

## FINANCIAL INDUSTRY REGULATORY AUTHORITY

In the Matter of the  
Continued Membership  
of  
Mizuho Securities USA LLC  
(CRD No. 19647)

Notice Pursuant to  
Rule 19h-1  
Securities Exchange Act  
of 1934

SD-2371

**July 24, 2024**

### **I. Introduction**

On August 18, 2023, Mizuho Securities USA LLC (“Mizuho” or “Firm”) submitted a Membership Continuance Application (“MC-400A” or “Application”) to FINRA’s Credentialing, Registration, Education, and Disclosure (“CRED”) Department.<sup>1</sup> The Application seeks to permit the Firm, a FINRA member, to continue its membership with FINRA notwithstanding its statutory disqualification. A hearing was not held in this matter; rather, pursuant to FINRA Rule 9523(b), FINRA’s Department of Member Supervision (“FINRA,” “Member Supervision,” or “Department”) approves the Application and is filing this Notice pursuant to Rule 19h-1 of the Securities Exchange Act of 1934 (“Exchange Act” or “SEA”).

### **II. The Statutorily Disqualifying Event**

The Firm is subject to statutory disqualification, as that term is defined in Section 3(a)(39)(F) of the Exchange Act, incorporating by reference Sections 15(b)(4)(D) and (E), as a result of an August 8, 2023 order issued by the Securities and Exchange Commission (“SEC” or “Commission”) finding that Mizuho willfully violated Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) and failed reasonably to supervise its employees with a view to preventing or detecting certain of its employees’ aiding and abetting violations of Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder (“SEC Order”).<sup>2</sup>

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<sup>1</sup> See MC-400A and related attachments compiled by CRED, with a cover memorandum dated October 10, 2023, attached as Exhibit 1.

<sup>2</sup> See SEC Order, *In re Mizuho Securities USA LLC*, Exchange Act Release No. 98081 (Aug. 8, 2023), attached as Exhibit 2.

The SEC Order also triggered disqualification under Rules 262(a)(4), 506(d)(1)(iv), and 602(c)(3) of the Securities Act of 1933 and Rule 503(a)(4)(ii) of Regulation Crowdfunding. On August 8, 2023, the SEC granted a waiver from the application of the disqualification provisions of these Rules. See *In re Certain Broker-Dealer Practices*, Securities Act Release No. 11221 (Aug. 8, 2023), attached as Exhibit 3.

According to the SEC Order, from at least January 2019, Mizuho employees sent and received off-channel communications that related to the Firm's business, and a majority of these written communications was not maintained or preserved by the Firm.<sup>3</sup> Further, supervisors who were responsible for preventing this misconduct among junior employees routinely communicated off-channel using their personal devices, and, in so doing, failed to comply with Firm policies by communicating using non-Firm approved methods on their personal devices about the Firm's broker-dealer business.<sup>4</sup>

The Firm was censured and ordered to cease and desist from committing or causing any future violations, pay a civil money penalty of \$25 million, and comply with certain undertakings.<sup>5</sup> The Firm paid the monetary penalty on August 9, 2023.<sup>6</sup>

### **III. Remedial Measures**

Mizuho represented that prior to the issuance of the SEC Order, the Firm voluntarily undertook remedial measures, including the development of an E-Communications policy that covers the permissible use, preservation, and surveillance of electronic business communications and a code of conduct reinforcing the Firm's E-Communications Policy.<sup>7</sup> The Firm also implemented a "bright-line approach" to business communications that requires that virtually all communication relating to the Firm must be conducted on a Firm-approved platform and implemented a stand-alone Firm-wide MUSO Electronic Communication Policy that consolidated the applicable requirements pertaining to the use of approved platforms for business communications.<sup>8</sup>

The Firm further represented that it implemented enhanced lexicon searches in its surveillance to detect violative conduct, including off-channel communications, and expanded its technology offerings for employees to communicate via a Firm-approved platform for internal and external text messaging.<sup>9</sup> According to the SEC Order, the Commission considered the Firm's prompt remedial actions and cooperation with the SEC when determining to accept the Offer of Settlement, including enhancing its policies and procedures, increasing training concerning the use of approved communications methods and commencing the implementation of significant changes to the technology available to

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<sup>3</sup> See Exhibit 2 at p. 2.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at p. 9.

<sup>6</sup> See Firm's correspondence to FINRA dated January 5, 2024, attached as Exhibit 4 at FINRA p. 1, 4 (Internal Exhibit 1).

