

FINANCIAL INDUSTRY REGULATORY AUTHORITY

In the Matter of the  
Continued Membership  
of

TD Securities (USA) LLC,  
(CRD No. 18476)

And

TD Private Client Wealth LLC  
(CRD No. 164484)

Notice Pursuant to  
Rule 19h-1  
Securities Exchange Act  
of 1934

SD-2409  
SD-2424

**November 26, 2024**

**I. Introduction**

On September 5, 2024 and August 27, 2024, respectively, TD Private Client Wealth LLC (“TDPCW”) and TD Securities (USA) LLC (“TDS”) (collectively “Firms”) each submitted a Membership Continuance Application (“Applications”) to FINRA’s Credentialing, Registration, Education, and Disclosure (“CRED”) Department.<sup>1</sup> The Applications seek to permit the Firms, FINRA members, to continue their membership with FINRA notwithstanding their statutory disqualification. A hearing was not held in these matters; rather, pursuant to FINRA Rule 9523(b), FINRA’s Department of Member Supervision (“FINRA,” “Member Supervision,” or “Department”) approves the Applications and is filing this Notice pursuant to Rule 19h-1 of the Securities Exchange Act of 1934 (“Exchange Act” or “SEA”).<sup>2</sup>

**II. The Statutorily Disqualifying Event**

The Firms are subject to statutory disqualification, as that term is defined in Section 3(a)(39)(F) of the Exchange Act, incorporating by reference Sections 15(b)(4)(D) and (E), as a result of a Securities and Exchange Commission (“SEC” or “Commission”) Order dated August 14, 2024 (“SEC Order”).<sup>3</sup> The SEC Order found that both TDPCW and TDS

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<sup>1</sup> See TDPCW MC-400A and related attachments compiled by CRED, with a cover memorandum dated September 12, 2024, attached as Exhibit 1. See TDS MC-400A and related attachments compiled by CRED, with a cover memorandum dated September 4, 2024, attached as Exhibit 2.

<sup>2</sup> The Firms consented to being listed on the same SEA Rule 19h-1 Notice.

<sup>3</sup> See SEC Order, *In re TD Securities (USA) LLC, TD Private Client Wealth LLC, and Epoch Investment Partners, Inc.*, Exchange Act Release No. 100711 (Aug. 14, 2024), attached as Exhibit 3.

willfully violated Section 17(a) of the Exchange Act and Rule 17a-4(b)(4), and failed reasonably to supervise its employees with a view to preventing or detecting certain of their employees' aiding and abetting violations of Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder within the meaning of SEA Section 15(b)(4)(E).<sup>4</sup> The SEC Order also found that TDPCW willfully violated Section 204 of the Investment Advisers Act of 1940 ("Advisers Act") and Rule 204-2(a)(7) thereunder, and failed reasonably to supervise its employees with a view to preventing or detecting certain of its employees' aiding and abetting violations of Section 204 of the Advisers Act and Rule 204-2(a)(7) thereunder within the meaning of Section 203(e)(6) of the Advisers Act.<sup>5</sup>

According to the SEC Order, from at least January 2020, employees of the Firms sent and received off-channel communications that related to the Firms' business, and a majority of these written communications were not maintained or preserved by the Firms.<sup>6</sup> Further, supervisors who were responsible for preventing this misconduct among junior employees routinely communicated off-channel using their personal devices, and, in so doing, failed to comply with the Firms' policies by communicating using non-Firm approved methods on their personal devices about the Firms' broker-dealer business and/or TDPCW's investment adviser business.<sup>7</sup>

The Firms were censured, ordered to cease and desist from committing or causing any future violations, ordered to pay a civil money penalty of \$30,000,000 (jointly and severally), and ordered to comply with certain undertakings.<sup>8</sup>

### III. Remedial Measures

According to the Applications, the Firms represented that they undertook remedial measures prior to the issuance of the SEC Order, including providing their personnel with firm issued devices or other firm-approved applications, thereby making communications

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The SEC Order also triggered disqualification under Rules 262(a)(4), 506(d)(1)(iv), and 602(c)(3) of the Securities Act of 1933 and Rule 503(a)(4)(ii) of Regulation Crowdfunding. On August 14, 2024, the SEC granted the Firms a waiver from the application of the disqualification provisions of these Rules. *See In re Off-Channel Communications at Registered Entities*, Securities Act Release No. 11298 (Aug. 14, 2024), attached as Exhibit 4.

