

FINANCIAL INDUSTRY REGULATORY AUTHORITY

In the Matter of the  
Continued Membership  
of

Stifel, Nicolaus & Company, Incorporated  
(CRD No. 793)

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

SD-2437

**September 26, 2025**

**I. Introduction**

On October 15, 2024, Stifel, Nicolaus & Company, Incorporated (“Stifel” 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 24, 2024, order issued by the Securities and Exchange Commission (“SEC” or “Commission”) finding that Stifel willfully violated Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder and failed reasonably to supervise its employees with a view of 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 within the meaning of Exchange Act Section 15(b)(4)(E) (“SEC Order”).<sup>2</sup> The SEC Order

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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 Stifel, Nicolaus & Company, Inc.*, Exchange Act Release No. 101144 (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*

also found that Stifel 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 employees with a view of 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 within the meaning of Section 203(e)(6) of the Advisers Act.<sup>3</sup>

According to the SEC Order, from at least January 2020, Stifel employees sent and received off-channel communications that related to the Firm’s business, and a majority of these written communications were not maintained or preserved by the Firm.<sup>4</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 business.<sup>5</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 \$35,000,000, and ordered to comply with certain undertakings.<sup>6</sup> The Firm represented that it paid the civil money penalty and is in compliance with the undertakings.<sup>7</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>8</sup> Prior to the issuance of the SEC Order, Stifel enhanced its policies and procedures, increased training concerning the use of approved communications methods, and began implementing significant changes to the technology available to personnel.<sup>9</sup> This included providing some of its personnel with firm-issued devices or other firm-approved

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*Communications at Registered Entities*, Securities Act Release No. 11308 (Sept. 24, 2024), attached as Exhibit 3.

<sup>3</sup> See Exhibit 2 at p. 6.

<sup>4</sup> *Id.* at p. 2, para. 3.

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

<sup>6</sup> *Id.* at pp. 6-12.

<sup>7</sup> See Exhibit 1 at FINRA pp. 3, 29. The Firm paid the civil money penalty on October 4, 2024. *Id.* The Firm also indicated that all undertakings required thus far are completed, including engaging an Independent Compliance Consultant who completed a report of recommendations, all of which the Firm adopted. See Stifel Consolidated Discovery Responses dated July 31, 2025, and September 10, 2025, collectively attached as Exhibit 4.

<sup>8</sup> See Exhibit 2 at p. 6, para. 32.

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

applications, thereby making approved channels more readily available.<sup>10</sup>

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

The Firm has been a FINRA member since October 13, 1936.<sup>11</sup> It is headquartered in St. Louis, Missouri, with 506 branches (318 of which are Offices of Supervisory Jurisdiction).<sup>12</sup> The Firm employs approximately 5,136 of registered representatives (1,426 of which are registered principals), 33 operations professionals, and 2,660 non-registered fingerprint employees.<sup>13</sup> Stifel also employs four statutorily disqualified individuals.<sup>14</sup>

Stifel is approved to engage in the following lines of business: exchange member engaged in exchange commission business other than floor activities; exchange member engaged in 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 dealer; U.S. government securities broker; municipal securities dealer; municipal securities broker; broker or dealer selling variable life insurance or annuities; solicitor of time deposits in a financial institution; broker or dealer selling gas or oil interests; put and call broker or dealer or option writer; broker or dealer selling securities of non-profit organizations; 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; engages in other securities business (exchange of US Dollars for foreign currencies on behalf of certain clients; municipal advisor; religious organization financing; securities lending; internal crossing network for equity securities); and engages in other non-securities business (selling life, health, and casualty insurance products through its licensed agents; and contract marketing).<sup>15</sup>

The Firm is a member of the following self-regulatory organizations (“SROs”): Cboe BZX Exchange, Inc. (“BZX”); Cboe EDGA Exchange, Inc. (“EDGA”); Cboe EDGX Exchange, Inc. (“EDGX”); Investors Exchange LLC (“IEX”); New York Stock Exchange LLC

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

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

<sup>12</sup> FINRA confirmed this through analysis of the Firm’s information contained in CRD, last performed on September 8, 2025.

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

<sup>14</sup> *Id.* See also Appendix A.

