

## BrokerCheck Report

### SANTANDER INVESTMENT SECURITIES INC.

CRD# 37216

| <u>Section Title</u>        | <u>Page(s)</u> |
|-----------------------------|----------------|
| Report Summary              | 1              |
| Registration and Withdrawal | 2              |
| Firm Profile                | 3 - 5          |
| Firm History                | 6              |
| Firm Operations             | 7 - 20         |
| Disclosure Events           | 21             |



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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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)



## SANTANDER INVESTMENT SECURITIES INC.

CRD# 37216

SEC# 8-47664

### Main Office Location

437 MADISON AVENUE  
FLOORS 6, 7, 8, 9 AND 10  
NEW YORK, NY 10022

### Mailing Address

437 MADISON AVENUE  
FLOORS 6, 7, 8, 9 AND 10  
NEW YORK, NY 10022

### Business Telephone Number

212-350-3500

This firm is a brokerage firm and an investment adviser firm. For more information about investment adviser firms, visit the SEC's Investment Adviser Public Disclosure website at:

<https://www.adviserinfo.sec.gov>

## 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 07/14/1994.

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 | 10    |

The number of disclosures from non-registered control affiliates is 6

## 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:** 02/06/2023

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



## Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 07/14/1994.

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.

**SANTANDER INVESTMENT SECURITIES INC.**

**Doing business as SANTANDER INVESTMENT SECURITIES INC.**

**CRD#** 37216

**SEC#** 8-47664

### Main Office Location

437 MADISON AVENUE  
FLOORS 6, 7, 8, 9 AND 10  
NEW YORK, NY 10022

### Mailing Address

437 MADISON AVENUE  
FLOORS 6, 7, 8, 9 AND 10  
NEW YORK, NY 10022

### Business Telephone Number

212-350-3500

## 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):                                    | LANE, JASON DEARMOND<br>2671708 |
| Is this a domestic or foreign entity or an individual?         | Individual                      |
| Position   | CHIEF COMPLIANCE OFFICER        |
| Position Start Date  | 10/2021                         |
| 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                              |

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## 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 no longer registered.**

**The firm's registration was from 12/21/1994 to 05/26/2023.**



## 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

|   |
|---|
| 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) |
| U S. government securities dealer   |
| U S. government securities broker   |
| 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  |

## **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 not have books or records maintained by a third party.**

**This firm does not have accounts, funds, or securities maintained by a third party.**

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

|                          |   |
|--------------------------|---|
| <b>Name:</b>             | PERSHING LLC  |
| <b>CRD #:</b>            | 7560  |
| <b>Business Address:</b> | ONE PERSHING PLAZA<br>JERSEY CITY, NJ 07399                               |
| <b>Effective Date:</b>   | 01/10/2013  |
| <b>Description:</b>      | THE APPLICANT HAS A FULLY DISCLOSED CLEARING AGREEMENT WITH PERSHING LLC. |

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#### 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.

**SANTANDER ASSET MANAGEMENT SA SGIIC is under common control with the firm.**

|  |  |
|--|--|
| <b>Business Address:</b>               | CALLE SERRANO, 69<br>MADRID, SPAIN 28006         |
| <b>Effective Date:</b>                 | 07/05/2007                                       |
| <b>Foreign Entity:</b>                 | Yes  |
| <b>Country:</b>                        | SPAIN  |
| <b>Securities Activities:</b>          | No   |
| <b>Investment Advisory Activities:</b> | Yes  |
| <b>Description:</b>                    | UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A. |

**NORCHEM PARTICIPACOES E CONSULTORIA S.A. is under common control with the firm.**

|  |  |
|--|--|
| <b>Business Address:</b>               | AV. BRIGADEIRO FARIA LIMA, 3729-14<br>ANDAR (PARTE) - ITAIM<br>SAO PAULO, BRAZIL 04538-905 |
| <b>Effective Date:</b>                 | 10/23/2003   |
| <b>Foreign Entity:</b>                 | Yes  |
| <b>Country:</b>                        | BRAZIL   |
| <b>Securities Activities:</b>          | Yes  |
| <b>Investment Advisory Activities:</b> | No   |
| <b>Description:</b>                    | UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A.   |

**GESTION SANTANDER SA DE CV is under common control with the firm.**

|                          |   |
|--------------------------|---|
| <b>Business Address:</b> | PROLONGACION PASEO DE LA REFORMA<br>500 MODULO 206. COL. LOMAS DE SANTA FE. DELEGACIO |
|--------------------------|---|

# Firm Operations



## Organization Affiliates (continued)

CIUDAD DE MEXICO, MEXICO

**Effective Date:** 10/23/2009

**Foreign Entity:** Yes

**Country:** MEXICO

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A.

**SANTANDER INVESTMENT VALORES COLOMBIA S.A., COMISIONISTA DE BOLSA COMERCIAL is under common control with the firm.**

**Business Address:** CARRERA 7 NO. 99-53  
BOGOTA, COLOMBIA

**Effective Date:** 10/23/2003

**Foreign Entity:** Yes

**Country:** COLOMBIA

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A.

**SANTANDER RIO SOCIEDAD DE BOLSA S.A. is under common control with the firm.**

**Business Address:** BARTOLOME MITRE 480 5TO.  
PISO CAPITAL FEDERAL  
BUENOS AIRES, ARGENTINA 1036

**Effective Date:** 10/23/2003

**Foreign Entity:** Yes

**Country:** ARGENTINA

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A.

## Firm Operations



### Organization Affiliates (continued)

**BANCO ESPANOL DE CREDITO, S.A. is under common control with the firm.**

|  |  |
|--|--|
| <b>Business Address:</b>               | MESENA 80<br>MADRID, SPAIN                       |
| <b>Effective Date:</b>                 | 10/23/2003                                       |
| <b>Foreign Entity:</b>                 | Yes  |
| <b>Country:</b>                        | SPAIN  |
| <b>Securities Activities:</b>          | Yes  |
| <b>Investment Advisory Activities:</b> | Yes  |
| <b>Description:</b>                    | UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A. |

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**FORTRAM LLC is under common control with the firm.**

|  |   |
|--|---|
| <b>Business Address:</b>               | 1660 DUKE STREET<br>SUITE 200<br>ALEXANDRIA, VA 22314 |
| <b>Effective Date:</b>                 | 10/17/2007  |
| <b>Foreign Entity:</b>                 | No  |
| <b>Country:</b>                        |   |
| <b>Securities Activities:</b>          | No  |
| <b>Investment Advisory Activities:</b> | Yes   |
| <b>Description:</b>                    | UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A.      |

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**INDEPENDENCE COMMUNITY BANCORP is under common control with the firm.**

|  |   |
|--|---|
| <b>Business Address:</b>               | 195 MONTAGUE STREET<br>BROOKLYN, NY 11201 |
| <b>Effective Date:</b>                 | 01/29/2009                                |
| <b>Foreign Entity:</b>                 | No  |
| <b>Country:</b>                        |   |
| <b>Securities Activities:</b>          | Yes                                       |
| <b>Investment Advisory Activities:</b> | Yes                                       |

## Firm Operations



### Organization Affiliates (continued)

**Description:** UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A.

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**SANTANDER BANK, N.A. is under common control with the firm.**

**Business Address:** 75 STATE STREET  
BOSTON, MA 02109

**Effective Date:** 10/17/2013

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** UNDER COMMON CONTROL UNDER SANTANDER HOLDINGS USA, INC.

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**AMHERST PIERPONT is under common control with the firm.**

**CRD #:** 150696

**Business Address:** 245 PARK AVENUE  
NEW YORK, NY 10167

**Effective Date:** 04/11/2022

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** UNDER COMMON CONTROL UNDER SANTANDER HOLDINGS USA, INC.

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**SANTANDER BANK POLKSA S.A. is under common control with the firm.**

**Business Address:** AL. JANA PAWLA II 17  
WARSAW, POLAND

**Effective Date:** 06/25/2019

**Foreign Entity:** Yes

**Country:** POLAND

**Securities Activities:** Yes



## Firm Operations



### Organization Affiliates (continued)

**Investment Advisory Activities:** No

**Description:** UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A.

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**BANCO SANTANDER PERU S.A. is under common control with the firm.**

**Business Address:** AVENIDA RIVERA NAVARRETE  
LIMA, PERU

**Effective Date:** 07/02/2019

**Foreign Entity:** Yes

**Country:** PERU

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A.

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**SANTANDER CORRETORA DE CAMBIO E VALORES MOBILIARIOS S.A. is under common control with the firm.**

**Business Address:** AVENIDA PRESIDENTE JUSCELINO KUBITSCHKE, 2041 E 22  
SAO PAULO, BRAZIL

**Effective Date:** 07/15/2019

**Foreign Entity:** Yes

**Country:** BRAZIL

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A.

