resolution Date:** 09/28/2023

**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 \$1,975,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:**

THE FIRM WAS CENSURED, SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULE 17A-14 THEREUNDER, SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULE 15L-1 UNDER THE EXCHANGE ACT, AND SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$1,975,000, JOINTLY AND SEVERALLY.

**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 SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULES 15L-1(A)(1) AND 17A-14(F)(3) THEREUNDER. 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 SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULE 17A-14 THEREUNDER, SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULE 15L-1 UNDER THE EXCHANGE ACT, AND SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$1,975,000, JOINTLY AND SEVERALLY.

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLICINTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE,INSTITUTED PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934("EXCHANGEACT"), AGAINST CITIGROUP GLOBAL MARKETS, INC. ("CGMI") AND CITI INTERNATIONALFINANCIAL SERVICES, LLC ("CIFS"), NOW KNOWN AS INSIGNEOINTERNATIONAL FINANCIAL SERVICES, LLC,(CGMI AND CIFS, COLLECTIVELY, "RESPONDENTS"), AND SECTION 203(E) OF THE INVESTMENT ADVISERS ACTOF 1940("ADVISERS ACT") AGAINST CGMI. THE COMMISSION FINDS THAT FROM JUNE 30, 2020 TO AT LEASTMARCH 2021, RESPONDENTS MADE SECURITIESRECOMMENDATIONS TO RETAIL CUSTOMERS WITHOUTCOMPLYING WITH THE DISCLOSURE REQUIREMENTS UNDER REGULATION BEST INTEREST (REG. BI) ORTHEREQUIREMENT TO DELIVER THE FORM CLIENT RELATIONSHIP SUMMARY (FORM CRS). THE COMMISSIONADOPTED REG. BI IN JUNE 2019, REQUIRING BROKER-DEALERSTO ACT IN THE BEST INTEREST OF THEIRRETAIL CUSTOMERS WHEN MAKING SECURITIES RECOMMENDATIONS AND TO PROVIDE CERTAIN DISCLOSURESTO THOSECUSTOMERS PRIOR TO OR AT THE TIME OF SUCH



RECOMMENDATIONS. AMONG OTHER THINGS, BROKER-DEALERS ARE REQUIRED TO PROVIDE RETAIL CUSTOMERS FULL AND FAIR WRITTEN DISCLOSURE OF ALL MATERIAL FACTS RELATING TO THE TERMS AND SCOPE OF THE RELATIONSHIP AND CONFLICTS OF INTEREST ASSOCIATED WITH SECURITIES RECOMMENDATIONS (THE "DISCLOSURE OBLIGATION"). LIKEWISE, IN JUNE 2019, THE COMMISSION ADOPTED EXCHANGE ACT RULE 17A-14, WHICH REQUIRES BROKER-DEALERS TO DELIVER FORM CRS TO, AMONG OTHERS, EXISTING RETAIL CUSTOMERS. BROKER-DEALERS WERE REQUIRED TO COMPLY WITH REG. BI'S DISCLOSURE OBLIGATION BY JUNE 30, 2020 AND PROVIDE FORM CRS TO EXISTING RETAIL CUSTOMERS BY JULY 30, 2020. BY THE SAME DATE, BROKER-DEALERS WERE ALSO REQUIRED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN POLICIES AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REG. BI (THE "COMPLIANCE OBLIGATION"). IN THE REG. BI AND FORM CRS ADOPTING RELEASES, THE COMMISSION AFFIRMED ITS LONG-STANDING GUIDANCE ON ELECTRONIC DELIVERY OF DISCLOSURES, WHICH STATES THAT IT IS GENERALLY NOT APPROPRIATE FOR BROKER-DEALERS TO RELY ON IMPLIED CONSENT TO MEET THE REQUIREMENT THAT THE BROKER-DEALER RECEIVE EVIDENCE OF DELIVERY - I.E., WHERE THE BROKER-DEALER INFORMS CUSTOMERS OF ITS INTENT TO DELIVER DISCLOSURES ELECTRONICALLY AND DEEMS ITS DELIVERY OBLIGATION SATISFIED UNLESS INVESTORS AFFIRMATIVELY OBJECT TO SUCH ELECTRONIC DELIVERY. SEE REGULATION BEST INTEREST: THE BROKER-DEALER STANDARD OF CONDUCT, EXCHANGE ACT RELEASE NO. 86031 (JUNE 5, 2019) ("REG. BI ADOPTING RELEASE"); FORM CRS RELATIONSHIP SUMMARY; AMENDMENTS TO FORM ADV, EXCHANGE ACT RELEASE NO. 86032, ADVISERS ACT RELEASE NO. 5247 (JUNE 5, 2019) ("FORM CRS ADOPTING RELEASE"). RESPONDENTS NONETHELESS USED IMPLIED CONSENT AND DEFAULTED THEIR APPROXIMATELY 360,000 ACCOUNTS BELONGING TO EXISTING RETAIL CUSTOMERS ("EXISTING RETAIL CUSTOMERS") TO ELECTRONIC DELIVERY OF THE REQUIRED DISCLOSURES. RESPONDENTS DID NOT COMPLY WITH THE DISCLOSURE OBLIGATION OF REG. BI AND THE DELIVERY REQUIREMENT OF FORM CRS UNTIL APRIL 2021, WHEN RESPONDENTS MAILED THE DISCLOSURES AND FORM CRS TO EXISTING RETAIL CUSTOMERS. BY THAT TIME, HOWEVER, REGISTERED REPRESENTATIVES OF THE FIRMS HAD MADE APPROXIMATELY 31,600 SECURITIES RECOMMENDATIONS TO APPROXIMATELY 13,600 EXISTING RETAIL CUSTOMERS, ALL WITHOUT EFFECTING DELIVERY WITHIN THE FRAMEWORK OF THE COMMISSION'S ELECTRONIC DELIVERY GUIDANCE FOR THE REQUIRED DISCLOSURES AND FORM CRS TO NEARLY ALL THOSE RETAIL CUSTOMERS, IN VIOLATION OF EXCHANGE ACT RULE 15L-1(A)(1), AS WELL AS SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULE 17A-14(F)(3) THEREUNDER.

