

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2022073416601**

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

RE: Deutsche Bank Securities Inc. (Respondent)
Member Firm
CRD No. 2525

Pursuant to FINRA Rule 9216, Respondent Deutsche Bank Securities Inc. 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

Deutsche Bank has been a FINRA member since 1940. The firm maintains its principal place of business in New York, New York, has seven branch offices, and approximately 2,000 registered representatives. Deutsche Bank's business includes securities research, provided primarily to institutional customers.

On December 10, 2014, FINRA accepted an AWC in which Deutsche Bank was censured and fined \$4 million for violating NASD Rule 2711(c)(4) by allowing a research analyst to participate in the solicitation of investment banking business and NASD Rule 2711(e) by offering favorable research coverage to induce receipt of investment banking business.

In December 2006, an NYSE Hearing Board censured and fined Deutsche Bank \$950,000 for equity research rule disclosure violations. From July 2002 to June 2004, Deutsche Bank failed to include required conflict of interest disclosures on a "significant number" of research reports in violation of NYSE rules and also failed to ensure required conflicts disclosures were provided during a "significant number" of research analyst public appearances.¹

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

OVERVIEW

FINRA's research rules provide important investor protections and foster trust in the capital formation process by requiring transparency of conflicts in research reports that may inform investment decisions. Between January 2007 through May 2025, Deutsche Bank violated multiple research report disclosure requirements, impacting approximately 110,000 debt and equity research reports, in violation of FINRA Rules 2241 and 2242 and predecessor NASD rules. Additionally, from January 2007 to the present, Deutsche Bank has failed to establish and maintain a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with the research disclosure requirements, in violation of FINRA Rules 3110 and 2010 and NASD Rules 3010 and 2110. For these violations, Deutsche Bank is censured, fined \$2.5 million, and must certify that it has implemented a supervisory system that is reasonably designed to achieve compliance with FINRA Rules 2241 and 2242.

FACTS AND VIOLATIVE CONDUCT

This matter originated from a FINRA cycle exam of Deutsche Bank.

Research plays an important role in facilitating capital formation. A research report sets forth a firm's analysis of a company for use in making investment decisions. FINRA rules governing research are designed to foster objectivity and transparency and provide investors with more reliable and useful information. A key component of those rules requires conflict of interest disclosures that help investors evaluate the impartiality of the research and the potential motivations of the analyst and the firm that published the research. Such disclosures support market integrity by ensuring that investors receive complete and accurate information about potential conflicts of interest that might influence the content of research reports, including any recommendations, ratings, or price targets. Deutsche Bank did not comply with those rules, as set out below.

Deutsche Bank failed to disclose expected investment banking compensation.

FINRA Rule 2241(c), and its predecessor NASD Rule 2711(h), set forth disclosure requirements for equity research reports.² FINRA Rule 2242(c), effective July 16, 2016, sets forth conflicts disclosure requirements for debt research reports. Violations of FINRA Rules 2241(c), 2242(c) or NASD Rule 2711(h) are also violations of FINRA Rule 2010 and NASD Rule 2110, which require member firms to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business.³

FINRA Rule 2241(c)(4)(C)(iii) and NASD Rule 2711(h)(2)(A)(ii)(c) require a member firm to disclose in any equity research report if it or any affiliate expects to receive or intends to seek compensation for investment banking services from the subject company

² FINRA Rule 2241(c) superseded NASD Rule 2711(h) effective December 24, 2015.

³ FINRA Rule 2010 superseded NASD Rule 2110 effective December 15, 2008.

in the next three months. FINRA Rule 2242(c)(4)(C)(iii) imposes an identical disclosure requirement for debt research reports.

During a cycle exam, FINRA staff detected a problem with the data feed the firm used to trigger disclosures for this requirement. The data feed excluded foreign issuers that were not listed on the New York Stock Exchange or NASDAQ or for which a U.S. listing was not identified as the primary listing. Accordingly, between January 2007 and December 2021, Deutsche Bank published approximately 90,000 equity research reports that omitted required disclosures when the firm or an affiliate expected to receive or intended to seek compensation for investment banking services from the subject company, in violation of FINRA Rules 2241(c)(4)(C)(iii) and 2010 and NASD Rules 2711(h)(2)(A)(ii)(c) and 2110. Likewise, between July 16, 2016, and December 2021, Deutsche Bank published approximately 9,000 debt research reports that omitted required disclosures when the firm or an affiliate expected to receive or intended to seek compensation for investment banking services from the subject company, in violation of FINRA Rules 2242(c)(4)(C)(iii) and 2010.

Deutsche Bank failed to disclose investment banking client relationships.

FINRA Rule 2241(c)(4)(E) and NASD Rule 2711(h)(2)(A)(iii)(b) require firms to disclose in any equity research report if the subject company currently is or during the prior year was a client of the firm, and if so, to identify the types of services provided to the company as either investment banking services, non-investment banking securities-related services, or non-securities services. FINRA Rule 2242(c)(4)(E) imposes identical disclosure requirements for debt research reports.

To comply with this disclosure requirement, Deutsche Bank again relied on a data feed, but that data feed only captured Deutsche Bank's revenue and thus excluded clients for whom the firm entered into an agreement to provide services but had not recently generated revenue for the firm. Deutsche Bank self-reported that, between January 2007 and December 2021, the firm published approximately 8,000 equity research reports that failed to disclose that the subject company had been a firm client in the prior year, and the types of services provided, in violation of FINRA Rules 2241(c)(4)(E) and 2010 and NASD Rules 2711(h)(2)(A)(iii)(b) and 2110. Similarly, between July 16, 2016, and December 2021, Deutsche Bank published approximately 800 debt research reports with the same inaccurate disclosures, in violation of FINRA Rules 2242(c)(4)(E) and 2010.