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**BANCO SANTANDER DE NEGOCIOS COLOMBIA is under common control with the firm.**

**Business Address:** CALLE 93 A #13-24  
BOGOTA, COLOMBIA

**Effective Date:** 07/11/2019

**Foreign Entity:** Yes

**Country:** COLOMBIA

## Firm Operations



### Organization Affiliates (continued)

|  |  |
|--|--|
| <b>Securities Activities:</b>          | Yes  |
| <b>Investment Advisory Activities:</b> | No   |
| <b>Description:</b>                    | UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A. |

**BANCO SANTANDER MEXICO, S.A. INSTITUCION DE BANCA MULTIPLE, GRUPO FINANCIERO SANTANDER MEXICO is under common control with the firm.**

|  |  |
|--|--|
| <b>Business Address:</b>               | PROLONGACION PASEO DE LA REFORMA NO. 500<br>COLONIA LOMAS DE SANTA FE<br>MEXICO CITY, MEXICO |
| <b>Effective Date:</b>                 | 06/28/2019   |
| <b>Foreign Entity:</b>                 | Yes  |
| <b>Country:</b>                        | MEXICO   |
| <b>Securities Activities:</b>          | Yes  |
| <b>Investment Advisory Activities:</b> | No   |
| <b>Description:</b>                    | UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A.   |

**CASA DE BOLSA SANTANDER, S.A. DE C.V., GRUPO FINANCIERO SANTANDER is under common control with the firm.**

|  |   |
|--|---|
| <b>Business Address:</b>               | PROLONGACION PASEO DE LA REFORMA NO 500<br>SEGUNDO PISO MODULO 210, COLONIA LOMAS DE SANTA FE<br>CIUDAD DE MEXICO, MEXICO |
| <b>Effective Date:</b>                 | 10/23/2009  |
| <b>Foreign Entity:</b>                 | Yes   |
| <b>Country:</b>                        | MEXICO  |
| <b>Securities Activities:</b>          | Yes   |
| <b>Investment Advisory Activities:</b> | No  |
| <b>Description:</b>                    | UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A.  |

**SANTANDER AGENTE DE VALORES LIMITADA is under common control with the firm.**

|                          |                                |
|--------------------------|--------------------------------|
| <b>Business Address:</b> | BANDERA 140<br>SANTIAGO, CHILE |
|--------------------------|--------------------------------|

## Firm Operations



### Organization Affiliates (continued)

**Effective Date:** 10/23/2003  
**Foreign Entity:** Yes  
**Country:** CHILE  
**Securities Activities:** Yes  
**Investment Advisory Activities:** No  
**Description:** UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A.

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#### SANTANDER RIO VALORES S.A. is under common control with the firm.

**Business Address:** AVENIDA JUAN DE GARAY 15  
 BUENOS AIRES, ARGENTINA  
**Effective Date:** 10/23/2003  
**Foreign Entity:** Yes  
**Country:** ARGENTINA  
**Securities Activities:** Yes  
**Investment Advisory Activities:** No  
**Description:** UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A.

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#### SANTANDER S.A. CORREDORES DE BOLSA is under common control with the firm.

**Business Address:** BANDERA 140  
 PISO 12  
 SANTIAGO, CHILE  
**Effective Date:** 10/23/2003  
**Foreign Entity:** Yes  
**Country:** CHILE  
**Securities Activities:** Yes  
**Investment Advisory Activities:** No  
**Description:** UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A.

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#### SOCIEDAD INTERBANCARIA DE DEPOSITOS DE VALORES S.A. is under common control with the firm.

**Business Address:** AHUMADA 179

## Firm Operations



### Organization Affiliates (continued)

PISO 12  
SANTIAGO, CHILE

**Effective Date:** 10/23/2003

**Foreign Entity:** Yes

**Country:** CHILE

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A.

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#### VALORES SANTANDER CASA DE BOLSA, C.A. is under common control with the firm.

**Business Address:** AV FRANCISCO DE MIRANDA CRUCE CON 2DA AV DE LOS P  
CARACAS DISTRITO CAPITAL, VENEZUELA

**Effective Date:** 10/23/2003

**Foreign Entity:** Yes

**Country:** VENEZUELA

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A.

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#### BANCO SANTANDER INTERNATIONAL is under common control with the firm.

**Business Address:** 1401 BRICKELL AVENUE  
MIAMI, FL 33131

**Effective Date:** 07/01/2016

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** UNDER COMMON CONTROL UNDER SANTANDER HOLDINGS USA, INC.

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#### SANTANDER ASSET MANAGEMENT, LLC is under common control with the firm.

## Firm Operations



### Organization Affiliates (continued)

**Business Address:** 221 AVENIDA PONCE DE LEON  
SUITE 600  
SAN JUAN, PR 00918

**Effective Date:** 08/18/1999

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** SANTANDER SECURITIES LLC (CRD #41791) IS SOLE SHAREHOLDER OF SANTANDER ASSET MANAGEMENT, LLC. SANTANDER SECURITIES LLC AND SANTANDER INVESTMENT SECURITIES INC. ARE UNDER COMMON CONTROL UNDER SANTANDER HOLDINGS USA, INC., THE DIRECT OWNER OF BOTH FIRMS.

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#### BSN GESTION DE PATRIMONIOS, S.A., S.G.C. is under common control with the firm.

**Business Address:** MARQUES DE VILLAMEJOR, 5  
MADRID, SPAIN 28006

**Effective Date:** 01/18/2002

**Foreign Entity:** Yes

**Country:** SPAIN

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A.

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#### SANTANDER SECURITIES LLC is under common control with the firm.

**CRD #:** 41791

**Business Address:** 2 MORRISSEY BOULEVARD  
DORCHESTER, MA 02125

**Effective Date:** 07/01/1996

**Foreign Entity:** No

**Country:**

## Firm Operations



### Organization Affiliates (continued)

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** SANTANDER INVESTMENT SECURITIES INC. AND SANTANDER SECURITIES LLC ARE UNDER COMMON CONTROL UNDER SANTANDER HOLDINGS USA, INC., THE DIRECT OWNER OF BOTH FIRMS. SANTANDER INVESTMENT SECURITIES INC. AND SANTANDER SECURITIES LLC ARE ULTIMATELY UNDER COMMON CONTROL UNDER BANCO SANTANDER, S.A., THE DIRECT OWNER OF SANTANDER HOLDINGS USA, INC.

**This firm is 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

**SANTANDER HOLDINGS USA, INC. is a Bank Holding Company and controls the firm.**

**Business Address:** 75 STATE STREET  
BOSTON, MA 02109

**Effective Date:** 07/01/2016

**Description:** SANTANDER HOLDINGS USA, INC. WHOLLY OWNS SANTANDER INVESTMENT SECURITIES INC.

**BANCO SANTANDER, S.A. is a Foreign Bank and controls the firm.**

**Business Address:** POLG RAOS 7  
SANTANDER (CANTABRIA), SPAIN

**Effective Date:** 07/01/2016

**Description:** BANCO SANTANDER, S.A. IS ULTIMATE PARENT OF SANTANDER INVESTMENT SECURITIES INC. BANCO SANTANDER, S.A. WHOLLY OWNS SANTANDER HOLDINGS USA, INC.; SANTANDER HOLDINGS USA, INC. IS DIRECT OWNER OF SANTANDER INVESTMENT SECURITIES INC.



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       | 10    | 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 10

**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 EQUITY RESEARCH REPORTS WITH DISCLOSURE OMISSIONS OR INACCURACIES. THE FINDINGS STATED THAT SPECIFICALLY, THE FIRM: PROVIDED INACCURATE DISCLOSURES UNDER THE REQUIREMENT TO DISCLOSE IN EACH EQUITY REPORT THE PERCENTAGE OF SUBJECT COMPANIES WITHIN EACH RATING CATEGORY FOR WHICH IT PROVIDED INVESTMENT BANKING SERVICES WITHIN THE PREVIOUS TWELVE MONTHS; FAILED TO DISCLOSE THAT THE FIRM OR ANY OF ITS AFFILIATES EXPECTED TO RECEIVE OR INTENDED TO SEEK COMPENSATION FOR INVESTMENT BANKING SERVICES FROM A SUBJECT COMPANY IN THE SUBSEQUENT THREE MONTHS; FAILED TO DISCLOSE THAT THE FIRM OR ANY OF ITS AFFILIATES MANAGED OR CO-MANAGED A PUBLIC OFFERING OF SECURITIES FOR A SUBJECT COMPANY IN THE PAST TWELVE MONTHS; FAILED TO DISCLOSE THAT THE FIRM OR ANY OF ITS AFFILIATES RECEIVED COMPENSATION FOR INVESTMENT BANKING SERVICES FROM A SUBJECT COMPANY IN THE PAST TWELVE MONTHS; FAILED TO DISCLOSE THAT A SUBJECT COMPANY WAS A FIRM CLIENT IN THE TWELVE-MONTH PERIOD PRECEDING THE REPORT AND THE TYPES OF SERVICES PROVIDED BY THE FIRM; AND FAILED TO DISCLOSE THAT THE FIRM OR ITS AFFILIATES HAD RECEIVED COMPENSATION FOR PRODUCTS OR SERVICES OTHER THAN INVESTMENT BANKING SERVICES FROM A SUBJECT COMPANY IN THE PREVIOUS TWELVE MONTHS. SIMILARLY, THE FIRM ALSO PUBLISHED DEBT RESEARCH REPORTS WITH DISCLOSURE OMISSIONS. SPECIFICALLY, THE FIRM: FAILED TO DISCLOSE THE DEFINITION OF EACH FIRM RATING (I.E., OVERWEIGHT, MARKET WEIGHT, UNDERWEIGHT); FAILED TO DISCLOSE THE PERCENTAGE OF ALL SUBJECT COMPANIES THE FIRM RATED WITH EACH RATING; FAILED TO DISCLOSE THE PERCENTAGE OF SUBJECT COMPANIES WITH EACH RATING THAT THE FIRM PROVIDED INVESTMENT BANKING SERVICES TO WITHIN THE PREVIOUS TWELVE MONTHS; FAILED TO DISCLOSE THE HISTORICAL RATINGS FOR A SUBJECT COMPANY FOR WHICH THE FIRM HAD ASSIGNED A RATING FOR AT LEAST ONE YEAR; FAILED TO DISCLOSE THAT THE FIRM OR ITS AFFILIATES RECEIVED COMPENSATION FOR INVESTMENT BANKING SERVICES FROM A SUBJECT COMPANY IN THE PAST TWELVE MONTHS; FAILED TO DISCLOSE THAT THE FIRM OR ITS AFFILIATES EXPECTED TO RECEIVE OR INTENDED TO SEEK COMPENSATION FOR INVESTMENT BANKING SERVICES FROM A SUBJECT COMPANY IN THE SUBSEQUENT THREE MONTHS; FAILED TO DISCLOSE THAT THE FIRM OR ANY OF ITS AFFILIATES MANAGED OR CO-MANAGED A PUBLIC OFFERING OF SECURITIES FOR A SUBJECT COMPANY IN THE PAST TWELVE MONTHS; FAILED TO DISCLOSE THAT A SUBJECT COMPANY WAS A CLIENT OF THE FIRM IN THE TWELVE-MONTH PERIOD PRECEDING THE REPORT AND THE TYPES OF SERVICES PROVIDED BY THE FIRM; AND FAILED TO DISCLOSE THAT THE FIRM OR ITS AFFILIATES HAD RECEIVED COMPENSATION FOR