<sup>7</sup> See Firm's correspondence to FINRA dated January 19, 2024, attached as Exhibit 5 at FINRA pp. 1-2.

<sup>8</sup> *Id.* at FINRA pp. 1-3.

<sup>9</sup> *Id.* at p. 4.

employees.<sup>10</sup>

In addition to the above, the Firm represented that since the issuance of the SEC Order, it is in compliance with the ordered undertakings in that it retained a compliance consultant acceptable to the SEC who is implementing the work outlined in paragraph 26 of the SEC Order.<sup>11</sup>

#### **IV. Firm Background**

The Firm has been a FINRA member since July 25, 1987.<sup>12</sup> It is headquartered in New York, New York, with 10 branches (five of which are Offices of Supervisory Jurisdiction).<sup>13</sup> The Firm employs approximately 1013 of registered representatives (299 of which are registered principals), 59 operations professionals, and 1231 non-registered fingerprint employees.<sup>14</sup> The Firm does not employ any statutorily disqualified individuals.<sup>15</sup>

Mizuho is approved to engage in the following lines of business: exchange member engaged in exchange commission business other than floor activities; broker or dealer retailing corporate equity securities over-the-counter; broker or dealer selling corporate debt securities; underwriter or selling group participant (corporate securities other than mutual funds); U.S. government securities dealer; municipal securities dealer; municipal securities broker; put and call broker or dealer or option writer; non-exchange member arranging for transactions in listed securities by exchange member; trading securities for own account; private placements of securities; broker or dealer selling interests in mortgages or other receivables; engages in other securities business; effects transactions in commodity futures, commodities, commodity options as broker for others or dealer for own account.<sup>16</sup>

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<sup>10</sup> See Exhibit 2 at p. 5.

<sup>11</sup> See Exhibit 4 at FINRA pp. 1-2, 5-11 (Internal Exhibits 2 and 3).

<sup>12</sup> See Central Registration Depository (“CRD”) Excerpt – Organization Registration Status, attached as Exhibit 6.

<sup>13</sup> FINRA confirmed this through analysis of the Firm’s information contained in CRD, last performed on June 21, 2024.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> See CRD Excerpts – Types of Business and Other Business Descriptions, collectively attached as Exhibit 7.

Mizuho’s CRD Record reflects “other securities business” conducted by the Firm includes: “securities lending, investment banking, market making, engage in trading and brokering of commercial paper, engage in interest-rate derivative transactions with institutional customers remarketing agent for municipal securities variable debt obligations.” *Id.* at p. 2.

The Firm is a member of the following self-regulatory organizations (“SROs”): Cboe BYX Exchange, Inc. (“BYX”); Cboe BZX Exchange, Inc. (“BZX”); Investors Exchange LLC (“IEX”); The Nasdaq Stock Market LLC (“Nasdaq”);<sup>17</sup> Municipal Securities Rulemaking Board (“MSRB”); The Depository Trust Company (“DTC”); Fixed Income Clearing Corporation – Government Securities Division (“FICC-GOV”); Fixed Income Clearing Corporation – Mortgage-Backed Securities Division (“FICC-MBS”); and National Securities Clearing Corporation (“NSCC”).<sup>18</sup>

### **Recent Examinations**

In the past two years, FINRA completed four routine examinations (two on behalf of other SROs) one of which resulted in a Cautionary Action Letter (“CAL”) and a Letter of Acceptance, Waiver, and Consent (“AWC”). FINRA also completed four non-routine examinations of Mizuho in the past two years that resulted in the issuance of CALs.

#### **A. FINRA Routine Examination**

On March 31, 2023, the Firm was cautioned based on four exceptions related to the Firm’s failure to: disclose the specific Payment for Order Flow (“PFOF”) terms that it negotiated with the routing venues and correctly report several routing venues; notify customers in writing at least annually of the ability to receive order routing and execution information upon request; have a supervisory process in place to achieve compliance with SEC Rule 606(b)(2) regarding customer communications; and maintain accurate books and records in connection with order receipt and order transmission times.<sup>19</sup> Two additional exceptions pertaining to inaccurate customer confirmations and failure to maintain a supervisory process to ensure the accuracy and issuance of customer confirmations were referred to FINRA’s Department of Enforcement and resulted in the issuance of a FINRA AWC.<sup>20</sup> Six additional exceptions related to the Firm’s failure to accurately report, record and maintain order timestamps and failure to maintain written procedures and supervisory systems reasonably designed to achieve compliance with CAT reporting and recoding requirements were referred to FINRA Market Regulation CAT Compliance under a separate matter for further review.<sup>21</sup> Finally, FINRA took no further action in connection with one exception related to the Firm’s failure to comply with MSRB Rule A-12(f) and (k) pertaining to filing an accurate and timely Form A-12.<sup>22</sup> In its response to FINRA, the

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<sup>17</sup> See Exhibit 6.