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

(“NYSE”); NYSE American LLC (“NYSE American”); NYSE Texas, Inc. (“NYSE Texas”); Nasdaq ISE, LLC (“ISE”); Nasdaq PHLX LLC (“PHLX”); The Nasdaq Stock Market LLC (“Nasdaq”);<sup>16</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>17</sup>

### **Recent Examinations**

In the past two years, FINRA completed two routine examinations of the Firm (including one on behalf of other SROs pursuant to Regulatory Services Agreements) which both resulted in a Cautionary Action Letter (“CAL”), and two non-routine examinations of the Firm that resulted in CALs. The SEC also completed one examination of the Firm which closed without any further action.

#### **A. FINRA Routine Examinations**

In February 2024, FINRA, acting on behalf of BZX, EDGA, EDGX, IEX, Nasdaq, ISE, PHLX, NYSE, NYSE American, and NYSE-Chicago,<sup>18</sup> completed a routine examination of the Firm that identified seven exceptions.<sup>19</sup> FINRA issued the Firm a CAL on behalf of BZX, EDGA, EDGX, IEX, Nasdaq, ISE, PHLX, NYSE American, and NYSE-Chicago for six of the exceptions pertaining to the Firm’s failure to codify its current supervisory processes related to equipment security and access into its Written Supervisory Procedures (“WSPs”), maintain adequate supervisory procedures or reviews to ensure proper maintenance of customers’ options orders and compliance with the Short Tender Rule (Rule 14e-4), timely submit Forms U5, properly register one FINOP, and maintain adequate supervisory systems to ensure associated persons were properly licensed and registered.<sup>20</sup> The Firm responded in writing that it took action to address the issues including updating the missing or deficient WSPs and enhancing its associated policies and procedures.<sup>21</sup> Four exceptions were referred to FINRA’s Department of Enforcement (“Enforcement”) for further review and disposition on behalf of NYSE and NYSE

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<sup>16</sup> See Exhibit 5.

<sup>17</sup> FINRA confirmed this through analysis of the Firm’s information contained in CRD, last performed on September 8, 2025.

<sup>18</sup> NYSE Chicago is now known as NYSE Texas.

<sup>19</sup> See Disposition Letter for Examination No. 20220734152 dated February 22, 2024, Examination Report dated November 6, 2023 (replacing June 29, 2023, Report), Firm Response dated August 2, 2023, CAL dated July 21, 2025, and Firm Response dated July 31, 2025, collectively attached as Exhibit 7.

<sup>20</sup> *Id.* at FINRA pp. 5-11.

<sup>21</sup> *Id.* at FINRA pp. 12-18.

American.<sup>22</sup> Those four exceptions pertained to the Firm's failure to codify its current supervisory processes related to equipment security and access into its WSPs, maintain adequate supervisory procedures or reviews to ensure proper maintenance of customers' options orders and compliance with the Short Tender Rule (Rule 14e-4), and maintain an accurate record of order transmission times for orders routed to a third-party floor broker on the NYSE American.<sup>23</sup> The four exceptions that were referred to Enforcement resulted in a July 2025 CAL issued on behalf of NYSE Regulation for violations of NYSE and NYSE American Rules 3110 and 320(e) pertaining to the Firm's failure to have adequate WSPs and supervisory reviews regarding access controls to its trading systems, and its non-compliance with the short tender rule.<sup>24</sup>

In October 2023, FINRA completed a routine examination of Stifel that identified 26 exceptions.<sup>25</sup> FINRA issued a CAL to Stifel for 23 of the exceptions which pertained to Stifel's inadequate supervisory systems and WSPs across multiple areas including transaction reporting to TRACE and MSRB, best execution, testing for compliance with Reg NMS Rule 612, compliance with Reg S-ID, security and access to systems by traders, adjustment of open limit orders, stop orders, principal and riskless principal trade reporting, recordkeeping requirements, following customer instructions when handling orders, CAT reporting, Form A-12 annual affirmations, Form MA and MA-I filings, and providing disclosures to municipal entities or obligated persons regarding the Firm's exclusion from acting as a municipal advisor in the context of certain sales and trading relationships.<sup>26</sup> The exceptions also related to deficiencies in records management for consolidated quotation information in the Firm's order entry system and recording of customer instructions, submission of accurate data to CAT, submission of accurate G-32 filings to EMMA, disclosure to 529 Plan clients that they may be forgoing tax benefits by investing in certain states.<sup>27</sup> In response, Stifel enhanced its supervisory processes and procedures including its WSPs, added additional systems testing, implemented additional training, updated forms, and provided missing disclosures.<sup>28</sup> FINRA also continued its open review of the Firm's Consolidated Financial Account Reports, which resulted in the a CAL under cause matter 20220773779.<sup>29</sup> Lastly, three exceptions were referred to Enforcement for further