PRODUCTS OR SERVICES OTHER THAN INVESTMENT BANKING SERVICES FROM A SUBJECT COMPANY IN THE PREVIOUS TWELVE MONTHS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA DISCLOSURE REQUIREMENTS. THE FIRM HAD NO PROCEDURES, TESTING, OR OTHER MECHANISMS TO REVIEW AND CONFIRM, AT THE TIME OF PUBLISHING OR ON A PERIODIC BASIS, THAT DISCLOSURES IN ITS EQUITY AND DEBT RESEARCH REPORTS WERE COMPLETE AND ACCURATE. CONSEQUENTLY, THE FIRM FAILED TO DETECT FOR OVER THREE-AND-A-HALF YEARS THAT REQUIRED DISCLOSURES WERE NOT APPEARING IN ITS EQUITY RESEARCH REPORTS OR THAT NEWLY REQUIRED DISCLOSURES WERE NOT ADDED TO ITS DEBT RESEARCH REPORTS. THE FIRM ALSO FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES, WHICH REQUIRED THAT ALL DISCLOSURES REQUIRED BE MADE IN EACH APPLICABLE RESEARCH REPORT AND ALSO SPECIFICALLY REQUIRED THAT CERTAIN INFORMATION BE SUBMITTED TO THE FIRM'S RESEARCH DEPARTMENT TO ENSURE COMPLIANCE WITH CERTAIN OF THOSE DISCLOSURE REQUIREMENTS. AFTER IDENTIFYING THE ISSUE, THE FIRM REPORTED IT TO FINRA AND IMMEDIATELY CEASED THE PRODUCTION OF ALL DEBT RESEARCH AND SUSPENDED THE ISSUANCE OF EQUITY RESEARCH UNTIL IT COULD REMEDIATE THESE ISSUES IN FUTURE REPORTS.

**Initiated By:** FINRA

**Date Initiated:** 09/07/2021

**Docket/Case Number:** [2019063972801](#)

**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:** 09/07/2021

**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:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$175,000. FINE PAID IN FULL ON SEPTEMBER 23, 2021.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** BETWEEN JANUARY 2016 AND AUGUST 2019, ALL EQUITY AND DEBT RESEARCH REPORTS PUBLISHED BY SANTANDER INVESTMENT SECURITIES INC. ("SIS") OMITTED REQUIRED DISCLOSURES OR INCLUDED INACCURATE DISCLOSURES. SPECIFICALLY, SIS PUBLISHED 411 EQUITY RESEARCH REPORTS WITH A TOTAL OF 656 DISCLOSURE OMISSIONS OR INACCURACIES IN VIOLATION OF FINRA RULES 2241(C) AND 2010. SIMILARLY, BETWEEN JULY 16, 2016 AND AUGUST 2019, SIS PUBLISHED 60 DEBT RESEARCH REPORTS WITH A TOTAL OF 333 DISCLOSURE OMISSIONS IN VIOLATION OF FINRA RULES 2242(C) AND 2010. SIS ALSO VIOLATED FINRA RULES 3110(A)-(B) AND 2010 IN THAT THE OMISSIONS WERE ALLEGEDLY THE RESULT OF ITS FAILURE TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE DISCLOSURE REQUIREMENTS OF FINRA RULES 2241(C) AND 2242(C) AS WELL AS ITS ALLEGED FAILURE TO ENFORCE ITS RELEVANT WRITTEN SUPERVISORY PROCEDURES.

**Initiated By:** FINRA

**Date Initiated:** 09/07/2021

**Docket/Case Number:** [2019063972801](#)

**Principal Product Type:** Other

**Other Product Type(s):** RESEARCH

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

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

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

**Resolution Date:** 09/07/2021

**Sanctions Ordered:** Censure  
Monetary/Fine \$175,000.00

**Other Sanctions Ordered:**

**Sanction Details:** SIS WAS CENSURED AND FINED \$175,000.00.

**Disclosure 2 of 10**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NYMEX CHARGED SANTANDER INVESTMENT SECURITIES INC. ("SIS") WITH VIOLATING NYMEX RULE 980.B.3 FOR FAILING TO PREVENT A MATERIAL INADEQUACY AS DEFINED IN COMMODITY EXCHANGE ACT §1.16(D)(2) IN THAT SIS DID NOT ADEQUATELY PERFORM THE CONTROL PROCESSES ASSOCIATED WITH THE RECONCILIATION OF THE SAP ACCOUNTS PAYABLE SUB-LEDGER WITH THE GENERAL LEDGER FOR THE PERIOD JUNE 1, 2020 TO DECEMBER 31, 2020 AS IDENTIFIED BY SIS'S EXTERNAL AUDITOR IN FEBRUARY 2021.

**Initiated By:** NEW YORK MERCANTILE EXCHANGE ("NYMEX")

**Date Initiated:** 06/11/2021

**Docket/Case Number:** 21-CH-2108

**Principal Product Type:** Other

**Other Product Type(s):** NO PRODUCT INVOLVED; NOT APPLICABLE.

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

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

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 06/11/2021

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

**Other Sanctions Ordered:**

**Sanction Details:** THE CLEARING HOUSE RISK COMMITTEE OF CME GROUP ACCEPTED SIS'S SETTLEMENT OFFER AND IN ACCORDANCE WITH THE TERMS THEREOF, ACKNOWLEDGING SIS NEITHER ADMITTED OR DENIED VIOLATING NYMEX RULES, FINED SIS \$50,000.00.

**Disclosure 3 of 10**

**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 CAPTURE EMAILS FROM EMPLOYEE EMAIL ACCOUNTS FOR SUPERVISORY REVIEW DUE TO A CODING ERROR. THE FINDINGS STATED THAT THE FIRM CHANGED ITS EMAIL SERVER, AND FOLLOWING THE SERVER SWITCH, THE EXISTING PROCESS TO ENSURE EMAILS WERE JOURNALED TO THE EMAIL REVIEW PLATFORM FROM THE NEW SERVER DID NOT WORK AS IT HAD BEFORE. THE FIRM HAD NO PROCESS IN PLACE TO ENSURE THAT EMAILS FROM THE NEW SERVER WERE JOURNALED TO ITS EMAIL REVIEW PLATFORM AS INTENDED. FOR EXAMPLE, THE FIRM DID NOT CONDUCT AN INITIAL TEST TO MAKE SURE THAT THE PROCESS WORKED AND THAT EACH NEW EMPLOYEE'S EMAILS WERE IN FACT JOURNALED TO THE REVIEW PLATFORM. NOR DID THE FIRM MONITOR THE VOLUME OF EMAIL INGESTED INTO ITS REVIEW PLATFORM FOR IRREGULARITIES OR CONDUCT ANY RECONCILIATION OF THE EMAIL ADDRESSES TO BE MONITORED WITH THE EMAILS THAT WERE INGESTED. THE FIRM IDENTIFIED THIS ISSUE WHEN SEARCHING FOR A SPECIFIC EMAIL WITHIN ITS REVIEW PLATFORM SYSTEM. AFTER IDENTIFYING THE ISSUE, THE FIRM SELF-REPORTED IT. THE FIRM THEN INVESTIGATED THE UNDERLYING CAUSES OF THE FAILURE AND IMPLEMENTED CHANGES TO ITS POLICIES AND PROCEDURES TO PREVENT A SIMILAR ISSUE GOING FORWARD. THE FIRM ALSO CONDUCTED A LOOKBACK REVIEW OF A SAMPLE OF THE EMAILS NOT INITIALLY CAPTURED.

