

FINANCIAL INDUSTRY REGULATORY AUTHORITY

In the Matter of the  
Continued Membership  
of  
Regions Securities LLC  
(CRD No. 159475)

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

SD-2438

**July 24, 2025**

**I. Introduction**

On October 15, 2024, Regions Securities LLC (“Regions” 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 a September 2024 order issued by the Securities and Exchange Commission (“SEC” or “Commission”) finding that Regions 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 21, 2024, attached as Exhibit 1.

<sup>2</sup> See SEC Order, *In re Regions Securities LLC*, Exchange Act Release No. 101140 (Sept. 24, 2024), attached as Exhibit 2.

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 3.

According to the SEC Order, from at least September 2019, Regions 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 personnel 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, ordered to cease and desist from committing or causing any future violations, ordered to pay a civil money penalty of \$750,000, and ordered to comply with certain undertakings.<sup>5</sup> The Firm represented that it paid the civil money penalty and is in compliance with the undertakings.<sup>6</sup>

### **III. Remedial Measures**

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.<sup>7</sup> In its Application, the Firm represented that it undertook remedial measures prior to the issuance of the SEC Order, including conducting an internal investigation and self-reporting the facts of the identified off-channel communications to the Commission staff.<sup>8</sup> The Firm also initiated increased trainings concerning record keeping obligations, as well as enhanced its electronic communications policies and procedures.<sup>9</sup> Further, in early 2024, Regions made corporate devices available to all Firm employees that can automatically capture and retain text messages, and as of mid-September 2024, business text messaging is only permitted on corporate devices.<sup>10</sup>

### **IV. Firm Background**

The Firm has been a FINRA member since July 25, 2012.<sup>11</sup> It is headquartered in Atlanta,

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<sup>3</sup> See Exhibit 2 at p. 2, para. 4.

<sup>4</sup> *Id.* at p. 2, para. 5.

<sup>5</sup> *Id.* at pp. 5-10.

<sup>6</sup> See Exhibit 1 at FINRA pp. 4, 21-22. The Firm hired a consultant who completed his review and report, and the Firm began to implement his recommendations. See Correspondence from G. Chiuve to FINRA dated July 10, 2025, attached as Exhibit 4.

<sup>7</sup> See Exhibit 2 at p. 5, para. 26.

<sup>8</sup> See Exhibit 1 at FINRA pp. 24-25.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> See Central Registration Depository ("CRD") Excerpt - Organization Registration Status, attached as Exhibit 5.

Georgia with eight branches (seven of which are Offices of Supervisory Jurisdiction).<sup>12</sup> The Firm employs approximately 180 registered representatives (35 of which are registered principals), three operations professionals, and 79 non-registered fingerprint employees.<sup>13</sup> Regions does not employ any statutorily disqualified individuals.<sup>14</sup>

Regions 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; underwriter or selling group participant (corporate securities other than mutual funds); U.S. government securities dealer; U.S. government securities broker; 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; engages in other securities business<sup>15</sup> (mergers and acquisitions advisory business).<sup>16</sup>

The Firm is not a member of any additional self-regulatory organizations.<sup>17</sup>

### **Recent Examinations**

In the past two years, Regions has been the subject of one routine FINRA examination, which resulted in zero exceptions.<sup>18</sup> The Firm was the subject of zero non-routine examinations that resulted in a Cautionary Action Letter.

### **Regulatory Actions**

In the past two years, Regions 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**

Regions has not been subject to any prior SEA Rule 19h-1 or 19d-1 Notices.

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<sup>12</sup> FINRA confirmed this through analysis of the Firm's information contained in CRD, last performed on July 16, 2025.

<sup>13</sup> *Id.*

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

<sup>15</sup> See CRD Excerpts – Types of Business and Other Business Descriptions, collectively attached as Exhibit 6.

<sup>16</sup> *Id.* at FINRA p. 2.

<sup>17</sup> See Exhibit 5.

<sup>18</sup> See Disposition Letter for Examination No. 20240801764, dated October 17, 2024, attached as Exhibit 7.

## **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>19</sup>

Regions Securities 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 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 34 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](mailto:SDMailbox@FINRA.org).

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<sup>19</sup> See Executed Consent to Plan of Heightened Supervision dated July 9, 2025, attached as Exhibit 8.

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](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 Regions' 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 Firm'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 Regions has retained an Independent Compliance Consultant who completed his and drafted a report of recommendations, which the Firm has started to implement.<sup>20</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. Specifically, the Firm increased trainings concerning recordkeeping obligations and updated its existing electronic communication policies and procedures.<sup>21</sup>

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<sup>20</sup> See Exhibit 4.

<sup>21</sup> See Exhibit 2 at p. 5, para. 26,

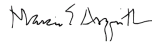
Over the past two years, Regions has maintained an unblemished regulatory record, still, FINRA intends to utilize its examination and surveillance processes to monitor the Firm's continued compliance with the standards prescribed by Exchange Act Rule 19h-1 and FINRA Rule 9523 following the approval of the Firm's continued membership in FINRA.

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. 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 Regions' Application to continue its membership with FINRA.

FINRA certifies that the Firm meets all qualification requirements and represents that the Firm is not registered with additional SROs.

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

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1. MC-400A and related attachments compiled by CRED, with a cover memorandum dated October 21, 2024.
2. SEC Order, *In re Regions Securities LLC*, Exchange Act Release No. 101140 (Sept. 24, 2024).
3. SEC Waiver, *In re Off-Channel Communications at Registered Entities*, Securities Act Release No. 11308 (Sept. 24, 2024).
4. Correspondence from G. Chiuve to FINRA dated July 10, 2025.
5. CRD Excerpt – Organization Registration Status.
6. CRD Excerpts – Types of Business and Other Business Descriptions.
7. Disposition Letter for Examination No. 20240801764, dated October 17, 2024.
8. Executed Consent to Plan of Heightened Supervision dated July 9, 2025.