<sup>4</sup> See Exhibit 3 at p. 6, para. 31, 32.

<sup>5</sup> *Id.* at p. 6, para. 33, 34.

<sup>6</sup> *Id.* at p. 2, para. 3.

<sup>7</sup> *Id.* at p. 2, para. 4.

<sup>8</sup> *Id.* at pp. 7-11. The Firms represented that the civil penalty of \$30,000,000 was paid to the SEC by wire transfer on August 21, 2024. *See* TDPCW Discovery Responses dated November 6, 2024, TDS Discovery Responses dated November 6, 2024, and TDS Supplemental Discovery Responses dated November 12, 2024, collectively attached as Exhibit 5 at FINRA p. 11. The Firms also represented that all undertakings required thus far are completed, including engaging an independent compliance consultant and assuring that the consultant's report will be timely submitted to the SEC. *Id.* at FINRA pp. 5-9, 11.

through approved channels more readily retainable.<sup>9</sup> The Firms also enhanced their policies and procedures, increased training, and implemented significant technology changes.<sup>10</sup>

According to the SEC Order, the Commission considered the Firms' prompt remedial actions and cooperation with the SEC when determining to accept the Offers of Settlement.<sup>11</sup>

#### **IV. Firms' Background**

TDPCW has been a FINRA member since February 28, 2013<sup>12</sup> and TDS since July 24, 1987.<sup>13</sup> TDPCW is headquartered in New York, New York with 43 active branches (having 19 Offices of Supervisory Jurisdiction).<sup>14</sup> TDPCW employs approximately 383 registered representatives (83 of which are registered principals), 62 operations professionals, and 88 non-registered fingerprint employees.<sup>15</sup> TDPCW does not employ any statutorily disqualified individuals.<sup>16</sup>

TDS is headquartered in New York, New York with ten active branches (six branches are designated Offices of Supervisory Jurisdiction).<sup>17</sup> TDS employs approximately 1389 registered representatives (222 of which are registered principals), 42 operations professionals, and 1482 non-registered fingerprint employees.<sup>18</sup> TDS employs one statutorily disqualified individual.<sup>19</sup>

TDPCW is approved to engage in the following lines of business:<sup>20</sup> broker or dealer

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<sup>9</sup> See Exhibit 1 at FINRA p. 18 and Exhibit 2 at FINRA p. 6.

<sup>10</sup> *Id.*

<sup>11</sup> See Exhibit 3 at p. 6, para. 35.

<sup>12</sup> See TDPCW Central Registration Depository ("CRD") Excerpt – Organization Registration Status, attached as Exhibit 6.

<sup>13</sup> See TDS CRD Excerpt – Organization Registration Status, attached as Exhibit 7.

<sup>14</sup> FINRA confirmed this through analysis of the Firm's information contained in CRD, last performed on November 11, 2024.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* See also Appendix A.

<sup>20</sup> See TDPCW CRD Excerpt - Types of Business, attached as Exhibit 8.

retailing corporate equity securities over-the-counter; broker or dealer selling corporate debt securities; mutual fund retailer; U.S. government securities broker; municipal securities broker; solicitor of time deposits in a financial institution; investment advisory services; non-exchange member arranging for transactions in listed securities by exchange member; broker or dealer involved in a networking, kiosk, or similar arrangement with a bank, savings bank or association, or credit union.

TDS is approved to engage in the following lines of business:<sup>21</sup> broker or dealer making inter-dealer markets in corporate securities over-the-counter; 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; municipal securities dealer; municipal securities broker; solicitor of time deposits in a financial institution; put and call broker or dealer or option writer; broker or dealer selling securities of non-profit organizations; non-exchange member arranging for transactions in listed securities by exchange member; trading securities for own account; private placements of securities; engages in other securities business; effects transactions in commodity futures, commodities, commodity options as broker for others or dealer for own account; and engages in other non-securities business.<sup>22</sup>

TDPCW is a member of the following self-regulatory organizations (“SROs”): Municipal Securities Rulemaking Board (“MSRB”).<sup>23</sup>

TDS is a member of the following SROs: Cboe BYX Exchange, Inc. (“BYX”); Cboe BZX Exchange, Inc. (“BZX”); Cboe EDGA Exchange, Inc. (“EDGA”); Cboe EDGX Exchange, Inc. (“EDGX”); The Long-Term Stock Exchange (“LTSE”); MEMX LLC (“MEMX”); The Nasdaq Stock Market LLC (“Nasdaq”);<sup>24</sup> MSRB; The Depository Trust Company (“DTC”); Fixed Income Clearing Corporation – Government Securities Division (“FICC-GOV”); Fixed Income Clearing Corporation – Mortgage-Backed Securities Division (“FICC-MBS”); and National Securities Clearing Corporation (“NSCC”).<sup>25</sup>

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<sup>21</sup> See TDS CRD Excerpts - Types of Business and Other Business Descriptions, collectively attached as Exhibit 9.

