

NEWSROOM

Press Releases

Speeches & Statements

Meetings & Events

SEC Videos

Social Media Directory

What's New

[Home](#) / [Newsroom](#) / [Press Releases](#) / [Twenty-Six Firms to Pay More Than \\$390 Million Combined to Settle SEC's Charges for Widespread Recordkeeping Failures](#)

PRESS RELEASE

[Copy Link](#)

Twenty-Six Firms to Pay More Than \$390 Million Combined to Settle SEC's Charges for Widespread Recordkeeping Failures

Three firms received credit for self-reporting and will pay reduced civil penalties

FOR IMMEDIATE RELEASE | 2024-98

Washington D.C., Aug. 14, 2024 — The Securities and Exchange Commission today announced charges against 26 broker-dealers, investment advisers, and dually-registered broker-dealers and investment advisers for widespread and longstanding failures by the firms and their personnel to maintain and preserve electronic communications.

The firms admitted the facts set forth in their respective SEC orders, acknowledged that their conduct violated recordkeeping provisions of the federal securities laws, agreed to pay combined civil penalties of \$392.75 million, as outlined below, and have begun implementing improvements to their compliance policies and procedures to address these violations. Three of the firms, as noted below, self-reported their violations and, as a result, will pay significantly lower civil penalties than they would have otherwise.

- Ameriprise Financial Services, LLC agreed to pay a \$50 million penalty
- Edward D. Jones & Co., L.P. agreed to pay a \$50 million penalty
- LPL Financial LLC agreed to pay a \$50 million penalty
- Raymond James & Associates, Inc. agreed to pay a \$50 million penalty
- RBC Capital Markets, LLC agreed to pay a \$45 million penalty
- BNY Mellon Securities Corporation, together with Pershing LLC, agreed to pay a \$40 million penalty
- TD Securities (USA) LLC, together with TD Private Client Wealth LLC and Epoch Investment Partners, Inc., agreed to pay a \$30 million penalty
- Osaic Services, Inc., together with Osaic Wealth, Inc., agreed to pay an \$18 million penalty
- Cowen and Company, LLC, together with Cowen Investment Management LLC, agreed to pay a \$16.5 million penalty
- Piper Sandler & Co. agreed to pay a \$14 million penalty
- First Trust Portfolios L.P. agreed to pay an \$8 million penalty
- Apex Clearing Corporation agreed to pay a \$6 million penalty
- Truist Securities, Inc., together with Truist Investment Services, Inc. and Truist Advisory Services, Inc., which self-reported, agreed to pay a \$5.5 million penalty
- Cetera Advisor Networks LLC, together with Cetera Investment Services LLC, which self-reported, agreed to pay a \$4.5 million penalty
- Great Point Capital, LLC agreed to pay a \$2 million penalty
- Hilltop Securities Inc., which self-reported, agreed to pay a \$1.6 million penalty
- P. Schoenfeld Asset Management LP agreed to pay a \$1.25 million penalty
- Haitong International Securities (USA) Inc. agreed to pay a \$400,000 penalty

"As today's enforcement actions against more than two dozen firms reflect, we remain committed to ensuring compliance with the books and records requirements of the federal securities laws, which are essential to investor protection and well-functioning markets," said Gurbir S. Grewal, Director of the SEC's Division of Enforcement. "Among this group of firms, there are several that differentiated themselves by self-reporting prior to the staff's investigation, demonstrating once again the real benefits of proactive cooperation."

Each of the SEC's investigations uncovered pervasive and longstanding use of unapproved communication methods, known as off-channel communications, at these firms. As described in the SEC's orders, the firms admitted that, during the relevant periods, their personnel sent and received off-channel communications that were records required to be maintained under the securities laws. The failure to maintain and preserve required records deprives the SEC of these communications in its investigations. The failures involved personnel at multiple levels of authority, including supervisors and senior managers.

