

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2024080105801**

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

RE: Colliers Securities LLC (Respondent)  
Member Firm  
CRD No. 7477

Pursuant to FINRA Rule 9216, Respondent Colliers 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**

Colliers has been a FINRA member since 1977 and a Municipal Securities Rulemaking Board (MSRB) registrant since 1981. The firm provides municipal advisory, municipal underwriting, investment advisory, and brokerage services. The firm is headquartered in Minneapolis, Minnesota, and it has 84 registered representatives and 16 branch offices.<sup>1</sup>

**OVERVIEW**

Between September 2020 and December 2023, Colliers violated MSRB Rule G-14 by failing to use the required special condition indicator for transactions in new issue municipal securities that the firm reported to the MSRB's Real-Time Transaction Reporting System (RTRS). Between July 2023 and December 2023, Colliers violated MSRB Rule G-15 and FINRA Rules 2232 and 2010 by failing to disclose, or to accurately disclose, required mark-up and mark-down information on retail customer confirmations.

Colliers also violated MSRB Rule G-27, from September 2020 through April 2025, and FINRA Rules 3110 and 2010, from July 2023 through April 2025, by failing to establish and maintain a supervisory system, including written supervisory procedures (WSPs),

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<sup>1</sup> For more information about the firm, including prior regulatory events, visit BrokerCheck® at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

reasonably designed to achieve compliance with applicable disclosure and reporting obligations in MSRB Rules G-14 and G-15 and FINRA Rule 2232.

For these violations, the firm is censured and fined \$55,000.

### **FACTS AND VIOLATIVE CONDUCT**

This matter originated from a FINRA cycle examination of the firm.

**Colliers failed to utilize the required special condition indicator for transactions in new issue municipal securities that the firm reported to the RTRS.**

MSRB Rule G-14 sets out the requirements that apply to firms when reporting transactions in municipal securities to the RTRS. Accurate and timely reporting to the RTRS ensures the correct dissemination of transaction information, increases price transparency, and enhances regulatory oversight of trading in municipal securities.

MSRB Rule G-14(b)(i) requires each broker, dealer, or municipal securities dealer to report information about each purchase and sale transaction effected in municipal securities to the RTRS in the manner prescribed by the Rule G-14 RTRS Procedures and the RTRS Users Manual. MSRB Rule G-14(b)(ii) requires each broker, dealer, and municipal securities dealer to report the information in the Rule G-14 RTRS Procedures promptly, accurately, and completely.

Paragraph (b)(iv) of the Rule G-14 RTRS Procedures requires that certain transactions affected by special conditions be reported with a “special condition indicator,” as detailed in the Specifications for Real-Time Reporting of Municipal Securities Transactions. Those Specifications provide that:

[d]ealers shall report “List Offering Price/Takedown Transactions” by the end of the day on which the transactions are executed. “List Offering Price/Takedown Transaction” means a primary market sale transaction executed on the first day of trading of a new issue: (a) by a sole underwriter, syndicate manager, syndicate member, selling group member or distribution participant to a customer at the published list offering price for the security (List Offering Price Transaction); or (b) by a sole underwriter or syndicate manager to a syndicate, selling group member or distribution participant (RTRS Takedown Transaction).

Between September 2020 and December 2023, Colliers participated in municipal securities offerings as the sole underwriter, syndicate manager, syndicate member, selling group member, or distribution participant and did not append the required special condition indicator when reporting approximately 5,400 List Offering Price and Takedown Transactions.<sup>2</sup>

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<sup>2</sup> The special condition indicator for List Offering Price/Takedown Transactions is “M020.”

Therefore, Colliers violated MSRB Rule G-14.

**Colliers failed to disclose, or to accurately disclose, required mark-up and mark-down information on retail customer confirmations for municipal securities transactions and corporate debt securities transactions.**

Trade confirmations protect investors who buy or sell securities through broker-dealers by, among other things, alerting them to potential conflicts of interest with their broker-dealers and providing them the means to verify the terms of their transactions and evaluate transaction costs and the quality of their broker-dealers' executions.

MSRB Rule G-15 requires each broker, dealer, or municipal securities dealer, at or before the completion of a transaction in municipal securities with or for the account of a customer, to send the customer a written confirmation that complies with the requirements of MSRB Rule G-15(a)(i). MSRB Rule G-15(a)(i)(F)(1) requires, with certain exceptions not relevant here, that confirmations sent to non-institutional customers include the dealer's mark-up or mark-down expressed as a total dollar amount and as a percentage of the prevailing market price (PMP).

FINRA Rule 2232(c) requires, with certain exceptions not relevant here, that confirmations sent to non-institutional customers include the firm's mark-up or mark-down expressed as a total dollar amount and as a percentage of the PMP. A violation of FINRA Rule 2232 is also 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.

