

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

NO. 20140418941-01

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

RE: Deutsche Bank Securities Inc., Respondent
Broker-Dealer
CRD No. 2525

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Deutsche Bank Securities Inc. (the "firm" or "Respondent") 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 the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Respondent has been a FINRA member since March 16, 1940, and its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

On November 26, 2012, FINRA accepted an AWC in which the firm was censured and fined a total of \$175,000, of which \$12,500 was for Order Audit Trail System ("OATS") reporting violations during the period April 1, 2010 through June 30, 2010; \$45,000 was for equity trade reporting violations during the periods January 14, 2008 through March 31, 2008, July 8, 2008 through September 30, 2008, and May 1, 2010 through August 31, 2010; and \$37,500 was for municipal securities trade reporting and recordkeeping violations during the period July 1, 2010 through September 30, 2010.

On December 31, 2012, FINRA accepted an AWC in which the firm was censured and fined a total of \$75,000, of which \$20,000 was for municipal securities recordkeeping and supervision violations during the period May 11, 2009 through January 15, 2010.

On February 5, 2013, FINRA accepted an AWC in which the firm was censured and fined a total of \$215,000, of which \$42,500 was for equity trade reporting violations during the periods May 1, 2009 through August 31, 2009 and January 1, 2010 through April 30, 2010; and \$37,500 was for municipal securities trade reporting and recordkeeping violations during the periods January 1, 2009 through March 31, 2009 and July 1, 2009 through September 30, 2009.

On December 12, 2013, FINRA accepted an AWC in which the firm was censured and fined a total of \$30,000, of which \$5,000 was for municipal securities trade reporting and recordkeeping violations during the period April 1, 2011 through June 30, 2011.

On January 9, 2014, FINRA accepted an AWC in which the firm was censured and fined a total of \$110,000, of which \$5,000 was for OATS reporting violations during the period January 1, 2011 through March 31, 2011.

On May 21, 2014, FINRA accepted an AWC in which the firm was censured and fined \$27,500, of which \$17,500 was for equity trade reporting violations and \$10,000 was for inadequate supervision of equity trade reporting for the period May 1, 2011 through August 30, 2011.

On December 23, 2014, FINRA accepted an AWC in which the firm was censured and fined a total of \$62,500, of which \$10,000 was for inadequate supervision related to the firm's compliance with FINRA Rule 5310.06 identified during the course of the firm's 2012 Trading and Financial Compliance Examinations ("TFCE") cycle exam of the firm on trade dates September 6 and 7, 2012. The AWC also included a censure and a \$5,000 fine for OATS reporting violations, a \$10,000 fine for equity trade reporting violations, and a \$10,000 fine for inadequate supervision related to equity trade reporting for review dates September 6 and 7, 2012.

On September 11, 2015, FINRA accepted an AWC in which the firm was censured and fined a total of \$162,500, of which \$35,000 was for equity trade reporting violations on review dates June 20 and 21, 2013.

On October 7, 2015, FINRA accepted an AWC in which the firm was censured and fined \$15,000 for equity trade reporting violations during the period January 1, 2014 through April 30, 2014.

SUMMARY

As the result of the reviews summarized below, FINRA staff determined that during the period June 2006 to April 2017, the firm, due to systemic deficiencies, failed to have reasonable supervisory procedures in place that resulted in numerous OATS and equity trade reporting violations. Staff also determined that the firm violated municipal bond trading and other supervision requirements.

In Review No. 20150446500, the OATS Compliance staff of FINRA's Department of Market Regulation reviewed the firm's compliance with OATS reporting requirements during the period December 2009 through November 30, 2015.

In Review No. 20130358240, TFCE staff of FINRA's Department of Market Regulation conducted a cycle exam of the firm during the period June 20-21, 2013 that included, among other areas, the firm's compliance with OATS reporting requirements.¹

In Review No. 20140399393, TFCE staff of FINRA's Department of Market Regulation conducted a cycle exam of the firm for trade date April 23, 2014 that included, among other areas, the firm's compliance with OATS reporting requirements.²

In Review No. 20150442283, TFCE staff of FINRA's Department of Market Regulation conducted a cycle exam of the firm for the period May 11-22, 2015.