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<sup>22</sup> *Id.* at FINRA p. 1.

<sup>23</sup> *Id.* at FINRA pp. 5-9.

<sup>24</sup> *Id.* at FINRA pp. 20-22.

<sup>25</sup> See Disposition Letter for Examination No. 20220734151 dated October 6, 2023, Amended Examination Report dated October 6, 2023 (Original Issued on June 27, 2023), Firm Response dated August 2, 2023, and CAL dated August 14, 2025, collectively attached as Exhibit 8.

<sup>26</sup> *Id.* at FINRA pp. 7-24.

<sup>27</sup> *Id.*

<sup>28</sup> *Id.* at FINRA pp. 26-50.

<sup>29</sup> *Id.* at FINRA p. 2. This CAL is discussed in further detail in the Non-Routine Examination section of this Notice. See *infra* Exhibit 11.

review and disposition.<sup>30</sup> In August 2025, Enforcement concluded its investigation of the Firm's conduct and issued a CAL based on Stifel's failure to maintain a supervisory system including WSPs reasonably designed to ensure that the Firm's approval of accounts for options trading complied with Section 7(c) of the Exchange Act, Section 220.8 of Reg T, and FINRA Rule 4210 (F)(2), and based on the Firm executing options transactions in cash accounts.<sup>31</sup>

#### B. FINRA Non-Routine Examinations

In February 2024, FINRA issued a CAL to the Firm based on the Firm's failure to report transactions to the FINRA/Nasdaq Trade Reporting Facility and Over-the-Counter Reporting Facility, as well as erroneously or inaccurately making reports to those same facilities.<sup>32</sup> The Firm responded in writing acknowledging the deficiencies and explaining that it is in the process of enhancing its reporting to capture the price differences in its fractional share reporting, and to reverse the transactions which were erroneously reported.<sup>33</sup>

In November 2023, FINRA issued a CAL to the Firm based on one exception pertaining to the Firm's failed to establish and implement an adequate supervisory system and written supervisory procedures related to registered representatives' production and delivery of consolidated account statements.<sup>34</sup> The Firm responded that it was enhancing its policies and procedures.<sup>35</sup>

#### C. SEC Examination

In September 2024, Commission staff completed an examination of Stifel finding no deficiencies.<sup>36</sup>

#### **Regulatory Actions**

Stifel has been the subject of eight recent disciplinary matters resulting in three AWCs entered into with FINRA, three Disciplinary Decisions Incorporating Letters of Consent

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<sup>30</sup> *Id.* at FINRA p. 1.

<sup>31</sup> *Id.* at FINRA p. 51. The Firm was not required to provide a written response

<sup>32</sup> *See* CAL for Examination No. 20220767343 dated February 1, 2024, and Firm Response dated February 15, 2024, collectively attached as Exhibit 9.

<sup>33</sup> *Id.* at FINRA pp. 3-4.

<sup>34</sup> *See* Disposition Letter for Examination No. 20220773779 dated November 30, 2023, Examination Report dated October 31, 2023, and Firm Response dated November 20, 2023, collectively attached as Exhibit 10.

<sup>35</sup> *Id.* at FINRA p. 7.

<sup>36</sup> *See* SEC Examination Letter, File No. 008-1447 dated September 4, 2024, attached as Exhibit 11.

issued on behalf of BZX, EDGX, and NYSE American. The Firm was also the subject of one consent order issued by the State of Washington, and one Multi-State action.