**Initiated By:**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION



<b>Date Initiated:</b>	09/28/2023
<b>Docket/Case Number:</b>	3-21753
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	09/28/2023
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$1,975,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE FIRM WAS CENSURED, SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULE 17A-14 THEREUNDER, SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULE 15L-1 UNDER THE EXCHANGE ACT, AND SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$1,975,000, JOINTLY AND SEVERALLY.
<b>Firm Statement</b>	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 WILL FULLY VIOLATED SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULES 15L-1(A)(1) AND 17A-14(F)(3) THEREUNDER. 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 SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULE 17A-14 THEREUNDER, SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULE 15L-1 UNDER THE EXCHANGE ACT, AND SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$1,975,000, JOINTLY AND SEVERALLY.

#### Disclosure 2 of 4

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final

**Allegations:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT ITS ANTI-MONEY LAUNDERING (AML) PROGRAM WAS NOT REASONABLY DESIGNED TO ACHIEVE AND MONITOR COMPLIANCE WITH THE REQUIREMENTS OF THE BANK SECRECY ACT (AND THE IMPLEMENTING REGULATIONS THEREUNDER), INCLUDING POLICIES AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THOSE REQUIREMENTS. THE FINDINGS STATED THAT AMONG OTHER THINGS, DESPITE HAVING CONDUCTED SUBSTANTIALLY ALL OF ITS BUSINESS IN A GEOGRAPHIC REGION GENERALLY CONSIDERED TO PRESENT ELEVATED AML RISK, AND DESPITE HAVING HANDLED A NUMBER OF CUSTOMER SECURITIES TRANSACTIONS OF A KIND OFTEN ASSOCIATED WITH ELEVATED AML RISK, THE FIRM RELIED PRIMARILY ON MANUAL SUPERVISORY REVIEW OF SECURITIES TRANSACTIONS THAT WAS NOT SUFFICIENTLY FOCUSED ON AML RISKS AND WAS OTHERWISE INSUFFICIENT TO SATISFY THE FIRM'S AML COMPLIANCE OBLIGATIONS. GIVEN THE VOLUME AND NATURE OF TRANSACTIONS PROCESSED BY THE FIRM, AS WELL AS THE PARTICULAR RISKS ASSOCIATED WITH ITS BUSINESS MODEL, THE FIRM LACKED AN ADEQUATE SYSTEM TO MONITOR TRANSACTIONS FOR PURPOSES OF DETECTING POTENTIALLY SUSPICIOUS ACTIVITY AND EVALUATING WHETHER TRANSACTIONS SHOULD BE ELEVATED FOR CLOSER AML