FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2021073404901

TO: Department of Enforcement
Financial Industry Regulatory Authority (FINRA)

RE: Webull Financial LLC (Respondent)
Member Firm
CRD No. 289063

Pursuant to FINRA Rule 9216, Respondent Webull Financial LLC submits this Letter of Acceptance, Waiver, and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

Webull, which became a FINRA member in January 2018, is an introducing broker-dealer that offers self-directed trading to retail customers through its mobile and desktop applications and its website. Headquartered in New York, New York, the firm has approximately 120 registered representatives and two branch offices.[1]

OVERVIEW

Between January 2020 and September 2023, Webull failed to develop and implement a reasonably designed anti-money laundering program, including a customer identification program and procedures to detect and cause the reporting of suspicious transactions, in violation of FINRA Rules 3310(a), 3310(b), 3310(f)(ii), and 2010. Between January 2020 and February 2023, Webull failed to develop and implement an Identity Theft Prevention Program reasonably designed to detect, prevent, and mitigate identity theft in violation of Rule 201 of Regulation S-ID of the Securities Exchange Act of 1934 and FINRA Rule 2010.

[1] For more information about the firm, including prior regulatory events, visit BrokerCheck® at www.finra.org/brokercheck.

From at least February 2020 to at least October 2025, Webull also failed to comply with its best execution and related supervisory obligations in violation of FINRA Rules 5310(a), 5310 Supplementary Material .09, 3110, and 2010.

For these violations, Webull has agreed to a censure, a $4,200,000 fine, and to undertake corrective action.

FACTS AND VIOLATIVE CONDUCT

This matter arose from multiple investigations by FINRA's Regulatory Operations, including FINRA's cycle examination of the firm and an investigation conducted by Market Oversight.

A. Webull failed to develop and implement a reasonably designed AML program.

FINRA Rule 3310 requires each member firm to "develop and implement a written anti-money laundering program reasonably designed to achieve and monitor the [firm's] compliance with the requirements of the Bank Secrecy Act (31 U.S.C. 5311, et seq.), and the implementing regulations promulgated thereunder by the Department of the Treasury." A violation of FINRA Rule 3310 also constitutes a violation of FINRA Rule 2010, which requires member firms to "observe high standards of commercial honor and just and equitable principles of trade" in the conduct of their business.

In April 2002, FINRA issued Notice to Members 02-21, which stated that "the obligation to develop and implement an AML compliance program is not a 'one-size-fits-all' requirement . . . [and] each financial institution should . . . tailor its AML program to fit its business." Notice to Members 02-21 also stated that "[t]o be effective, [a firm's AML program] must reflect the firm's business model and customer base." From January 2020 to September 2023, Webull experienced rapid and significant growth, opening millions of new customer accounts each year, and by the fall of 2023, the firm had at least seven million customer accounts. During this time, however, Webull failed to develop and implement an AML program that was reasonably designed to achieve compliance with the BSA and its implementing regulations in light of the increasing size and nature of the firm's customer base.

1. Webull failed to establish and implement a customer identification program reasonably designed to verify customers' identities.

FINRA Rule 3310(b) requires member firms to establish and implement policies, procedures, and internal controls reasonably designed to achieve compliance with the BSA and its implementing regulations. One of the U.S. Department of the Treasury's implementing regulations, 31 C.F.R § 1023.220, requires every broker-dealer, as part of its AML compliance program, to establish, document, and maintain a written customer identification program (CIP) that is appropriate for the firm's size and business.

A firm's CIP must include risk-based procedures for verifying customers' identities to the extent reasonable and practicable, and those procedures must enable the firm to form a reasonable belief that it knows the true identity of each customer. Firms must obtain, at a minimum, the following information prior to opening an account: a customer's name; date of birth for an individual; address; and an identification number (e.g., a tax identification number for a U.S. person or a passport number for a non-U.S. person). A firm's CIP procedures must be based on its assessment of relevant risks, including those presented by the firm's size, location, customer base, account types, and methods of opening accounts. The CIP must also include procedures for responding to circumstances in which the firm cannot form a reasonable belief that it knows the true identity of a customer, including when the firm should not open an account, and when the broker-dealer should file a Suspicious Activity Report in accordance with applicable law and regulation.