<sup>18</sup> Membership in these organizations was verified by FINRA staff through a search of public member directories, last performed on June 21, 2024.

<sup>19</sup> See Disposition Letter for Examination No. 20220732983 dated March 31, 2023, Examination Report dated December 9, 2022, and Firm Response dated January 5, 2023, collectively attached as Exhibit 8.

<sup>20</sup> *Id.* at FINRA p. 1. This referral resulted in an AWC accepted by FINRA on May 7, 2024. *See Infra* fn 31.

<sup>21</sup> *See* Exhibit 8 at FINRA p. 1. These exceptions were referred to Market Regulation and are currently being reviewed under Examination No. 20220765717, which remains open.

<sup>22</sup> *Id.* at FINRA pp. 2, 13.

Firm stated that it has updated disclosures to include details of PFOF terms; created a group email address for customers to use to communicate order activity requests; updated its supervisory process to achieve compliance with FINRA and SEC Rules; and is working with outside vendors to correct exceptions caused by system errors.<sup>23</sup>

In January 2024, November 2023, and November 2022, FINRA completed three routine examinations (two on behalf of other SROs) of the Firm that resulted in no exceptions.<sup>24</sup>

#### B. FINRA Non-Routine Examinations

In April 2023, FINRA issued a CAL to the Firm in connection with its failure to report to the MSRB the Non-Transaction Based Compensation (NTBC) indicator for several municipal securities transactions in violation of MSRB Rule G-14(b)(i).<sup>25</sup> The Firm responded in writing indicating that it beta-tested its reporting strategy and that it had begun reporting trades with the NTBC indicator as of January 2023.<sup>26</sup>

In April 2023, FINRA issued another CAL to the Firm in connection with its failure to report six unregistered secondary trading distribution (“USDT”) notifications to FINRA in violation of FINRA Rules 6380A and 2010, and failure to have written supervisory procedures reasonably designed to ensure compliance with trade reporting exceptions for USDs.<sup>27</sup> The Firm responded in writing indicating that it updated its policies and procedures specific to USDT to include the requirement to file a USDT for unregistered secondary distributions.<sup>28</sup>

In December 2023, FINRA issued a CAL to the Firm in connection with its failure to determine the best market for several securities so that resulting price was as favorable as possible under prevailing market conditions for the customer, in violation of FINRA Rules 5310 and 2010.<sup>29</sup> The Firm responded in writing indicating that it worked with an outside

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<sup>23</sup> *Id.* at FINRA pp. 24-26, 37.

<sup>24</sup> See Examination Report for Examination No. 20230770510 dated January 29, 2024, Examination Report for Examination No. 20230770511 dated November 29, 2023 (FINRA completed this examination on behalf of BYX, BZX, and IEX), and Examination Report for Examination No. 20220732984 dated November 17, 2022 (FINRA completed this examination on behalf of BYX, BZX, IEX, and Nasdaq), collectively attached as Exhibit 9.

<sup>25</sup> See CAL for Examination No. 20220771495 dated April 24, 2023 and Firm Response dated May 11, 2023, collectively attached as Exhibit 10 at FINRA p. 1.

<sup>26</sup> *Id.* at FINRA p. 3 at para 2.

<sup>27</sup> See CAL for Examination No. 20210698334 dated April 21, 2023 and Firm Response dated April 24, 2023, collectively attached as Exhibit 11 at FINRA p. 1.

<sup>28</sup> *Id.* at FINRA p. 3 at para 2.

<sup>29</sup> See CAL for Examination Nos. 20220741604 and 20230785166 dated December 13, 2023 and Firm Response dated December 14, 2023, collectively attached as Exhibit 12 at FINRA p. 1.

vendor to transition from the direct market feed to the Securities Information Processor (“SIP”) data feed and the majority of the issues identified were resolved.<sup>30</sup>

### **Regulatory Actions**

In the past two years, Mizuho has been the subject of one disciplinary matter resulting in an AWC entered into with FINRA, in addition to the SEC Order that resulted in the instant Application.