<sup>22</sup> TDS’s other securities business includes making inter-dealer markets in both money market instruments, debt and equity products, derivatives instruments, structured products, and securitized products; trading of securities or derivatives for its own account; acting as an underwriter or selling group participant; providing corporate and public finance advisory services including mergers and acquisitions and valuations; engaging in research and soft dollar activities. *Id.* at p. 2. TDS’s other non-securities business includes acting as an agent or broker in foreign exchange, short term loan participations, loan syndications, and committed credit. *Id.*

<sup>23</sup> Membership in this organization was verified by FINRA staff through a search of public member directories, last performed on November 11, 2024.

<sup>24</sup> See Exhibit 7.

<sup>25</sup> Membership in these organizations was verified by FINRA staff through a search of public member directories, last performed on November 11, 2024.

TDS has applied for membership with the following SROs, and those applications remain pending: New York Stock Exchange LLC (“NYSE”); NYSE American LLC (“NYSE American”); NYSE Arca, Inc. (“NYSE Arca”); NYSE Chicago, Inc. (“NYSE Chicago”); NYSE National, Inc. (“NYSE National”); Investors Exchange LLC (“IEX”); Nasdaq BX, Inc. (“BX”); Nasdaq ISE, LLC (“ISE”); and Nasdaq PHLX LLC (“PHLX”).<sup>26</sup>

### **Recent Examinations**

In the past two years, FINRA completed one routine examinations of TDPCW, and it resulted in no exceptions. FINRA also completed one routine examination of TDS that resulted in a Cautionary Action Letter (“CAL”), and one non-routine examination of TDS that resulted in a CAL.

#### **A. FINRA Routine Examination of TDPCW**

In May 2024, FINRA completed a routine examination of TDPCW where no exceptions were found.<sup>27</sup>

#### **B. FINRA Routine Examination of TDS**

In November 2023, FINRA completed a routine examination of TDS that resulted in a CAL to TDS for seven exceptions.<sup>28</sup> The exceptions pertained to the Firm’s failure to submit accurate Form G-32 submissions to the Electronic Municipal Market Access (“EMMA”) system; the Firm’s lack of written supervisory procedures (“WSPs”) concerning monitoring the Firm’s fixed income quoting activities, or rule applicability reviews; the Firm’s failure to retain adequate supporting documentation to evidence confirmed sales related to four underwriting deals; the Firm’s failure to accurately report certain municipal securities transactions; the Firm’s failure to have Municipal Securities Policy and Procedures that specifically address how the Firm will monitor to ensure the price paid to a municipal issuer on new issue municipal bonds is fair and reasonable; the Firm’s failure to comply with multiple provisions of MSRB Rule G-11 as it relates to syndicate and non-syndicate disclosure requirements; and the Firm’s failure to maintain adequate records related to underwriting activities.<sup>29</sup> The Firm responded in writing that it

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<sup>26</sup> See Exhibit 7. FINRA staff confirmed that TDS has applied for membership with IEX, despite it not appearing on Exhibit 7.

<sup>27</sup> See TDPCW Examination Report for Exam No. 20240802023, dated May 1, 2024, attached as Exhibit 10.

<sup>28</sup> See TDS Disposition Letter for Examination No. 20230770508, dated November 29, 2023, Examination Report dated October 31, 2023, and Firm Response dated November 14, 2023, collectively attached as Exhibit 11.

<sup>29</sup> *Id.* at FINRA pp. 5-10.

took steps to address the issues, which include multiple policy and procedures enhancements.<sup>30</sup>

### C. FINRA Non-Routine Examination of TDS

In June 2023, FINRA completed a non-routine examination of TDS that resulted in a CAL to TDS for one exception related to inaccurate reporting of transactions in TRACE-eligible securitized products.<sup>31</sup> The Firm responded in writing that it has engaged technology to address the issue and is assessing a supervisory review for potential manual inputs.<sup>32</sup>

### Regulatory Actions

#### TDPCW

In the past two years, TDPCW has been the subject of two additional disciplinary actions, aside from the SEC Order that led to the Applications: a November 2023 Letter of Acceptance, Waiver, and Consent (“AWC”) entered into with FINRA and a September 2024 SEC order.

