FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2023077017201

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

RE: Penserra Securities, LLC (Respondent)
Member Firm
CRD No. 145994

Pursuant to FINRA Rule 9216, Respondent Penserra Securities, 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

Penserra is headquartered in Orinda, California and has been a FINRA member since 2008. The firm currently has three branch offices and employs 45 registered representatives. Penserra provides execution services for its customers, which consist primarily of institutional investors.[1]

OVERVIEW

From May 2022 through May 2024, Penserra sent approximately 41,000 inaccurate trade confirmations to its customers, which either (1) contained an average price disclosure when the trade was a single execution at a single price; or (2) failed to disclose that the price identified was, in fact, an average price. As a result, Penserra violated Rule 10b-10 of the Securities Exchange Act of 1934, and FINRA Rules 2232 and 2010.

Also from May 2022 through May 2024, Penserra failed to establish, maintain, and enforce a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with Exchange Act Rule 10b-10 and FINRA Rule 2322. Accordingly, Penserra violated FINRA Rules 3110 and 2010.

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

For these violations, Penserra is censured and fined $40,000.

FACTS AND VIOLATIVE CONDUCT

This matter originated from a cycle examination of Penserra.

Penserra sent trade confirmations to customers that failed to accurately disclose whether the price shown was an average price.

Trade confirmations protect investors who buy or sell securities through broker-dealers by, among other things, alerting them to potential conflicts of interest with their broker-dealers and providing them the means to verify the terms of their transactions and evaluate transaction costs and the quality of their broker-dealers' executions.

Exchange Act Rule 10b-10, promulgated under Section 10(b) of the Exchange Act, requires broker-dealers that effect securities transactions for customers to provide customers a confirmation, at or before completion of each transaction, disclosing certain basic terms of the transaction, such as the identity, price, number of shares of the security bought or sold, and the execution capacity of the broker-dealer.

In a 2005 No-Action Letter, the U.S. Securities and Exchange Commission Division of Trading and Markets staff published guidance on Exchange Act Rule 10b-10 that permits broker-dealers to send a single trade confirmation for single customer orders effected via multiple executions at multiple prices, so long as certain conditions are satisfied. If the price reflected on the trade confirmation is an average price, the broker-dealer is required to include certain disclosures on the confirmation, including a notation that the confirmed price is an average price and that details regarding the actual prices are available to the customer upon request.

FINRA Rule 2232(a) requires members, at or before the completion of any transaction in any security effected for or with an account of a customer, to provide such customer with written confirmations that conform with the requirements of Exchange Act Rule 10b-10.

A violation of the Exchange Act, an Exchange Act rule, or any FINRA rule also is a violation of FINRA Rule 2010, which requires members, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade.

Between May 2022 and May 2024, after receiving two written warnings from FINRA in 2020 and 2022 concerning the firm's prior issuance of inaccurate trade confirmations with respect to average price disclosures, Penserra issued approximately 41,000 trade confirmations to its institutional customers that were inaccurate in one of two respects. First, approximately 38,000 trade confirmations Penserra issued were inaccurate because they failed to disclose that the price identified was, in fact, an average price. These inaccuracies related to trades Penserra executed for certain institutional customers, who requested that Penserra combine price information from individual, partial executions into an average price on the resulting confirmations. For these customers' multi-price trades, the firm's operations team erroneously entered single, combined execution quantities for orders into the firm's allocation tool. As a result, the firm's allocation tool failed to identify these trades as occurring in multiple transactions at multiple prices and, thus, failed to include average price descriptors necessary to create accurate trade confirmations.

Second, approximately 3,000 additional trade confirmations Penserra issued in connection with single-execution, single-price transactions were inaccurate because they contained an average price disclosure, suggesting multiple executions. These inaccuracies were limited to trade confirmations generated by one business unit at the firm, and resulted from outdated blotter codes embedded in a legacy order management system used to execute transactions through that specific unit.

Therefore, Respondent violated Exchange Act Rule 10b-10 and FINRA Rules 2232 and 2010.

Penserra failed to reasonably supervise for compliance with trade confirmation requirements.

FINRA Rule 3110(a) requires member firms to establish and maintain a supervisory system, including written procedures, to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws, regulations, and FINRA rules. FINRA Rule 3110(b) requires member firms to establish, maintain, and enforce written procedures to supervise the types of business in which they engage and the activities of their 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 is also a violation of FINRA Rule 2010.

As noted above, FINRA warned Penserra in 2020 and 2022 that certain of its trade confirmations were inaccurate and violated Exchange Act Rule 10b-10 and FINRA Rule 2232, because they, among other things, contained average price disclosures when the orders were filled in single executions at a single price.

Although Penserra attempted to address FINRA's prior warnings, the firm nevertheless failed to reasonably remediate the issues and otherwise meet its supervisory obligations with respect to Exchange Act Rule 10b-10 and FINRA Rule 2232 during the relevant period. Penserra's written procedures failed to provide details on the processes, parameters and documentation required when reviewing trade confirmations for accuracy, and also failed to specify the frequency of those reviews. Also, Penserra's written procedures did not require reviews that were sufficiently broad in scope to identify potential errors in reporting both single-execution and multiple-execution trades on the firm's different platforms. As such, Penserra's supervisory system was not reasonably designed to identify inaccurate trade confirmations and the underlying causes of those inaccuracies.

After FINRA notified Penserra of the issues that are the subject of this AWC, the firm revised its supervisory system and procedures by, among other things, instituting new order entry procedures, adopting more detailed written procedures and providing staff training.

By failing to reasonably supervise for compliance with trade confirmation requirements, Respondent violated FINRA Rules 3110 and 2010.

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

- a censure and
- a $40,000 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. 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.

The sanctions imposed in this AWC shall be 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 understands and acknowledges that it is permitted to retain an attorney at its expense to review and provide legal advice regarding the AWC before agreeing to the language and signing the AWC; that FINRA does not represent or advise it and Respondent cannot rely on FINRA for legal advice; 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.

12/19/25
Date

Penserra Securities, LLC
Respondent

Print Name: Anthony Castelli

Title: Chief Operating Officer

Accepted by FINRA:

12/30/2025
Date

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

Jason Ross
Principal Counsel
FINRA
Department of Enforcement
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Dallas, TX 75243