Between January 2020 and September 2023, Webull approved the opening of at least seven million new customer accounts, including at least 6.5 million accounts that the firm approved using identity verification services provided by a third-party vendor.

Prior to November 2022, the firm did not have reasonable written procedures describing its processes for verifying customer identities. Though firm policies and procedures required manual review of customer applications under certain circumstances, the firm did not have reasonable policies and procedures detailing how the firm would manually review new account applications. In addition, the firm did not have procedures describing the circumstances under which the firm should report potential identity theft on a suspicious activity report. Although the firm updated its written procedures in November 2022, the firm's CIP processes were still not reasonably designed to verify its customers' true identities.

In practice, throughout the relevant time period the firm approved certain accounts where the information provided by the customer could not be reasonably verified by the firm's third-party vendor due to inconsistencies in the identifying information or indicators of possible identity fraud, resulting in the firm approving more than 120,000 accounts without forming a reasonable belief that it knew the true identity of its customers. For example, the firm approved opening accounts for certain senior customers without additional verification, even though the firm's third-party vendor noted there were logical inconsistencies in the information provided by the customer or identified risk indicators of potential identity fraud. As described below, some of the customers that were approved without additional verification despite inconsistencies in the information provided in their applications went on to engage in other fraudulent activity.

The firm also lacked reasonable policies and procedures to review applicants' government-issued photo identification. In instances where Webull required customers to submit photo identification, Webull relied on a third-party vendor that did not have reasonable processes to verify the photo identification, and the firm failed to implement reasonable policies and procedures to supervise its vendor's verification. As a result, the firm approved accounts on an automated basis for more than 50 customers who submitted

photos of scenic landscapes instead of government-issued identification. Even after resolving the landscape issue with the third-party vendor, the firm and its third-party vendor failed to identify when customers submitted fraudulent identification.

Finally, even when the firm's automated system routed new account applications to manual review, on occasion, firm personnel approved customer applications without taking steps to investigate instances where the customer's identity could not be reasonably verified. For example, the firm approved certain customer applications despite information in the firm's systems indicating that the customers were deceased. Moreover, in many instances, the firm's manual review was conducted by individuals who were responsible for reviewing an unreasonably high volume of accounts on a monthly basis. The firm also failed to provide reviewers with reasonable documented guidance concerning how they were to perform the manual review.

During and following the relevant period, the firm made enhancements to its CIP policies and procedures, including by onboarding a new third-party vendor to review customers' submitted photo identification. The firm also engaged an independent consultant to conduct a broad review of the firm's AML program and, based on that review, made numerous enhancements to its AML processes and procedures.

By failing to establish and implement a CIP reasonably designed to verify customers' identities, Webull violated FINRA Rules 3310(b) and 2010.

2. Webull failed to establish and implement policies and procedures that could be reasonably expected to detect and cause the reporting of suspicious transactions.

FINRA Rule 3310(a) states that a firm must "[e]stablish and implement policies and procedures that can be reasonably expected to detect and cause the reporting of transactions required under 31 U.S.C. 5318(g) and the implementing regulations thereunder." Implementing regulation 31 C.F.R. § 1023.320 requires every broker-dealer, in specified circumstances, to file with the Financial Crimes Enforcement Network (FinCEN) a suspicious activity report (SAR) of "any suspicious transaction relevant to a possible violation of law or regulation." In addition, FINRA Rule 3310(f)(ii) requires, in relevant part, that a firm's AML program include appropriate risk-based procedures for conducting ongoing customer due diligence to include, but not be limited to, conducting ongoing monitoring to identify and report suspicious transactions and, on a risk basis, to maintain and update customer information.