#### A. FINRA Action

On November 27, 2023, TDPCW entered into an AWC with FINRA in connection with the Firm’s failure to establish and maintain a supervisory system, including written procedures, reasonably designed to achieve compliance with the Firm’s obligation to review correspondence and internal communications, resulting in the Firm’s failure to review 3.5 million emails, in violation of NASD Rule 2010 and FINRA Rules 3110 and 2010.<sup>33</sup> TDPCW consented to a censure, \$600,000 fine, and undertakings that involved remediating the Firm’s supervisory systems and completing a retrospective review of the missed emails.<sup>34</sup>

#### B. SEC Actions and Other Statutory Disqualification Matters

On September 17, 2024, the SEC issued an order which found that TDPCW willfully violated Section 13(f)(1) of the Exchange Act and Rule 13f-1 thereunder by failing to file

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<sup>30</sup> *Id.* at FINRA pp. 12-21.

<sup>31</sup> *See* TDS CAL for Matter No. 20220773391, dated June 2, 2023, and Firm Response dated June 16, 2023, collectively attached as Exhibit 12.

<sup>32</sup> *Id.* at FINRA p. 3.

<sup>33</sup> *See* FINRA AWC No. 2019064801101 dated November 27, 2023, attached as Exhibit 13.

<sup>34</sup> *Id.* at p. 3. The Firm paid the fine on December 5, 2023. *See* CRD Disclosure Occurrence Composite for Occurrence No. 2309721, and Correspondence from TDPCW to FINRA dated February 27, 2024 and March 27, 2024, collectively attached as Exhibit 14, at FINRA p. 2 Item 13C. The Firm also certified that it complied with the undertakings. *Id.* at FINRA pp. 6-14.

Forms 13F from the quarter ending December 31, 2019, to the quarter ending March 31, 2024 despite the fact that the Firm exercised investment discretion over at least \$100 million in Section 13(f) securities on the last trading day of the month and continued to hold at least \$100 million in Section 13(f) securities thereafter.<sup>35</sup> TDPCW was censured, ordered to cease-and desist from committing or causing any future violations of Section 13(f)(1) of the Exchange Act and Rule 13f-1 promulgated thereunder, and was ordered to pay a civil money penalty in the amount of \$475,000.<sup>36</sup>

## **TDS**

### **A. FINRA Action**

On September 30, 2024, TDS entered into an AWC with FINRA relating to 819 instances of spoofing engaged in by a former trader of TDS, in violation of FINRA rule 2010.<sup>37</sup> TDS consented to a censure and a \$6 million fine.<sup>38</sup>

### **B. SEC Action and Other Statutory Disqualification Matters**

On September 30, 2024, the SEC issued an order which found that TDS willfully violated Section 17(a)(3) of the Securities Act of 1933 as a result of hundreds of instances of spoofing engaged in by one of TDS's former traders, and that TDS failed reasonably to supervise the trader within the meaning of Section 15(b)(4)(E) of the Exchange Act with a view to preventing and detecting his violations of Section 9(a)(2) of the Exchange Act.<sup>39</sup> TDS was censured, ordered to cease and desist from future violations, ordered to pay a civil money penalty of \$6.5 million, \$400,000 in disgorgement, and \$135,700 in pre-judgment interest.<sup>40</sup>

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<sup>35</sup> See Order, *In re TD Private Client Wealth LLC*, Exchange Act Release No. 101062 (Sept. 17, 2024) and Correspondence from TDPCW to FINRA dated October 8, 2024, collectively attached as Exhibit 15. This order subjects the Firm to statutory disqualification as defined in Section 3(a)(39)(F) of the Exchange Act, incorporating by reference Section 15(b)(4)(D).

<sup>36</sup> *Id.* at FINRA p. 4. FINRA staff confirmed that TDPCW paid the penalty on September 20, 2024, and that the sanctions are no longer in effect. *Id.* at FINRA p. 6-8. Since there are no sanctions in effect for statutory disqualification purposes, an application to continue in membership was not required under FINRA rules. See also [FINRA Regulatory Notice 09-19](#) (June 15, 2009). As such, a 19h-1 Notice was not filed in connection with this matter.

<sup>37</sup> See FINRA AWC No. 2018059279201 dated September 30, 2024, attached as Exhibit 16.