#### A. FINRA Actions

On August 14, 2025, the Firm entered into an AWC with FINRA in connection with violations of Rule 606(a) of Regulation NMS under the Exchange Act and FINRA Rule 2010.<sup>37</sup> According to the AWC, between January 2020 and December 2023, Stifel published quarterly reports on its handling of customer orders in National Market System securities that were inaccurate or incomplete.<sup>38</sup> In addition, between January 2020 and April 2025, the Firm's supervisory system, including its WSPs, was not reasonably designed to achieve compliance with Rule 606(a), and therefore the Firm violated FINRA Rules 3110 and 2010.<sup>39</sup> Stifel consented to a censure and to pay a fine in the amount of \$175,000.<sup>40</sup>

On March 25, 2024, the Firm entered into an AWC with FINRA in connection with the Firm's failure to establish, maintain, and enforce supervisory systems, including WSPs, reasonably designed to achieve compliance with their suitability obligations in connection with transactions involving non-traditional ETFs and non-traditional exchange-traded products.<sup>41</sup> Stifel consented to a censure, to pay a fine in the amount of \$920,000, and to pay restitution to impacted customers in the amount of \$1,189,841.54.<sup>42</sup>

On March 15, 2024, the Firm entered into an AWC with FINRA in connection with the Firm's failure to establish a supervisory system reasonably designed to supervise the transmittal of customer funds by representatives with power of attorney over a customer's account, and failure to reasonably respond to red flags concerning a broker with power of attorney over a customer's funds.<sup>43</sup> The Firm consented to the imposition of a censure, to pay a \$400,000 fine, and to pay restitution in the amount of \$59,360.43 plus interest.<sup>44</sup>

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<sup>37</sup> See FINRA AWC No. 2022073415101 dated August 14, 2025, attached as Exhibit 12.

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

<sup>40</sup> *Id.* at FINRA pp. 2, 5. The Firm paid the fine on August 28, 2025. See Disclosure Occurrence Composite for Occurrence 2429611, attached as Exhibit 13, at FINRA p. 2 para. 13.

<sup>41</sup> See FINRA AWC No. 2019061350401 dated March 25, 2024, attached as Exhibit 14.

<sup>42</sup> *Id.* at FINRA pp. 5-6. The Firm paid the fine on April 3, 2024. See Disclosure Occurrence Composite for Occurrence 2328881, attached as Exhibit 15 at FINRA p. 3, para 13. FINRA staff confirmed that the Firm paid the restitution.

<sup>43</sup> See FINRA AWC No. 2019062348302 dated March 15, 2024, attached as Exhibit 16.

<sup>44</sup> *Id.* at FINRA p. 5. The Firm paid the fine on March 25, 2024. See Disclosure Occurrence Composite for Occurrence 2327879, attached as Exhibit 17 at FINRA p. 3 at para. 13. FINRA staff also confirmed that the restitution was paid.

## B. Cboe Actions

On May 16, 2024, the Firm became the subject of a Disciplinary Decision incorporating a Letter of Consent from BZX in connection with Stifel's violation of SEA Rule 15c3-5 and BZX Rule 3.2 because the Firm's risk management controls and procedures were not reasonably designed to prevent the entry of erroneous orders on BZX by rejecting orders that exceeded appropriate price or size parameters, on an order-by-order basis or over a short period of time.<sup>45</sup> The Firm consented to a censure and a \$70,000 fine.<sup>46</sup>

On May 16, 2024, the Firm became the subject of a Disciplinary Decision incorporating a Letter of Consent from EDGX in connection with Stifel's violation of SEA Rule 15c3-5 and EDGX Rule 3.2 because the Firm's risk management controls and procedures were not reasonably designed to prevent the entry of erroneous orders on EDGX by rejecting orders that exceeded appropriate price or size parameters, on an order-by-order basis or over a short period of time.<sup>47</sup> The Firm consented to a censure and a \$5,000 fine.<sup>48</sup>

## C. NYSE American Action

On July 18, 2025, the Firm entered into an AWC with FINRA acting on behalf of NYSE American in connection with the Firm's violation of Section 17(a) of the Exchange Act, Exchange Act Rule 17a-3, and NYSE American Rules 956NY and 324 related to recordkeeping.<sup>49</sup> Specifically, between September 2021 and June 2024, the Firm failed to accurately record order receipt and order transmission times on its order memorandum for manually handled options orders.<sup>50</sup> Also, from September 2021 to the July 2025, the Firm failed to establish and maintain a supervisory system including WSPs reasonably designed to achieve compliance with federal securities laws and NYSE American Rules related to recordkeeping.<sup>51</sup> Stifel consented to a censure, and to pay a fine in the amount of \$150,000.<sup>52</sup>

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<sup>45</sup> See BZX Disciplinary Decision and Letter of Consent, *In re Stifel, Nicolaus & Company Inc.*, File No. URE-264-05 (May 16, 2024), collectively attached as Exhibit 18.