Notice to Members 02-21 reminded broker-dealers that their AML procedures must address a number of areas, including monitoring "trading and the flow of money into and out of . . . account[s]." Notice to Members 02-21 also reminded broker-dealers "to look for signs of suspicious activity that suggest money laundering," and that if broker-dealers detect such "red flags," to "perform additional due diligence." In May 2019, FINRA published Regulatory Notice 19-18, which reminded firms of their obligations to monitor for and report suspicious transactions, and provided red flags for firms to consider

incorporating into their AML programs. Regulatory Notice 19-18 further provided that "[u]pon detection of red flags through monitoring, firms should consider whether additional investigation, customer due diligence measures or a SAR filing may be warranted."

In December 2011, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issued an Advisory "to assist financial institutions with identifying account takeover activity and reporting the activity through the filing of Suspicious Activity Reports." The December 2011 Advisory warned that criminals were using several methods to "deliberately exploit a customer's account and, in many instances, to gain seemingly legitimate access to another customer's account."

Subsequently, in October 2016, FinCEN issued another Advisory to assist financial institutions in determining when account takeover activity and other types of "cyber-events" should be reported.

Prior to November 2022, the firm's AML procedures did not list which surveillance reports needed to be reviewed by the firm's analysts, nor did they provide how such reports should be reviewed or how or under what circumstances potentially suspicious transactions should be escalated. In addition, although the firm used alerts to identify potentially suspicious trades, it did not have any processes or procedures to identify suspicious patterns of trades (e.g., customers flagged by multiple alerts or securities where multiple customers had alerts close in time).

Moreover, certain of Webull's surveillance parameters for suspicious transactions were not reasonably designed in light of the firm's rapid growth and evolving business. For example, Webull's wash trade surveillance relied primarily on tools used to identify securities with an average daily trading volume of less than one million shares and to only identify accounts with five or more potential wash trades in the same symbol and at the same price. Webull also did not have any processes to identify potentially suspicious out-of-the-money options trading, nor did it have reasonable surveillance to timely detect fraudulent account takeovers, despite repeated occurrences of both during the relevant period. The firm likewise lacked surveillance systems to identify instances in which the same account traded from multiple locations on the same day, or unrelated customers trading from the same IP address. Moreover, Webull failed to devote sufficient staff to reasonably investigate the volume of alerts requiring review.

As a result of these deficiencies, Webull failed to detect and timely report a variety of suspicious transactions. For example:

- *The firm failed to timely detect or investigate fraudulent account activity*. In at least 25 instances, hackers took malicious action with respect to Webull accounts, taking over the accounts or opening them with fraudulent credentials, and went on to engage in suspicious trading and account transfers. The firm failed to timely investigate and report the alleged unauthorized access. Similarly, the firm failed to detect and timely report certain fraudulent fund transfers, including ACH

transfers. For example, between June 2020 and January 2021, the firm failed to identify or investigate 473 unauthorized ACH transfers that were used to transfer over $1.5 million from customers at other financial institutions into Webull. The firm ultimately reversed the transfers based on claims by the outside, debited accounts that those transfers were fraudulent but did not take steps to reasonably investigate the root cause of those transfers.

- *The firm failed to detect and report suspicious transactions indicative of potential fraud*. Webull did not detect or report fraudulent options trading, including numerous profitable sales of out-of-the-money (*i.e.*, worthless) options contracts to accounts at other broker-dealers (which were likely victims of account takeovers). For example, the firm failed to detect that at least two accounts executed round trip trades in August and September 2023—buying out-of-the money calls at low prices, and then selling the options back to the same outside accounts at higher prices.

- *Webull failed to detect or reasonably investigate potentially manipulative trading.* In one instance, one account at the firm triggered nearly 2,000 equity layering alerts and nearly 11,000 equity spoofing alerts in over 100 different symbols in the approximately 18 months it was open; the firm did not timely investigate this volume of alerts and did not report the conduct until months after the account was already closed. In another instance, the firm failed to detect and reasonably investigate potential wash trading in at least four accounts between December 2022 and March 2023, where the accounts routinely effected suspicious trades in multiple symbols and at multiple strike prices.