SCRUTINY AND POTENTIAL REPORTING. FURTHERMORE, THE FIRM DID NOT APPROPRIATELY TAILOR ITS AML PROGRAM TO FIT THE PARTICULAR NATURE OF ITS BUSINESS. UNTIL AT LEAST JULY 2013, THE FIRM RELIED PRIMARILY ON MANUAL SUPERVISORY REVIEW OF CUSTOMER SECURITIES TRANSACTIONS TO IDENTIFY A RANGE OF OPERATIONAL OR COMPLIANCE CONCERNS, BUT THAT REVIEW WAS NOT SPECIFICALLY FOCUSED ON AML RISK AND THE RELEVANT SUPERVISORY PERSONNEL WERE NOT IN ALL CASES ADEQUATELY EDUCATED ABOUT THEIR RESPONSIBILITIES IN THE AML CONTEXT. IN 2011 THE FIRM DEVELOPED AND IMPLEMENTED NEW AML-SPECIFIC WRITTEN SUPERVISORY PROCEDURES. THOSE PROCEDURES CONTEMPLATED ENHANCED AML SCRUTINY FOR ACCOUNTS AND TRANSACTIONS CHARACTERIZED BY CERTAIN COMMONLY-ACCEPTED RISK FACTORS, SUCH AS AN ACCOUNT'S CONNECTION TO SENIOR PUBLIC OR POLITICAL FIGURES OR ACTIVITY IN HIGH-RISK GEOGRAPHIC LOCATIONS. IN PRACTICE, HOWEVER, SUCH HEIGHTENED SCRUTINY WAS NOT CONSISTENTLY APPLIED NOR TRANSACTIONS ELEVATED FOR FURTHER REVIEW. THE FIRM ALSO DID NOT MAKE EFFECTIVE USE OF AUTOMATED SURVEILLANCE TO IDENTIFY POTENTIALLY SUSPICIOUS TRANSACTIONS OCCURRING IN ITS CUSTOMER BROKERAGE ACCOUNTS. THE FIRM DELEGATED TO ONE OF ITS BANKING AFFILIATES THE RESPONSIBILITY FOR MONITORING - THROUGH AUTOMATED SURVEILLANCE AND OTHERWISE - TRANSFERS OF MONEY BETWEEN THE FIRM CUSTOMER BROKERAGE ACCOUNTS AND RELATED CUSTOMER BANK ACCOUNTS HELD AT THE FIRM BANKING



AFFILIATES. BUT SECURITIES TRANSACTIONS AND OTHER ACTIVITY THAT OCCURRED ENTIRELY WITHIN THE CUSTOMER'S BROKERAGE ACCOUNT WITH THE FIRM WERE NOT ADEQUATELY MONITORED PURSUANT TO THIS DELEGATION. AND IN SOME CASES AUTOMATED ALERTS RELATED TO SECURITIES TRANSACTIONS IN CUSTOMER BROKERAGE ACCOUNTS WERE CLOSED BASED ON THE ERRONEOUS ASSUMPTION THAT THE FIRM WAS CONDUCTING SYSTEMATIC AML MONITORING OF THE SECURITIES TRANSACTIONS AND ADDRESSING POTENTIAL AML CONCERNS AS APPROPRIATE. THE FINDINGS ALSO STATED THAT THE FIRM DID NOT CONDUCT ADEQUATE ANNUAL INDEPENDENT TESTING FOR AML COMPLIANCE BY ITS OWN PERSONNEL OR BY A QUALIFIED OUTSIDE PARTY. ALTHOUGH CERTAIN ASPECTS OF THE FIRM'S AML COMPLIANCE PROGRAM WERE TESTED, THE TESTING DID NOT ADEQUATELY FOCUS ON THE FIRM'S INEFFECTIVE MONITORING OF TRANSACTIONS THAT OCCURRED ENTIRELY WITHIN CUSTOMER BROKERAGE ACCOUNTS AT THE FIRM AND, AS A RESULT, DID NOT EFFECTIVELY IDENTIFY THE SHORTCOMINGS IN THE FIRM'S AML COMPLIANCE PROGRAM.