<sup>46</sup> *Id.* at FINRA p. 5. FINRA staff confirmed that the Firm paid the fine on May 16, 2024.

<sup>47</sup> See EDGX Disciplinary Decision and Letter of Consent, *In re Stifel, Nicolaus & Company Inc.*, File No. URE-264-07 (May 16, 2024), collectively attached as Exhibit 19.

<sup>48</sup> *Id.* at FINRA p. 3. FINRA staff confirmed that the Firm paid the fine on May 16, 2024.

<sup>49</sup> See NYSE American AWC for Matter No. 2022073415201 dated July 18, 2025, attached as Exhibit 20.

<sup>50</sup> *Id.* at FINRA p. 3.

<sup>51</sup> *Id.*

<sup>52</sup> *Id.* FINRA staff confirmed that the fine was paid on August 14, 2025.



#### D. Washington Action

On May 21, 2024, the Firm entered into a Consent Order with the State of Washington for failing to adequately supervise a registered representative's sale of high yield bonds.<sup>53</sup> Stifel consented to pay a fine in the amount of \$10,000 and to pay investigative costs in the amount of \$20,000.<sup>54</sup>

#### E. Multi-State Action

On June 4, 2025, the Firm entered into a Consent Order with the Office of the Secretary of the Commonwealth of Massachusetts, Securities Division, in connection with Stifel charging unreasonable commissions on certain equity transactions and failing to supervise the transactions to ensure that reasonable commissions and fees were charged.<sup>55</sup> As a result, the Firm was censured, ordered to cease and desist from further violations, and ordered to pay an administrative fine and cost of investigation of \$30,000 plus restitution in an amount no less than \$23,299.11 and interest to affected Massachusetts customers.<sup>56</sup> This matter was part of a multi-state settlement.<sup>57</sup> For example, on August 7, 2025, the Firm entered into a similar consent order with the Pennsylvania Department of Banking and Securities in which the Firm was censured, ordered to cease and desist from future violations, and ordered to pay an administrative fine in the amount of \$20,000 plus restitution in the amount of \$54,940.13 plus interest to affected Pennsylvania customers.<sup>58</sup> The Firm has entered into several related consent orders.<sup>59</sup>

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

FINRA previously filed two Rule 19h-1 Notices approving the Firm's continued membership notwithstanding the existence of its statutory disqualification.

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<sup>53</sup> See Consent Order, *In re Michael Fahsholtz; Stifel, Nicolaus & Co., Inc.*, Order No. S-19-2660-23-CO01 (State of WA. Dept. of Fin. Inst. Sec. Div. May 21, 2024), attached as Exhibit 21.

<sup>54</sup> *Id.* at p. 9. The Firm paid both amounts on May 14, 2024. See Exhibit 4 at FINRA p. 2 para. 3, and FINRA p. 4.

<sup>55</sup> See Consent Order, *In re Stifel, Nicolaus & Company, Inc.- Retail Minimum Commissions*, Docket No. 2025-0192 (Mass. Sec. Div. June 4, 2025), attached as Exhibit 22.

<sup>56</sup> *Id.* at FINRA pp. 5-7. The Firm represented that it is in compliance with the requirements of the Massachusetts Consent Order. See Ex. 4, at FINRA pp. 1-2, para. 2.

<sup>57</sup> See Exhibit 22 at FINRA p. 5.

<sup>58</sup> See Administrative Consent Order, *In re Stifel, Nicolaus & Company, Inc.*, Docket No. 250022 (SEC-CAO) (Penn. Dept. Banking and Sec. Aug. 7, 2025), attached as Exhibit 23. The Firm represented that it is in compliance with the Pennsylvania Consent Order. See Exhibit 4, at FINRA p. 5.