In Review No. 20140418941, the OATS Compliance staff of FINRA's Department of Market Regulation reviewed the firm's compliance with OATS reporting requirements during the period June 1, 2013 through June 12, 2014.

In Review Nos. 20150459722, 20150464731, 20150480146, 20160516543, 20170532055, and 20170547414 the Trade Reporting staff of FINRA's Department of Market Regulation reviewed the firm's compliance with equity trade reporting requirements during the period May 1, 2012 through April 30, 2017.

In Review Nos. 20150476004 and 20160498719, the Municipal Bonds staff of FINRA's Department of Market Regulation reviewed the firm's compliance with Municipal Securities Rulemaking Board ("MSRB") reporting requirements during the period July 1, 2015 through March 31, 2016.

Based on the foregoing reviews, the Department of Enforcement found that the firm violated FINRA Rules 6622(a), 6380A, 7230A(b), 7450(a), and 2010; FINRA Rule 3110 (for conduct on or after December 1, 2014); NASD Rules 6955(a) and 2110 (for conduct prior to December 15, 2008) and 3010 (for conduct prior to December 1, 2014), and MSRB Rules G-8, G-14, and G-27.

OVERVIEW

NASD Rule 3010 (effective until December 1, 2014) and FINRA Rule 3110 (effective as of December 1, 2014) required member firms to establish and maintain a system, including the establishment and maintenance of written supervisory procedures ("WSPs"), to supervise its activities that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA Rules.

¹ Non-OATS-related violations identified in this exam were resolved earlier in a separate action.

² Non-OATS-related violations identified in this exam were resolved earlier in a separate action.

NASD Rule 6955 (effective until December 15, 2008) and FINRA Rule 7450 (effective as of December 15, 2008) required member firms to transmit certain order information to OATS.

MSRB Rule G-14 required broker-dealers that transact in municipal securities to report certain transaction information to the MSRB. MSRB Rule G-8 required broker-dealers to create and maintain books and records regarding municipal securities transactions. MSRB Rule G-27 required broker-dealers to supervise its municipal securities activities and that of its associated persons to ensure compliance with MSRB rules and the applicable provisions of the Securities Exchange Act and the rules thereunder.

FINRA Rule 5310.06 required members to have written policies and procedures in place that address how the member will determine the best inter-dealer market for a security in the absence of pricing information or multiple quotations and to document the firm's compliance with those policies and procedures. Failure to have such policies and procedures violated FINRA Rule 3110.

Regulatory Impact of Reporting Violations

FINRA uses equity order and transaction data as an integral part of its automated market surveillance program to detect manipulative activity and other significant violations of FINRA rules and the federal securities laws. Therefore, the transmission of inaccurate, incomplete, or untimely equity order and transaction data can impede FINRA's ability to detect potentially violative conduct and/or create false positive alerts requiring the expenditure of unnecessary resources to resolve the alerts. Moreover, these failures can also cause the regulatory audit trail to be inaccurate.

The Firm's Supervisory System was not Reasonably Designed to Achieve Compliance with Equity Order and Transaction Data Reporting Requirements

As a result of the TFCE, OATS, and equity trade reporting reviews summarized above, FINRA staff identified supervisory deficiencies at the firm that gave rise to billions of OATS reporting and tens of thousands of equity trade reporting violations during the period June 2006 through April 2017. The firm's failure to have a reasonable supervisory framework around its equity order and trade reporting obligations allowed a substantial number of inaccurate OATS reports to escape detection and led to the firm's failure to timely correct or address deficiencies in equity trade reports once identified.