**Initiated By:** FINRA

**Date Initiated:** 12/20/2016

**Docket/Case Number:** [2013036434501](#)

**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:** 12/20/2016

**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 \$5,750,000.00

**Other Sanctions Ordered:** AN UNDERTAKING

**Sanction Details:** THE FIRM WAS CENSURED, FINED \$5,750,000 AND AGREED TO SUBMIT TO





FINRA, WITHIN 180 DAYS OF ISSUANCE OF THE AWC, A WRITTEN CERTIFICATION THAT THE FIRM HAS DEVELOPED AND IMPLEMENTED WRITTEN POLICIES, PROCEDURES, AND INTERNAL CONTROLS REASONABLY DESIGNED TO ADDRESS THE SHORTCOMINGS IDENTIFIED IN THE AWC. FINES PAID IN FULL ON JANUARY 13, 2017.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINRA ALLEGED THAT, THROUGH JULY 2013, THE FIRM'S PRIMARY RELIANCE ON A MANUAL SUPERVISORY REVIEW OF SECURITIES TRANSACTIONS WAS NOT REASONABLY DESIGNED TO ACHIEVE AND MONITOR COMPLIANCE WITH THE REQUIREMENTS OF THE BANK SECRECY ACT. FINRA ALSO ALLEGED THAT THE TESTING OF THE FIRM'S AML PROGRAM DID NOT ADEQUATELY FOCUS ON THE MONITORING OF TRANSACTIONS THAT OCCURRED ENTIRELY WITHIN CUSTOMER BROKERAGE ACCOUNTS. THE FIRM ACCEPTED, WITHOUT ADMITTING OR DENYING, THE FINDINGS.

**Initiated By:** FINRA

**Date Initiated:** 12/20/2016

**Docket/Case Number:** [2013036434501](#)

**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:** 12/20/2016

**Sanctions Ordered:** Censure  
Monetary/Fine \$5,750,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE FOLLOWING SANCTIONS: CENSURE, FINE (\$5,750,000), AND UNDERTAKING TO CERTIFY WITHIN 180 DAYS THAT THE FIRM DEVELOPED AND IMPLEMENTED POLICIES, PROCEDURES, AND CONTROLS DESIGNED TO ADDRESS THE SHORTCOMINGS IDENTIFIED IN THE AWC.



**Firm Statement**

ACTION RESOLVED BY AWC ACCEPTED BY FINRA ON DECEMBER 20, 2016.

**Disclosure 3 of 4****Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

FINRA RULE 2010, NASD RULES 2110, 2320, 2440, 3010, INTERPRETATIVE MATERIAL 2440-1, 2440-2 - CITI INTERNATIONAL FINANCIAL SERVICES LLC IN PAIRS OF TRANSACTIONS, BOUGHT OR SOLD CORPORATE BONDS AND U.S. GOVERNMENT AGENCY BONDS FROM OR TO ITS CUSTOMERS AND FAILED TO BUY OR SELL SUCH BONDS AT A PRICE THAT WAS FAIR, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS WITH RESPECT TO EACH AT THE TIME OF THE TRANSACTIONS, THE EXPENSE INVOLVED AND THAT THE FIRM WAS ENTITLED TO A PROFIT. IN PAIRS OF TRANSACTIONS, THE FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET FOR THE SUBJECT TRANSACTIONS AND BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMERS WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS. THE FIRM FAILED TO ESTABLISH AND IMPLEMENT A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND FINRA RULES CONCERNING FAIR PRICING AND BEST EXECUTION OF FIXED INCOME TRANSACTIONS. THE FIRM'S SUPERVISORY SYSTEM WAS INADEQUATE BECAUSE IT WAS NOT DESIGNED TO REVIEW MARKUPS/MARKDOWNS THAT WERE BELOW FIVE PERCENT, BUT THAT NONETHELESS MAY HAVE BEEN EXCESSIVE; THE FIRM UTILIZED A PRICING GRID THAT PROVIDED FOR THE CALCULATION OF AND SUPERVISORY REVIEW OF MARKUPS/MARKDOWN THAT WAS BASED ON A PERCENTAGE OF THE PAR VALUE OF BONDS, INSTEAD OF AS A PERCENTAGE OF THE ACTUAL PRINCIPAL VALUE OF THE BONDS. WHEN THE BOND MARKET BECAME MORE VOLATILE AND THE VALUE OF MANY BONDS SUBSTANTIALLY DECREASED, THE FIRM'S SUPERVISORY SYSTEM CONTRIBUTED TO ITS FAILURE TO DETECT THAT IT WAS CHARGING ITS CUSTOMERS EXCESSIVE MARKUPS/MARKDOWNS FOR FIXED INCOME TRANSACTIONS; AND THE FIRM'S SUPERVISORY PROCEDURES DID NOT ADDRESS THE APPLICABLE REQUIREMENTS OF THE APPLICABLE SECURITIES LAWS AND REGULATIONS AND FINRA RULES CONCERNING BEST EXECUTION OF FIXED INCOME TRANSACTIONS THAT THE FIRM EXECUTED THROUGH ITS THIRD-PARTY CLEARING AGENT. SUBSEQUENT TO THE RECEIPT OF THE STAFF'S INQUIRY LETTERS FOR THIS MATTER, THE FIRM, ON ITS OWN ACCORD CONDUCTED AN INTERNAL INVESTIGATION REGARDING THE BOND PRICES CHARGED TO ITS CUSTOMERS DURING A 3 1/2 YEAR TIME PERIOD, FORMULATED A RESTITUTION PLAN WHICH IT SUBMITTED TO FINRA FOR APPROVAL, AND



