

FINANCIAL INDUSTRY REGULATORY AUTHORITY

In the Matter of the
Continued Membership
of

William Blair & Company, L.L.C.
(CRD No. 1252)

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

SD-2379

July 24, 2025

I. Introduction

On October 16, 2023, William Blair & Company, L.L.C. (“William Blair” or “Firm”) submitted a Membership Continuance Application (“Application”) to FINRA’s Credentialing, Registration, Education, and Disclosure (“CRED”) Department.¹ 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 a Securities and Exchange Commission (“SEC” or “Commission”) Order dated September 29, 2023 (“SEC Order”).² The SEC Order found that William Blair willfully violated Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder and

¹ See MC-400A and related attachments compiled by CRED, with a cover memorandum dated October 23, 2023, attached as Exhibit 1.

² See SEC Order, *In re William Blair & Company, L.L.C. et al.*, Exchange Act Release No. 98626 (Sept. 29, 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.

Section 204 of the Investment Advisers Act of 1940 (“Advisers Act”) and Rule 204-2(a)(7) thereunder.³ The SEC Order also found that William Blair 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 Section 204 of the Advisers Act and Rule 204-2(a)(7) thereunder within the meaning of SEA Section 15(b)(4)(E) and Section 203(e)(6) of the Advisers Act.⁴

According to the SEC Order, from at least January 2019 through the date of the SEC Order, William Blair 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.⁵ 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.⁶

The Firm was censured and ordered to cease and desist from committing or causing any future violations, to pay a civil money penalty of \$10,000,000 (jointly and severally), and to comply with certain undertakings.⁷ The Firm represented that it paid the penalty⁸ and is in compliance with the undertakings.⁹

III. Remedial Measures

The Firm undertook remedial measures prior to the issuance of the SEC Order, including enhancing its policies and procedures and increasing training concerning the use of approved communications methods, including on personal devices.¹⁰ Additionally, the Firm began implementing changes to the technology available to its employees.¹¹ According to the SEC Order, the Commission considered the Firm’s remedial actions and cooperation with the SEC when determining to accept the Offer of Settlement.¹²

³ See Exhibit 2 at p. 6.

⁴ *Id.*

⁵ *Id.* at p. 2, para. 3.

⁶ *Id.* at p. 2, para. 4.

⁷ *Id.* at pp. 7-11.

⁸ See Firm’s Discovery Responses dated April 16, 2024 and July 11, 2025, collectively attached as Exhibit 4 at FINRA pp. 1-3.

⁹ *Id.* at FINRA pp. 1, 4.

¹⁰ See Exhibit 2 at FINRA00117, para. 32.

¹¹ *Id.*

¹² *Id.* at FINRA00117, para. 31.

IV. Firm Background

William Blair has been a FINRA member since March 7, 1944.¹³ The Firm is headquartered in Chicago, Illinois with 16 branches (three of which are Offices of Supervisory Jurisdiction).¹⁴ The Firm employs approximately 1,276 registered representatives (327 of which are registered principals), nine operations professionals, and 616 non-registered fingerprint employees.¹⁵ The Firm does not presently employ any statutory disqualified individuals.¹⁶

William Blair is approved to engage in the following lines of business:¹⁷ 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 underwriter or sponsor; mutual fund retailer; U.S. government securities broker; municipal securities broker; investment advisory services; trading securities for own account; and private placements of securities business.

William Blair is a member of the following self-regulatory organizations (“SROs”): NYSE American LLC (“NYSE American”); NYSE Texas, Inc. (“NYSE Texas”); The Nasdaq Stock Market LLC (“Nasdaq”); New York Stock Exchange LLC (“NYSE”);¹⁸ Municipal Securities Rulemaking Board (“MSRB”); The Depository Trust Company (“DTC”); and National Securities Clearing Corporation (“NSCC”).¹⁹

Recent Examinations

In the past two years, FINRA completed two routine examinations of the Firm (one on behalf of other SROs) and two non-routine examinations of the Firm that resulted in Cautionary Action Letters (“CALs”).

¹³ See Central Registration Depository (“CRD”) Excerpt – Organization Registration Status, attached as Exhibit 5.

¹⁴ FINRA confirmed this through analysis of the Firm’s information contained in CRD, last performed on July 16, 2025.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ See CRD Excerpt- Types of Business, attached as Exhibit 6.

¹⁸ See Exhibit 5.

¹⁹ Membership in these organizations was verified by FINRA staff through a search of public member directories, last performed on June 5, 2025.

A. FINRA Routine Examinations

In March 2025, FINRA, acting on behalf of NYSE, NYSE Chicago, Inc.,²⁰ and NYSE American, issued a CAL to the Firm based on two exceptions.²¹ Specifically, the Firm failed to report an entity as an approved person with NYSE and NYSE American, and failed to have a supervisory system and written supervisory procedures (“WSPs”) reasonably designed to ensure compliance with the rule requirements related to approved persons.²² The Firm responded in writing indicating that it updated and completed the list of Approved Persons and was in the process of updating its WSP’s to include Approved Person’s policies and procedures.²³

In December 2024, FINRA issued a CAL to the Firm for one exception based on the Firm improperly claiming a K(2)(ii) exemption from SEA Rule 15c3-3) on its FOCUS reports.²⁴ The Firm responded in writing that it revised its policies and procedures and ceased claiming the exemption beginning with its October 2024 FOCUS filing.²⁵ There is also an open review concerning the Firm’s utilization of BNY’s Late Night Investment Program and treating such receivable as an allowable asset for net capital purposes under 15c3-1 on the Firm’s books and records.²⁶

B. FINRA Non-Routine Examinations

In May 2024, FINRA issued a CAL to the Firm relating to the Firm’s failure to 1) have a reasonably designed process to supervise for best execution with respect to Treasury securities, and 2) have reasonable written procedures to supervise for best execution with regards to Treasury securities.²⁷ The Firm responded that it was implementing additional supervisory and operational processes and procedures to ensure compliance in these areas in the future.²⁸ The Firm also noted that it is scheduled to move to a new fixed income

²⁰ NYSE Texas was formerly known as NYSE Chicago.