**Initiated By:** FINRA

**Date Initiated:** 11/24/2020

**Docket/Case Number:** [2019061735701](#)

**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:** 11/24/2020



|   |   |
|---|---|
| <b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b> | No  |
| <b>Sanctions Ordered:</b>   | Censure<br>Monetary/Fine \$150,000.00   |
| <b>Other Sanctions Ordered:</b>   |   |
| <b>Sanction Details:</b>  | THE FIRM WAS CENSURED AND FINED \$150,000. FINE PAID IN FULL ON FEBRUARY 26, 2021.  |
| <hr/>   |   |
| <b>Reporting Source:</b>  | Firm  |
| <b>Current Status:</b>  | Final   |
| <b>Allegations:</b>   | WITHOUT ADMITTING OR DENYING FINRA'S FINDINGS, SANTANDER INVESTMENT SECURITIES INC. ("SIS") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED, DUE TO A CODING ERROR, TO CAPTURE EMAILS FROM EMPLOYEE EMAIL ACCOUNTS FOR SUPERVISORY REVIEW. IN JANUARY 2014, SIS CHANGED ITS EMAIL SERVER, AND FOLLOWING THE SERVER SWITCH, THE EXISTING PROCESS TO ENSURE EMAILS WERE JOURNALED TO THE EMAIL REVIEW PLATFORM FROM THE NEW SERVER DID NOT WORK AS IT HAD PREVIOUSLY. SIS DID NOT HAVE A PROCESS IN PLACE TO ENSURE THAT EMAILS FROM THE NEW SERVER WERE JOURNALED TO ITS EMAIL REVIEW PLATFORM AS INTENDED. AFTER IDENTIFYING THE ISSUE, SIS SELF-REPORTED THE MATTER TO FINRA. SIS THEN INVESTIGATED THE UNDERLYING CAUSES OF THE FAILURE AND IMPLEMENTED CHANGES TO ITS POLICIES AND PROCEDURES TO PREVENT A SIMILAR ISSUE GOING FORWARD. |
| <b>Initiated By:</b>  | FINRA   |
| <b>Date Initiated:</b>  | 11/24/2020  |
| <b>Docket/Case Number:</b>  | <a href="#">2019061735701</a>   |
| <b>Principal Product Type:</b>  | No Product  |
| <b>Other Product Type(s):</b>   |   |
| <b>Principal Sanction(s)/Relief Sought:</b>   | Civil and Administrative Penalt(ies) /Fine(s)   |
| <b>Other Sanction(s)/Relief Sought:</b>   |   |



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

**Resolution Date:** 11/24/2020

**Sanctions Ordered:** Censure  
Monetary/Fine \$150,000.00

**Other Sanctions Ordered:**

**Sanction Details:** SIS WAS CENSURED AND FINED \$150,000.00.

#### Disclosure 4 of 10

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NYMEX CHARGED SANTANDER INVESTMENT SECURITIES INC. ("SIS") WITH VIOLATING NYMEX RULE 980.B.3. IN THAT SIS FAILED TO PREVENT THE OCCURRENCE OF A MATERIAL INADEQUACY [AS DEFINED IN CFTC REGULATION 1.16(D)(2)] WITH RESPECT TO SIS'S INTERNAL CONTROLS RELATED TO INFORMATION TECHNOLOGY GENERAL CONTROLS AS OF DECEMBER 31, 2019.

**Initiated By:** NEW YORK MERCANTILE EXCHANGE ("NYMEX")

**Date Initiated:** 06/11/2020

**Docket/Case Number:** 20-CH-2007

**Principal Product Type:** Other

**Other Product Type(s):** NO PRODUCT INVOLVED; NOT APPLICABLE.

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

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

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 08/20/2020

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

**Other Sanctions Ordered:**

**Sanction Details:** THE CLEARING HOUSE RISK COMMITTEE OF CME GROUP ACCEPTED SIS'S SETTLEMENT OFFER AND IN ACCORDANCE WITH THE TERMS THEREOF, ACKNOWLEDGING SIS NEITHER ADMITTED OR DENIED VIOLATING NYMEX RULES, FOUND SIS GUILTY OF VIOLATING NYMEX RULE 980.B.3., AND FINED SIS \$50,000.00.

## Disclosure 5 of 10

**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 REASONABLY SUPERVISE ITS CREDIT TRADING DESK THAT EXECUTED FIXED INCOME TRANSACTION PAIRS THAT WERE NON-BONA FIDE. THE FINDINGS STATED THAT IN EACH INSTANCE, THE FIRM'S CREDIT TRADING DESK CAUSED THE FIRM TO BUY OR SELL FIXED INCOME SECURITIES FROM OR TO ANOTHER BROKER-DEALER AS THE COUNTERPARTY AND THEN, DURING THE SAME DAY IN VIRTUALLY ALL CASES, SOLD OR BOUGHT THE SAME BONDS TO OR FROM THE SAME COUNTERPARTY. THE TRANSACTION PAIRS WERE REPORTED TO TRACE. THE FOREIGN BANK PARENT COMPANY OF THE FIRM HELD THE FIXED INCOME INVENTORY TRADED BY THE CREDIT TRADING DESK, DRAFTED A RISK MANAGEMENT POLICY THAT ESTABLISHED PERMISSIBLE HOLDING PERIODS FOR BOND POSITIONS TRADED BY THE CREDIT TRADING DESK, AND MONITORED THE HOLDING PERIODS AND CALCULATED WHETHER POSITIONS WERE AGED. THE PARENT COMPANY WOULD APPLY A PROVISION TO FIXED INCOME POSITIONS MAINTAINED LONGER THAN THE HOLDING PERIOD. A PROVISION WAS AN UNREALIZED LOSS THAT APPLIED TO THE OVERALL CREDIT TRADING DESK, NOT TO INDIVIDUAL TRADERS. IF THERE WERE PROVISIONS IN PLACE DURING THE LAST MONTH OF THE FISCAL YEAR, THOSE PROVISIONS WOULD BE FACTORED INTO THE CREDIT TRADING DESK'S PROFIT AND LOSS CALCULATION. THE CREDIT TRADING DESK ENGAGED IN THE TRANSACTION PAIRS TO RESET THE HOLDING PERIOD FOR BOND POSITIONS THAT WERE APPROACHING OR WERE IN EXCESS OF THE AGING PERIOD. THE TRANSACTION PAIRS WERE NOT BONA FIDE BECAUSE THEY INVOLVED NO TRANSFER OF RISK OR ULTIMATE CHANGE IN BENEFICIAL OWNERSHIP, WERE NOT CONDUCTED AT NEGOTIATED PRICES, AND WERE WITH THE SAME COUNTERPARTY OVER A SHORT PERIOD OF TIME. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH A REASONABLY DESIGNED SUPERVISORY SYSTEM, INCLUDING WSPS, TO ACHIEVE COMPLIANCE WITH FINRA'S PROHIBITION ON NON-BONA FIDE TRADING. THE FIRM FAILED TO DETECT THE NON-BONA FIDE TRANSACTIONS AND THERE WAS NO REQUIRED REVIEW FOR NON-BONA FIDE TRANSACTIONS. THE FIRM'S SUPERVISORY PERSONNEL WERE UNAWARE OF THE PARENT COMPANY'S RISK MANAGEMENT POLICY AND, THEREFORE, DID NOT UNDERSTAND OR APPRECIATE THE RISK THAT FIRM TRADERS MAY ENGAGE IN NON-BONA FIDE TRADING. ADDITIONALLY, THE FIRM'S COMPLIANCE PERSONNEL WERE UNAWARE OF THE IMPACT OF THE PROVISION DEDUCTION TO THE CREDIT TRADING DESK'S PROFIT





AND LOSS UNDER THE PARENT COMPANY'S RISK MANAGEMENT POLICY.

**Initiated By:** FINRA

**Date Initiated:** 05/21/2020

**Docket/Case Number:** [2014041254102](#)

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED BONDS

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

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

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

**Resolution Date:** 05/21/2020

**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 \$30,000.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** THE FIRM WAS CENSURED, FINED \$30,000, AND REQUIRED TO REVISE ITS SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES. FINES PAID IN FULL ON MAY 22, 2020.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** DURING THE PERIOD DECEMBER 1, 2012 THROUGH JUNE 30, 2014, SANTANDER INVESTMENT SECURITIES INC. ("SIS") FAILED TO REASONABLY SUPERVISE ITS CREDIT TRADING DESK WHICH EXECUTED 163 FIXED INCOME TRANSACTION PAIRS THAT WERE NON-BONA FIDE. SIS ALSO FAILED TO ESTABLISH A REASONABLY DESIGNED SUPERVISORY SYSTEM, INCLUDING WRITTEN SUPERVISORY PROCEDURES, TO ACHIEVE COMPLIANCE WITH FINRA RULE 5210, FINRA'S RULE ON THE PROHIBITION ON NON-BONA FIDE TRADING. SIS'S FAILURE TO SUPERVISE CONSTITUTED A VIOLATION OF NASD (FINRA) RULE 3010. IN VIOLATING



RULE 3010, SIS ALSO VIOLATED FINRA RULE 2010.

**Initiated By:** FINRA

**Date Initiated:** 12/01/2012

**Docket/Case Number:** [2014041254102](#)

**Principal Product Type:** Debt - Corporate

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** FINE AND UNDERTAKING

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

**Resolution Date:** 05/21/2020

**Sanctions Ordered:** Censure  
Monetary/Fine \$30,000.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING FINRA'S ALLEGATIONS, SIS CONSENTED TO THE IMPOSITION OF THE FOLLOWING SANCTIONS: (I) A CENSURE; (II) A FINE OF \$30,000.00; AND (III) AN UNDERTAKING TO REVISE ITS SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO ACHIEVING COMPLIANCE WITH FINRA RULE 5210 AS IT PERTAINS TO THE DESCRIBED CONDUCT.

#### Disclosure 6 of 10

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CME GROUP CHARGED SANTANDER INVESTMENT SECURITIES INC. ("SIS") WITH VIOLATING NYMEX RULE 970.C.2. FOR FAILING TO FILE ITS 2016 CERTIFIED FINANCIAL STATEMENT IN A TIMELY MANNER.

