

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2019061777501**

TO: Department of Enforcement
Financial Industry Regulatory Authority (FINRA)

RE: UBS Financial Services Inc. (Respondent)
Member Firm
CRD No. 8174

Pursuant to FINRA Rule 9216, Respondent UBS Financial Services Inc. (UBS FSI) submits this Letter of Acceptance, Waiver, and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

UBS FSI became a FINRA member in 1936. The firm conducts a general securities business and is headquartered in Weehawken, New Jersey. UBS FSI has more than 11,000 registered representatives and 1,100 branch offices.¹

OVERVIEW

From December 2012 through September 2018, UBS FSI submitted approximately 17,000 blue sheets to FINRA that inaccurately reported one or more of eight types of transaction information. Collectively, the firm failed to include required transactions or transaction information, or included incorrect information, for approximately 4.4 million transactions. Therefore, UBS FSI violated FINRA Rules 8211, 8213, and 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from FINRA's review of a filing made by UBS FSI pursuant to FINRA Rule 4530.

¹ For more information about the firm, including prior regulatory events, visit BrokerCheck® at www.finra.org/brokercheck.

Federal securities laws and FINRA rules require that member firms submit trade data in an automated format (commonly known as “blue sheets”) when requested by FINRA, as well as by the SEC and other regulators. Regulators request blue sheets to assist them in investigating potential trading violations, including, for example, market manipulation and insider trading. Blue sheets provide regulators with critical information about transactions, including the name of the account owner, the nature of the transaction (whether it was a purchase, sale, or short sale), and the price at which the transaction occurred. It is therefore an essential and fundamental obligation of each member firm to provide complete, accurate, and timely blue sheets.

The failure of a member firm to provide complete and accurate blue sheets in response to a regulatory request can impact a regulator’s ability to discharge its obligations, undermine the integrity of its investigations and examinations, and ultimately interfere with its ability to protect investors and the market.

FINRA Rules 8211 and 8213 require that member firms submit trade data, as prescribed in FINRA Rule 8211, to FINRA upon request. A violation of FINRA Rules 8211 or 8213 also constitutes a violation of FINRA Rule 2010, which requires that “[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.”

From December 2012 through September 2018, UBS FSI submitted approximately 17,000 blue sheets to FINRA that misreported or failed to report information about approximately 4.4 million transactions related to eight different types of transaction information. The firm’s inaccurate blue sheet submissions impacted fields related to, among other things: the customer’s address, including city, state and zip; the execution time for trades allocated to customer accounts; and whether the trades were solicited or unsolicited.

The firm self-reported to FINRA that in connection with migrating to a new electronic blue sheets system, coding errors caused certain required fields in some of the firm’s electronic blue sheet submissions to be incorrectly populated. UBS FSI began revising the coding issues in November 2017 and by September 2018, all of the logic impacting the transaction fields was remediated.

The firm has since remediated these errors and amended and resubmitted the impacted blue sheets to FINRA. Specifically, UBS FSI developed and implemented an enhanced supervisory system with rigorous oversight of the firm’s EBS submissions and testing processes, which includes pre- submission controls and quarterly assessments of the firm’s EBS submissions for completeness, accuracy, and timeliness.

By failing to submit accurate and complete blue sheets to FINRA, UBS FSI violated FINRA Rules 8211, 8213, and 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a censure; and
- a \$1,100,000 fine.

UBS FSI agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

UBS FSI specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against it;
- B. To be notified of the complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council (NAC) and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
 - 3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and
 - 4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.
- D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this statement. This statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA.

The undersigned, on behalf of UBS Financial Services Inc., certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce UBS Financial Services Inc. to submit this AWC.

January 9, 2025
Date

Darya Geetter
UBS Financial Services Inc.
Respondent

Print Name: Darya Geetter

Title: Head of US Securities Regulatory Affairs

Reviewed by:

Kelly L. Gibson
Kelly L. Gibson
Counsel for Respondent
Morgan, Lewis & Bockius LLP
2222 Market Street
Philadelphia, PA 19103

Accepted by FINRA:

Signed on behalf of the
Director of ODA, by delegated authority

January 21, 2025
Date

Sathish Dhandayutham
Sathish Dhandayutham
Principal Counsel
FINRA Department of Enforcement
Gira Building, 9509 Key West Avenue
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