<sup>38</sup> *Id.* at p. 9. The Firm paid the fine on October 15, 2024. See Exhibit 5 at FINRA p.19.

<sup>39</sup> See Order, *In re TD Securities (USA) LLC*, Exchange Act Release No. 101221 (Sept. 30, 2024), attached as Exhibit 17. This order subjects the Firm to statutory disqualification as defined in Section 3(a)(39)(F) of the Exchange Act, incorporating by reference Section 15(b)(4)(D) and 15(b)(4)(E).

<sup>40</sup> *Id.* at p. 5. FINRA staff confirmed that TDS paid the penalty, disgorgement, and pre-judgment interest and that the sanctions are no longer in effect. See Exhibit 5 at FINRA p. 17. Since there are no sanctions in effect for statutory disqualification purposes, an application to continue in membership was not required under FINRA rules. See also [FINRA Regulatory Notice 09-19](#) (June 15, 2009). As such, a 19h-1 Notice was not filed in connection with this matter.

TDS was also recently subject to statutory disqualification as a result of an order entered by the SEC on September 13, 2022 which found that TDS willfully violated Exchange Act Rule 15c2-12 and MSRB Rule G-27 because TDS, while serving as sole underwriter for 35 limited offerings between August 2017 and February 2020, sold securities to broker-dealers and investment advisors without a reasonable belief that they were purchasing the securities for investment, and because TDS lacked policies and procedures reasonably designed to ensure that purchasers satisfied certain exemption requirements.<sup>41</sup> As a result, TDS also willfully violated Exchange Act Section 15B(c)(1).<sup>42</sup> TDS was censured, ordered to cease and desist from future violations, and ordered to pay a civil money penalty of \$100,000, disgorgement of \$45,891.72, and prejudgment interest of \$7,064.20.<sup>43</sup>

#### **V. Prior SEA Rule 19h-1 and 19d-1 Notices**

TDPCW has not been the subject of any prior SEA Rule 19h-1 or 19d-1 Notices. TDS was previously the subject of one 19h-1 Notice.<sup>44</sup> On March 24, 2016, FINRA filed a Rule 19h-1 Notice approving TDS's continuing membership notwithstanding the existence of its statutory disqualification stemming from a February 2, 2016, SEC order.<sup>45</sup> The Commission acknowledged FINRA's Notice on April 28, 2016.<sup>46</sup>

#### **VI. The Firms' Proposed Continued Membership with FINRA and Plan of Heightened Supervision**

The Firms seek to continue their membership with FINRA notwithstanding their status as disqualified members. The Firms have agreed to the following Plan of Heightened Supervision ("Supervision Plan" or "Plan") as a condition of their continued membership with FINRA:<sup>47</sup>

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<sup>41</sup> See Order, *In re TD Securities (USA) LLC*, Exchange Act Release No. 95751 (Sept. 13, 2022), attached as Exhibit 18, at pp. 2, 5.

<sup>42</sup> *Id.* at p. 5.

<sup>43</sup> *Id.* at p. 6. FINRA staff confirmed that TDS paid the penalty, disgorgement, and pre-judgment interest and that the sanctions are no longer in effect. Since there are no sanctions in effect for statutory disqualification purposes, an application to continue in membership was not required under FINRA rules. See also FINRA Regulatory Notice 09-19 (June 15, 2009). As such, a 19h-1 Notice was not filed in connection with this matter.

<sup>44</sup> See *In re the Continued Membership of TD Securities (USA) LLC.*, SD-MCDC-054, SD-MCDC-056, SD-MCDC-057, SD-MCDC-063, (FINRA Mar. 24, 2016), and SEC Letter of Acknowledgement dated April 28, 2016, collectively attached as Exhibit 19.

<sup>45</sup> *Id.*

<sup>46</sup> *Id.* at FINRA p. 6.

<sup>47</sup> See Executed Consent to Plan of Heightened Supervision dated November 7, 2024, attached as Exhibit 20.



TD Private Client Wealth LLC (“TDPCW”) and TD Securities (USA) LLC (“TDS”) (collectively “Firms”) are subject to statutory disqualification pursuant to Section 3(a)(39)(F) of the Securities Exchange Act of 1934, which incorporates by reference Sections 15(b)(4)(D) & (E), as a result of an order issued by the U.S. Securities and Exchange Commission (“SEC” or “Commission”) dated August 14, 2024, which found that the Firms willfully violated Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-4(b)(4) thereunder (“SEC Order”). The SEC Order also found that the Firms failed reasonably to supervise their employees within the meaning of Section 15(b)(4)(E). In addition, the SEC Order found that TDPCW willfully violated Section 204 of the Investment Advisers Act of 1940 (“Advisers Act”) and Rule 204-2(a)(7) thereunder and failed reasonably to supervise its employees within the meaning of Section 203(e)(6) of the Advisers Act.

