

FINANCIAL INDUSTRY REGULATORY AUTHORITY

In the Matter of the
Continued Membership
of

Invesco Distributors, Inc.
(CRD No. 7369)

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

SD-2435

July 24, 2025

I. Introduction

On October 14, 2024, Invesco Distributors, Inc. (“IDI” 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 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”).²

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 2024 order issued by the Securities and Exchange Commission (“SEC” or “Commission”) finding that IDI 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”).³ According to

¹ See MC-400A and related attachments compiled by CRED, with a cover memorandum dated October 22, 2024, attached as Exhibit 1.

² This filing also serves as notice pursuant to SEA Rule 19h-1(a)(2)(i) regarding the proposed continued association of IDI (a FINRA member firm) with its associated control person, Invesco Advisers, Inc. (“Invesco Advisers”), which is statutorily disqualified due to the same regulatory event described in footnote 3 below. Invesco Advisers is a direct owner (75% or more) of IDI and is considered an associated control person. See Central Registration Depository (“CRD”) Excerpts – Direct Owners, attached as Exhibit 2.

³ See SEC Order, *In re Invesco Distributors, Inc. and Invesco Advisers, Inc.*, Exchange Act Release No.

the SEC Order, from at least January 2020, IDI 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.⁴ 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.⁵

The Firm was censured, ordered to cease and desist from committing or causing any future violations, ordered to pay a civil monetary penalty of \$35,000,000 (jointly and severally), and ordered to comply with certain undertakings.⁶ The Firm represented that it paid the penalty 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 enhancing its policies and procedures as well as providing increased training concerning the use of approved communications methods.⁸ The Firm also began implementing significant changes to the technology available to personnel, as well as initiating a review of its recordkeeping failures to begin a program of remediation.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

101141 (Sept. 24, 2024), attached as Exhibit 3. Invesco Advisers is also subject to statutory disqualification pursuant to Exchange Act Sections 15(b)(4)(D) and (E) because the SEC Order found that it willfully violated Section 204 of the Investment Advisers Act of 1940 ("Advisers Act") and Rule 204-2(a)(7) thereunder and failed reasonably to supervise its personnel with a view to preventing or detecting certain of its supervised persons' aiding and abetting violations of Section 204 of the Advisers Act and Rule 204-2(a)(7) thereunder, within the meaning of Section 203(e)(6) of the Advisers Act.

The SEC Order also triggered disqualification under Rules 262(b)(2), 506(d)(2)(ii), and 602(e) of the Securities Act of 1933 and Rule 503(b)(2) of Regulation Crowdfunding. On September 24, 2024, the SEC granted a waiver from the application of the disqualification provisions of these Rules. *See In re Off-Channel Communications at Registered Entities*, Securities Act Release No. 11308 (Sept. 24, 2024), attached as Exhibit 4.

⁴ *See* Exhibit 3 at p. 2, para. 3.

⁵ *Id.* at p. 2, para. 4.

⁶ *Id.* at pp. 6-12.

⁷ *See* Exhibit 1 at FINRA p. 3. *See also* IDI Correspondence dated July 1, 2025, attached as Exhibit 5.

⁸ *See* Exhibit 1 at FINRA p. 6.

⁹ *Id.*

Settlement.¹⁰

IV. Firm Background

The Firm has been a FINRA member since March 31, 1977.¹¹ It is headquartered in Houston, Texas with 35 branches (27 of which are Offices of Supervisory Jurisdiction).¹² The Firm employs approximately 614 of registered representatives (200 of which are registered principals), 13 operations professionals, and 3120 non-registered fingerprint employees.¹³ IDI does not employ any statutorily disqualified individuals.¹⁴

IDI is approved to engage in the following lines of business: broker or dealer retailing corporate equity securities over-the-counter; broker or dealer selling corporate debt securities; mutual fund underwriter or sponsor; U.S government securities broker; municipal securities dealer; non-exchange member arranging for transactions in listed securities by exchange member; private placements of securities; engages in other securities business;¹⁵ direct marketing to investor share class (NAV) shareholders; exchange traded funds distributor; sales of unregistered money market funds which invests in rule 2a-7 eligible investments; direct marketing to institutional investors; marketing of collective trust units to qualified plans; and 529 plan distributor.¹⁶

The Firm is a member of the following self-regulatory organizations (“SROs”): Municipal Securities Rulemaking Board (“MSRB”); and National Securities Clearing Corporation (“NSCC”).¹⁷

Recent Examinations

In the past two years, IDI has not been the subject of any FINRA examinations which resulted in a Cautionary Action Letter, and the Firm was the subject of one routine examination in July 2024 which noted zero exceptions.¹⁸

¹⁰ See Exhibit 3 at p. 6, para. 34.

¹¹ See CRD Excerpts – Organization Registration Status, Types of Business, and Other Business Descriptions, collectively attached as Exhibit 6.

¹² FINRA confirmed this through analysis of the Firm’s information contained in CRD, last performed on July 11, 2025.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ See Exhibit 6 at FINRA p. 3.

¹⁶ *Id.* at FINRA p. 4.

¹⁷ Membership in these organizations was verified by FINRA staff through a search of public member directories, last performed on July 11, 2025.

¹⁸ See Disposition Letter for Examination No. 20240801760 dated July 30, 2024, attached as Exhibit 7.

Regulatory Actions

IDI has not been the subject of recent disciplinary matters other than the SEC Order that caused the instant Application.

V. Prior SEA Rule 19h-1 Notices

IDI has not been the subject of any prior SEA Rule 19h-1 or 19d-1 Notices.

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:¹⁹ Invesco Distributors, Inc. (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 24, 2024, 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 ("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 41 of the SEC Order.

¹⁹ See Executed Consent to Plan of Heightened Supervision dated July 1, 2025, attached as Exhibit 8.

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 IDI’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 IDI’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, in that the Compliance Consultant was retained and completed its initial report.²⁰

²⁰ *See* Exhibit 5.

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. Specifically, IDI enhanced its policies and procedures, provided increased training concerning the use of approved communications methods, began implementing significant changes to the technology available to personnel, and initiated a review of its recordkeeping failures to begin a program of remediation.²¹

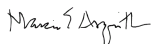
In evaluating the Firm's application, FINRA notes that IDI has no recent regulatory actions filed against it or additional disqualifying orders, and recent examinations of the Firm have not yielded any exceptions. FINRA is further reassured by the controls set in place by the Firm's Supervision Plan 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 IDI'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 other SROs including NSCC. NSCC has been provided with the terms and conditions of IDI's proposed continued membership and it concurs 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-2435

²¹ See Exhibit 3 at p. 6, para. 34.

1. MC-400A and related attachments compiled by CRED, with a cover memorandum dated October 22, 2024.
2. CRD Excerpts – Direct Owners.
3. SEC Order, *In re Invesco Distributors, Inc. and Invesco Advisers, Inc.*, Exchange Act Release No. 101141 (Sept. 24, 2024).
4. SEC Waiver, *In re Off-Channel Communications at Registered Entities*, Securities Act Release No. 11308 (Sept. 24, 2024).
5. IDI Correspondence dated July 1, 2025.
6. CRD Excerpts – Organization Registration Status, Types of Business, and Other Business Descriptions.
7. Disposition Letter for Examination No. 20240801760 dated July 30, 2024.
8. Executed Consent to Plan of Heightened Supervision dated July 1, 2025.