<sup>59</sup> See Exhibit 4, at FINRA p. 5 para. 2. The Firm represents that it is in compliance with all of these orders. *Id.*

On May 2, 2019, FINRA filed a Rule 19h-1 Notice approving Stifel's continued membership notwithstanding the existence of its statutory disqualification stemming from a December 6, 2016, Final Judgment by the United States District Court for Eastern District of Wisconsin.<sup>60</sup> The Commission acknowledged FINRA's Notice on July 2, 2019.<sup>61</sup>

On August 10, 2015, FINRA filed a Rule 19h-1 Notice approving Stifel's continued membership notwithstanding the existence of its statutory disqualification stemming from a June 18, 2015, SEC order which found that the Firm willfully violated Section 17(a)(2) of the Securities Act.<sup>62</sup> The Commission acknowledged FINRA's notice on August 20, 2015.<sup>63</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>64</sup>

Stifel, Nicolaus & Company, Incorporated ("Stifel" or 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 addition, the SEC Order found that Stifel 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 employees within the meaning of 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.

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<sup>60</sup> See *In re the Continued Membership of Stifel, Nicolaus & Co., Inc.*, SD-2140 (FINRA NAC May 2, 2019), and the SEC's Letter of Acknowledgement dated July 2, 2019, collectively attached as Exhibit 24.

<sup>61</sup> *Id.* at FINRA p. 13.

<sup>62</sup> See *In re the Continued Membership of Stifel, Nicolaus & Company, Inc., et al.*, SD-MCDC-026, SD-MCDC-032, SD-MCDC-030, SD-MCDC-025, SD-MCDC-008, SD-MCDC-034 (FINRA Aug. 10, 2015) and the SEC's Letter of Acknowledgement dated August 20, 2015, collectively attached as Exhibit 25.

<sup>63</sup> *Id.* at FINRA p. 7.

<sup>64</sup> See Executed Consent to Plan of Heightened Supervision dated July 7, 2025, attached as Exhibit 26.

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 39 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).
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 Stifel'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 Stifel'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 money penalty was promptly paid,<sup>65</sup> and the Firm represented that it is in compliance with the ordered undertakings.<sup>66</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 enhanced its policies and procedures, increased training concerning approved communications methods, and began implementing significant changes to the technology available to personnel, including providing some Stifel personnel with Firm issued devices or other Firm-approved applications.<sup>67</sup>

It is well settled that a firm's regulatory history bears upon the assessment of its ability to comply with securities law and regulations. *See In the Matter of the Continued Association of Craig Scott Taddonio with Meyers Associate, L.P.*, SD-2117, slip op. at 24-25 (FINRA NAC Mar. 8, 2017). However, the corrective measures taken by firms to address deficiencies are weighed in determining whether to approve applications. *See In the Matter of the Association of X with the Sponsoring Firm*, SD11007 (FINRA NAC Jan. 1, 2011) (where a firm's corrective actions negated Member Regulation's assertion that the firm failed to appreciate or respect securities rules and regulations). FINRA has also previously approved applications for continued membership where the firms had extensive regulatory history, including disqualifying events. *See In the Matter of the Continued Membership of Deutsche Bank Securities, Inc.*, SD-2190 (FINRA Jan. 14, 2020) and *In the Matter of the Continued Membership of Citigroup Global Markets, Inc.*, SD-2082 (FINRA May 2, 2017) (approving continued membership where the firms had extensive regulatory history, including recent disqualifying events).

In its evaluation of the Firm's Application, FINRA acknowledges the Firm's recent regulatory and disciplinary history, including its additional statutory disqualifying events. Member Supervision also notes that, as of the date of this Notice, the Firm has paid all fines and complied with all undertakings ordered by regulators. None of these matters would prevent the continuance of the Firm as a FINRA member. With respect to the Firm's

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<sup>65</sup> See Exhibit 1 at FINRA p. 3.

<sup>66</sup> See Exhibit 4 at FINRA p. 1.

<sup>67</sup> See Exhibit 2 at FINRA p. 6, para. 32.

recent examination exceptions, the Firm took multiple steps to resolve the deficiencies, including improving its processes and procedures, updating its disclosure documents, and implementing additional training.