During and following the relevant period, the firm made enhancements to its AML policies and procedures, including engaging an independent consultant with AML-specific expertise, developing new automated surveillance tools, and hiring additional compliance personnel dedicated to AML monitoring and investigations.

As a result of Webull's failure to establish and implement policies and procedures that could be reasonably expected to detect and cause the reporting of suspicious transactions, Webull violated FINRA Rules 3310(a), 3310(f)(ii), and 2010.

B. Webull failed to develop and implement a reasonable identity theft prevention program (ITPP).

Rule 201 of Regulation S-ID of the Securities Exchange Act of 1934 requires broker-dealers to develop and implement a written ITPP that is designed to detect, prevent, and mitigate identity theft in connection with new and existing covered accounts. A covered account includes an account offered or maintained primarily for personal, family, or household purposes that involves or is designed to permit multiple payments or transactions. A firm's ITPP must include "reasonable policies and procedures" to identify red flags of identity theft relevant to the firm's covered accounts, detect those red flags, respond appropriately to any red flags detected, and ensure that the firm's program

remains up-to-date. In designing its ITPP, a firm should consider a number of factors, including the methods of accessing covered accounts, the types of covered accounts it offers or maintains, and its previous experiences with identity theft.

A violation of Rule 201 of Regulation S-ID is also a violation of FINRA Rule 2010.

Between January 2020 and February 2023, Webull failed to have an ITPP reasonably designed to detect, prevent, and mitigate identity theft. For instance, prior to November 2022, the firm had no relevant procedures that identified red flags of identity theft or described how the firm would respond to such red flags. In practice, the firm relied on its CIP, which was not reasonably designed, as described above, and reports from its clearing firm concerning potential identity theft.

As a result, the firm failed to detect certain red flags associated with identity theft. For example, the firm approved accounts for unrelated individuals with the same phone number or same email address, without taking any action to investigate. Additionally, the firm routinely failed to investigate accounts opened using the same device ID[2] or IP address. For instance, the firm opened roughly 80 accounts for foreign nationals who used two identical device IDs. After opening, each of these accounts transferred and then subsequently withdrew approximately $1,000 on the same day. In a separate instance, the firm also approved 91 accounts for foreign nationals using the same IP address. Each of those applicants listed an unverifiable employer and used a temporary email address domain. The firm also failed to implement a process to check whether multiple unrelated accounts were opened using the same social security number until August 2021. Despite these and other indicia of potential identity theft, the firm failed to timely update its ITPP in response to reports of potential identity theft, including customer account compromises.

In 2021, the firm began incorporating ITPP guidance into its WSPs and made further enhancements to its ITPP in 2022. In February 2023, the firm established a standalone ITPP procedure that provided guidance on preventing and mitigating identity theft, a list of red flags covering suspicious documentation, among other things, and procedures for investigating red flags of potentially suspicious transactions in customers' accounts.

By failing to develop and implement a reasonable ITPP, Webull violated Rule 201 of Regulation S-ID and FINRA Rule 2010.

[2] A device ID is a unique string of numbers and letters used by operating systems, applications, and networks to identify a specific physical smartphone, tablet, or computer.

C. Webull did not comply with, or reasonably supervise for compliance with, FINRA's best execution rule.

1. FINRA's Best Execution Rule

Broker-dealers have a longstanding and fundamental obligation to seek "best execution" of their customers' orders—that is, to seek the most favorable terms for their customers' orders that are reasonably available under the circumstances.

FINRA codified this best execution obligation in FINRA Rule 5310 and its Supplementary Material. FINRA Rule 5310(a)(1) provides that, "[i]n any transaction for or with a customer or a customer of another broker-dealer, a member . . . shall use reasonable diligence to ascertain the best market for the subject security and buy or sell in such market so that the resultant price to the customer is as favorable as possible under prevailing market conditions." FINRA Rule 5310(a)(1) identifies certain factors to consider in determining whether a member has used reasonable diligence, including (A) the character of the market for the security (*e.g.*, price, volatility, relative liquidity, and pressure on available communications); (B) the size and type of transaction; (C) the number of markets checked, (D) accessibility of the quotation; and (E) the terms and conditions of the order which result in the transaction, as communicated to the member. Under FINRA Rule 5310.09, if a member does not conduct an "order-by-order" review of execution quality, it must conduct "regular and rigorous" reviews of the execution quality of customer orders. The review must be conducted on a security-by-security, type-of-order basis (*e.g.*, limit order, market order, and market on open order).