For the purpose of this Supervision Plan, the term “Digital Communication Channels” means all written electronic methods of communication used to conduct the respective Firms’ business, including but not limited to, text messaging platforms, whether via SMS messaging, iMessage, or other messaging services such as WhatsApp; direct messaging platforms including X f/k/a “Twitter,” Instagram, LinkedIn, Slack, or Bloomberg Messaging; non-firm domain email accounts; and any other written electronic business-related correspondence. “Digital Communication Channels” encompass platforms used to exchange messages with internal or external stakeholders using either a personal or Firm-provided device.

For the purpose of this Supervision Plan, the term “Off-Channel Communications” means all business-related written electronic messages sent on Digital Communication Channels that are not captured by Firm surveillance and record-keeping systems.

In consenting to this Supervision Plan, the Firms agree to the following:

1. The Firms shall comply with all of the undertakings outlined in the SEC Order.
2. The Firms shall maintain copies of all correspondence between the respective Firms and Commission staff relating to the SEC Order, including documenting when Commission staff grants extensions to the deadlines set forth in the SEC Order. The Firms shall maintain copies of all such correspondence in a readily accessible place for ease of review by FINRA staff.
3. The Firms shall provide FINRA’s Statutory Disqualification Group with copies of all certifications submitted to the SEC upon completion of the undertakings as specified in the SEC Order. The Firms shall maintain copies of all certifications in a readily accessible place for ease of review by FINRA staff.
4. The Firms shall maintain copies of all reports and supporting documentation submitted to SEC staff in accordance with the SEC Order, as well as any other documentation needed to evidence the status and completion of each of the

undertakings outlined in the SEC Order. The Firms shall maintain copies of such documentation in a readily accessible place for ease of review by FINRA staff.

5. Within six months of the SEC's Letter of Acknowledgement ("LOA") in this matter, to the extent that they have not already done so within the past six months, and on at least an annual basis thereafter, for a term of six years from the date of the LOA, the Firms shall conduct training for all associated persons regarding the Digital Communication Channels that the Firms have approved for business communication, along with the respective Firm's current policies regarding retention of business-related electronic communications. The Firms shall maintain a record of individual completion of said training and a copy of said training materials in a readily accessible place for ease of review by FINRA staff.
6. The Firms shall conduct the training described in Paragraph 5 above for all new hires, within 65 days from the date of commencement of new hire training, for a term of six years from the date of the LOA. The Firms shall retain a record of all new hire training, including a copy of all written training materials, and keep said record(s) in a readily accessible place for ease of review by FINRA staff.
7. Within 90 days of the LOA, the Firms shall, to the extent that they have not already done so, establish and maintain a written list(s) of all Digital Communication Channels that their associated persons are permitted to use to communicate about Firm business. The list(s) shall be circulated to all of the respective Firm's associated persons at least on a semi-annual basis, for a term of six years from the date of the LOA. The Firms shall require that all associated persons obtain written approval for use of any Digital Communication Channels to communicate about Firm business that are not already on the approved list(s) maintained by the Firms. The Firms shall maintain a record of all requests and approvals or rejections of each request, including the date of the requests and the respective Firm's decision. The Firms shall maintain copies of such requests and decisions in a readily accessible place for ease of review by FINRA staff.
8. The Firms shall require all associated persons to disclose on at least a semi-annual basis, for a term of six years from the date of the LOA, any unapproved Digital Communication Channels he/she is using to communicate about the Firms' business. The Firms shall maintain records of such disclosures in a readily accessible place for ease of review by FINRA staff.
9. Subject to Paragraph 7 above, the Firms shall prohibit associated persons from using Off-Channel Communications.
10. Within 90 days of the LOA, the Firms shall, to the extent that they have not already done so, develop a process whereby, in the event that an associated person sends or receives an Off-Channel Communication, the Off-Channel Communication is submitted to the Firms and retained in compliance with relevant securities laws and regulations. For a term of six years from the date of the LOA, the Firms shall maintain a record of all such Off-Channel Communications, including a record of

the respective Firm's receipt of the communication, in a readily accessible place for ease of review by FINRA staff.