AGREED TO MAKE RESTITUTION IN THE TOTAL AMOUNT OF \$648,080 FOR FIXED INCOME TRANSACTIONS. THESE ACTIONS BY THE FIRM WERE TAKEN INTO CONSIDERATION WHEN DETERMINING THE SANCTIONS IMPOSED IN THIS MATTER.

**Initiated By:** FINRA

**Date Initiated:** 02/27/2012

**Docket/Case Number:** [2007011299401](#)

**Principal Product Type:** Debt - Corporate

**Other Product Type(s):** GOVERNMENT AGENCY BONDS

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 02/27/2012

**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 \$600,000.00  
Disgorgement/Restitution

**Other Sanctions Ordered:** UNDERTAKING

**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, FINED \$600,000, REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING FAIR PRICING AND BEST EXECUTION OF FIXED INCOME TRANSACTIONS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC, AND ORDERED TO PAY \$648,080, PLUS INTEREST, IN RESTITUTION TO FIRM CUSTOMERS. FINRA PROPOSED THAT THE FIRM PAY APPROXIMATELY \$145,000 IN RESTITUTION; SUBSEQUENTLY THE FIRM CONDUCTED ITS OWN INVESTIGATION AND FORMULATED A RESTITUTION PLAN FOR A TOTAL RESTITUTION AMOUNT OF \$648,080. THE FINE AMOUNT IS BASED, IN PART, UPON THE RESTITUTION AMOUNT CALCULATED BY FINRA FOR THE TRANSACTIONS IDENTIFIED FROM ITS FAIR PRICING AND BEST



EXECUTION SWEEPS. A REGISTERED FIRM PRINCIPAL SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION, OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. ANY UNDISTRIBUTED RESTITUTION AND INTEREST SHALL BE FORWARDED TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER LAST RESIDED. FINE PAID IN FULL ON MARCH 8, 2012.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINRA ALLEGED THAT FIRM FAILED TO COMPLY WITH FINRA RULE 2010, NASD RULES 2110, 2320, 2440, 3010 AND INTERPRETATIVE MATERIAL 2440-1, 2440-2 BY FAILING TO BUY AND SELL CERTAIN BONDS AT A PRICE THAT WAS FAIR TO CUSTOMERS; BY FAILING TO ASCERTAIN THE BEST INTER-DEALER MARKET FOR SOME OF THESE TRANSACTIONS AND BY FAILING TO MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM TO DETECT SUCH DEFICIENCIES. ACCORDING TO FINRA THE FIRM SUPERVISORY SYSTEM WAS NOT DESIGNED TO ACHIEVE COMPLIANCE WITH SECURITIES LAWS AND REGULATIONS CONCERNING FAIR PRICING AND BEST EXECUTION OF FIXED INCOME TRANSACTIONS. FINRA ALSO ALLEGED THAT THE FIRM'S SUPERVISORY PROCEDURES DID NOT ADDRESS BEST EXECUTION OF CERTAIN FIXED INCOME TRANSACTIONS THAT THE FIRM EXECUTED THROUGH ITS THIRD-PARTY CLEARING FIRM. THE FIRM ACCEPTED WITHOUT ADMITTING OR DENYING THE FINDINGS.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. (FINRA)

