

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2024083343101**

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

RE: SG Americas Securities, LLC (Respondent)
Member Firm
CRD No. 128351

Pursuant to FINRA Rule 9216, Respondent SG Americas 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

SG Americas has been a FINRA member since 2004 and is headquartered in New York, New York. The firm has approximately 800 registered representatives and four branch locations. The firm conducts proprietary and agency equity and options business for institutional customers.¹

OVERVIEW

For the period from January 2023 through September 2024, SG Americas published seven inaccurate quarterly reports on its handling of customers' orders in National Market System (NMS) securities. As a result, the firm violated Rule 606(a) of Regulation NMS under the Securities Exchange Act of 1934 and FINRA Rule 2010.

From April 2021 through March 2025, the firm's supervisory system, including written procedures (WSPs), was not reasonably designed to achieve compliance with Rule 606(a). As a result, the firm violated FINRA Rules 3110 and 2010.

For these violations, the firm is censured and fined \$90,000.

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

FACTS AND VIOLATIVE CONDUCT

This matter originated from FINRA's 2024 cycle examination of SG Americas.

A. SG Americas failed to comply with Rule 606 of Regulation NMS.

Rule 606 of Regulation NMS is designed to foster greater transparency in connection with a broker-dealer's best execution responsibilities. Rule 606(a)(1) requires every broker-dealer to make publicly available for each calendar quarter a report containing information on, among other things, its routing of non-directed customer orders in NMS securities that are option contracts.² These reports are designed to help customers better understand how their firm routes and handles their orders, assess the quality of order-handling services provided by their firm, and ascertain whether the firm is effectively managing potential conflicts of interest that may impact the firm's routing decisions.

The reports must state, among other things, (i) the identity of the ten venues to which the largest number of non-directed orders were routed for execution, and of any venue to which five percent or more of non-directed orders were routed for execution and (ii) for each of those venues, the net aggregate amount of any payment for order flow received, payment from any profit-sharing relationship received, transaction fees paid, and transaction rebates received by the firm for specified types of non-directed orders.

A violation of Rule 606 also constitutes 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.

For the period from January 2023 through September 2024, SG Americas published seven quarterly Rule 606 reports that failed to comply with the requirements of Rule 606(a) in the following ways:

- In six quarterly reports, the firm reported that it received a net payment of \$0.04 per hundred shares from every listed options venue. The firm did not actually receive any such payments. Instead, the firm paid a \$0.04 commission to an intermediary broker-dealer for those orders.
- In one report, the firm erroneously reported receiving identical payments for order flow from twelve options venues when, in fact, the firm did not actually receive the same payments for order flow from those venues.
- In seven quarterly reports, the firm incorrectly identified two of the venues to which it routed the most non-directed orders for execution.

SG Americas remediated these issues before publishing its report for the fourth quarter of 2024.

² A broker-dealer must attempt to execute a "held" order immediately, whereas "not-held" orders provide the broker-dealer with time and price discretion in handling the order.

By filing seven inaccurate quarterly reports, SG Americas violated Rule 606(a) of Regulation NMS and FINRA Rule 2010.

B. SG Americas's supervisory system, including WSPs, was not reasonably designed to achieve compliance with Rule 606 of Regulation NMS.

FINRA Rule 3110 requires each FINRA member to establish, maintain, and enforce a supervisory system, including WSPs, to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws, regulations, and FINRA rules.

A violation of Rule 3110 is also a violation of Rule 2010.

From April 2021 through March 2025, SG Americas' supervisory system, including its WSPs, was not reasonably designed to achieve compliance with Rule 606(a) of Regulation NMS. While the firm's WSPs required a designated supervisor to meet quarterly with firm stakeholders to review the firm's Rule 606 reports prior to publication, the firm's WSPs did not provide reasonable guidance on how such supervisory reviews should be conducted. In practice, the firm did not conduct reasonable reviews to ensure the accuracy of its Rule 606 reports, such as comparing a sample of data in draft Rule 606 reports with transaction records.³

By failing to establish and maintain a reasonable supervisory system and procedures, SG Americas violated FINRA Rules 3110 and 2010.

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

- a censure and
- a \$90,000 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.

³ In March 2025, the firm amended its WSPs to address these deficiencies.

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 prejudice 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

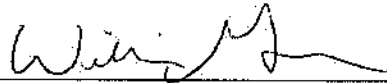
Respondent understands that:

- 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.

9/30/25
Date


SG Americas Securities, LLC
Respondent

Print Name: William Garies

Title: CCO

Accepted by FINRA:

11/4/2025

Date

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



Alex Marinello
Principal Counsel
FINRA
Department of Enforcement
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Jericho, NY 11753