Specifically, the firm failed across several years to conduct a robust review and comparison of its OATS reports to its own books and records and other information to ensure that the order data submitted to OATS was complete and accurate. The firm's WSPs specific to OATS reporting required that firm personnel compare a random sample of certain OATS reports and the respective order tickets to ensure the accuracy of the information submitted to OATS. The evidence of review provided by the firm showed that it conducted this comparison for about 20 orders per week during the period reviewed. During this same period, the firm transmitted approximately 400 million Reportable Order Events ("ROEs") to OATS on a weekly basis. Based on the size of the

firm and its significant OATS reporting obligation, its comparison of OATS submissions to the corresponding order tickets for 20 orders per week was not a supervisory control reasonably designed to detect systemic OATS reporting inaccuracies. As discussed in more detail below, this process did not lead to the detection of wide-spread OATS reporting inaccuracies at the firm across a number of years.

The order data required in OATS submissions are not limited to the information contained in order tickets. For example, the firm defaulted to handling all institutional orders on a “not held” basis, yet as discussed in more detail below, it failed to identify these orders as such in its OATS reports using the appropriate Special Handling Code. Therefore, the firm’s reliance on comparing OATS submissions to order tickets to ensure OATS accuracy was not reasonably designed to achieve compliance with OATS data requirements because this process did not more broadly take into account customer order instructions and the firm’s method of handling orders.

In addition, the firm’s OATS WSPs did not clearly identify the person or persons responsible for ensuring that the firm’s overall OATS reporting system was functioning in compliance with reporting requirements, and that reporting deficiencies were corrected. The decentralized nature of the firm’s OATS supervisory structure, coupled with the deficient process for comparing the firm’s OATS submissions to its order tickets, enabled billions of inaccurate OATS reports to go undetected by the firm for an extended period of time.

The firm’s WSPs specific to equity trade reporting required that the firm’s surveillance personnel conduct a review of exceptions generated by the firm’s internal compliance system and contact the trading desk for additional information if warranted. The equity trade reporting WSPs also required that the firm’s supervisory staff follow up on exceptions with trading staff or escalate exceptions to the business head, compliance, or legal “as necessary.” In the current matter, surveillance personnel at the firm detected certain violations and in a number of instances requested additional information from supervisors and traders on the relevant equity desk. Desk personnel responded to the inquiries with various explanations for the late reports. Surveillance staff were satisfied with the trading desk’s explanations and were not aware that the explanations did not justify the late reports and were evidence of a broader systemic issue. Based on the failure to recognize that the explanations for the late trades given by desk personnel were not mitigating, surveillance staff did not notify a trading desk supervisor that a significant number of the firm’s reports were late. Therefore, there was no evidence that repeat violations were escalated further. As discussed in more detail below, this supervisory deficiency allowed the violations to continue, and the firm continues to have a high number and rate of late equity trade reporting as a result. In addition, the firm lacked WSPs that were reasonably designed to ensure the firm made complete and accurate trade reports of riskless principal transactions.

Based on these deficiencies, the firm’s supervisory system was not reasonably designed to meet its obligations to provide accurate and timely equity order and transaction data to the appropriate reporting systems.

The Firm's Supervisory Deficiencies Resulted in Significant OATS and Equity Trade Reporting Violations that Spanned a Number of Years

The OATS supervisory failures caused the firm to not identify a significant number of inaccurate OATS submissions spanning several years. Specifically, the firm's failure to implement a supervisory system reasonably designed to ensure the accuracy of its OATS reports resulted in various systems issues that caused the firm to report to OATS, by its own estimate, approximately 17.2 billion inaccurate or incomplete ROEs. The violations occurred across at least 15 separate order data categories, including billions of inaccurate reports that lasted a number of years in the four largest order data categories as follows: 9.9 billion inaccurate Cancelled-By Flags spanning 72 months; 5.9 billion inaccurate Special Handling Codes of "RSV" (reserve-size) spanning 58 months; 930 million omitted Special Handling Codes of "NH" (not held) spanning 72 months; and 384 million omitted Special Handling Codes of "FM" and "FN" (mid-price peg and non-negotiable, respectively) spanning 32 months. The remaining categories are discussed in detail below.

