

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2018057277201**

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

RE: Virtu Americas LLC (Respondent)
Member Firm
CRD No. 149823

Pursuant to FINRA Rule 9216, Respondent Virtu Americas LLC 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

Virtu became a FINRA member in July 2009. Virtu is based in New York, New York, and has approximately 330 registered representatives. Virtu is a broker-dealer that engages in market making and provides execution services, including algorithmic trading and order routing.¹

OVERVIEW

From November 2017 to May 2022, Virtu failed to establish, document, and maintain its system of risk management controls to demonstrate that it was reasonably designed to prevent the entry of erroneous orders and failed to establish, document, and maintain a system for regularly reviewing the effectiveness of its risk management controls and supervisory procedures. Specifically, Virtu did not reasonably document its system of risk management controls to demonstrate that certain controls were reasonably designed. As a result, the firm was not able to reasonably evaluate the effectiveness of its risk management controls. Virtu also failed to establish and maintain a system of supervisory controls, including written supervisory procedures (WSPs), reasonably designed to achieve compliance with Section 15(c)(3) of the Securities Exchange Act of 1934 (the

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

Exchange Act). Accordingly, Virtu violated Section 15(c)(3) of the Exchange Act, Exchange Act Rules 15c3-5(b), 15c3-5(c)(1)(ii), and 15c3-5(e)(1), and FINRA Rules 2010 and 3110(a) and (b). For this conduct, Virtu is censured and fined \$84,375.

FACTS AND VIOLATIVE CONDUCT

Section 15(c)(3) of the Exchange Act prohibits broker-dealers from contravening the rules and regulations prescribed by the Securities and Exchange Commission to “provide safeguards with respect to the financial responsibility and related practices of brokers and dealers.” The SEC adopted Exchange Act Rule 15c3-5 to reduce the risks associated with market access faced by broker-dealers, the securities markets, and the financial system as a whole, and thereby enhance market integrity and investor protection by requiring effective financial and regulatory risk management controls reasonably designed to limit financial exposure and ensure compliance with applicable regulatory requirements to be implemented on a market-wide basis.

Exchange Act Rule 15c3-5(b) requires a broker or dealer with market access or that provides a customer or any other person with access to an exchange or alternative trading system through use of its market participant identifier or otherwise to establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to manage the financial, regulatory, and other risks of this business activity.

Exchange Act Rule 15c3-5(c)(1)(ii) requires a broker-dealer with market access to establish, document, and maintain financial risk management controls and supervisory procedures that are reasonably designed to prevent the entry of erroneous orders by rejecting orders that exceed appropriate price or size parameters, on an order-by-order basis or over a short period of time, or that indicate duplicative orders.

Exchange Act Rule 15c3-5(e) requires a broker-dealer with market access to establish, document, and maintain a system for regularly reviewing the effectiveness of the risk management controls and supervisory procedures relating to market access. Subsection (e)(1) requires the broker-dealer to conduct and document a review of its market access business at least annually in accordance with written procedures. Moreover, this rule requires, among other things, that the review be conducted in accordance with written procedures and be documented. These provisions are intended to ensure that a broker or dealer “implements supervisory review mechanisms to support the effectiveness of its risk management controls and supervisory procedures on an ongoing basis.”²

Exchange Act Rule 15c3-5 requires, among other things, that a broker-dealer with market access document its system of risk management controls and supervisory procedures that are designed to manage the financial, regulatory, and other risks of market access. The broker-dealer must preserve a copy of its supervisory procedures and “a written description of its risk management controls” as part of its books and records for the

² Exchange Act Release No. 34-63241, 75 Fed. Reg. 69792, 69811 (Nov. 15, 2010).

period required by Exchange Act Rule 17a-4(e)(7). The required written description is intended, among other things, to assist staff of the Securities and Exchange Commission and of self-regulatory organizations in assessing the broker-dealer's compliance with the rule.³

FINRA Rule 3110(a) requires member firms to establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws, regulations, and FINRA rules. FINRA Rule 3110(b) requires member firms to establish, maintain, and enforce written procedures to supervise the types of business in which it engages and the activities of its associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules.