On May 7, 2024, the Firm entered into an AWC with FINRA in connection with the Firm’s inaccurate or incomplete customer confirmations in violation of SEA Rules 10b-10 and 17a-3(a)(8), SEA Section 17(a), and FINRA Rules 2232, 4511, and 2010, and the Firm’s failure to reasonably supervise customer confirmations for compliance with customer confirmation requirements in violation of FINRA Rules 3110 and 2010.<sup>31</sup> Consequently, the Firm consented to a censure and a \$250,000 fine,<sup>32</sup> which was paid on May 14, 2024.<sup>33</sup>

### **V. Prior SEA Rule 19h-1 Notices**

On October 15, 2013, FINRA filed a Rule 19h-1 Notice approving the Firm’s continued membership notwithstanding the existence of its statutory disqualification stemming from a July 24, 2012 order entered by the United States District Court for the Southern District of New York that permanently enjoined and restrained the Firm from future violations of Sections 17(a)(2) and (3) of the Securities Act of 1933.<sup>34</sup> On November 27, 2013, the Commission acknowledged the Rule 19h-1 Notice.<sup>35</sup>

### **VI. The Firm’s Proposed Continued Membership with FINRA and Plan of Heightened Supervision**

The Firm seeks to continue its membership with FINRA notwithstanding its status as a disqualified member. The Firm has agreed to the following Plan of Heightened Supervision (“Supervision Plan” or “Plan”) as a condition of its continued membership with FINRA.<sup>36</sup>

Mizuho Securities USA LLC. (the “Firm”) is subject to statutory disqualification pursuant

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<sup>30</sup> *Id.* at FINRA p. 3 at para 2.

<sup>31</sup> See FINRA AWC No. 2022073298301 dated May 7, 2024, attached as Exhibit 13.

<sup>32</sup> *Id.* at p. 4.

<sup>33</sup> See Firm’s Correspondence to FINRA dated May 16, 2024, attached as Exhibit 14.

<sup>34</sup> See *In re the Continued Membership of Mizuho Securities USA Inc.*, SD-1956 (FINRA Oct. 15, 2013) and the SEC’s Letter of Acknowledgement dated November 27, 2013, collectively attached as Exhibit 15.

<sup>35</sup> *Id.* at FINRA p. 8.

<sup>36</sup> See Executed Consent to Plan of Heightened Supervision dated May 13, 2024, attached as Exhibit 16.

to Section 3(a)(39)(F) of the Securities Exchange Act of 1934, which incorporates by reference Sections 15(b)(4)(D) & (E), as a result of an order issued by the U.S. Securities and Exchange Commission (“SEC” or “Commission”) dated August 8, 2023, which found that the Firm willfully violated Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-4(b)(4) thereunder (“SEC Order”). The SEC Order also found that the Firm failed reasonably to supervise its employees within the meaning of Section 15(b)(4)(E).

For the purpose of this Supervision Plan, the term “Digital Communication Channels” means all written electronic methods of communication used to conduct Firm business, including but not limited to, text messaging platforms, whether via SMS messaging, iMessage, or other messaging services such as WhatsApp; direct messaging platforms including X f/k/a “Twitter,” Instagram, LinkedIn, Slack, or Bloomberg Messaging; non-firm domain email accounts; and any other written electronic business-related correspondence. “Digital Communication Channels” encompass platforms used to exchange messages with internal or external stakeholders using either a personal or Firm-provided device.

For the purpose of this Supervision Plan, the term “Off-Channel Communications” means all business-related written electronic messages sent on Digital Communication Channels that are not captured by Firm surveillance and record-keeping systems.

In consenting to this Supervision Plan, the Firm agrees to the following:

1. The Firm shall comply with all of the undertakings outlined in the SEC Order.
2. The Firm shall maintain copies of all correspondence between the Firm and Commission staff relating to the SEC Order, including documenting when Commission staff grants extensions to the deadlines set forth in the SEC Order. The Firm shall maintain copies of all such correspondence in a readily accessible place for ease of review by FINRA staff.
3. The Firm shall provide FINRA’s Statutory Disqualification Group with copies of all certifications submitted to the SEC upon completion of the undertakings as specified in the SEC Order. The Firm shall maintain copies of all certifications in a readily accessible place for ease of review by FINRA staff.
4. The Firm shall maintain copies of all reports and supporting documentation submitted to SEC staff in accordance with the SEC Order, as well as any other documentation needed to evidence the status and completion of each of the undertakings outlined in the SEC Order. The Firm shall maintain copies of such documentation in a readily accessible place for ease of review by FINRA staff.
5. Within six months of the SEC’s Letter of Acknowledgement (“LOA”) in this matter, to the extent that it has not already done so within the past six months, and on at least an annual basis thereafter, for a term of six years from the date of the LOA, the Firm shall conduct training for all associated persons regarding the Digital Communication Channels that the Firm has approved for business communication, along with the Firm’s current policies regarding retention of business-related electronic communications. The Firm shall maintain a record of

individual completion of said training and a copy of said training materials in a readily accessible place for ease of review by FINRA staff.

6. The Firm shall conduct the training described in Paragraph 5 above for all new hires, within 65 days from the date of commencement of new hire training, for a term of six years from the date of the LOA. The Firm shall retain a record of all new hire training, including a copy of all written training materials, and keep said record(s) in a readily accessible place for ease of review by FINRA staff.
7. Within 90 days of the LOA, the Firm shall, to the extent that it has not already done so, establish and maintain a written list(s) of all Digital Communication Channels that its associated persons are permitted to use to communicate about Firm business. The list(s) shall be circulated to all of the Firm's associated persons at least on a semi-annual basis, for a term of six years from the date of the LOA. The Firm shall require that all associated persons obtain written approval for use of any Digital Communication Channels to communicate about Firm business that are not already on the approved list(s) maintained by the Firm. The Firm shall maintain a record of all requests and approvals or rejections of each request, including the date of the requests and the Firm's decision. The Firm shall maintain copies of such requests and decisions in a readily accessible place for ease of review by FINRA staff.
8. The Firm shall require all associated persons to disclose on at least a semi-annual basis, for a term of six years from the date of the LOA, any unapproved Digital Communication Channels he/she is using to communicate about Firm business. The Firm shall maintain records of such disclosures in a readily accessible place for ease of review by FINRA staff.
9. Subject to Paragraph 7 above, the Firm shall prohibit associated persons from using Off-Channel Communications.
10. Within 90 days of the LOA, the Firm shall, to the extent that it has not already done so, develop a process whereby, in the event that an associated person sends or receives an Off-Channel Communication, the Off-Channel Communication is submitted to the Firm and retained in compliance with relevant securities laws and regulations. For a term of six years from the date of the LOA, the Firm shall maintain a record of all such Off-Channel Communications, including a record of the Firm's receipt of the communication, in a readily accessible place for ease of review by FINRA staff.
11. Within 90 days of the LOA, the Firm shall, to the extent that it has not already done so, develop and maintain written supervisory policies and procedures detailing the Firm's processes for disciplining associated persons who use Off-Channel Communications to communicate about Firm business. When the Firm uses the disciplinary process, the Firm shall document each instance. The Firm shall retain records of such written supervisory policies and procedures and records of the disciplinary processes and each outcome.

12. All requested documents and certifications under this Supervision Plan shall be sent directly to FINRA's Statutory Disqualification Group at [SDMailbox@FINRA.org](mailto:SDMailbox@FINRA.org).
13. The Firm shall obtain written approval from FINRA's Statutory Disqualification Group prior to changing any provision of the Supervision Plan.
14. The Firm shall submit any proposed changes or other requested information under this Supervision Plan to FINRA's Statutory Disqualification Group at [SDMailbox@FINRA.org](mailto:SDMailbox@FINRA.org).

## **VII. Discussion**

After carefully reviewing the entire record in this matter, FINRA approves the Firm's request to continue its membership with FINRA, subject to the terms and conditions set forth herein. In evaluating Mizuho's Application, FINRA assessed whether the Firm has demonstrated that its continued membership is consistent with the public interest and does not create an unreasonable risk of harm to investors or the markets. *See* FINRA By-Laws, Art. III, Sec. 3(d); *cf. Frank Kufrovich*, 55 S.E.C. 616, 624 (2002) (holding that FINRA "may deny an application by a firm for association with a statutorily-disqualified individual if it determines that employment under the proposed plan would not be consistent with the public interest and the protection of investors"). Typically, factors that bear on FINRA's assessment include, among other things, the nature and gravity of the statutorily disqualifying misconduct, the time elapsed since its occurrence, the restrictions imposed, the Firm's regulatory history, and whether there has been any intervening misconduct.