The firm's deficient supervisory system around its reporting of equity transaction data also resulted in significant equity trade reporting violations that lasted for five years. Specifically, for more than two years the firm has repeatedly failed to either report trades in a timely manner or accept or decline trade reports submitted on its behalf within the required timeframe in a significant percentage of the firm's trade reports (about 25%) submitted to a FINRA Transaction Reporting Facility ("TRF"). The firm also submitted more than 100,000 inaccurate non-media transaction reports of riskless principal transactions during a one-year period.

Other Reviews

In addition, separate reviews conducted by the staff of Department of Market Regulation identified other violations involving the firm's municipal bond trade reporting obligations and WSPs required by FINRA Rule 5310.06, as discussed in more detail below.

FACTS AND VIOLATIVE CONDUCT

Deficient Supervisory System – OATS Reporting

1. From June 2006 through September 30, 2016, the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and the Rules of FINRA (and prior to July 2007, the rules of NASD), concerning OATS reporting. Specifically, the firm's supervisory system did not include WSPs providing for an adequate comparison of the firm's OATS reports to its books and records and other information reasonably designed to ensure the accuracy of its submissions to OATS. The firm's OATS WSPs also did not provide for the identification of the person(s) responsible for the firm's compliance with the OATS reporting rules. Beginning in 2014, the firm began undertaking remedial action related to OATS reporting including the implementation of improved governance and relevant system upgrades.

Deficient Supervisory System – Equity Trade Reporting

2. During the period January 1, 2015 through April 30, 2017, the firm failed to enforce its WSPs which specified that supervisory personnel would follow-up on exceptions and escalate to the Business Head, Compliance, or Legal as necessary.
3. From May 1, 2012 through November 29, 2016, the firm's WSPs were not reasonably designed to ensure the firm made complete and accurate trade reports of riskless principal transactions. *See infra* paragraph 10.
4. The conduct described above in paragraphs 1 through 3 constitutes a violation of NASD Rules 2110 (for conduct prior to December 15, 2008) and 3010 (for conduct prior to December 1, 2014) and FINRA Rules 2010 (for conduct on or after December 15, 2008) and 3110 (for conduct on or after December 1, 2014).

OATS Reporting Violations

5. The firm's OATS reports contained inaccuracies in at least 15 order data categories spanning various time periods:
 - From December 2009 through November 2014, the firm transmitted to OATS as many as 9.9 billion reports with an inaccurate Canceled-By-Flag.
 - From December 2009 through September 2014, the firm transmitted to OATS as many as 5.9 billion reports with an inaccurate Special Handling Code of "RSV" (reserve-size order).
 - From December 2009 through November 2015, the firm transmitted to OATS as many as 930 million reports in which the firm failed to populate the Special Handling Code field with the "Not Held" indicator.
 - From January 2012 through August 2014, the firm transmitted to OATS as many as 384 million reports that failed to populate the Special Handling Code field with and "FM" or "FN" indicator (mid-price peg and non-negotiable, respectively).
 - From January 2012 through March 2014, the Firm failed to transmit to OATS as many as 14,040,000 Final Cancel Reports.
 - From January 2012 through March 2016, the firm transmitted to OATS as many as 9,945,000 Execution Reports that contained an inaccurate Execution Quantity.
 - From December 2009 through April 2016, the firm transmitted to OATS approximately 9,702,000 reports with an inaccurate Account Type Code of "P" (other proprietary).
 - From December 2009 through March 2014, the Firm transmitted to OATS as many as 8,736,000 reports with an inaccurate Execution Type Indicator.
 - From June 2006 through February 9, 2015, the firm transmitted to OATS as many as 169,847 Execution Reports that contained an inaccurate Capacity Code of "A" (agency).
 - From 2009 through April 18, 2016, the firm transmitted to OATS as many as 138,952 reports that contained inaccurate Account Type Code of "A" (agency).