**Date Initiated:** 02/27/2012

**Docket/Case Number:** [2007011299401](#)

**Principal Product Type:** Debt - Corporate

**Other Product Type(s):** GOVERNMENT AGENCY BONDS

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 02/27/2012

**Sanctions Ordered:** Censure



Monetary/Fine \$600,000.00  
 Disgorgement/Restitution

**Other Sanctions Ordered:**

UNDERTAKING

**Sanction Details:**

FIRM WAS CENSURED, FINED AND CONSENTED TO PAY TOTAL RESTITUTION OF \$648,080 PLUS INTEREST TO CUSTOMERS. FIRM WAS ALSO REQUIRED TO UPDATE SUPERVISORY PROCEDURES. FIRM ACCEPTED WITHOUT ADMITTING OR DENYING THE FINDINGS.

**Disclosure 4 of 4**

**Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

**Initiated By:**

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:**

03/13/1997

**Docket/Case Number:**

C07970003

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:**

Acceptance, Waiver & Consent(AWC)

**Resolution Date:**

03/13/1997

**Sanctions Ordered:**

Censure  
 Monetary/Fine \$9,500.00

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement**

ON MARCH 13, 1997, DISTRICT NO. 7 NOTIFIED CITICORP FINANCIAL SERVICES CORPORATION THAT THE LETTER OF ACCEPTANCE, WAIVER AND  
 CONSENT NO. C07970003 WAS ACCEPTED; THEREFORE, RESPONDENT MEMBER IS CENSURED AND FINED \$9,500 - (MSRB RULES G-2, G-8, G-27 AND G-37 - RESPONDENT MEMBER FAILED TO FILE A MSRB FORM G-37 WITHIN 30 DAYS AFTER THE QUARTER END, FAILED TO DISCLOSE



ITS PARTICIPATION IN UNDERWRITINGS IN FORMS G-37 FILED; FAILED TO PREPARE A RECORD OF ITS MUNICIPAL FINANCE PROFESSIONALS, A RECORD OF THE DELIVERY OF OFFICIAL STATEMENTS RELATING TO MUNICIPAL SECURITIES UNDERWRITINGS, AND A RECORD OF ISSUERS WITH WHICH THE FIRM HAS DONE BUSINESS; FAILED TO CAUSE TWO INDIVIDUALS TO BECOME REGISTERED AS MUNICIPAL SECURITIES PRINCIPAL; AND, FAILED TO ESTABLISH ADEQUATE WRITTEN PROCEDURES CONCERNING POLITICAL CONTRIBUTIONS BY FIRM PERSONAL, INCLUDING THE LIMITATIONS ON SUCH CONTRIBUTIONS AND THE PRINCIPAL RESPONSIBLE FOR SUPERVISION).

\*\*\*\$9,500.00 PAID ON 4/8/97, INVOICE #97-07-226\*\*\*

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE NASD ALLEGED THAT CITICORP FINANCIAL SERVICES CORP. FAILED TO FILE MSRB FORM G-37 WITHIN 30 DAYS AFTER THE QUARTER END. FAILED TO DISCLOSE ITS PARTICIPATION IN UNDERWRITING IN FORM G-37 FILED; FAILED TO PREPARE RECORDS OF ITS MUNICIPALS FINANCE PROFESSIONALS, A RECORD OF THE DELIVERIES OF OFFICIAL STATEMENTS RELATING TO MUNICIPALS SECURITIES UNDERWRITING, AND A RECORD OF ISSUERS WITH WHICH THE FIRM HAS DONE BUSINESS; FAILED TO CAUSE TWO INDIVIDULAS TO BECOME REGISTERED AS MUNICIPALS SECURITIES PRINCIPAL; AND FAILED TO ESTABLISH ADEQUATE PROCEDURES CONCERNING POLITICAL CONTRIBUTIONS BY FIRM PERSONAL, INCLUDING THE LIMITATIONS ON SUCH CONTRIBUTIONS AND THE PRINCIPAL RESPONSIBLE FOR SUPERVISION.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD)

**Date Initiated:** 06/01/1996

**Docket/Case Number:** C07970003

**Principal Product Type:** Debt - Municipal

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:**



<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	03/13/1997
<b>Sanctions Ordered:</b>	Monetary/Fine \$9,500.00
<b>Other Sanctions Ordered:</b>	NONE
<b>Sanction Details:</b>	FINED IN THE AMOUNT OF \$9,500

**End of Report**



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