FINRA Rule 5310.09(a) requires that, at a minimum, the member conduct regular and rigorous reviews on a quarterly basis and that firms consider whether, based on their business, more frequent reviews are needed. FINRA Rule 5310.09(b) provides that, "[i]n conducting its regular and rigorous review, a member must determine whether any material differences in execution quality exist among the markets trading the security and, if so, modify the member's routing arrangements or justify why it is not modifying its routing arrangements." Each member must "compare, among other things, the quality of the executions the member is obtaining via current order routing and execution arrangements . . . to the quality of the executions that the member could obtain from competing markets."

FINRA Rule 5310.09(b) identifies certain factors that should be considered in reviewing and comparing the execution quality of the member's current order routing and execution arrangements to the execution quality of competing markets, including: (1) price improvement (i.e., the difference between the execution price and the best quotes prevailing at the time the order is received by the market); (2) differences in price disimprovement (i.e., situations in which a customer receives a worse price at execution than the best quotes prevailing at the time the order is received by the market); (3) the likelihood of execution of limit orders; (4) the speed of execution; (5) the size of execution; (6) transaction costs; (7) customer needs and expectations; and (8) the existence of internalization or payment for order flow arrangements.

A violation of FINRA Rule 5310 also constitutes a violation of FINRA Rule 2010.

2. Webull failed to conduct reasonable regular and rigorous reviews of execution quality.

Webull provides commission-free online trading of equities and options to retail customers. At all relevant times, the firm has routed its customers' non-directed orders for execution to market makers and exchanges which provided either payment for order flow (PFOF) or rebates for that order flow.[3] Throughout the relevant period, the firm executed billions of equity shares and received PFOF.

From at least February 2020 to at least October 2025, Webull failed to review customer execution quality with the reasonable diligence required by FINRA Rule 5310(a) and failed to conduct reasonable regular and rigorous reviews as required by FINRA Rule 5310.09.

Throughout the relevant period, Webull had a best execution committee that met monthly. From at least February 2020 through June 2021, Webull's regular and rigorous reviews of execution quality only included the execution of orders the firm routed to its existing routing venues and did not include any data for the execution quality available at market centers to which it did not already route its order flow. Thus, the firm failed to compare the execution quality of its current order routing and execution arrangements to the execution quality the firm could have obtained from competing markets. Between July 2021 and April 2023, although Webull obtained a quarterly report from a third-party vendor containing execution quality statistics for market centers to which it did not route orders, the firm's best execution committee did not sufficiently review that data, including by failing to formulate analysis, conclusions or observations it made as a result of its review of that data, to compare the execution quality of its current order routing and execution arrangements to the execution quality at the market centers reflected in the third-party data or any other competing markets. In May 2023, the firm stopped obtaining the quarterly report from the third-party vendor. From May 2023 to at least May 2025, the firm did not compare the execution quality of its order routing and execution arrangements to the execution quality the firm could have obtained from competing markets, as required by FINRA Rule 5310.09.

The firm's reviews of the execution quality obtained from its existing routing venues was also not reasonably designed. Prior to March 2021, Webull did not review the execution quality it was receiving for non-marketable orders, which represented 60% to 70% of its order flow during that period. Additionally, prior to January 2023, Webull did not perform its reviews on a type-of-order basis and instead reviewed data aggregated across multiple order types, which meant that the firm could not reasonably evaluate differences in execution quality among its existing venues because differences in order types may have affected execution quality. Finally, from at least February 2020 to at least October

[3] A non-directed order is an order where the customer does not provide instructions as to the market venue where the customer wants the order to be sent for execution (*i.e.*, the choice of execution venue is determined by the broker-dealer receiving the order).