- From December 2009 through December 2014, the Firm transmitted to OATS as many as 64,050 reports with an inaccurate Special Handling Code of “ADD” (add-on order).
 - From May 2011 through September 2016, the firm transmitted to OATS as many as 52,000 reports that contained an inaccurate Firm Order ID.
 - From January 2009 through March 2016, the firm transmitted to OATS as many as 26,796 reports with an inaccurate Routing Firm MPID field for orders received from a certain firm MPID.
 - From June 2006 through February 9, 2015, the firm transmitted to OATS as many as 12,831 New Order Reports that contained an inaccurate Order Shares Quantity.
 - From December 2010 through August 2015, the firm transmitted to OATS as many as 8,100 over-reports of “New” type order events.
6. The firm also failed to report certain ROEs to OATS:
- From June 1, 2013 through June 12, 2014, the firm failed to transmit 6,965,326 ROEs to OATS on 261 business days.
 - From May 2012 through December 2014, the firm failed to transmit as many as 2,679 ROEs to OATS.
7. The conduct described above in paragraphs 5 and 6 constitutes separate and distinct violations of NASD Rules 6955(a) and 2110 (prior to December 15, 2008) and FINRA Rules 7450(a) and 2010 (on or after December 15, 2008).

Equity Trade Reporting Violations

8. From January 1, 2015 through April 30, 2017, the firm failed to accept or decline in the FINRA/Nasdaq TRF 1,595 transactions in Reportable Securities within 20 minutes after execution. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 7230A(b).
9. From January 1, 2015 through April 30, 2015, the firm failed, within 10 seconds after execution, to transmit to the OTC Reporting Facility 106 last sale reports of transactions in OTC Equity securities. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 6622(a).
10. From May 1, 2012 through November 29, 2016, the firm failed to report to the OTC Reporting Facility the contra side executing broker in at least 162,980 non-media-reported riskless principal transactions. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 6380A.

Municipal Bond Transaction Reporting

11. From July 1, 2015 through December 31, 2015, in 273 instances, the firm improperly reported information to the Real-time Transaction Reporting System (“RTRS”) that it should not have. Specifically, the firm improperly reported 273 “purchase and sale

transactions effected in municipal securities” to the RTRS, when the inter-dealer deliveries were “step outs” and thus, were not inter-dealer transactions reportable to the RTRS. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-14.

12. From January 2014 through October 2016, the firm failed to report the correct capacity to the RTRS in 2,440 reports of inter-dealer transactions in municipal securities. These transactions constituted approximately eight percent of the inter-dealer transactions that the firm reported to the RTRS during this period. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-14(b)(ii).
13. From January 1, 2016 through March 31, 2016, the firm failed to report information regarding 27 inter-dealer purchase and sale transactions effected in municipal securities to the RTRS in the manner prescribed by Rule G-14 RTRS Procedures and the RTRS Users Manual. Specifically, the firm failed to report information about such transactions within 15 minutes of Time of Trade to an RTRS Portal. These transactions constituted 11 percent of the inter-dealer transactions that the firm reported to the RTRS during this period. In addition, the firm failed to report the correct Time of Trade to the RTRS for these 27 reports of transactions in municipal securities. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-14.
14. From January 1, 2016 through March 31, 2016, the firm failed to show the time of execution on the memorandum of 27 brokerage orders. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-8.
15. From at least 2007 to February 12, 2017, the firm failed to include the “seconds” in the Time of Trade field in its transaction reports to the RTRS in approximately 14,504 reports. The conduct in this paragraph constitutes separate and distinct violations of MSRB Rule G-14.
16. The firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and MSRB rules, concerning accurate and timely reporting of municipal bond transactions. Specifically, the Firm's supervisory system did not include WSPs providing for: (1) a statement of the supervisory steps to be taken by the identified person(s); and (2) a statement as to how the completion of the step(s) included in the WSPs should be documented. The conduct described in this paragraph constitutes a violation of MSRB Rule G-27.
17. From at least July 1, 2015 to February 12, 2017, the firm failed to enforce its WSPs which specified that the firm's time of trade in municipal securities transaction reports should be expressed in hours, minutes, and seconds. The conduct described in this paragraph constitutes a violation of MSRB Rule G-27.