As of the date of this Notice, FINRA has determined that the Firm's continued membership is consistent with the public interest and does not create an unreasonable risk of harm to investors or the markets. While the SEC Order identified serious violations of securities laws, the Firm was not expelled or suspended, nor were any limitations placed on Mizuho's securities activities. Although the SEC Order triggered certain disqualifications from exemptions from registration available under the Securities Act of 1933 ("Securities Act"), specifically Regulations A, D and E of the Securities Act and Regulation Crowdfunding, the SEC granted the Firm a waiver from the application of the disqualification provisions of Rules 262(a)(4)(ii), 506(d)(1)(iv)(B), and 602(c)(3) of the Securities Act and Rule 503(a)(4)(ii) of Regulation Crowdfunding. Additionally, the Firm represented that it is in compliance with the ordered undertakings.<sup>37</sup>

Member Supervision also acknowledges that within the SEC Order the Commission considered the Firm's prompt remedial actions and cooperation with the Commission when determining to accept the Offer of Settlement.<sup>38</sup> FINRA also considered the organizational and operational changes incorporated by the Firm in order to bolster internal controls and strengthen compliance. Specifically, the Firm implemented an E-Communications policy that covers the permissible use, preservation, and surveillance of electronic business

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<sup>37</sup> *See* Exhibit 5 at FINRA pp. 1-2.

<sup>38</sup> *See* Exhibit 2 at p. 5, para. 25.

communications and a code of conduct reinforcing the policy.<sup>39</sup> The Firm also implemented a “bright-line approach” to business communications that requires the use of a Firm-approved platform and implemented a stand-alone Firm-wide MUSO Electronic Communication Policy.<sup>40</sup>

In its evaluation of the Firm’s Application, FINRA noted the Firm’s limited regulatory history and its corrective measures taken in response to its recent exam findings. Mizuho has paid all fines and none of the other regulatory matters would prevent the continuance of the Firm as a FINRA member. Following the approval of the Firm’s continued membership in FINRA, FINRA intends to utilize its examination and surveillance processes to monitor the Firm’s continued compliance with the standards prescribed by Exchange Act Rule 19h-1 and FINRA Rule 9523.

FINRA is further reassured by the controls set in place by the Firm’s Supervision Plan which bolster the undertakings outlined in the SEC Order and will continue to provide oversight of the Firm and compliance with its remaining undertakings. In accordance with the Plan, the Firm agreed to conduct annual training for all associated persons, including new hires, regarding the Firm’s approved digital communication methods and record retention policies for electronic communications. Further, the Plan calls for the Firm to maintain a list of approved digital communication methods that associated persons are permitted to use for Firm business and to circulate that list to its associated persons semi-annually. The Plan requires the Firm’s associated persons to obtain written approval to use digital communication channels not already approved. The Plan prohibits the use of off-channel communications and requires associated persons to semi-annually disclose any unapproved digital communication methods they are using for Firm business; they must also forward any off-channel communications that may have taken place to the Firm for retention purposes. These provisions will help to ensure that the Firm is aware of the communication methods being used by associated persons so that it can appropriately monitor, capture, and retain those communications. Additionally, the Plan mandates that the Firm develop policies and procedures for disciplining associated persons who use unapproved communication methods for Firm business and segregate all certifications, reports, and supporting documentation submitted to the SEC regarding compliance with the undertakings, for ease of review by FINRA staff to ensure ongoing compliance.

Thus, FINRA is satisfied, based on the foregoing and on the Firm’s representations made pursuant to the Supervision Plan, that the Firm’s continued membership in FINRA is consistent with the public interest and does not create an unreasonable risk of harm to the market or investors. Accordingly, FINRA approves Mizuho’s Application to continue its membership with FINRA.

FINRA certifies that the Firm meets all qualification requirements and represents that the Firm is registered with several other SROs including BYX; BZX; IEX; Nasdaq; DTC; FICC-GOV; FICC-MBS; and NSCC. The SROs have been provided with the terms and

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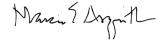
<sup>39</sup> See Exhibit 5 at FINRA p. 2

<sup>40</sup> *Id.*

conditions of Mizuho's proposed continued membership and concur with FINRA.

In conformity with the provisions of Rule 19h-1 of the Exchange Act, the continued membership of the Firm will become effective within 30 days of the receipt of this notice by the Commission, unless otherwise notified by the SEC.