A violation of Exchange Act Section 15(c)(3), Exchange Act Rule 15c3-5, or FINRA Rule 3110(a) or (b) also is a violation of FINRA Rule 2010, which requires members, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade.

Virtu failed to reasonably document certain risk management controls designed to prevent the entry of erroneous orders.

From at least November 2017 to May 2022, Virtu sent orders that it received from broker-dealer and institutional clients through various interconnected internal systems before they reached the market. These orders first passed through an inbound gateway, then passed through various order management systems, and ended at a router, which sent the orders to the market for execution. Virtu maintained certain risk management controls and procedures in connection with its market access. Within each layer of its interconnected systems, Virtu maintained certain risk management controls to prevent the entry of erroneous orders.

Virtu, however, did not reasonably document its system of risk management controls to demonstrate that certain controls were reasonably designed. Neither the firm's supervisory procedures, nor other documentation, reasonably described the firm's process of determining thresholds for certain controls or the rationale for the thresholds chosen, and the firm largely did not have records of its rationales for such thresholds. Absent such accompanying documentation demonstrating that the thresholds were reasonable, the threshold limits for the above-described controls appeared too high to be effective.

Certain of Virtu's risk management controls triggered soft blocks, which paused an order until the firm reviewed the block. Virtu did not have written procedures concerning how the firm's reviewers were to review soft block alerts or the circumstances under which a soft block should be overridden or confirmed. Virtu's written procedures also did not require reviewers to contemporaneously document their review or their rationale for overriding a soft block and releasing the subject orders into the market. Accordingly, the risk management controls to which these soft blocks applied were not reasonably

³ 75 Fed. Reg. at 69812.

designed. By January 2020, the firm had decommissioned the two platforms that housed these controls.

Therefore, Virtu violated Section 15(c)(3) of the Exchange Act, Exchange Act Rules 15c3-5(b) and 15c3-5(c)(1)(ii), and FINRA Rules 3110(a) and (b) and 2010.

Virtu failed to establish, document, and maintain a system reasonably designed to regularly review the effectiveness of its risk management controls and supervisory procedures.

During the relevant period, Virtu failed to establish, document, and maintain a system, including written procedures, reasonably designed to regularly review the effectiveness of its risk management controls and supervisory procedures. While Virtu maintained written procedures to review control thresholds and to assess the overall operation of its controls, the procedures did not reasonably describe what the firm was required to review or how the review was to be conducted. Additionally, Virtu's failure to reasonably document how certain thresholds were determined or why they were reasonable resulted in an unreasonable annual evaluation of the effectiveness of individual risk controls and of the Firm's overall system of risk management controls.

Therefore, Virtu violated Section 15(c)(3) of the Exchange Act, Exchange Act Rule 15c3-5(e)(1), and FINRA Rules 3110(a) and (b) and 2010.⁴

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

- a censure and
- a \$84,375 fine (resolved simultaneously with similar matters for a total fine of \$675,000).⁵

Respondent 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.

Respondent 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.

⁴ The firm remediated the issues described above by May 2022.

⁵ Those matters were brought by Investors Exchange, LLC, The Nasdaq Stock Market LLC, Nasdaq BX, Inc., Nasdaq PHLX LLC, New York Stock Exchange LLC, NYSE Arca, Inc., and NYSE National, Inc.

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 Respondent, certifies that a person duly authorized to act on Respondent's 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 Respondent 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 Respondent to submit this AWC.

November 14, 2025

Date

Matthew Levine

Virtu Americas LLC
Respondent

Print Name: Matthew Levine

Title: Chief Regulatory Counsel

Reviewed by:

Elizabeth J. Hogan
Elizabeth J. Hogan
Counsel for Respondent
McGuireWoods LLP
888 16th Street N.W., Suite 500
Washington, DC 20006

Accepted by FINRA:

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

November 21, 2025

Date

Carly M. Kostakos
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Senior Counsel
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