**Initiated By:** CME GROUP (CLEARING HOUSE RISK COMMITTEE)

**Date Initiated:** 03/30/2017

**Docket/Case Number:** 17-CH-1703

**Principal Product Type:** Other

**Other Product Type(s):** NO PRODUCT INVOLVED; N/A



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

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

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 05/12/2017

**Sanctions Ordered:** Monetary/Fine \$25,000.00

**Other Sanctions Ordered:**

**Sanction Details:** CME ACCEPTED SIS'S SETTLEMENT OFFER AND IN ACCORDANCE WITH THE TERMS THEREOF, ACKNOWLEDGING SIS NEITHER ADMITTED NOR DENIED VIOLATING CME RULES, FOUND SIS GUILTY OF VIOLATING NYMEX RULE 970.C.2. AND FINED SIS \$25,000.00.

#### Disclosure 7 of 10

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** A SUBCOMMITTEE OF THE BUSINESS CONDUCT COMMITTEE OF ICE FUTURES U.S., INC. DETERMINED THAT SANTANDER INVESTMENT SECURITIES INC. MAY HAVE VIOLATED ICE CLEAR U.S., INC. RULE 403(A) BY REPORTING INACCURATE OPEN INTEREST DATA FOR SUGAR NO. 11 ON FIVE SEPARATE TRADE DATES BETWEEN SEPTEMBER 2011 AND OCTOBER 2012.

**Initiated By:** ICE FUTURES U.S., INC.

**Date Initiated:** 02/14/2013

**Docket/Case Number:** 2012-081

**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:** Decision & Order of Offer of Settlement

**Resolution Date:** 02/14/2013



|                                 |   |
|---------------------------------|---|
| <b>Sanctions Ordered:</b>       | Monetary/Fine \$25,000.00   |
| <b>Other Sanctions Ordered:</b> |   |
| <b>Sanction Details:</b>        | SIS WAS FINED BY ICE FUTURES U.S., INC. IN THE AMOUNT OF \$25,000.00. THE FINE WAS PAID FEBRUARY 14, 2013.  |
| <b>Firm Statement</b>           | WITHOUT ADMITTING OR DENYING VIOLATING ANY ICE CLEAR U.S., INC. RULE, SIS ENTERED INTO A SETTLEMENT AGREEMENT ("AGREEMENT") FOR THE PURPOSE OF RESOLVING THE MATTER. PER A CONDITION OF THE AGREEMENT, WHICH BECAME ENFORCEABLE AND EFFECTIVE IMMEDIATELY UPON SIS' EXECUTION THEREOF, SIS WAS FINED \$25,000.00. THE AGREEMENT WAS EXECUTED ON FEBRUARY 14, 2013 BY A REPRESENTATIVE OF ICE FUTURES U.S., INC. THE FULLY-EXECUTED AGREEMENT WAS RETURNED TO SIS ACCOMPANIED BY A COVER LETTER DATED MARCH 6, 2013. |

## Disclosure 8 of 10

|                          |   |
|--------------------------|---|
| <b>Reporting Source:</b> | Regulator   |
| <b>Current Status:</b>   | Final   |
| <b>Allegations:</b>      | NASD RULES 2110, 2210, 2211, 2211(B)(1)(B), 2211(B)(2)(A), 2211(B)(2)(B), 3010(A), 3010(A)(5), 3010(B), 3010(D)(1), - A REGISTERED FIRM PRINCIPAL HAD BEEN TASKED WITH ASSESSING INTEREST WITHIN THE U.S. INSTITUTIONAL INVESTOR COMMUNITY FOR FUNDS MANAGED BY A NON-FINRA REGULATED FUND MANAGER AFFILIATED WITH THE FIRM BUT LOCATED OUTSIDE THE U.S. THE PRINCIPAL, ALONG WITH OTHER REGISTERED REPRESENTATIVES AND SEVERAL NON-REGISTERED PERSONNEL, CONTACTED U.S. INSTITUTIONAL INVESTORS CONCERNING THE FUTURE PURCHASE OF THE NON-U.S. FUNDS BUT NONE OF THE INSTITUTIONAL INVESTORS AGREED TO PURCHASE THE FUNDS. THE PRINCIPAL DISTRIBUTED FUND MATERIALS TO A SUBSTANTIAL NUMBER OF POTENTIAL INVESTORS. THE FIRM FAILED TO HAVE AN APPROPRIATELY REGISTERED PERSON SUPERVISE THE PRINCIPAL AND OTHER REGISTERED PERSONNEL IN CONNECTION WITH CONTACTING THE U.S. INSTITUTIONAL INVESTORS CONCERNING THE PURCHASE OF THE NON-U.S. FUNDS. THE FIRM DID NOT HAVE A SYSTEM TO ADEQUATELY SUPERVISE COMMUNICATIONS BETWEEN THE PRINCIPAL, OTHER REGISTERED REPRESENTATIVES, NON-REGISTERED FIRM EMPLOYEES AND THE INVESTORS CONCERNING THE PURCHASE OF THE NON-U.S. FUNDS. THE COMMUNICATIONS OCCURRED AT PRESENTATIONS TO POTENTIAL INVESTORS WHERE SALES LITERATURE (FUND MATERIALS) WAS PROVIDED TO THE INVESTORS. THE FIRM DID NOT DESIGNATE AN APPROPRIATE FIRM REGISTERED INDIVIDUAL TO ENSURE ITS POLICIES AND PROCEDURES WERE ENFORCED IN THIS AREA. THE FIRM DID NOT |



APPLY ITS EXISTING POLICIES AND PROCEDURES RELATED TO COMMUNICATIONS WITH THE PUBLIC AND THE REVIEW AND APPROVAL OF THE FUND MATERIALS AND PRESENTATIONS. NONE OF THE MATERIALS WERE REVIEWED OR APPROVED BY THE FIRM'S COMPLIANCE DEPARTMENT. INSTEAD, THE FIRM RELIED UPON SUPERVISION BY THE FUND MANAGER TO ENSURE THE MATERIALS WERE FAIR AND BALANCED. AS A CONSEQUENCE, THE COMPLIANCE DEPARTMENT FAILED TO MAINTAIN COPIES OF THE SALES AND MARKETING MATERIAL DISTRIBUTED AS REQUIRED. THE PRINCIPAL DISTRIBUTED COMMUNICATIONS TO THE INVESTING PUBLIC THAT CONTAINED THE FUND MATERIALS WHICH DID NOT PROVIDE A SOUND BASIS FOR EVALUATING THE FACTS AND CONTAINED EXAGGERATED AND UNWARRANTED CLAIMS.

**Initiated By:** FINRA

**Date Initiated:** 12/12/2012

**Docket/Case Number:** [2009016628401](#)

**Principal Product Type:** Other

**Other Product Type(s):** FUNDS

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

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

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

**Resolution Date:** 12/12/2012

**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 \$350,000.00

**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 \$350,000. FINE PAID IN FULL ON 12/31/12.



|                          |   |
|--------------------------|---|
| <b>Reporting Source:</b> | Firm  |
| <b>Current Status:</b>   | Final   |
| <b>Allegations:</b>      | <p>A REGISTERED PRINCIPAL OF SANTANDER INVESTMENT SECURITIES INC. HAD BEEN TASKED WITH ASSESSING INTEREST WITHIN THE U.S. INSTITUTIONAL INVESTOR COMMUNITY FOR FUNDS MANAGED BY A NON-FINRA REGULATED FUND MANAGER AFFILIATED WITH SIS BUT LOCATED OUTSIDE THE U.S. THE PRINCIPAL, ALONG WITH OTHER SIS REGISTERED REPRESENTATIVES AND SEVERAL NON-REGISTERED SIS EMPLOYEES, CONTACTED U.S. INSTITUTIONAL INVESTORS CONCERNING THE FUTURE PURCHASE OF THE NON-U.S. FUNDS BUT NONE OF THE INSTITUTIONAL INVESTORS AGREED TO PURCHASE THEM. THE PRINCIPAL DISTRIBUTED FUND MATERIALS TO A SUBSTANTIAL NUMBER OF POTENTIAL INVESTORS. FINRA FOUND THAT SIS FAILED TO HAVE AN APPROPRIATELY REGISTERED INDIVIDUAL SUPERVISE THE PRINCIPAL AND OTHER REGISTERED PERSONNEL IN CONNECTION WITH CONTACTING THE U.S. INSTITUTIONAL INVESTORS CONCERNING THE PURCHASE OF THE NON-U.S. FUNDS. FINRA ALSO FOUND THAT SIS DID NOT HAVE A SYSTEM TO ADEQUATELY SUPERVISE COMMUNICATIONS CONCERNING THE PURCHASE OF THE NON U.S. FUNDS BETWEEN THE PRINCIPALS, OTHER REGISTERED REPRESENTATIVES, NON-REGISTERED EMPLOYEES AND THE INVESTORS. THE COMMUNICATIONS OCCURRED AT PRESENTATIONS TO POTENTIAL INVESTORS WHERE SALES LITERATURE (FUND MATERIALS) WAS PROVIDED TO THE INVESTORS. FINRA FOUND SIS FAILED TO DESIGNATE AN APPROPRIATE REGISTERED INDIVIDUAL TO ENSURE ITS POLICIES AND PROCEDURES WERE ENFORCED IN THIS AREA. SIS WAS ALSO FOUND TO HAVE FAILED TO APPLY ITS EXISTING POLICIES AND PROCEDURES RELATED TO COMMUNICATIONS WITH THE PUBLIC AND THE REVIEW AND APPROVAL OF THE FUND MATERIALS AND PRESENTATIONS. FINRA FURTHER FOUND THAT NONE OF THE MATERIALS WERE REVIEWED OR APPROVED BY SIS' COMPLIANCE DEPARTMENT. INSTEAD, FINRA FOUND SIS RELIED ON SUPERVISION BY THE FUND MANAGER TO ENSURE THE MATERIALS WERE FAIR AND BALANCED. AS A CONSEQUENCE, THE COMPLIANCE DEPARTMENT FAILED AS REQUIRED TO MAINTAIN COPIES OF THE DISTRIBUTED SALES AND MARKETING MATERIALS. LASTLY, FINRA FOUND THE REGISTERED SIS PRINCIPAL DISTRIBUTED TO THE INVESTING PUBLIC COMMUNICATIONS CONTAINING THE FUNDS MATERIALS THAT DID NOT PROVIDE A SOUND BASIS FOR EVALUATING THE FACTS AND CONTAINED EXAGGERATED AND UNWARRANTED CLAIMS. AS A CONSEQUENCE, FINRA FOUND SIS TO BE IN VIOLATION OF NASD RULES 2110, 2210, 2211, 2211(B)(1)(B), 2211(B)(2)(A), 2211(B)(2)(B), 3010(A), 3010(A)(5), 3010(B) AND 3010(D)(1).</p> |
| <b>Initiated By:</b>     | FINRA   |