Between July 2023 and December 2023, Colliers issued approximately 50 confirmations for municipal securities transactions to retail customers that either did not include or inaccurately disclosed the mark-up or mark-down information required by MSRB Rule G-15. During the same period, Colliers also issued approximately 50 confirmations for corporate debt securities transactions that either did not include or inaccurately disclosed the mark-up or mark-down information required by FINRA Rule 2232. These failures stemmed from an error in the firm's order management system, which resulted in the omission of the mark-up or mark-down information or the reporting of an inaccurate percentage of PMP for certain transactions, and data order entry errors into the firm's order management system. By May 2023, Colliers was aware from FINRA of the disclosure failures stemming from the firm's order management system error. However, the firm did not remediate the error until January 2024.

Therefore, Colliers violated MSRB Rule G-15 and FINRA Rules 2232 and 2010.

**Colliers's supervisory system was not reasonably designed to achieve compliance with MSRB Rules G-14 and G-15 and FINRA Rule 2232.**

MSRB Rule G-27 requires brokers, dealers, and municipal securities dealers to establish and maintain a supervisory system, including WSPs, 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.

FINRA Rule 3110 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 and regulations, and with applicable FINRA rules. A violation of FINRA Rule 3110 also is a violation of FINRA Rule 2010.

Between September 2020 and April 2025, Colliers failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with MSRB Rule G-14. The firm's WSPs required the firm to review monthly RTRS reports to ensure the accuracy of the firm's reporting. However, the WSPs failed to specify what steps firm personnel should take when reviewing the RTRS reports to ensure that the required special condition indicator had been accurately applied to List Offering Price and Takedown Transactions. Furthermore, the firm did not conduct any such reviews.

Between July 2023 and April 2025, Colliers failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with MSRB Rule G-15 and FINRA Rule 2232. The firm's WSPs stated that the firm would sample a minimum of 10 customer confirmations per month to ensure that they contained the required disclosures. However, the WSPs did not explain how such reviews should be conducted or documented. Furthermore, the firm did not conduct any such reviews.

By April 2025, the firm began conducting and documenting daily reviews of its RTRS reporting and customer confirmations and provided additional training to its employees regarding how to perform such reviews. The firm also updated its WSPs regarding MSRB Rules G-14 and G-15 and FINRA Rule 2232.

By failing to establish and maintain a supervisory system reasonably designed to achieve compliance with applicable disclosure and reporting obligations of MSRB Rules G-14 and G-15 and FINRA Rule 2232, Colliers violated MSRB Rule G-27 and FINRA Rules 3110 and 2010.

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

- a censure and
- a \$55,000 fine (\$49,500 of which pertains to the violations of MSRB Rules G-14, G-15, and G-27).

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.

June 10, 2025  
Date

TF Stahl  
Colliers Securities LLC  
Respondent

Print Name: Thomas Steichen

Title: General Counsel and Chief Compliance Officer

Accepted by FINRA:

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

06/16/2025  
Date

Cristina Laramée Souto  
Cristina Laramée Souto  
Principal Counsel  
FINRA  
Department of Enforcement  
5200 Town Center Circle, Suite 200  
Boca Raton, FL 33486

## **CORRECTIVE ACTION STATEMENT**

Upon FINRA bringing to Colliers Securities LLC's (the "Respondent") attention that it failed to use the required special condition indicator for transactions in new issue municipal securities that the Respondent reported to the Municipal Securities Rulemaking Board's ("MSRB") Real Time Reporting System, the Respondent immediately took corrective action. The Respondent's trading principal contacted its OMS technology provider to ensure that the special condition indicator was included on all relevant transactions. The Respondent was able to change its processes to add a code so that the special condition indicator is properly reflected on transactions. The Respondent believes that it now has a proper supervisory system in place, and the Respondent has tested to ensure that the special indicator is reflected on the relevant transactions. The Respondent also revised its written supervisory procedures ("WSPs") to ensure for proper compliance with MSRB Rules G-14 and G-27 as well as ensure for the correct use of and supervision of the use of the "List Offering Price/Takedown Transaction" ("M020") indicator.

FINRA also brought to the Respondent's attention that it may have violated MSRB Rule G-15 and FINRA Rules 2232 and 2010 by failing to disclose, or to accurately disclose, required mark-up and mark-down information on retail customer confirmations. Upon receipt of this information from FINRA, the head of the Respondent's municipal trading desk reached out to the Respondent's OMS technology provider as well as its clearing broker. Both the Respondent's OMS technology provider and clearing broker made adjustments that enabled the Respondent to more quickly identify and correct potential issues with disclosure. As a result of these changes, the mark-up and mark-down information is now accurately reflected on all retail confirmations. If there is an exception to this, it shows up on the Respondent's daily trade blotter and is addressed. The Respondent also revised its WSPs to ensure for compliance with MSRB Rule G-15 and FINRA Rules 2232 and 2010, as well as confirming that the required mark-up and mark-down, as well as the mark-up percentage is included on all principal transactions in qualifying fixed income securities of both municipal securities and corporate bonds.

This Corrective Action Statement is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA, or its staff.