11. Within 90 days of the LOA, the Firms shall, to the extent that they have not already done so, develop and maintain written supervisory policies and procedures detailing the respective Firm's processes for disciplining associated persons who use Off-Channel Communications to communicate about the Firms' business. When the Firms use the disciplinary processes, the Firms shall document each instance. The Firms shall retain records of such written supervisory policies and procedures and records of the disciplinary processes and each outcome.
12. All requested documents and certifications under this Supervision Plan shall be sent directly to FINRA's Statutory Disqualification Group at [SDMailbox@FINRA.org](mailto:SDMailbox@FINRA.org).
13. The Firms shall obtain written approval from FINRA's Statutory Disqualification Group prior to changing any provision of the Supervision Plan.
14. The Firms shall submit any proposed changes or other requested information under this Supervision Plan to FINRA's Statutory Disqualification Group at [SDMailbox@FINRA.org](mailto:SDMailbox@FINRA.org).

## **VII. Discussion**

After carefully reviewing the entire record in this matter, FINRA approves each Firm's request to continue its membership with FINRA, subject to the terms and conditions set forth herein. In evaluating the Applications submitted by TDPCW and TDS, FINRA assessed whether the Firms have demonstrated that their continued membership is consistent with the public interest and does not create an unreasonable risk of harm to investors or the markets. *See* FINRA By-Laws, Art. III, Sec. 3(d); *cf. Frank Kufrovich*, 55 S.E.C. 616, 624 (2002) (holding that FINRA "may deny an application by a firm for association with a statutorily-disqualified individual if it determines that employment under the proposed plan would not be consistent with the public interest and the protection of investors"). Typically, factors that bear on FINRA's assessment include, among other things, the nature and gravity of the statutorily disqualifying misconduct, the time elapsed since its occurrence, the restrictions imposed, the Firm's regulatory history, and whether there has been any intervening misconduct.

As of the date of this Notice, FINRA has determined that the Firms' continued membership is consistent with the public interest and does not create an unreasonable risk of harm to investors or the markets. While the SEC Order identified serious violations of securities laws, the Firms were not expelled or suspended, nor were any limitations placed on the Firms' securities activities. Although the SEC Order triggered certain disqualifications from exemptions from registration available under the Securities Act of 1933 ("Securities Act"), specifically Regulations A, D and E of the Securities Act and Regulation Crowdfunding, the SEC granted the Firms a waiver from the application of the disqualification provisions of Rules 262(a)(4)(ii), 506(d)(1)(iv)(B), and 602(c)(3) of the Securities Act and Rule 503(a)(4)(ii) of Regulation Crowdfunding. Moreover, the Firms

represent that the full amount of the civil monetary penalty was paid, and they are in compliance with the undertakings in that they each retained a compliance consultant and assured the timely submission of the consultants' reports to the SEC.<sup>48</sup>

Member Supervision also acknowledges that within the SEC Order the Commission considered each Firms' prompt remedial actions and cooperation with the Commission when determining to accept the Offer of Settlement. Specifically, the Firms enhanced their policies and procedures, increased training concerning the use of approved communications methods, and began implementing changes to the technology available to employees.

In evaluating the Firms' Applications, FINRA notes that TDPCW and TDS have limited disciplinary history which should not prevent the Firms from continuing in FINRA membership. Additionally, in response to the Firms' recent examinations findings and exceptions, the Firms took steps to resolve them, including by enhancing policies and procedures and providing additional training. Following the approval of the Firms' continued membership in FINRA, FINRA intends to utilize its examination and surveillance processes to monitor the Firms' continued compliance with the standards prescribed by Exchange Act Rule 19h-1 and FINRA Rule 9523.

FINRA is further reassured by the controls set in place by the Firms' Supervision Plan which bolster the undertakings outlined in the SEC Order and will continue to provide oversight of the Firms and current compliance with the remaining undertakings. In accordance with the Plan, the Firms agreed to conduct annual training for all associated persons, including new hires, regarding each Firm's approved digital communication methods and record retention policies for electronic communications. Further, the Plan calls for the Firms to maintain a list of approved digital communication methods that associated persons are permitted to use for Firm business and to circulate that list to their associated persons semi-annually. The Plan requires each Firm's associated persons to obtain written approval to use digital communication channels not already approved. The Plan prohibits the use of off-channel communications and requires associated persons to semi-annually disclose any unapproved digital communication methods they are using for Firm business; they must also forward any off-channel communications that may have taken place to their Firm for retention purposes. These provisions will help to ensure that each Firm is aware of the communication methods being used by associated persons so that they can appropriately monitor, capture, and retain those communications. Additionally, the Plan mandates that each Firm develop policies and procedures for disciplining associated persons who use unapproved communication methods for Firm business and segregate all certifications, reports, and supporting documentation submitted to the SEC regarding compliance with the undertakings, for ease of review by FINRA staff to ensure ongoing compliance.

