

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2022073427701**

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

RE: J.P. Morgan Securities LLC (Respondent)
Member Firm
CRD No. 79

Pursuant to FINRA Rule 9216, Respondent J.P. Morgan Securities 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

J.P. Morgan Securities LLC (JPMS) has been a FINRA member since December 1936 and a Municipal Securities Rulemaking Board (MSRB) registrant since January 1976. JPMS is a full-service brokerage firm that engages in municipal securities underwriting. The firm is headquartered in New York, New York and employs more than 34,000 registered representatives in approximately 5,600 branch offices.¹

OVERVIEW

Between May 2018 and June 2024, JPMS violated MSRB Rule G-32 by submitting inaccurate and incomplete Form G-32 filings to the MSRB's Electronic Municipal Market Access System (EMMA) in connection with 718 primary offerings of municipal securities. Between June 2020 and November 2022, the firm also violated MSRB Rule G-32 by filing 26 offering documents with EMMA after the time specified by the rule. From May 2018 to June 2024, the firm's supervisory system, including written supervisory procedures (WSPs), was not reasonably designed to achieve compliance with the requirement to submit accurate and complete Form G-32 filings to EMMA pursuant

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

to MSRB Rule G-32(b), in violation of MSRB Rule G-27. For these violations, JPMS is censured and fined \$140,000.

FACTS AND VIOLATIVE CONDUCT

This matter originated from a FINRA cycle examination of JPMS.

JPMS failed to comply with MSRB Rule G-32.

MSRB Rule G-32(b) requires an underwriter of a primary offering of municipal securities to submit certain offering documents, forms, and other information to EMMA in connection with the offering. The rule is designed to ensure that investors in municipal securities, the MSRB, and other market participants have timely access to accurate and complete information about municipal securities offerings.

A. JPMS submitted 718 Form G-32 filings to the MSRB that were inaccurate or incomplete.

MSRB Rule G-32(b)(i)(A) requires, among other things, an underwriter of a primary offering of municipal securities to submit certain information related to the offering through EMMA on Form G-32 in a timely and accurate manner as required by the rule. The information required to be submitted on Form G-32 includes, among other things, the initial offering prices or yields, expected closing date, and the dates of any retail order period.² Effective August 2, 2021, Form G-32 was amended to require the submission of additional information, including the identity of any municipal advisors participating in the offering, the identity of any obligated persons³ other than the issuer, information regarding any credit enhancement, and whether each bond with a CUSIP number in the offering had a retail order period.

Between May 2018 and June 2024, JPMS submitted inaccurate and incomplete Form G-32 filings in connection with 718 primary offerings of municipal securities for which the firm served as underwriter. Specifically, between May 2018 and July 2021, the firm's Form G-32 submissions did not accurately identify the retail order period in connection with 369 primary offerings of municipal securities. Between August 2021 and June 2024, in connection with 349 primary offerings of municipal securities, the firm's Form G-32 submissions either did not accurately disclose a retail order period, did not identify one or more municipal advisors or obligated persons associated with the offering, and/or did not provide information related to credit enhancement.

² The retail order period is the period during which orders that meet the issuer's eligibility criteria for retail orders are either the only orders solicited or are given priority over other orders. *See* MSRB Rule G-11(a)(vii).

³ An obligated person is any person, including the issuer, who is committed by contract or other arrangement to support payment of all, or part of the obligations on the municipal securities to be sold. *See* MSRB Rule G-32(c)(xiv); Exchange Act Rule 15c2-12(f)(10).

B. JPMS did not timely submit 26 offering documents to the MSRB.

In relevant part, MSRB Rule G-32(b)(i)(B) requires an underwriter of a primary offering of municipal securities to submit the official statement⁴ to EMMA within one business day after receipt from the issuer or its designee, but by no later than the closing date. MSRB Rule G-32(b)(iii) requires an underwriter to submit an amendment to a previously submitted official statement and all required information relating to the amendment to EMMA by no later than one business day after receipt from the issuer or its designee. When an advance refunding document is prepared in connection with an advance refunding of outstanding municipal securities,⁵ MSRB Rule G-32(b)(ii) requires the underwriter to submit the advance refunding document and all required information relating to the advance refunding to EMMA by no later than five business days after the closing date.

Between June 2020 and November 2022, JPMS did not timely submit 26 official statements, advance refunding documents, and amendments to official statements to EMMA in connection with primary offerings of municipal securities for which the firm served as underwriter. The documents were submitted between one and 135 days late.

Therefore, JPMS violated MSRB Rule G-32.

JPMS's supervisory system, including WSPs, was not reasonably designed to achieve compliance with the requirement to submit accurate and complete Form G-32 filings pursuant to MSRB Rule G-32(b).

MSRB Rule G-27 requires brokers, dealers and municipal securities dealers to establish and maintain a supervisory system, including written procedures, to supervise the conduct of their municipal securities activities to ensure compliance with MSRB rules and applicable provisions of the Securities Exchange Act of 1934 and Exchange Act rules.

From May 2018 to June 2024, JPMS's supervisory system and WSPs were not reasonably designed to achieve compliance with its obligation, as an underwriter of primary municipal securities offerings, to submit accurate and complete Form G-32 filings to EMMA as required by MSRB Rule G-32(b). Although the firm's WSPs required a supervisor to review weekly reports regarding the firm's Form G-32 filings, the weekly reports focused on timeliness and did not contain information related to the

⁴ The official statement prepared by the issuer contains information concerning the terms of a proposed offering of securities, financial operating information about the issuer and other relevant parties, and any undertaking to provide continuing disclosures. *See* MSRB Rule G-32(c)(vii); Exchange Act Rule 15c2-12(f)(3).

⁵ Advance refunding involves the issuance of bonds whose proceeds are used to retire or refinance previously issued bonds, with an escrow account typically established to make payments on the prior bonds. The "advance refunding document" is the refunding escrow trust agreement or its equivalent prepared by or on behalf of the issuer. *See* MSRB Rule G-32(c)(i).

accuracy or completeness of the firm's Form G-32 filings. The firm did not otherwise review its Form G-32 filings for accuracy or completeness during the relevant period. From August 2021 to June 2024, the firm's WSPs did not address the additional items of information required to be disclosed on Form G-32 pursuant to the August 2021 amendments to Form G-32. The firm did not provide training or written guidance regarding the August 2021 amendments to the personnel responsible for completing Form G-32 filings.⁶

Therefore, JPMS violated MSRB Rule G-27.

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

- a censure and
- a \$140,000 fine.

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

⁶ After June 2024, JPMS updated its supervisory system related to MSRB Rule G-32 compliance.

- [REDACTED]
- 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.

February 12, 2026

Date

Charles A. Giffin

J.P. Morgan Securities LLC
Respondent

Print Name: Charles A. Giffin

Title: Managing Director

Reviewed by:

Ariel Gursky

Ariel Gursky
Counsel for Respondent
Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, NY 10178

Accepted by FINRA:

February 19, 2026

Date

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

Katherine Wyman

Katherine Wyman
Principal Counsel
FINRA
Department of Enforcement
100 Pine Street, 18th Floor
San Francisco, CA 94111