Deutsche Bank failed to disclose analyst ownership of subject companies and to restrict analyst trading in covered securities in third-party managed accounts.

FINRA Rule 2241(c)(4)(A) and NASD Rule 2711(h)(1)(A) require a firm to disclose in an equity research report if the analyst or a member of the analyst's household has a financial interest in the securities of the subject company. FINRA Rule 2242(c)(4)(A) imposes the same disclosure obligation for debt research reports.

Deutsche Bank self-reported that, between January 2007 through May 2025, the firm did not have a reasonably designed supervisory system to monitor the trading activity of

those research analysts who owned subject securities in third-party managed accounts. Consequently, Deutsche Bank published approximately 1,170 equity research reports that failed to disclose that the analyst owned securities in the subject company, in violation of FINRA Rules 2241(c)(4)(A) and 2010 and NASD Rule 2711(h)(1)(A) and 2110. Similarly, between July 16, 2016, and May 2025, Deutsche Bank published approximately 335 debt research reports with the same disclosure failures, in violation of FINRA Rules 2242(c)(4)(A) and 2010.

FINRA Rule 2241(b)(2)(J) requires firms to establish, maintain, and enforce written procedures that “restrict or limit research analyst account trading in securities, any derivatives of such securities, and funds whose performance is materially dependent upon the performance of securities covered by the research analyst.” Under FINRA Rule 2241(b)(2)(J)(ii), these written procedures must provide that “no research analyst account may purchase or sell any security or any option on or derivative of such security in a manner inconsistent with the research analyst’s recommendation as reflected in the most recent research report” published by the firm.

Between June 2024 and May 2025, there were six transactions in third-party managed accounts in which the research analyst traded at least one stock in a manner inconsistent with the analyst’s rating at the time, in violation of FINRA Rules 2241(b)(2)(J) and 2010.

Deutsche Bank electronically published high-yield sector compendium debt research reports with incomplete required disclosures.

FINRA Rule 2242(c)(7) states that a firm that electronically distributes a compendium debt research report covering six or more subject companies must include hyperlinks to disclosures required by the rule.

While Deutsche Bank directed the reader of debt research reports to a website that contained a company lookup page for applicable disclosures, the search function on the lookup page only returned results for issuers on which the firm maintained equity research coverage. Accordingly, between August 2016 and February 2021, Deutsche Bank published 172 compendium debt reports containing incomplete required company disclosures, in violation of FINRA Rules 2242(c)(7) and 2010.

Deutsche Bank lacked a supervisory system reasonably designed to comply with research report disclosure rules.

FINRA Rule 3110(a) and its predecessor, NASD Rule 3010(a), require a member firm 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 and regulations, and with applicable FINRA rules.⁴ FINRA Rule 3110(b), like its predecessor NASD Rule 3010(b), requires a member firm 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

⁴ FINRA Rule 3110 superseded the relevant subsections of NASD Rule 3010 effective December 1, 2014.

securities laws and regulations, and with applicable FINRA rules. A violation of FINRA Rule 3110 and NASD Rule 3010 is also a violation of FINRA Rule 2010 and NASD Rule 2110.

From January 2007 to the present, Deutsche Bank lacked a supervisory system reasonably designed to determine that the information in the data feeds used for required research disclosures was accurate and complete. The firm also lacked a supervisory system reasonably designed to monitor and restrict analyst trading in covered securities in third-party managed accounts.

By failing to establish and maintain a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with the requirements of FINRA Rules 2241(b), (c) and 2242(c) and the predecessor NASD rules, Deutsche Bank violated FINRA Rules 3110 and 2010 and NASD Rules 3010 and 2110.

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

- a censure;
- a \$2.5 million fine; and
- an undertaking that, within 180 days of the date of the notice of acceptance of this AWC, a member of Respondent's senior management who is a registered principal of the firm shall certify in writing that, as of the date of the certification, the firm has remediated the issues identified in this AWC and implemented a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with FINRA Rules 2241 and 2242 regarding the issues identified in this AWC. The certification shall include a narrative description and supporting exhibits sufficient to demonstrate Respondent's remediation and implementation. FINRA staff may request further evidence of Respondent's remediation and implementation, and Respondent agrees to provide such evidence. Respondent shall submit the certification to Sathish Dhandayutham, Principal Counsel, Gira Building, 9509 Key West Avenue, Rockville, MD 20850, and Sathish.Dhandayutham@finra.org, with a copy to EnforcementNotice@finra.org. Upon written request showing good cause, FINRA staff may extend this deadline.

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.

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:

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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 18, 2025
Date

Erika Engelson
Deutsche Bank Securities Inc.
Respondent

Print Name: Erika Engelson

Title: Managing Director

November 18, 2025
Date

Allison Cambria
Deutsche Bank Securities Inc.
Respondent

Print Name: Allison Cambria

Title: Director & Associate General Counsel

Reviewed by:


Israel Dahan
Counsel for Respondent
King & Spalding LLP
1185 Avenue of the Americas, 34th Floor
New York, NY 10036

Accepted by FINRA:

November 19, 2025
Date

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

Sathish Dhandayutham
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