

FINANCIAL INDUSTRY REGULATORY AUTHORITY

In the Matter of the
Continued Membership
of
Robert W. Baird & Co. Incorporated
(CRD No. 8158)

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

SD-2380

August 21, 2024

I. Introduction

On October 20, 2023, Robert W. Baird & Co. Incorporated (“Baird” or “Firm”) submitted a Membership Continuance Application (“MC-400A” or “Application”) to FINRA’s Credentialing, Registration, Education, and Disclosure (“CRED”) Department.¹ The Application seeks permission for 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 a September 29, 2023 order issued by the Securities and Exchange Commission (“SEC” or “Commission”) finding that Baird 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 and that Baird willfully violated Section 204 of the Investment Advisers Act of 1940 (“Advisers Act”) and Rule 204-2(a)(7) and failed reasonably to supervise its employees with a view to preventing or detecting certain of its employees’ aiding and abetting violations of Section 204 of the Advisers Act and Rule 204-2(a)(7) thereunder (“SEC Order”).²

¹ See MC-400A and related attachments compiled by CRED, with a cover memorandum dated October 31, 2023, attached as Exhibit 1.

² See SEC Order, *In re Robert W. Baird & Co. Incorporated*, Exchange Act Release No. 98631 (Sept. 29,

According to the SEC Order, from at least January 2019, Baird 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.³ 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.⁴

The Firm was censured and ordered to cease and desist from committing or causing any future violations, pay a civil money penalty of \$15,000,000, and comply with certain undertakings.⁵ The Firm represented that it paid the penalty on October 5, 2023⁶ and is in compliance with the undertakings.⁷

III. Remedial Measures

In its Application, the Firm represented that it undertook remedial measures prior to the issuance of the SEC Order, including implementing a new communication tool designed for Baird associates' personal devices that captures and retains business-related text communications.⁸ Additionally, the Firm conducted annual training on off-channel communications, and periodically required requisite associates to provide an attestation relating to their business-related electronic communications.⁹ 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.¹⁰

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 September 29, 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. 11249 (Sept. 29, 2023), attached as Exhibit 3.

³ *Id.* at p. 2, para. 3.

⁴ *Id.* at p. 2, para. 4.

⁵ *Id.* at pp. 10-11.

⁶ *See* Exhibit 1 at FINRA000275.

⁷ *See* Discovery Response from Baird to FINRA dated April 22, 2024, attached as Exhibit 4 at FINRA pp. 1-6.

⁸ *See* Exhibit 1 at FINRA000276.

⁹ *Id.*

¹⁰ *See* Exhibit 2 at p. 6, para. 29.

IV. Firm Background

Baird has been a FINRA member since August 6, 1971.¹¹ The Firm is headquartered in Milwaukee, Wisconsin with 359 branches (27 of which are Offices of Supervisory Jurisdiction).¹² The Firm employs approximately 3,589 registered representatives (676 of which are registered principals), 68 operations professionals, and 1,738 non-registered fingerprint employees.¹³ The Firm presently employs two statutorily disqualified individuals.¹⁴

Baird is approved to engage in the following lines of business:¹⁵ exchange member engaged in exchange commission business other than floor activities; broker or dealer making inter-dealer markets in corporate securities over-the-counter; 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); mutual fund retailer; U.S. government securities dealer; U.S. government securities broker; municipal securities dealer; municipal securities broker; broker or dealer selling variable life insurance or annuities; investment advisory services; broker or dealer selling tax shelters or limited partnerships in primary distributions; broker or dealer selling tax shelters or limited partnerships in the secondary market; trading securities for own account; private placements of securities; broker or dealer selling interests in mortgages or other receivables; broker or dealer involved in a networking, kiosk, or similar arrangement with an insurance company or agency; and effects transactions in commodity futures, commodities, commodity options as broker for others or dealer for own account.

Baird is a member of the following self-regulatory organizations (“SROs”): Investors Exchange LLC (“IEX”); NYSE American LLC (“NYSE American”); The Nasdaq Stock Market LLC (“Nasdaq”); New York Stock Exchange LLC (“NYSE”);¹⁶ 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”).¹⁷

¹¹ See Central Registration Depository (“CRD”) Excerpt – Organization Registration Status, attached as Exhibit 5.

¹² FINRA confirmed this through analysis of the Firm’s information contained in CRD, last performed on July 22, 2024.

¹³ *Id.*

¹⁴ *Id.* See also Appendix A.

¹⁵ See CRD Excerpt - Types of Business, attached as Exhibit 6.

¹⁶ See Exhibit 5.