On Behalf of FINRA,



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Marcia E. Asquith  
Executive Vice President & Corporate Secretary

**EXHIBITS**  
**SD-2371**

1. MC-400A and related attachments compiled by CRED, with a cover memorandum dated October 10, 2023.
2. SEC Order, *In re Mizuho Securities USA LLC*, Exchange Act Release No. 98081 (Aug. 8, 2023).
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6. CRD Excerpt – Organization Registration Status.
7. CRD Excerpts – Types of Business and Other Business Descriptions.
8. Disposition Letter for Examination No. 20220732983 dated March 31, 2023, Examination Report dated December 9, 2022, and Firm Response dated January 5, 2023.
9. Examination Report for Examination No. 20230770510 dated January 29, 2024; Examination Report for Examination No. 20230770511 dated November 29, 2023 (FINRA completed this examination on behalf of BYX, BZX, and IEX); and Examination Report for Examination No. 20220732984 dated November 17, 2022 (FINRA completed this examination on behalf of BYX, BZX, IEX, and Nasdaq).
10. CAL for Examination No. 20220771495 dated April 24, 2023 and Firm Response dated May 11, 2023.
11. CAL for Examination No. 20210698334 dated April 21, 2023 and Firm Response dated April 24, 2023.
12. CAL for Examination Nos. 20220741604 and 20230785166 dated December 13, 2023 and Firm Response dated December 14, 2023.
13. FINRA AWC No. 2022073298301 dated May 7, 2024.
14. Firm's Correspondence to FINRA dated May 16, 2024.
15. *In re the Continued Membership of Mizuho Securities USA Inc.*, SD-1956 (FINRA Oct. 15, 2013) and the SEC's Letter of Acknowledgement dated November 27, 2013.

16. Executed Consent to Plan of Heightened Supervision dated May 13, 2024.

**Exhibit A**

**Plan of Heightened Supervision**

Mizuho Securities USA LLC (the “Firm”) is subject to statutory disqualification pursuant to Section 3(a)(39)(F) of the Securities Exchange Act of 1934, which incorporates by reference Sections 15(b)(4)(D) & (E), as a result of an order issued by the U.S. Securities and Exchange Commission (“SEC” or “Commission”) dated August 8, 2023, which found that the Firm willfully violated Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-4(b)(4) thereunder (“SEC Order”). The SEC Order also found that the Firm failed reasonably to supervise its employees within the meaning of Section 15(b)(4)(E).

In consenting to this Supervision Plan<sup>1</sup> (“Supervision Plan”), the Firm agrees to the following:

1. The Firm shall comply with all the undertakings outlined in the SEC Order.
2. The Firm shall maintain copies of all correspondence between the Firm and Commission staff relating to the SEC Order, including documenting when Commission staff grants extensions to the deadlines set forth in the SEC Order. The Firm shall maintain copies of all such correspondence in a readily accessible place for ease of review by FINRA staff.
3. The Firm shall maintain copies of all reports and supporting documentation submitted to SEC staff in accordance with the SEC Order, as well as any other documentation needed to evidence the status and completion of each of the undertakings outlined in the SEC Order. The Firm shall maintain copies of such documentation in a readily accessible place for ease of review by FINRA staff.
4. The Firm shall provide FINRA’s Statutory Disqualification Group with copies of all certifications submitted to the SEC upon completion of the undertakings as specified under paragraph 32 of the SEC Order.
5. This Supervision Plan shall take effect on the date the Firm executes its consent to this Supervision Plan. The Supervision Plan shall be in effect until FINRA’s receipt of the Firm’s final certifications required by the SEC Order, after which time the Supervision Plan and its provisions thereto will expire.
6. All requested documents and certifications under this Supervision Plan shall be sent directly to FINRA’s Statutory Disqualification Group at [SDMailbox@FINRA.org](mailto:SDMailbox@FINRA.org).
7. The Firm shall obtain written approval from FINRA’s Statutory Disqualification Group prior to changing any provision of the Supervision Plan.

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<sup>1</sup> This Supervision Plan supersedes the Firm’s previous Supervision Plan executed on May 13, 2024.

Mizuho Securities USA LLC (CRD No. 19647)

July 2, 2025

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8. The Firm shall submit any proposed changes or other requested information under this Supervision Plan to FINRA's Statutory Disqualification Group at [SDMailbox@FINRA.org](mailto:SDMailbox@FINRA.org).