**Date Initiated:** 12/12/2012

**Docket/Case Number:** [2009016628401](#)

**Principal Product Type:** Other

**Other Product Type(s):** FUNDS

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

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

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

**Resolution Date:** 12/12/2012

**Sanctions Ordered:** Censure  
Monetary/Fine \$350,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING FINRA'S ALLEGATIONS, SIS  
CONSENTED TO THE ENTRY OF FINDINGS, CENSURE AND A FINE OF  
\$350,000.00.

#### Disclosure 9 of 10

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** SEC RULES 203(B)(1), 203(G) OF REGULATION SHO - SANTANDER INVESTMENT SECURITIES, INC. FILLED CUSTOMER BUY ORDERS FOR AMERICAN DEPOSITORY RECEIPTS (ADRS) BY SELLING THE ADRS AT A TIME WHEN IT DID NOT OWN THE ADRS; THE FIRM EFFECTED THESE SALE TRANSACTIONS AFTER ITS PURCHASE ORDERS IN THE LOCAL MARKETS FOR THE ORDINARY SHARES WERE EXECUTED AND FILLED, BUT BEFORE RECEIVING DELIVERY OF THE ADRS. THE FIRM MARKED THE SALE OF THE ADRS AS LONG BECAUSE IT BELIEVED IT OWNED THE ADRS BASED ON ITS PURCHASE OF THE UNDERLYING LOCAL SHARES, BUT THE FIRM DID NOT OWN THE ADRS AT THE TIME IT SOLD THE ADRS AND SHOULD HAVE MARKED THE SALE AS SHORT. BECAUSE THE FIRM TREATED THE TRANSACTIONS AS LONG SALES, IT DID NOT OBTAIN LOCATES PRIOR TO EFFECTING THE SHORT SALES. THE FIRM SOLD SECURITIES TO ITS CUSTOMERS FROM ITS PROPRIETARY ACCOUNT TO FACILITATE CUSTOMER TRANSACTIONS IN THE AFTER-HOURS MARKET. ON THE OCCASION WHEN IT DID NOT HOLD A POSITION IN THE SUBJECT SECURITY, IT SOLD THE SECURITIES SHORT TO THE CUSTOMER FROM



THE CUSTOMER FACILITATION ACCOUNT, BUT DID NOT BORROW OR ARRANGE TO BORROW THE SHARES BEFORE EFFECTING THE SALE, IN RELIANCE ON REGULATION SHO'S MARKET-MAKING EXCEPTION. THE TRANSACTIONS WERE NOT MARKET-MAKING TRANSACTIONS BECAUSE THE FIRM WAS NOT HOLDING ITSELF OUT TO THE PUBLIC AS WILLING TO BUY AND SELL SUCH SECURITIES, BUT RATHER, WAS FACILITATING THE TRANSACTIONS OF ITS CUSTOMERS. THE FIRM MISUSED THE MARKET-MAKING EXCEPTION IN REGULATION SHO AND FAILED TO OBTAIN LOCATES FOR SHORT SALES THAT IT EFFECTED TO FACILITATE CUSTOMER TRANSACTIONS IN THE AFTER-HOURS MARKET. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WERE DEFICIENT IN THAT THEY ALLOWED THE MISMARKING OF CERTAIN SHORT SALES IN ADRS; THE FIRM'S PROCEDURES DID NOT REQUIRE IT TO MARK SALES OF ADRS SHORT WHEN IT HAD PURCHASED THE UNDERLYING COMMON SHARES IN THE LOCAL (FOREIGN) MARKET FOR DELIVERY TO THE TRANSFER AGENT TO EXCHANGE INTO THE ADRS BUT DID NOT YET OWN THE ADRS. THE FIRM'S SUPERVISORY PROCEDURES WERE ALSO DEFICIENT IN THAT THEY ALLOWED THE FIRM, WITH RESPECT TO CERTAIN SHORT SALES EFFECTED TO FACILITATE CUSTOMER TRANSACTIONS TO MISUSE REGULATION SHO'S MARKET-MAKER EXCEPTION AND FAILED TO OBTAIN LOCATES AS A RESULT.

**Initiated By:** FINRA

**Date Initiated:** 03/19/2012

**Docket/Case Number:** [2010023545101](#)

**Principal Product Type:** Other

**Other Product Type(s):** AMERICAN DEPOSITORY RECEIPTS

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

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

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

**Resolution Date:** 03/19/2012

**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 \$50,000.00

**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 \$50,000. FINE PAID IN FULL ON MARCH 28, 2012.

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**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

FINRA ALLEGED THAT SANTANDER INVESTMENT SECURITIES INC. VIOLATED REGULATION SHO BY (1) MARKING SALES OF CERTAIN AMERICAN DEPOSITORY RECEIPTS ("ADRS") "LONG" AND FAILING TO OBTAIN LOCATES WHEN FILLING CUSTOMER BUY ORDERS FOR ADRS AFTER SIS' PURCHASE ORDERS IN THE LOCAL MARKETS FOR ORDINARY SHARES WERE EXECUTED AND FILLED BUT BEFORE RECEIVING DELIVERY OF THE ADRS; AND (2) ENGAGING IN CERTAIN SHORT SALES IN THE AFTER-HOURS MARKET WITHOUT OBTAINING LOCATES, IN ERRONEOUS RELIANCE ON THE MARKET-MAKING EXCEPTION. FINRA ALSO ALLEGED THAT THE FIRM'S SUPERVISORY PROCEDURES WERE DEFICIENT FOR FAILURE TO PREVENT THE VIOLATIONS DESCRIBED.

**Initiated By:**

FINRA

**Date Initiated:**

03/19/2012

**Docket/Case Number:**

[2010023545101](#)

**Principal Product Type:**

Other

**Other Product Type(s):**

AMERICAN DEPOSITORY RECEIPTS

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

Civil and Administrative Penalt(ies) /Fine(s)

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

**Resolution:**

Acceptance, Waiver & Consent(AWC)

**Resolution Date:**

03/19/2012

**Sanctions Ordered:**

Censure  
Monetary/Fine \$50,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

WITHOUT ADMITTING OR DENYING FINRA'S ALLEGATIONS, SIS



CONSENTED TO THE ENTRY OF FINDINGS, CENSURE AND A FINE OF \$50,000.00.

#### Firm Statement

BASED ON THE ALLEGATIONS SET FORTH ABOVE, SIS CONSENTED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO A FINDING OF VIOLATIONS OF REGULATION SHO AND NASD RULE 3010, A CENSURE, AND A FINE OF \$50,000.00. SIS HAS MODIFIED ITS PRACTICES TO ADDRESS THE ALLEGED VIOLATIONS AND UPDATED ITS SUPERVISORY PROCEDURES.

#### Disclosure 10 of 10

|   |  |
|---|--|
| <b>Reporting Source:</b>                    | Regulator  |
| <b>Current Status:</b>                      | Final  |
| <b>Allegations:</b>                         | RESPONDENT MEMBER: FAILED TO REPORT TO ACT WITHIN 90 SECONDS OF THE TIME OF EXECUTION AND FAILED TO DESIGNATE AS LATE TO ACT TRANSACTIONS IN NASDAQ NATIONAL MARKET SECURITIES; FAILED TO REPORT TO ACT WITHIN 90 SECONDS OF THE TIME OF EXECUTION AND FAILED TO DESIGNATE AS LATE TO ACT TRANSACTIONS IN CONSOLIDATED QUOTATION SYSTEMS SECURITIES; FAILED TO REPORT TO ACT WITHIN 90 SECONDS OF THE TIME OF EXECUTION AND FAILED TO DESIGNATE AS LATE TO ACT TRANSACTIONS IN OVER-THE-COUNTER EQUITY SECURITIES; FAILED TO DOCUMENT THE CORRECT EXECUTION TIMES ON ORDER TICKETS; FAILED TO DOCUMENT THE TIME OF EXECUTION ON ORDER TICKETS; FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE TRADE REPORTING RULES. [SEC RULES 17A-3, 17A-4; NASD RULES 2110, 3010, 4632(A), 6420(A), 6620(A)] |
| <b>Initiated By:</b>                        | NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.   |
| <b>Date Initiated:</b>                      | 08/13/1999   |
| <b>Docket/Case Number:</b>                  | CMS990102  |
| <b>Principal Product Type:</b>              | Other  |
| <b>Other Product Type(s):</b>               |  |
| <b>Principal Sanction(s)/Relief Sought:</b> | Censure  |
| <b>Other Sanction(s)/Relief Sought:</b>     | \$9,000.00 FINE  |
| <b>Resolution:</b>                          | Acceptance, Waiver & Consent(AWC)  |
| <b>Resolution Date:</b>                     | 08/13/1999   |



**Sanctions Ordered:** Censure  
Monetary/Fine \$9,000.00

**Other Sanctions Ordered:**

**Sanction Details:** \$9,000.00 FINE; CENSURE

**Regulator Statement** 04-05-00, \$9,000 PAID 10/15/99, INVOICE #99-MS-777

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** (I) FAILURE TO REPORT THE TIME OF EXECUTION TO ACT WITHIN 90 SECONDS FOR NNM AND CQS TRANSACTIONS; (II) FAILURE TO DOCUMENT THE CORRECT EXECUTION TIME ON THE ORDER TICKETS; AND, (III) FAILURE TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE TRADE REPORTING RULES.