¹⁷ Membership in these organizations was verified by FINRA staff through a search of public member directories, last performed on June 26, 2024.

Recent Examinations

In the past two years, FINRA conducted two routine examinations of the Firm (including one on behalf of other SROs), with one of them resulting in a Cautionary Action Letter (“CAL”), and three non-routine examinations of the Firm that resulted in CALs. The SEC also completed one examination that identified deficiencies at the Firm.

A. FINRA Routine Examinations

In March 2024, FINRA issued a CAL to the Firm based on seven exceptions pertaining to the Firm’s 1) failure to enforce Section 13(2) titled “Duties of Non-Solicitor Municipal Advisors” of its Written Supervisory Procedures (“WSPs”), 2) lack of WSPs regarding how the Firm would supervise underwriting negotiated new issuances for fair pricing, 3) failure to enforce its WSPs regarding MSRB Rule G-11 customer allocation priority over affiliated accounts, 4) failure to accurately report transactions effected in municipal securities to MSRB Real-time Transaction Reporting System pursuant to MSRB Rule G-14(b)(i) and failure to establish and enforce an adequate supervisory system pursuant to MSRB Rule G-27(b), 5) failure to amend its original Municipal Advisory Engagement Agreement dated September 20, 2020, to disclose compensation when the Firm provided MA services to the Michigan Department of Treasury for the issuance of Series 2021A Limited Obligation Revenue Bonds, 6) failure to timely submit Form G-32 on or prior to the date of first execution for eight offerings, failure to provide accurate information regarding the offering under its filing for 17 offerings, and failure to adequately establish and enforce procedures for ensuring details disclosed under its G-32 submissions were accurate, and 7) failure to establish and maintain an adequate supervisory system, including WSPs designed to achieve compliance with MSRB Rules G-30.06 and G-15 and FINRA Rule 2232.¹⁸ The Firm responded in writing describing the root causes of the exceptions and detailing action plans that the Firm developed to address the issues, which included enhancing its policies and procedures, and updating relevant training.¹⁹

In November 2023, FINRA completed an examination of the Firm on behalf of IEX, Cboe BZX Exchange, Inc., and Cboe BYX Exchange, Inc. that resulted in no exceptions.²⁰ The exam included a review of areas related to registration.²¹

B. FINRA Non-Routine Examinations

In February 2024, FINRA issued a CAL to the Firm pertaining to the Firm’s compliance

¹⁸ See Disposition Letter for Examination No. 20230770503 dated March 21, 2024, Amended Examination Report dated March 21, 2024, and Firm Response dated March 15, 2024, collectively attached as Exhibit 7.

¹⁹ *Id.* at FINRA pp. 11-26.

²⁰ See Disposition Letter for Examination No. 20230770505 dated November 30, 2023, attached as Exhibit 8. The Firm is no longer a member of these Cboe exchanges.

²¹ *Id.*

with FINRA Rules 6380A(b) and 6622(b) during the review period of November 1, 2020 through June 30, 2022.²² During the review period, the Firm 1) failed to report 68 transactions and erroneously reported three transactions to a FINRA/Nasdaq Trade Reporting Facility (“FNTRF”) and the Over-the-Counter Reporting Facility (“ORF”), 2) reported an inaccurate side code on 66 trade reports to a FNTRF, 3) reported an inaccurate side code on one trade report submitted to the ORF, and 4) failed to enforce supervisory procedures reasonably designed to ensure compliance with FINRA Rules 6380A(b) and 6622(b).²³ In its response, the Firm stated it was in the process of making updates to its policies and procedures, and that the required corrective reporting was completed.²⁴

In July 2023, FINRA issued a CAL to the Firm relating to the Firm’s failure to comply with SEA Rule 611(a) and FINRA Rules 2010 and 3110 during the review period of November 1, 2021 to January 31, 2023.²⁵ Specifically, the Firm failed to establish, maintain, and enforce written policies and procedures that are reasonably designed to ensure compliance with the Benchmark Exception in Rule 611(b), and failed to maintain supervisory procedures that ensured the relevant Rule 611 exceptions utilized by the Firm were being relied upon correctly.²⁶ The Firm responded in writing detailing action plans that the Firm developed to address the issues, which included updating its supervisory reviews and providing training to traders.²⁷

In December 2022, FINRA issued a CAL to the Firm pertaining to the Firm’s failure to identify and manage conflicts of interest, in violation of FINRA Rule 2241(b)(2)(B).²⁸

C. SEC Examination

In May 2023, the SEC completed an examination of the Firm which identified two deficiencies relating to the Firm 1) overstating its January 31, 2022 excess net capital, in violation of Exchange Act Rules 17a-3 and 17a-5, and 2) erroneously reporting a \$2 million transaction between the Firm and a customer that was not actually effected by the Firm, in violation of MSRB Rule G-14.²⁹ The Firm responded in writing and represented

²² See CAL for Examination No. 20220767340 dated February 6, 2024, and the Firm’s response dated February 19, 2024, collectively attached as Exhibit 9.