Thus, FINRA is satisfied, based on the foregoing and on the Firms' representations made pursuant to the Supervision Plan, that the Firms' continued membership in FINRA is

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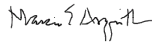
<sup>48</sup> See Exhibit 5 at FINRA pp. 5-9, 11.

consistent with the public interest and does not create an unreasonable risk of harm to the market or investors. Accordingly, FINRA approves TDPCW's and TDS's Applications to continue their memberships with FINRA.

FINRA certifies that the Firms meets all qualification requirements and represents that the TDS is registered with several other SROs: BYX; BZX; EDGA; EDGX; LTSE; MEMX; Nasdaq; DTC; FICC-GOV; FICC-MBS; and NSCC. TDS also has memberships pending with the following SROs: NYSE; NYSE American; NYSE Arca; NYSE Chicago; NYSE National; IEX; BX; ISE; and PHLX. These SROs have been provided with the terms and conditions of the TDS' proposed continued membership and concur with FINRA.

In conformity with the provisions of Rule 19h-1 of the Exchange Act, the continued membership of the Firms will become effective within 30 days of the receipt of this notice by the Commission, unless otherwise notified by the SEC.

On Behalf of FINRA,



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Marcia E. Asquith  
Executive Vice President & Corporate Secretary

**Appendix A**

Statutorily Disqualified Individuals Associated with TD Securities (USA) LLC

A large black rectangular redaction box covers the entire table content, obscuring all text and data that would otherwise be present in the table.

EXHIBITS  
SD-2409 and SD-2424

1. TDPCW MC-400A and related attachments compiled by CRED, with a cover memorandum dated September 12, 2024.
2. TDS MC-400A and related attachments compiled by CRED, with a cover memorandum dated September 4, 2024.
3. SEC Order, *In re TD Securities (USA) LLC, TD Private Client Wealth LLC, and Epoch Investment Partners, Inc.*, Exchange Act Release No. 100711 (Aug. 14, 2024).
4. *In re Off-Channel Communications at Registered Entities*, Securities Act Release No. 11298 (Aug. 14, 2024).
5. TDPCW Discovery Responses dated November 6, 2024, TDS Discovery Responses dated November 6, 2024, and TDS Supplemental Discovery Responses dated November 12, 2024.
6. TDPCW CRD Excerpt - Organization Registration Status.
7. TDS CRD Excerpt - Organization Registration Status.
8. TDPCW CRD Excerpt -Types of Business.
9. TDS CRD Excerpts – Types of Business and Other Business Descriptions.
10. TDPCW Examination Report for Exam No. 20240802023, dated May 1, 2024.
11. TDS Disposition Letter for Examination No. 20230770508, dated November 29, 2023, Examination Report dated October 31, 2023, and Firm Response dated November 14, 2023.
12. TDS CAL for Matter No. 20220773391, dated June 2, 2023, and Firm Response dated June 16, 2023.
13. FINRA AWC No. 2019064801101 dated November 27, 2023.
14. CRD Disclosure Occurrence Composite for Occurrence No. 2309721, and Correspondence from TDPCW to FINRA dated February 27, 2024 and March 27, 2024.
15. Order, *In re TD Private Client Wealth LLC*, Exchange Act Release No. 101062 (Sept. 17, 2024).

16. FINRA AWC No. 2018059279201 dated September 30, 2024.
17. Order, *In re TD Securities (USA) LLC*, Exchange Act Release No. 101221, (Sept. 30, 2024).
18. Order, *In re TD Securities (USA) LLC*, Exchange Act Release No. 95751 (Sept. 13, 2022).
19. *In re the Continued Membership of TD Securities (USA) LLC.*, SD-MCDC-054, SD-MCDC-056, SD-MCDC-057, SD-MCDC-063, (FINRA Mar. 24, 2016), and SEC Letter of Acknowledgement dated April 28, 2016.
20. Executed Consent to Plan of Heightened Supervision dated November 7, 2024.