**Initiated By:** NASD REGULATION, INC.

**Date Initiated:** 09/09/1998

**Docket/Case Number:** CMS990102

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** LETTER OF ACCEPTANCE WAIVER AND CONSENT

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

**Resolution Date:** 10/13/1999

**Sanctions Ordered:** Monetary/Fine \$9,000.00

**Other Sanctions Ordered:**

**Sanction Details:** FINE WAS PAID ON 10/13/1999.

**Firm Statement** SIS INSTITUTED PROCEDURES TO REMEDY THESE ISSUES.

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 | 0       | 3     | 2         |
| Criminal         | 1       | 0     | 0         |



## Disclosure Event Details

### Regulatory - Final

#### Disclosure 1 of 3

|   |   |
|---|---|
| <b>Reporting Source:</b>                    | Firm  |
| <b>Affiliate:</b>                           | BANCO SANTANDER, S.A.   |
| <b>Current Status:</b>                      | Final   |
| <b>Allegations:</b>                         | AS A RESULT OF AN INSPECTION OF A 2014 MORTGAGE PORTFOLIO, THE BANK OF SPAIN CITED BANCO SANTANDER, S.A. WITH EXCESSIVE CHARGING OF COMMISSIONS AND FAILURE TO PROVIDE SUFFICIENT INFORMATION TO CONSUMERS TO ALLOW THEM TO MAKE AN INFORMED DECISION ON THE PURCHASE OF SAID PORTFOLIOS.   |
| <b>Initiated By:</b>                        | BANK OF SPAIN   |
| <b>Date Initiated:</b>                      | 03/29/2019  |
| <b>Docket/Case Number:</b>                  |   |
| <b>Principal Product Type:</b>              | Other   |
| <b>Other Product Type(s):</b>               | MORTGAGE PORTFOLIOS   |
| <b>Principal Sanction(s)/Relief Sought:</b> | Civil and Administrative Penalt(ies) /Fine(s)   |
| <b>Other Sanction(s)/Relief Sought:</b>     |   |
| <b>Resolution:</b>                          | Settled   |
| <b>Resolution Date:</b>                     | 05/28/2019  |
| <b>Sanctions Ordered:</b>                   | Monetary/Fine \$8,884,880.00  |
| <b>Other Sanctions Ordered:</b>             |   |
| <b>Sanction Details:</b>                    | BANCO SANTANDER, S.A. WAS FINED EURO 8,000,000 - USD AMOUNT ABOVE IS AN ESTIMATE AS OF 8/27/2019. BANCO SANTANDER, S.A. PAID A REDUCED AMOUNT OF EUR 6,400,000, AVAILING ITSELF OF THE 20% REDUCTION FOR PROMPT PAYMENT ALLOWANCE.  |
| <b>Firm Statement</b>                       | AS A RESULT OF AN INSPECTION OF A 2014 MORTGAGE PORTFOLIO, THE BANK OF SPAIN CITED BANCO SANTANDER, S.A. WITH EXCESSIVE CHARGING OF COMMISSIONS AND FAILURE TO PROVIDE SUFFICIENT INFORMATION TO CONSUMERS TO ALLOW THEM TO MAKE AN INFORMED DECISION ON THE PURCHASE OF SAID PORTFOLIOS. WITHOUT ADMITTING OR DENYING THE FINDINGS, BANCO SANTANDER, S.A. PAID A |



FINE OF EURO 6,400,000, AVAILING ITSELF OF THE 20% REDUCTION FOR PROMPT PAYMENT ALLOWANCE.

## Disclosure 2 of 3

|   |   |
|---|---|
| <b>Reporting Source:</b>                    | Firm  |
| <b>Affiliate:</b>                           | BANCO SANTANDER, S.A.   |
| <b>Current Status:</b>                      | Final   |
| <b>Allegations:</b>                         | FAILURE TO MAINTAIN CERTAIN ANTI-MONEY LAUNDERING CONTROLS RELATED TO CUSTOMER DUE DILIGENCE BETWEEN SEPTEMBER 2015 AND JUNE 2017, IN A MANNER THAT MET THE STANDARDS REQUIRED UNDER CHINESE LAW.   |
| <b>Initiated By:</b>                        | THE PEOPLE'S BANK OF CHINA  |
| <b>Date Initiated:</b>                      | 11/28/2018  |
| <b>Docket/Case Number:</b>                  | 2018/NO. 36   |
| <b>Principal Product Type:</b>              | No Product  |
| <b>Other Product Type(s):</b>               |   |
| <b>Principal Sanction(s)/Relief Sought:</b> | Civil and Administrative Penalt(ies) /Fine(s)   |
| <b>Other Sanction(s)/Relief Sought:</b>     |   |
| <b>Resolution:</b>                          | Decision  |
| <b>Resolution Date:</b>                     | 11/28/2018  |
| <b>Sanctions Ordered:</b>                   | Monetary/Fine \$145,959.00  |
| <b>Other Sanctions Ordered:</b>             |   |
| <b>Sanction Details:</b>                    | BANCO SANTANDER, S.A. SHANGHAI BRANCH PAID A FINE OF RMB 1,000,000 - USD AMOUNT ABOVE IS AN ESTIMATE AS OF JANUARY 7, 2019.   |
| <b>Firm Statement</b>                       | FOLLOWING A ROUTINE REVIEW BY THE PEOPLE'S BANK OF CHINA ('PBOC') CARRIED OUT IN 2017, THE PBOC ISSUED AN ADMINISTRATIVE DECISION IDENTIFYING A FAILURE TO MAINTAIN CERTAIN ANTI-MONEY LAUNDERING CONTROLS RELATED TO CUSTOMER DUE DILIGENCE, BETWEEN SEPTEMBER 2015 AND JUNE 2017, IN A MANNER THAT MET THE STANDARDS REQUIRED UNDER CHINESE LAW. THE PBOC'S DECISION RELATED SOLELY TO BSSA'S SHANGHAI BRANCH AND IS NOT RELATED IN ANY WAY TO ANY ACTIVITY OR CONCERN AT OR INVOLVING SANTANDER INVESTMENT SECURITIES INC. |



### Disclosure 3 of 3

|   |   |
|---|---|
| <b>Reporting Source:</b>                    | Firm  |
| <b>Affiliate:</b>                           | BANCO SANTANDER, S.A.   |
| <b>Current Status:</b>                      | Final   |
| <b>Allegations:</b>                         | FAILURE TO ACT IN CUSTOMERS' BEST INTERESTS AS REQUIRED UNDER SPANISH LAW, IN CONNECTION WITH THE PLACEMENT OF SHARES OF COLLECTIVE INVESTMENT UNDERTAKINGS IN CUSTOMERS' MANAGED AND ADVISED PORTFOLIOS.   |
| <b>Initiated By:</b>                        | LA COMISION NACIONAL DE MERCADO DE VALORES ('CNMV') - THE SPANISH NATIONAL SECURITIES MARKET COMMISSION   |
| <b>Date Initiated:</b>                      | 09/27/2018  |
| <b>Docket/Case Number:</b>                  |   |
| <b>Principal Product Type:</b>              | Investment Contract(s)  |
| <b>Other Product Type(s):</b>               |   |
| <b>Principal Sanction(s)/Relief Sought:</b> | Civil and Administrative Penalt(ies) /Fine(s)   |
| <b>Other Sanction(s)/Relief Sought:</b>     |   |
| <b>Resolution:</b>                          | Decision & Order of Offer of Settlement   |
| <b>Resolution Date:</b>                     | 09/27/2018  |
| <b>Sanctions Ordered:</b>                   | Monetary/Fine \$5,164,650.00  |
| <b>Other Sanctions Ordered:</b>             |   |
| <b>Sanction Details:</b>                    | BANCO SANTANDER, S.A. (BSSA) WAS FINED EUR 4,500,000 - USD AMOUNT ABOVE IS AN ESTIMATE AS OF JANUARY 7, 2019. BSSA PAID A REDUCED AMOUNT OF EUR 3,600,000, AVAILING ITSELF OF THE REDUCTION FOR PROMPT PAYMENT ALLOWANCE.   |
| <b>Firm Statement</b>                       | ON SEPTEMBER 27, 2018, THE COMISION NACIONAL DEL MERCADO DE VALORES ('CNMV') PUBLISHED A DECISION AS TO BSSA, CONCLUDING THAT BSSA FAILED TO ACT IN CUSTOMERS' BEST INTERESTS AS REQUIRED UNDER SPANISH LAW IN CONNECTION WITH THE PLACEMENT OF SHARES OF COLLECTIVE INVESTMENT UNDERTAKINGS IN CUSTOMERS' MANAGED AND ADVISED PORTFOLIOS. BSSA PAID A FINE OF EUR 3,600,000. THE CNMV'S DECISION RELATED SOLELY TO BSSA AND IS NOT RELATED IN ANY WAY TO ANY ACTIVITY OR CONCERN AT OR |



INVOLVING SANTANDER INVESTMENT SECURITIES INC.