²¹ See Disposition Letter for Examination No. 20240801236 dated March 6, 2025, Examination Report dated October 29, 2024, and the Firm’s Response dated November 7, 2024, collectively attached as Exhibit 7.

²² *Id.* at FINRA pp. 5-6.

²³ *Id.* at FINRA pp. 7-9.

²⁴ See Disposition Letter for Examination No. 20240801235 dated December 26, 2024, the Examination Report dated November 22, 2024, and the Firm’s Response dated December 18, 2024, collectively attached as Exhibit 8.

²⁵ *Id.* at FINRA p. 8.

²⁶ *Id.* at FINRA p. 2. This review remains open under Matter No. 20240840027.

²⁷ See CAL for Matter No. 20230775960 dated May 2, 2024, and the Firm’s Response dated May 15, 2024, collectively attached as Exhibit 9.

²⁸ *Id.* at FINRA p. 3.

trading platform.²⁹

In August 2023, FINRA issued a CAL to the Firm relating to 1) the Firm effecting 17 customer transactions in municipal securities in an amount lower than the minimum denomination of the issue in violation of MSRB Rule G-15(f) and 2) the Firm's supervisory procedures failing to identify subsequent allocation transactions executed below the minimum denomination specified in the associated Official Statement in violation of MSRB Rule G-27.³⁰ The Firm responded by describing the automated and procedural enhancements it was implementing to help ensure compliance in these areas going forward.³¹

Regulatory Actions

In the past two years, William Blair has not been the subject of any disciplinary actions, aside from the SEC Order that led to the Application.

V. Prior SEA Rule 19h-1 Notices

On August 10, 2015, FINRA filed a Rule 19h-1 Notice approving William Blair's continued membership notwithstanding the existence of its statutory disqualification stemming from a June 18, 2015, SEC order.³² The Commission acknowledged FINRA's Notice on August 20, 2015.³³

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.³⁴

William Blair & Company, L.L.C. (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

²⁹ *Id.* at FINRA pp. 3-4.

³⁰ See CAL for Matter No. 20220758541 dated August 8, 2023, and the Firm's Response dated September 5, 2023, collectively attached as Exhibit 10.

³¹ *Id.* at FINRA p. 4.

³² See *In re the Continued Membership of William Blair & Company LLC et al.*, 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, collectively attached as Exhibit 11.

³³ *Id.* at FINRA p. 7.

³⁴ See Executed Consent to Plan of Heightened Supervision dated July 9, 2025, attached as Exhibit 12.

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 Plan (“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 38 of the SEC Order.
5. This Supervision Plan shall take effect on the date the SEC issues its Letter of Acknowledgement (“LOA”) in this matter. 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.
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.

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 William Blair'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 William Blair'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. 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 and that its compliance consultant is conducting its one-year evaluation of the Firm.³⁵

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.³⁶ Amongst other measures, the Firm enhanced its policies and procedures, increased training and began implementing changes to the technology available to its employees.

In evaluating the Firm's Application, FINRA notes that William Blair has no recent regulatory actions filed against it. Additionally, in response to William Blair's recent examinations findings and exceptions, the Firm took steps to resolve them, including by updating its policies, processes, and procedures, and by moving to a new fixed income trading platform.

³⁵ *See* Exhibit 4 at FINRA p. 4.

³⁶ *See* Exhibit 2 at p. 7.

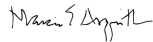
FINRA is further reassured by the controls set in place by the Firm's Supervision Plan which bolster the undertakings outlined in the SEC Order and will continue to provide oversight of the Firm and compliance with its remaining undertakings. Following the approval of the Firm's continued membership 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.

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 William Blair'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 NYSE American, NYSE Texas, Nasdaq, NYSE, DTC and NSCC, which have been provided with the terms and conditions of William Blair's proposed continued membership, and they 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

EXHIBITS

SD-2379

1. MC-400A and related attachments compiled by CRED, with a cover memorandum dated October 23, 2023.
2. SEC Order, *In re William Blair & Company, L.L.C. et al.*, Exchange Act Release No. 98626 (Sept. 29, 2023).
3. *In re Certain Broker-Dealer Practices*, Securities Act Release No. 11249 (Sept. 29, 2023).
4. Firm's Discovery Responses dated April 16, 2024 and July 11, 2025.
5. CRD Excerpt – Organization Registration Status.
6. CRD Excerpt - Types of Business.
7. Disposition Letter for Examination No. 20240801236 dated March 6, 2025, Examination Report dated October 29, 2024, and the Firm's Response dated November 7, 2024.
8. Disposition Letter for Examination No. 20240801235 dated December 26, 2024, the Examination Report dated November 22, 2024, and the Firm's Response dated December 18, 2024.
9. CAL for Matter No. 20230775960 dated May 2, 2024, and the Firm's Response dated May 15, 2024.
10. CAL for Matter No. 20220758541 dated August 8, 2023, and the Firm's Response dated September 5, 2023.
11. *In re the Continued Membership of William Blair & Company, LLC et al.*, SD-MCDC-021, SD-MCDC-028, SD-MCDC-004, SD-MCDC-007, SD-MCDC029, SD-MCDC-012 (FINRA Aug. 10, 2015), and the SEC's Letter of Acknowledgement dated August 20, 2015.
12. Executed Consent to Plan of Heightened Supervision dated July 9, 2025.