FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2024080217601

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

RE: Outset Global Trading Limited (Respondent)
Member Firm
CRD No. 281065

Pursuant to FINRA Rule 9216, Respondent Outset Global Trading Limited 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

Outset has been a FINRA member since 2016. The firm is headquartered in New York, New York, and has five branch offices and approximately 20 registered representatives. The firm is an introducing broker-dealer that engages in a general securities business for both U.S. and foreign institutional customers.[1]

OVERVIEW

From January 2022 to December 2025, Outset served as an outsourced trading desk by executing equities and options transactions for its institutional customers, including transactions in thinly traded low-priced securities. During this time, the firm's anti-money laundering (AML) program was not reasonably designed to detect and report suspicious transactions given this business. As a result, the firm failed to detect and investigate potentially suspicious activity, including instances of potentially manipulative trading. Therefore, Outset violated FINRA Rules 3310 and 2010 and is censured and fined $130,000.

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[1] For more information about the firm, visit BrokerCheck® at www.finra.org/brokercheck.

FACTS AND VIOLATIVE CONDUCT

This matter originated from FINRA's 2024 cycle examination of the firm.

Applicable Rules and Regulations

FINRA Rule 3310 requires each member firm to develop and implement a written AML program reasonably designed to achieve and monitor the firm's compliance with the requirements of the Bank Secrecy Act (31 U.S.C. § 5311, *et seq.*) (BSA) and implementing regulations promulgated by the Department of the Treasury.

FINRA Rule 3310(a) requires each FINRA member to "[e]stablish and implement policies and procedures that can be reasonably expected to detect and cause the reporting of transactions required under 31 U.S.C. 5318(g) and the implementing regulations thereunder." The implementing regulation, 31 C.F.R. §§ 1023.320, requires broker-dealers, under specified circumstances, to file with the Financial Crimes Enforcement Network "a report of any suspicious transaction relevant to a possible violation of law or regulation."

FINRA Rule 3310(f) requires that a firm's AML program include appropriate risk-based procedures for conducting ongoing customer due diligence, including "(i) [u]nderstanding the nature and purpose of customer relationships for the purpose of developing a customer risk profile; and (ii) [c]onducting ongoing monitoring to identify and report suspicious transactions and, on a risk basis, to maintain and update customer information."

In May 2019, FINRA issued Regulatory Notice 19-18, which provided guidance to firms regarding their suspicious activity reporting obligations and provided a non-exhaustive list of red flags related to customer due diligence and securities trading. The red flags listed include the following: "[t]he customer's activity represents a significant proportion of the daily trading volume in a thinly traded or low-priced security," "[a] customer buys and sells securities with no discernable purpose or circumstances that appear unusual," and "[t]he customer makes a large purchase or sale of a security, or option on a security, shortly before news or a significant announcement is issued that affects the price of the security." Regulatory Notice 19-18 further explained that "[u]pon detection of red flags through monitoring, firms should consider whether additional investigation, customer due diligence measures or a [suspicious activity report] filing may be warranted." In February 2021, FINRA issued Regulatory Notice 21-03, which provided examples of red flags of potential securities fraud involving low-priced securities, including, among others, "customers, including financial institutions, that route high volume or frequent sell orders (with no buys) for low-priced securities to the firm for execution."

A violation of FINRA Rule 3310 is also a violation of FINRA Rule 2010, which requires FINRA members to "observe high standards of commercial honor and just and equitable principles of trade" in the conduct of their business.

Outset failed to develop and implement a reasonably designed AML program.

Between January 2022 and December 2025, Outset served as an outsourced trading desk for its U.S. and foreign institutional customers, primarily registered investment advisors, by executing equities and options transactions. Outset also conducted a chaperoning business in which the firm routed transactions in foreign securities for its U.S. customers to Outset's foreign affiliate for execution in foreign markets in Europe, and also Asia and the Pacific. Some of the firm's customers also traded volatile low-priced securities, including stocks of issuers from high-risk jurisdictions traded on U.S. exchanges. And one customer traded securities on the same day that it published research reports pertaining to the issuers. Therefore, the firm's business model presented AML risks pertaining to market manipulation and other types of suspicious trading. During the relevant period, Outset failed to establish and implement written policies and procedures reasonably designed to detect and cause the reporting of suspicious transactions that were reasonably tailored to address these AML risks.

From January 2022 to January 2025, the firm's written anti-money laundering compliance program (AMLCP) was not reasonably designed. The AMLCP provided a list of red flags, but these red flags were not tailored to the firm's business. For example, the AMLCP did not identify many red flags of suspicious activity relevant to the firm's business, such as: transactions that could be indicative of insider trading; market manipulation; pump-and-dump schemes; or the risks associated with a customer's trading activity comprising a significant proportion of the daily trading volume in a thinly traded or low-priced security. Moreover, the AMLCP provided no procedures for how the firm would surveil customer trading activity to detect AML red flags or how to conduct a review of red flags. The firm's AMLCP also failed to address the requirements of FINRA Rule 3310(f), including that it did not include appropriate risk-based procedures for conducting ongoing customer due diligence or a process for ongoing customer due diligence.

Prior to 2022, when the firm had more limited trading, it used a manual review of its daily trade blotter for AML trade surveillance. As the firm grew, from 2022 through July 2024, the firm nevertheless continued to use that same manual blotter review, which was not designed to detect certain patterns of suspicious trading and did not reflect patterns of trading across accounts or multiple days. As a result, during that period, the firm failed to detect and/or investigate red flags including instances where its customers' trades constituted a significant percentage of the total market volume for thinly traded securities; a customer that traded securities ahead of releasing research reports; and accounts that repeatedly bought and sold the same security for a loss. In August 2024, the firm began using an automated trade surveillance system. However, until December 2025, the firm's surveillance system did not capture options trades, and its market dominance scenario was not reasonably designed in that it would not be triggered unless a single customer's trading was at least half of a security's average daily volume.

In January 2025, the firm revised its AMLCP, and in December 2025, the firm began using a new surveillance system designed to capture all of the firm's trading activity and adjusted the parameters of its existing surveillance system.

By failing to develop and implement a reasonably designed AML program, from January 2022 to December 2025, Outset violated FINRA Rules 3310(a), 3310(f), and 2010.

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

- a censure and
- a $130,000 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. FINRA's Finance Department will contact Respondent regarding payment. 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 become 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.

06/05/2026
Date

Outset Global Trading Limited
Respondent

Print Name: Adam Bandeen

Title: President

Reviewed by:

Susan Light

Susan Light, Esq.
Counsel for Respondent
Katten Muchin Rosenman LLP
50 Rockefeller Plaza
New York, NY 10020-1605

Accepted by FINRA:

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

June 15, 2026

Date

Alyssa Braver

Alyssa Braver
Counsel
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