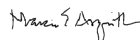
FINRA is further reassured by the controls set in place by the Firm's Supervision Plan which bolster the undertakings outlined in the SEC Order and will continue to provide oversight of the Firm and compliance with its remaining undertakings. Following the approval of the Firm's continued membership 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 Stifel'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 BZX; EDGA; EDGX; IEX; NYSE; NYSE American; NYSE Texas, ISE; PHLX; Nasdaq; DTC; FICC-GOV; FICC-MBS and NSCC. The SROs have been provided with the terms and conditions of Stifel'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

Appendix A

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EXHIBITS

SD-2437

1. MC-400A and related attachments compiled by CRED, with a cover memorandum dated October 21, 2024.
2. SEC Order, *In re Stifel, Nicolaus & Company, Inc.*, Exchange Act Release No. 101144 (Sept. 24, 2024).
3. SEC Waiver, *In re Off-Channel Communications at Registered Entities*, Securities Act Release No. 11308 (Sept. 24, 2024).
4. Stifel Consolidated Discovery Responses dated July 31, 2025, and September 10, 2025.
5. CRD Excerpt – Organization Registration Status.
6. CRD Excerpts – Types of Business and Other Business Descriptions.
7. Disposition Letter for Examination No. 20220734152 dated February 22, 2024, Examination Report dated November 6, 2023 (replacing June 29, 2023 Report), Firm Response dated August 2, 2023, CAL dated July 21, 2025, and Firm response dated July 31, 2025.
8. Disposition Letter for Examination No. 20220734151 dated October 6, 2023, Amended Examination Report dated October 6, 2023 (Original Issued on June 27, 2023), Firm Response dated August 2, 2023, and CAL dated August 14, 2025.
9. CAL for Examination No. 20220767343 dated February 1, 2024, and Firm Response dated February 15, 2024.
10. Disposition Letter for Examination No. 20220773779 dated November 30, 2023, Examination Report dated October 31, 2023, and Firm Response dated November 20, 2023.
11. SEC Examination Letter, File No. 008-1447 dated September 4, 2024.
12. FINRA AWC No. 2022073415101 dated August 14, 2025.
13. Disclosure Occurrence Composite for Occurrence 2429611.
14. FINRA AWC No. 2019061350401 dated March 25, 2024.
15. Disclosure Occurrence Composite for Occurrence 2328881.
16. FINRA AWC No. 2019062348302 dated March 15, 2024.
17. Disclosure Occurrence Composite for Occurrence 2327879.
18. BZX Disciplinary Decision and Letter of Consent, *In re Stifel Nicolaus & Company*

- Inc.*, File No. URE-264-05 (May 16, 2024).
19. EDGX Disciplinary Decision and Letter of Consent, *In re Stifel, Nicolaus & Company Inc.*, File No. URE-264-07 (May 16, 2024).
  20. NYSE American AWC for Matter No. 2022073415201 dated July 18, 2025.
  21. Consent Order, *In re Michael Fahsholz; Stifel Nicolaus & Co., Inc.*, Order No. S-19-2660-23-CO01 (State of WA. Dept. of Fin. Inst. Sec. Div. May 21, 2024).
  22. Consent Order, *In re Stifel, Nicolaus & Company, Inc.- Retail Minimum Commissions*, Docket No. 2025-0192 (Mass. Sec. Div. June 4, 2025).
  23. Administrative Consent Order, *In re Stifel, Nicolaus & Company, Inc.*, Docket No. 250022 (SEC-CAO) (Penn. Dept. Banking and Sec. Aug. 7, 2025).
  24. *In re the Continued Membership of Stifel, Nicolaus & Co. Inc.*, SD-2140 (FINRA NAC May. 2, 2019), and the SEC's Letter of Acknowledgement dated July 2, 2019.
  25. *In re the Continued Membership of Stifel, Nicolaus & Company, Inc., et al.*, SD-MCDC-026, SD-MCDC-032, SD-MCDC-030, SD-MCDC-025, SD-MCDC-008, SD-MCDC-034 (FINRA Aug. 10, 2015) and the SEC's Letter of Acknowledgement dated August 20, 2015.
  26. Executed Consent to Plan of Heightened Supervision dated July 7, 2025.