

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2022076787401**

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

RE: TradeStation Securities, Inc. (Respondent)
Member Firm
CRD No. 39473

Pursuant to FINRA Rule 9216, Respondent TradeStation 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

TradeStation Securities has been a FINRA member since 1996. The firm provides an online trading platform to self-directed retail and institutional customers. TradeStation Securities is headquartered in Plantation, Florida, and has approximately 145 registered representatives in 19 branch offices.¹

OVERVIEW

From July to September 2022, TradeStation Securities distributed retail communications concerning crypto assets or crypto asset-related services which failed to clearly disclose that crypto assets were not offered through a registered broker-dealer or which did not provide a fair and balanced presentation of the benefits and risks of the products discussed. Therefore, TradeStation Securities violated FINRA Rules 2210(d) and 2010 and is censured and fined \$85,000.

FACTS AND VIOLATIVE CONDUCT

This matter originated from a targeted exam of firm practices regarding retail communications concerning crypto asset products and services.

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

FINRA Rule 2210 addresses FINRA member communications with the public and includes content standards that apply to all member communications, including retail communications. FINRA Rule 2210(a)(5) defines a retail communication as any written (including electronic) communication that is distributed or made available to more than 25 retail investors within any 30 calendar-day period.

FINRA Rule 2210(d)(1)(A) requires that all member communications be based on principles of fair dealing and good faith, be fair and balanced, and provide a sound basis for evaluating the facts regarding any particular security, industry, or service. In addition, no member may omit any material fact or qualification if the omission, considering the context of the material presented, would cause the communication to be misleading. FINRA Rule 2210(d)(1)(B) states that no member may make any false, exaggerated, unwarranted, promissory, or misleading statement or claim in any communication. In addition, no member may publish, circulate, or distribute any communication that the member knows or has reason to know contains any untrue statement of a material fact or is otherwise false or misleading.

FINRA Rule 2210(d)(3) states that all retail communications and correspondence must (A) prominently disclose the name of the member, or the name under which the member's broker-dealer business is conducted as disclosed on the member's Form BD, and may also include a fictional name by which the member is commonly recognized or which is required by any state or jurisdiction; (B) reflect any relationship between the member and non-member or individual who is named; and (C) if it includes other names, reflect which products or services are offered by the member.

A violation of FINRA Rule 2210 also is a violation of FINRA Rule 2010, which requires member firms to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business.

From July to September 2022, TradeStation Securities distributed communications regarding crypto assets and crypto asset-related services offered by its affiliate. The affiliate required customers who wished to purchase crypto assets to maintain brokerage accounts with TradeStation Securities. TradeStation Securities' communications concerning crypto assets and crypto asset-related services included webpages, emails, and content posted on social media platforms.

During the relevant period, TradeStation Securities distributed several communications that violated one or more of the content standards in FINRA Rule 2210. Most of the violative communications failed to prominently disclose that the crypto assets were not offered by TradeStation Securities, but were offered by an affiliate which, unlike TradeStation Securities, was not a registered broker-dealer or member of FINRA or SIPC. Certain content on the firm's website describing crypto asset-related services did not clearly state what entity offered crypto assets. For example, one page on TradeStation Securities' website contained the statement: "TradeStation provides award-winning trading and analysis platforms and self-clearing online brokerage services for stocks, ETFs, Equity and index options, commodity and financial futures, futures options, and cryptocurrencies." This statement failed to distinguish between the products and services

offered by the firm and those offered by its affiliate. Similarly, the firm posted a video to a social media platform which included the statement, "TradeStation is a high-quality and hassle-free platform that allows you to buy, sell, and trade many types of stocks, ETFs, and several cryptocurrencies." This communication could potentially have confused retail investors about which entity was offering the services and what regulations and protections applied. In addition, some of the violative communications discussed crypto assets offered through the affiliate without a balanced description of the associated risks of investing in those assets.

TradeStation Securities' affiliate ceased offering crypto assets after the relevant period and, as a result, TradeStation Securities ceased distributing retail communications concerning crypto assets offered by its affiliate.

By distributing the retail communications described above, TradeStation Securities violated FINRA Rules 2210(d)(1)(A), 2210(d)(1)(B), 2210(d)(3), and 2010.

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

- a censure and
- a \$85,000 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
- 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.

July 16, 2025

Date

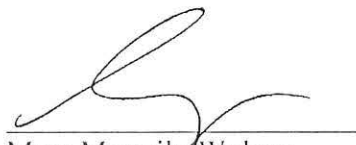


TradeStation Securities, Inc.
Respondent

Print Name: Peter Korotkiy

Title: President & Chief Operating Officer

Reviewed by:



Myra Mormile-Wolper
SVP, General Counsel
TradeStation Securities, Inc.

Accepted by FINRA:

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

7/25/2025

Date



Leah Milbauer
Principal Counsel
FINRA
Department of Enforcement
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Boston, MA 02110