²³ *Id.* at FINRA pp. 1-2.

²⁴ *Id.* at FINRA p. 3.

²⁵ See CAL for Examination No. 20220747074 dated July 24, 2023, and the Firm’s response dated August 6, 2023, collectively attached as Exhibit 10.

²⁶ *Id.* at FINRA pp. 1-2.

²⁷ *Id.* at FINRA p. 3.

²⁸ See CAL for Examination No. 20220739439 dated December 8, 2022, attached as Exhibit 11. The Firm was not required to provide a written response.

²⁹ See SEC deficiency letter for SEC File No. 008-497 dated May 25, 2023, and the Firm’s response dated June 26, 2023, collectively attached as Exhibit 12.

that it will put new review processes in place.³⁰ Baird also noted that the reporting error that occurred was corrected during the course of the exam.³¹

Regulatory Actions

In the past two years, Baird has been the subject of two disciplinary matters resulting in Letters of Acceptance, Waiver, and Consent (“AWCs”) entered into with FINRA, in addition to the SEC Order that led to the Application.

On November 6, 2023, the Firm entered into an AWC with FINRA in connection with the Firm’s failure to supervise the application of rights of reinstatement offered to mutual fund customers between January 2015 and March 2021.³² The Firm consented to a censure and restitution of \$519,646.23 plus interest.³³

On August 31, 2022, the Firm entered into an AWC with FINRA in connection with the Firm’s failure to establish and maintain a supervisory system reasonably designed to achieve compliance with FINRA Rule 2121.³⁴ Additionally, from June 2019 through December 2020, Baird’s published commission schedule had a minimum commission of \$100 on equity transactions which resulted in an unfair commission being charged on 7,277 equity transactions.³⁵ The Firm consented to a censure, a \$150,000 fine, and restitution of \$266,481 plus interest.³⁶

V. Prior SEA Rule 19h-1 Notices

FINRA previously filed one Rule 19h-1 Notice approving the Firm’s continued membership notwithstanding the existence of its statutory disqualification.

On August 10, 2015, FINRA filed a Rule 19h-1 Notice approving Baird’s continued membership notwithstanding the existence of its statutory disqualification stemming from a June 18, 2015 SEC order finding that the Firm willfully violated Section 17(a)(2) of the Securities Act of 1933 (“Securities Act”).³⁷ The Commission acknowledged FINRA’s

³⁰ *Id.* at FINRA pp. 4-5.

³¹ *Id.* at FINRA p. 5.

³² See FINRA AWC No. 2020068655201 dated November 6, 2023, attached as Exhibit 13 at pp. 1-2.

³³ *Id.* at p. 3. The Firm paid the restitution prior to the entry of the AWC. See Form U6 dated November 7, 2023, attached as Exhibit 14 at p. 3.

³⁴ See FINRA AWC No. 2020065107401 dated August 31, 2022, attached as Exhibit 15 at FINRA pp. 2-3.

³⁵ *Id.*

³⁶ *Id.* at FINRA p. 4. The Firm paid the fine on September 7, 2022. See Form U6 dated October 11, 2022, attached as Exhibit 16 at p. 3. FINRA confirmed that the Firm paid the restitution.

³⁷ See *In re the Continued Membership of Robert W. Baird & Co. Incorporated*, SD-MCDC-021, SD-

Notice on August 20, 2015.³⁸

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:³⁹

Robert W. Baird & Co. Incorporated (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 September 29, 2023, which found that the Firm willfully violated Section 17(a) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 17a-4(b)(4) thereunder and Section 204 of the Investment Advisers Act of 1940 (“Advisers Act”) and Rule 204-2(a)(7) 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) of the Exchange Act and Section 203(e)(6) of the Advisers Act.

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

³⁸ MCDC-028, SD-MCDC-004, SD-MCDC-007, SD-MCDC-029, SD-MCDC-012 (FINRA Aug. 10, 2015), and the SEC’s Letter of Acknowledgement dated August 20, 2015, collectively attached as Exhibit 17.

³⁹ *Id.* at FINRA p. 7.

³⁹ See Executed Consent to Plan of Heightened Supervision dated July 18, 2024, attached as Exhibit 18.