2025, Webull did not conduct its reviews on a security-by-security basis as required by FINRA Rule 5310.09.

Therefore, Webull violated FINRA Rules 5310(a), 5310.09, and 2010.

3. Webull did not reasonably supervise for best execution.

FINRA Rule 3110(a) requires members to establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable laws and regulations, and with applicable FINRA rules.

FINRA Rule 3110(b) requires members to establish, maintain, and enforce written procedures to supervise the types of business in which it engages and the activities of its associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules.

A violation of FINRA Rule 3110 also constitutes a violation of FINRA Rule 2010.

From at least February 2020 to at least October 2025, Webull's supervisory system was not reasonably designed to achieve compliance with the firm's best execution obligations. Webull relied upon the reviews of the best execution committee as its supervisory system for compliance with best execution obligations. As described above, from at least February 2020 to at least October 2025, the firm's reviews failed to consider whether it could have obtained better execution quality from competing markets and failed to reasonably consider the execution quality provided by the firm's existing routing arrangements.

From at least February 2020 to at least October 2025, the firm's WSPs related to best execution were also unreasonable. While the firm's WSPs generally restated the requirements of Rules 5310 and 5310.09, they did not provide any process or procedures for how the firm would conduct or document its best execution reviews, nor did they identify who was responsible for conducting the reviews. The WSPs did not require or describe security-by-security reviews, under what circumstances the firm should consider modifying order routing arrangements, or any process or procedures for evaluating the execution quality available at competing markets.

Therefore, Webull violated FINRA Rules 3110 and 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a censure;
- a $4,200,000 fine;
- Within 180 days of the date of the notice of acceptance of this AWC, a member of Respondent's senior management who is a registered principal of the firm shall

certify in writing that, as of the date of the certification, the firm has implemented remediation reasonably designed to address the ITPP and AML issues identified in this AWC and (1) implemented a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with Regulation S-ID and (2) developed and implemented a written AML program that complies with FINRA Rule 3310 regarding the CIP and AML issues identified in this AWC. The certification shall include or incorporate by reference, to the extent not already provided to FINRA, a narrative description and supporting exhibits sufficient to demonstrate Respondent's remediation and implementation. FINRA staff may request further evidence of Respondent's remediation and implementation, and Respondent agrees to provide such evidence. Respondent shall submit the certification to Myla G. Arumugam, Senior Counsel, 581 Main St., Suite 710 Woodbridge, NJ 07095, myla.arumugam@finra.org, with a copy to EnforcementNotice@finra.org. Upon written request showing good cause, FINRA staff may extend this deadline; and

- an undertaking to retain an independent consultant as described below.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. FINRA's Finance Department will contact Respondent regarding payment. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

1. Respondent has undertaken to do the following:

    a. Retain at its own expense and within 60 days of the date of the notice of acceptance of this AWC an independent consultant not unacceptable to FINRA to conduct a comprehensive review of the adequacy of Respondent's compliance with its best execution and related supervisory obligations, including but not limited to the adequacy of Respondent's systems, processes, WSPs, and supervisory reviews related to its compliance with FINRA Rules 5310 and 5310.09.

    b. Ensure that the independent consultant, any firm with which the independent consultant is affiliated or of which he or she is a member, and any person engaged to assist the independent consultant in performance of his or her duties, shall not have provided consulting, legal, auditing, or other professional services to, or had any affiliation with, Respondent during the two years prior to the date of the notice of acceptance of this AWC.

    c. Cooperate with the independent consultant in all respects, including providing the independent consultant with access to Respondent's files, books, records, and personnel, as reasonably requested for the above-mentioned review. Respondent

shall require the independent consultant to report to FINRA on its activities as FINRA may request and shall place no restrictions on the independent consultant's communications with FINRA. Further, upon request, Respondent shall make available to FINRA any and all communications between the independent consultant and the Respondent and documents examined by the independent consultant in connection with this review.