Other Violations

Other Supervision

18. During the period May 11, 2015 through May 22, 2015, the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and the Rules of FINRA, concerning the way in which the firm determined the best inter-dealer market for securities with limited quotations or pricing information when executing customer orders in such securities. Specifically, the firm's supervisory system did not include WSPs providing for: (1) the identification of the person(s) responsible for supervision with respect to the applicable rules; (2) a statement of the supervisory step(s) to be taken by the identified person(s); (3) a statement as to how often such person(s) should take such step(s); and (4) a statement as to how the completion of the step(s) included in the WSPs should be documented. The conduct described in this paragraph constitutes a violation of FINRA Rules 3110 and 2010.

B. The firm also consents to the imposition of the following sanctions:

- A censure;
- A fine of \$1,400,000 (consisting of \$750,000 for the firm's deficient supervisory system and WSPs relating to OATS and equity trade reporting, and \$550,000 for the OATS and equity trade reporting violations; \$70,000 for the municipal securities transaction reporting and supervisory violations; and \$30,000 for the firm's inadequate WSPs related to pricing of securities with limited quotations or pricing information);
- An undertaking to revise the firm's WSPs with respect to the areas described in paragraphs I.A.1, 3, 16 and 18 above. Within 90 business days of acceptance of this AWC by the National Adjudicatory Council ("NAC"), a registered principal of the Respondent shall submit to the COMPLIANCE ASSISTANT, DEPARTMENT OF ENFORCEMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850, a signed, dated letter, or an e-mail from a work-related account of the registered principal to MarketRegulationComp@finra.org, providing the following information: (1) a reference to this matter; (2) a representation that the firm has revised its WSPs to address the deficiencies described in paragraphs I.A.1, 3, 16, and 18 above; and (3) the date the revised procedures were implemented; and
- An undertaking to provide a written report to FINRA, within 180 days after the date of the Notice of Acceptance of this AWC, regarding the implementation and performance (to date) of the firm's revisions to its supervisory system with respect to the areas described in paragraphs I.A.1, 2, and 3 above; the steps taken by supervisory personnel to review for compliance with OATS and equity trade reporting requirements and the results of such supervisory reviews; training; and modifications or recommendations for further improvements to the firm's systems. In connection with its preparation of this report, the firm will conduct a review of its governance, supervision, training, and policies and procedures related to OATS and equity trade reporting. For good cause shown and upon receipt of a timely application from the

firm, FINRA staff may extend the deadline set forth in this undertaking.

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

Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

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 the firm;
- 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 acceptance or rejection of this AWC.

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

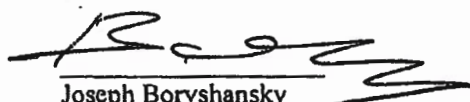
Respondent understands that:

- 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 the firm’s permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the firm;
 - 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 the subject matter thereof 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. The firm 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 the firm’s: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm 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 or its staff.

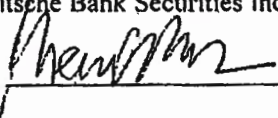
The undersigned, on behalf of the firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat,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

5-23-18
Date

Reviewed by:

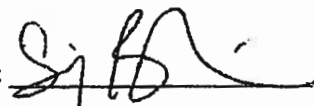

Joseph Boryshansky
Akin Gump Strauss Hauer & Feld LLP
Counsel for Respondent

Respondent
Deutsche Bank Securities Inc.

By: 

Name: Steven F. Reich
General Counsel - Americas

Title: _____

By: 

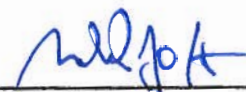
Name: Prabha Sipi Bhandari

Title: General Counsel, DBSI

Accepted by FINRA:

6/27/18
Date

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


Gerald J. O'Hara, Esq.
Counsel
FINRA Department of Enforcement