The firms were each charged with violating certain recordkeeping provisions of the Securities Exchange Act, the Investment Advisers Act, or both. The firms were also each charged with failing to reasonably supervise their personnel with a view to preventing and detecting those violations.

In addition to the significant financial penalties, each of the firms was ordered to cease and desist from future violations of the relevant recordkeeping provisions and was censured.

Separately, the Commodity Futures Trading Commission announced settlements with The Toronto Dominion Bank, Cowen and Company, and Truist Bank for related conduct.

The SEC's investigations into Ameriprise Financial Services, Edward Jones, LPL, Raymond James, and RBC were conducted by Karen E. Willenken, Craig C. Welter, Wesley W. Wintermyer, Christopher M. Castano, and Alison T. Conn. The SEC's investigations into BNY and Pershing, the Cowen entities, Haitong, and the TD entities were conducted by Laurel S. Fensterstock, Austin Thompson, Karolina Klyuchnikova, and Alison R. Levine. The SEC's investigation into P. Schoenfeld was conducted by Howard Kim and Adam Grace. Each of these matters was supervised by Thomas P. Smith, Jr. of the New York Regional Office.

The SEC's investigation into Apex Clearing was conducted by Oreste McClung, Brian Higgins, and Brendan McGlynn and was supervised by Scott Thompson and Nicholas Grippo of the Philadelphia Regional Office. The SEC's investigations into the Cetera entities, First Trust, Great Point, Hilltop, the Osaic entities, and Piper were conducted by Regina LaMonica, Ruta G. Dudenas, Som P. Dalal, Anne C. McKinley, and Amy S. Cotter and were supervised by Kathryn A. Pyszka and Paul A. Montoya of the Chicago Regional Office. The SEC's investigations into the Truist entities were conducted by Grant Swanson and Ian Rupell and were supervised by Laura Josephs.

###

Last Reviewed or Updated: Aug. 14, 2024

RESOURCES

- [Waiver Order \(Off-Channel Communications at Registered Entities\) †](#)
- [SEC Order - Great Point Capital LLC †](#)
- [SEC Order - Hilltop Securities Inc. †](#)
- [SEC Order - Piper Sandler & Co. †](#)
- [SEC Order - Cetera Advisor Networks LLC and Cetera Investment Services LLC †](#)
- [SEC Order - First Trust Portfolios L.P. †](#)
- [SEC Order - Osaic Services, Inc. and Osaic Wealth, Inc. †](#)
- [SEC Order - Apex Clearing Corporation †](#)
- [SEC Order - P. Schoenfeld Asset Management LP †](#)
- [SEC Order - Truist Securities, Inc.; Truist Investment Services, Inc.; Truist A... †](#)
- [SEC Order - Edward D. Jones & Co., L.P. †](#)
- [SEC Order - Raymond James & Associates, Inc. †](#)
- [SEC Order - RBC Capital Markets, LLC †](#)
- [SEC Order - Ameriprise Financial Services, LLC †](#)
- [SEC Order - Haitong International Securities \(USA\) Inc. †](#)
- [SEC Order - LPL Financial LLC †](#)
- [SEC Order - Cowen and Company, LLC and Cowen Investment Management LLC †](#)
- [SEC Order - TD Securities \(USA\) LLC; TD Private Client Wealth LLC; and Epoch In... †](#)
- [SEC Order - BNY Mellon Securities Corporation and Pershing LLC †](#)

[Return to top](#)

About the SEC

[Budget & Performance](#)

[Careers](#)

[Commission Votes](#)

[Contact](#)

[Contracts](#)

Transparency

[Accessibility & Disability](#)

[Diversity, Equity, Inclusion, & Accessibility](#)

[FOIA](#)

[Inspector General](#)

[No FEAR Act & EEO Data](#)

[Ombuds](#)

Websites

[Investor.gov](#)

[Related Sites](#)

[USA.gov](#)

Site Information

[Plain Writing](#)

[Privacy & Security](#)

[Site Map](#)

Stay connected. Sign up for email updates.

Your email address

SIGN UP