d. Refrain from terminating the relationship with the independent consultant without FINRA's written approval. Respondent shall not be in and shall not have an attorney-client relationship with the independent consultant and shall not seek to invoke the attorney-client privilege or other doctrine or privilege to prevent the independent consultant from transmitting any information, reports, or documents to FINRA;

e. Require the independent consultant to submit an initial written report to Respondent and FINRA at the conclusion of the independent consultant's review, which shall be no more than 120 days after the date of the notice of acceptance of this AWC. The initial report shall, at a minimum, (i) evaluate and address the adequacy of Respondent's systems, processes, WSPs, and supervisory reviews related to its compliance with FINRA Rules 5310 and 5310.09; (ii) provide a description of the review performed and the conclusions reached; and (iii) make recommendations as may be needed regarding how Respondent should modify or supplement its processes, controls, policies, systems, procedures, and training to manage its regulatory and other risks in relation to the firm's best execution obligations and related supervisory obligations; and

   (i) Within 60 days after delivery of the initial report, Respondent shall adopt and implement the recommendations of the independent consultant or, if Respondent considers a recommendation to be, in whole or in part, unduly burdensome or impractical, propose an alternative procedure to the independent consultant designed to achieve the same objective. Respondent shall submit such proposed alternative procedures in writing simultaneously to the independent consultant and FINRA.

   (ii) Respondent shall require the independent consultant to (A) reasonably evaluate the alternative procedures and determine whether it will achieve the same objective as the independent consultant's original recommendation and (B) provide Respondent and FINRA with a written report reflecting its evaluation and determination within 30 days of submission of any Respondent's proposed alternative procedures. In the event the independent consultant and Respondent are unable to agree, Respondent must abide by the independent consultant's ultimate determination with respect to any proposed alternative procedure and must adopt and implement all recommendations deemed appropriate by the independent consultant.

   (iii) Within 30 days after the issuance of the later of the independent consultant's

initial report or any written report regarding proposed alternative procedures, Respondent shall provide the independent consultant and FINRA with a written implementation report, certified by an officer of Respondent, attesting to, containing documentation of, and setting forth the details of Respondent's implementation of the independent consultant's recommendations. The certification shall identify the undertakings, provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. FINRA may make reasonable requests for further evidence of compliance, and Respondent agrees to provide such evidence.

f. Require the independent consultant to enter into a written agreement that, for the duration of the engagement and for a period of two years from the completion of the engagement, the independent consultant shall not enter into any other employment, consultant, attorney-client, auditing, or other professional relationship with Respondent, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such. Any firm with which the independent consultant is affiliated or of which it is a member, and any person engaged to assist the independent consultant in the performance of its duties pursuant to this AWC, shall not, without FINRA's prior written consent, enter into any employment, consultant, attorney-client, auditing, or other professional relationship with Respondent or any of Respondent's present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

2. Upon written request showing good cause, FINRA may extend any of the procedural dates set forth above.

The sanctions imposed in this AWC shall become effective on a date set by FINRA.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

A. To have a complaint issued specifying the allegations against it;

B. To be notified of the complaint and have the opportunity to answer the allegations in writing;

C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and

D. To appeal any such decision to the National Adjudicatory Council (NAC) and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

Respondent understands that:

A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;

B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and

C. If accepted:

1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;

2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;

3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and

4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing

in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.

D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this statement. This statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA.

The undersigned, on behalf of Respondent, certifies that a person duly authorized to act on Respondent's behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce Respondent to submit this AWC.

10/06/2026
Date

Anthony Denier
Webull Financial LLC
Respondent

Print Name: Anthony Denier

Title: CEO

Reviewed by:

Cheryl L. Haas
Cheryl L. Haas
Counsel for Respondent
McGuireWoods LLP
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Accepted by FINRA:

Signed on behalf of the
Director of ODA, by delegated authority

11/04/2026

Myla J. Arumugam

Date

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