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 retain 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, and keep them readily accessible 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.
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.

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 Baird'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 Baird's securities activities. Although the SEC Order triggered certain disqualifications from exemptions from registration available under the 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. Moreover, the full amount of the civil monetary penalty was promptly paid. Additionally, the Firm represented that it is in compliance with the ordered undertakings.⁴⁰ Specifically, the Firm promptly hired an independent compliance consultant who completed its initial review, and the Firm is in the process of adopting the consultant's recommendations.⁴¹

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.⁴² Amongst other measures, the Firm enhanced its policies and procedures, increased training, and implemented significant changes to technology available to employees.

In evaluating the Firm's Application, FINRA notes that Baird's regulatory history is limited and should not prevent the Firm from continuing in FINRA membership. Additionally, in response to Baird's recent examination findings and exceptions, the Firm took steps to resolve them, including taking immediate corrective action by implementing new supervisory review requirements, providing additional training, and updating its policies and procedures. 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-

⁴⁰ See Exhibit 4 at FINRA pp. 1-6.

⁴¹ *Id.* at FINRA p. 3.

⁴² See Exhibit 2 at p. 6, para. 29.

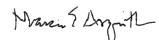
annually. The Plan requires the Firm's associated persons to obtain written approval to use digital communication channels not already approved. The Plan prohibits the use of off-channel communications and requires associated persons to semi-annually disclose any unapproved digital communication methods 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 Baird's Application to continue its membership with FINRA.

FINRA certifies that the Firm meets all qualification requirements and represents that the Firm is also registered with several other SROs including IEX; NYSE American; Nasdaq; NYSE; DTC; FICC-GOV; FICC-MBS; and NSCC. The SROs have been provided with the terms and conditions of Baird'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,



Marcia E. Asquith
Executive Vice President & Corporate Secretary

APPENDIX A
Statutorily Disqualified Individuals
Associated with Robert W. Baird & Co. Incorporated



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EXHIBITS
SD-2380

1. MC-400A and related attachments compiled by CRED, with a cover memorandum dated October 31, 2023.
2. SEC Order, *In re Robert W. Baird & Co. Incorporated* Exchange Act Release No. 98631 (Sept. 29, 2023).
3. *In re Certain Broker-Dealer Practices*, Securities Act Release No. 11249 (Sept. 29, 2023).
4. Discovery Response from Baird to FINRA dated April 22, 2024.
5. CRD Excerpt – Organization Registration Status.
6. CRD Excerpt - Types of Business.
7. Disposition Letter for Examination No. 20230770503 dated March 21, 2024, Amended Examination Report dated March 21, 2024, and Firm Response dated March 15, 2024.
8. Disposition Letter for Examination No. 20230770505 dated November 30, 2023.
9. CAL for Examination No. 20220767340 dated February 6, 2024, and the Firm's response dated February 19, 2024.
10. CAL for Examination No. 20220747074 dated July 24, 2023, and the Firm's response dated August 6, 2023.
11. CAL for Examination No. 20220739439 dated December 8, 2022.
12. SEC deficiency letter for SEC File No. 008-497 dated May 25, 2023, and the Firms response dated June 26, 2023.
13. FINRA AWC No. 2020068655201 dated November 6, 2023.
14. Form U6 dated November 7, 2023.
15. FINRA AWC No. 2020065107401 dated August 31, 2022.
16. Form U6 dated October 11, 2022.
17. *In re the Continued Membership of Robert W. Baird & Co. Incorporated*, SD-MCDC- 021, SD- MCDC- 028, SD- MCDC- 004, SD- MCDC- 007, SD-MCDC- 029, SD- MCDC- 012 (FINRA Aug. 10, 2015), and the SEC's Letter of Acknowledgement dated August 20, 2015.

18. Executed Consent to Plan of Heightened Supervision dated July 18, 2024.

Exhibit A

Plan of Heightened Supervision

Robert W. Baird & Co. Incorporated (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 September 29, 2023, which found that the Firm willfully violated Section 17(a) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 17a-4(b)(4) thereunder and Section 204 of the Investment Advisers Act of 1940 (“Advisers Act”) and Rule 204-2(a)(7) 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) of the Exchange Act and Section 203(e)(6) of the Advisers Act.

In consenting to this Supervision Plan¹ (“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 37 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.
7. The Firm shall obtain written approval from FINRA’s Statutory Disqualification Group prior to changing any provision of the Supervision Plan.

¹ This Supervision Plan supersedes the Firm’s previous Supervision Plan executed on July 18, 2024.

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.