

**NYSE AMERICAN LLC  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2017055996904**

TO: NYSE AMERICAN LLC

RE: Piper Sandler & Co., Respondent  
CRD No. 665

**During the period January 1, 2020 through March 31, 2020, Piper Sandler & Co. violated Rule 104 of Regulation M and NYSE American Rule 5190(e) – Equities by failing to provide written notice to NYSE American of its intention to conduct syndicate covering transactions in connection with one security offering. Piper Sandler & Co. consents to a censure and a fine of \$5,000.**

\* \* \*

Pursuant to Rule 9216 of the NYSE American LLC (“NYSE American” or the “Exchange”) Code of Procedure, Piper Sandler & Co. (“Piper” or the “Firm”) 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, NYSE American will not bring any future actions against the Firm alleging violations based on the same factual findings described herein.

**I. ACCEPTANCE AND CONSENT**

- A. Piper hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NYSE American, or to which NYSE American is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by NYSE American:

**BACKGROUND AND JURISDICTION**

1. Piper became a member of NYSE American in February 1988. The Firm is a full-service investment banking firm and broker-dealer. The Firm maintains its headquarters in Minneapolis, MN, and employs approximately 1,200 registered representatives across 56 branch offices. The Firm has no relevant disciplinary history.

**PROCEDURAL HISTORY**

2. This matter arises from a review by the Market Regulation Department of the Financial Industry Regulatory Authority, Inc. (“FINRA”). After receiving surveillance alerts indicating Piper failed to timely submit Regulation M-related

notifications, FINRA Offering Surveillance staff reviewed the Firm's compliance with Rule 104 of Regulation M of the Securities Exchange Act of 1934 (Rule 104) for the period January 1, 2020 through March 31, 2020 (the "review period").

## VIOLATIONS

### Syndicate Covering Transaction Notification

3. Regulation M is the SEC's principal anti-manipulation provision that applies to securities offerings and is used, in part, as a prophylactic measure to prevent distribution participants from: (a) influencing offerings in which it has an interest in a successful outcome and (b) conditioning the market in order to facilitate a distribution.
4. Rule 104(h)(2) of Regulation M requires any person effecting a syndicate covering transaction to provide prior notice to the self-regulatory organization with direct authority over the principal market in the U.S. security for which the syndicate covering transaction is effected.
5. NYSE American Rule 5190(e) – Equities requires member organizations that engage in a syndicate covering transaction in connection with an offering of a listed security pursuant to Rule 104 to provide written notice to the Exchange of its intent to conduct such activity prior to engaging in the first syndicate covering transaction.
6. From January 10, 2020 through February 4, 2020, the Firm engaged in syndicate covering transactions in connection with an offering of security "XX," a NYSE American-listed security, but failed to provide written notice of its intention to do so prior to engaging in the first syndicate covering transaction.<sup>1</sup>
7. This violation occurred due to clerical and administrative errors committed by the Firm.
8. Accordingly, in one instance, the Firm violated Rule 104 of Regulation M and NYSE American Rule 5190(e) – Equities.

## SANCTIONS

B. The Firm also consents to the imposition of the following sanctions:

1. **Censure and aggregate fine in the amount of \$85,000, of which \$5,000 is payable to NYSE American<sup>2</sup>**

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<sup>1</sup> A generic symbol is used in place of the name of the referenced security.

<sup>2</sup> The balance of the fine will be paid to the self-regulatory organizations referenced below.

Acceptance of this AWC is conditioned upon acceptance of similar settlement agreements in related matters between the Firm and each of the following SROs: (i) FINRA; (ii) The Nasdaq Stock Market LLC; and (iii) NYSE Arca, Inc.

The Firm agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. The Firm has submitted a Method of Payment Confirmation form showing the method by which it will pay the fine imposed.

The Firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

The Firm agrees that it shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made pursuant to any insurance policy, with regard to any fine amounts that the Firm pays pursuant to this AWC, regardless of the use of the fine amounts. The Firm further agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any fine amounts that the Firm pays pursuant to this AWC, regardless of the use of the fine amounts.

The sanctions imposed herein shall be effective on a date set by NYSE Regulation staff.

## **II. WAIVER OF PROCEDURAL RIGHTS**

The Firm specifically and voluntarily waives the following rights granted under the NYSE American Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against the Firm;
- B. To be notified of the Formal 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 Exchange's Board of Directors and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the Firm specifically and voluntarily waives any right to claim bias or prejudice of the Chief Regulatory Officer of NYSE American; the Exchange's Board of Directors, Disciplinary Action Committee ("DAC"), and Committee for Review ("CFR"); any Director, DAC member, or CFR member; Counsel to the Exchange Board of Directors or CFR; any other NYSE American employee; or any Regulatory Staff as defined in Rule 9120 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 acceptance or rejection of this AWC.

The Firm further specifically and voluntarily waives any right to claim that a person violated the ex parte communication prohibitions of Rule 9143 or the separation of functions prohibitions of

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**

The Firm understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed by NYSE Regulation, and accepted by the Chief Regulatory Officer of NYSE American pursuant to NYSE American Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the Firm; and
- C. If accepted:
  - 1. The AWC shall be sent to each Director and each member of the Committee for Review via courier, express delivery or electronic means, and shall be deemed final and shall constitute the complaint, answer, and decision in the matter, 10 days after it is sent to each Director and each member of the Committee for Review, unless review by the Exchange Board of Directors is requested pursuant to NYSE American Rule 9310(a)(1)(B);
  - 2. This AWC will become part of the Firm's permanent disciplinary record and may be considered in any future actions brought by the Exchange, or any other regulator against the Firm;
  - 3. NYSE American shall publish a copy of the AWC on its website in accordance with NYSE American Rule 8313;
  - 4. NYSE American may make a public announcement concerning this agreement and the subject matter thereof in accordance with NYSE American Rule 8313; and
  - 5. The Firm 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. The Firm may not take any position in any proceeding brought by or on behalf of the Exchange, or to which the Exchange is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the Firm's (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Exchange is not a party.

- D. A signed copy of this AWC and the accompanying Method of Payment Confirmation form delivered by email, facsimile or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy.
- E. The Firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The Firm understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. Any such statement does not constitute factual or legal findings by the Exchange, nor does it reflect the views of NYSE Regulation or its staff.

The Firm certifies that, in connection with each of the Exchange’s requests for information in connection with this matter, the Firm made a diligent inquiry of all persons and systems that reasonably had possession of responsive documents and that all responsive documents have been produced. In agreeing to the AWC, the Exchange has relied upon, among other things, the completeness of the document productions.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its 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 it 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 herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

July 20, 2021

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Date

Piper Sandler & Co.,  
Respondent

By: Bridget Wherley

Name: Bridget wherley

Title: Chief Compliance Officer

Reviewed by:

David S. Petron

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David S. Petron  
Sidley Austin LLP  
1501 K Street, NW  
Washington, DC 20005  
(202) 736-8093  
Counsel for Respondent

Accepted by FINRA

July 20, 2021

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Date

Carly M. Kostakos

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Carly M. Kostakos  
Senior Counsel  
FINRA, Department of Enforcement

Signed on behalf of NYSE American LLC,  
by delegated authority from its Chief  
Regulatory Officer