## Regulatory - On Appeal

### Disclosure 1 of 2

|   |  |
|---|--|
| <b>Reporting Source:</b>                    | Firm   |
| <b>Affiliate:</b>                           | BANCO SANTANDER, S.A.  |
| <b>Current Status:</b>                      | On Appeal  |
| <b>Appealed To and Date Appeal Filed:</b>   | AN APPEAL WAS FILED WITH THE ECONOMY MINISTRY WHICH WAS DENIED ON MAY 28, 2019. THE SANCTIONS ARE ON APPEAL TO THE JUDICIAL COURT.   |
| <b>Allegations:</b>                         | AS A RESULT OF AN INSPECTION OF A 2014 MORTGAGE PORTFOLIO, THE BANK OF SPAIN CITED BANCO POPULAR, WITH EXCESSIVE CHARGING OF COMMISSIONS AND FAILURE TO PROVIDE SUFFICIENT INFORMATION TO CONSUMERS TO ALLOW THEM TO MAKE AN INFORMED DECISION ON THE PURCHASE OF SAID PORTFOLIOS. BANCO SANTANDER, S.A. IS ACCOUNTABLE FOR THE FINE AS BANCO POPULAR WAS ACQUIRED BY BANCO SANTANDER, S.A. IN 2017. |
| <b>Initiated By:</b>                        | BANK OF SPAIN  |
| <b>Date Initiated:</b>                      | 07/25/2018   |
| <b>Docket/Case Number:</b>                  |  |
| <b>Principal Product Type:</b>              | Other  |
| <b>Other Product Type(s):</b>               | MORTGAGE PORTFOLIOS  |
| <b>Principal Sanction(s)/Relief Sought:</b> | Civil and Administrative Penalt(ies) /Fine(s)  |
| <b>Other Sanction(s)/Relief Sought:</b>     |  |
| <b>Resolution:</b>                          | Other  |
| <b>Resolution Date:</b>                     | 05/28/2019   |
| <b>Sanctions Ordered:</b>                   | Monetary/Fine \$4,997,745.00   |
| <b>Other Sanctions Ordered:</b>             |  |
| <b>Sanction Details:</b>                    | BANCO SANTANDER, S.A. HAS PAID A FINE FOR CITATIONS RELATED TO BANCO POPULAR PRIOR TO BEING ACQUIRED BY BANCO SANTANDER, S.A. IN THE AMOUNT OF EURO 4,500,000 - USD AMOUNT ABOVE IS AN ESTAIMATE AS OF 8/27/2019.  |
| <b>Firm Statement</b>                       | AS A RESULT OF AN INSPECTION OF A 2014 MORTGAGE PORTFOLIO, THE BANK OF SPAIN CITED BANCO POPULAR WITH EXCESSIVE CHARGING OF  |



COMMISSIONS AND FAILURE TO PROVIDE SUFFICIENT INFORMATION TO CONSUMERS TO ALLOW THEM TO MAKE AN INFORMED DECISION ON THE PURCHASE OF SAID PORTFOLIO. BANCO SANTANDER, S.A. IS ACCOUNTABLE FOR THE FINE AS BANCO POPULAR WAS ACQUIRED BY BANCO SANTANDER, S.A. IN 2017.

## Disclosure 2 of 2

|   |  |
|---|--|
| <b>Reporting Source:</b>                    | Firm   |
| <b>Affiliate:</b>                           | BANCO SANTANDER, S.A.  |
| <b>Current Status:</b>                      | On Appeal  |
| <b>Appealed To and Date Appeal Filed:</b>   | AUDIENCIA NACIONAL (SPANISH NATIONAL COURT)  |
| <b>Allegations:</b>                         | FAILURE TO MAINTAIN CERTAIN ANTI-MONEY LAUNDERING CONTROLS (RELATING TO, AMONG OTHER THINGS, CUSTOMER DUE DILIGENCE AND THE FILING OF SUSPICIOUS ACTIVITY REPORTS DURING THE PERIOD OF TIME BETWEEN 2012 AND 2015) MEETING THE STANDARDS REQUIRED UNDER SPANISH LAW. |
| <b>Initiated By:</b>                        | SR. MINISTRO DE ECONOMIA, INDUSTRIA Y COMPETITIVIDAD (SPANISH MINISTRY OF ECONOMY AND COMPETITION)   |
| <b>Date Initiated:</b>                      | 05/05/2018   |
| <b>Docket/Case Number:</b>                  | MAR/4028/2017  |
| <b>Principal Product Type:</b>              | No Product   |
| <b>Other Product Type(s):</b>               |  |
| <b>Principal Sanction(s)/Relief Sought:</b> | Civil and Administrative Penalt(ies) /Fine(s)  |
| <b>Other Sanction(s)/Relief Sought:</b>     |  |
| <b>Resolution:</b>                          | Decision   |
| <b>Resolution Date:</b>                     | 05/05/2018   |
| <b>Sanctions Ordered:</b>                   | Monetary/Fine \$12,346,789.00  |
| <b>Other Sanctions Ordered:</b>             | THE SPANISH MINISTRY OF ECONOMY AND COMPETITION IMPOSED A FINE OF EURO 10,547,704 (THE ESTIMATED US DOLLAR AMOUNT AS OF JULY 26, 2018 IS IDENTIFIED ABOVE).  |
| <b>Sanction Details:</b>                    | SEE RESPONSE TO B. ABOVE   |

**Firm Statement**

ON MARCH 1, 2018, THE SPANISH MINISTRY OF ECONOMY AND COMPETITION ISSUED AN UNPUBLISHED DECISION ON ADMINISTRATIVE PROCEEDINGS AS TO BANCO SANTANDER, S.A. ("BSSA"), CONCLUDING THAT CERTAIN ASPECTS OF BSSA'S ANTI-MONEY LAUNDERING CONTROLS (RELATING TO, AMONG OTHER THINGS, CUSTOMER DUE DILIGENCE AND THE FILING OF SUSPICIOUS ACTIVITY REPORTS DURING THE PERIOD OF TIME BETWEEN 2012 AND 2015) DID NOT MEET ALL REQUIRED STANDARDS UNDER SPANISH LAW. AS A RESULT, THE MINISTRY IMPOSED A FINE OF EURO 10,547,704. BSSA STRONGLY BELIEVES THE DECISION IS UNFOUNDED AND WITHOUT MERIT AND ON MAY 5, 2018 APPEALED THE ADMINISTRATIVE DECISION TO THE SPANISH HIGH NATIONAL COURT. THE MINISTRY'S DECISION RELATES SOLELY TO BSSA AND IS NOT RELATED IN ANY WAY TO ANY ACTIVITY OR CONCERN AT OR INVOLVING SANTANDER INVESTMENT SECURITIES INC.



## Criminal - Pending Charge

### Disclosure 1 of 1

|                          |   |
|--------------------------|---|
| <b>Reporting Source:</b> | Firm  |
| <b>Affiliate:</b>        | BANCO SANTANDER, S.A.   |
| <b>Current Status:</b>   | Pending   |
| <b>Status Date:</b>      |   |
| <b>Charge Details:</b>   | <p>A COURT IN LYON (FRANCE) HAS NOTIFIED BANCO SANTANDER, S.A. ("THE BANK"), A CONTROL AFFILIATE AND INDIRECT PARENT COMPANY OF SANTANDER INVESTMENT SECURITIES INC., THAT ALLEGATIONS AGAINST THE BANK FOR COMPLICITY OF FRAUD ("COMPLICITÉ D'ESCROQUERIE") AND MONEY LAUNDERING ("BLANCHIMENT") MAY PROCEED TO TRIAL. THESE CRIMINAL PROCEEDINGS (NUM. JICABJRS412000005) CONDUCTED BEFORE THE LYON COURT WERE INITIATED AS THE RESULT OF AN ALLEGED INVESTMENT FRAUD PERPETRATED BY A FRENCH INDIVIDUAL WHO HAD BEEN A CLIENT OF A BRANCH OF THE BANK IN IRUN (SPAIN) ALONG WITH THREE OF HIS CONTROLLED COMPANIES THAT MAY HAVE BEEN USED TO FACILITATE THE FRAUD. THIS INDIVIDUAL AND HIS CONTROLLED COMPANIES ALSO OPERATED WITH SEVERAL OTHER BANKS. THE BANK DISPUTES ALL CRIMINAL LIABILITY, HAS MERITORIOUS DEFENSES, AND WILL VIGOROUSLY DEFEND AGAINST THE CRIMINAL NEGLIGENCE ALLEGATIONS.</p> |
| <b>Felony:</b>           | Yes   |
| <b>Court Details:</b>    | <p>COUR D'APPEL DE LYON TRIBUNAL DE GRANDE INSTANCE DE LYON (COURT OF APPEAL OF THE HIGH COURT OF LYON) (FRANCE). NUM. JICABJRS412000005.</p>   |
| <b>Charge Date:</b>      | 06/15/2017  |

## End of Report



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