

**NEW YORK STOCK EXCHANGE LLC  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2017056726206**

TO: New York Stock Exchange LLC

RE: Credit Suisse Securities (USA) LLC, Respondent  
CRD No. 816

**Until September 2020 (the “Relevant Period”), Credit Suisse Securities (USA) LLC violated NYSE Rules 342 and 3110(a) and (b) (Supervision) by failing to establish and maintain a supervisory system, including written supervisory procedures (“WSPs”), reasonably designed to achieve compliance with federal securities laws and Exchange rules prohibiting various forms of manipulative and insider trading. Consent to a censure and a \$445,312.50 fine (resolved simultaneously with similar matters for a total fine of \$7,125,000).<sup>1</sup>**

\* \* \*

Pursuant to Rule 9216 of the New York Stock Exchange LLC (the “NYSE” or the “Exchange”) Code of Procedure, Credit Suisse Securities (USA) LLC (“Credit Suisse” 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, the NYSE will not bring any future actions against the Firm alleging violations based on the same factual findings described herein.

**I. ACCEPTANCE AND CONSENT**

- A. Credit Suisse 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 the NYSE, or to which the NYSE 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 the NYSE:

**BACKGROUND AND JURISDICTION**

1. Credit Suisse became a member of the NYSE in 1982, and its membership was terminated on May 15, 2024. During the Relevant Period, the Firm was headquartered in New York, New York and indirectly owned by Credit Suisse Group AG, a foreign bank based in Switzerland.<sup>2</sup> During the Relevant Period, the Firm provided brokerage,

---

<sup>1</sup> Those matters were brought by the Financial Industry Regulatory Authority, NYSE Arca, Inc., NYSE American LLC, Cboe Options Exchange, Inc., Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe C2 Exchange, Inc., NASDAQ Options Market LLC, NASDAQ Stock Market LLC, Nasdaq BX, Inc., and Nasdaq Phlx LLC (collectively, the “SROs”).

<sup>2</sup> UBS acquired Credit Suisse’s parent company in June 2023.

investment banking, research, and trading services to more than 300,000 institutional customer accounts. The Firm does not have any relevant disciplinary history.

## VIOLATIONS

### **Credit Suisse failed to surveil hundreds of millions of trade, order, and position records for potentially violative trading through September 2020.**

2. NYSE Rules 342 and 3110(a)<sup>3</sup> require member firms to establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable Exchange rules.
3. NYSE Rules 342 and 3110(b) require member firms 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 Exchange rules.
4. During the Relevant Period, Credit Suisse failed to establish and maintain a supervisory system and procedures reasonably designed to achieve compliance with federal securities laws and Exchange rules prohibiting various forms of manipulative and insider trading. These supervisory failures arose from flaws in two Firm systems that provided data to the Firm's surveillance systems for review and analysis, including surveillances designed to detect potential front running, layering, spoofing, watch list and restricted list trading, and the potential misuse of material non-public information. Despite red flags as early as 2013 that should have put the Firm on notice that one of the affected systems was not transmitting reliable data to the surveillance systems, the Firm did not begin to take remedial action until 2018 and did not fully correct the issues until September 2020.
5. Credit Suisse's system for monitoring trading relied on surveillance units to review reports from automated surveillance systems designed to detect, among other things, various forms of potentially manipulative trading. Many of the surveillance systems used by the Firm and its affiliates, in turn, relied on a Credit Suisse global proprietary database known as the Legal and Compliance Database (the "LCDB") to supply them with the necessary transactional and related data generated by Credit Suisse's systems and received from external data sources. The LCDB supplied data to surveillance systems that generated more than 60 different surveillance reports, including those used by (i) Credit Suisse's Information Barrier Surveillance Unit (the "IBSU"), which monitored for trading involving securities on the Firm's restricted list and watch list and the potential misuse of material non-public information, and (ii) the Trade Surveillance Unit (the "TSU"), which monitored for potential manipulative trading such as front running, wash trades, spoofing, and layering.

---

<sup>3</sup> NYSE Rule 3110 superseded NYSE Rule 342, effective November 6, 2014.

6. During the Relevant Period, hundreds of millions of trade and order records were not sent to the IBSU and TSU surveillance reports for review and analysis. The failures stemmed from two causes. First, the LCDB did not receive from Agora, one of Credit Suisse's order management systems, data concerning approximately 440 million equity trades. These omissions were caused by a software update to Agora, which affected an extractor application (the "Agora extractor") used to retrieve trading records from Agora for transmission to the LCDB.
7. Second, beginning no later than January 2015, the LCDB failed to process an estimated 480 million trade, order, and position records. Instead of sending the required data to the relevant surveillance systems, the LCDB stored the data in its own electronic repository, known as the "Orphan File." During the Relevant Period, approximately 550,000 trades, orders, or positions were sent to the Orphan File each day. As discussed below, the Firm had no supervisory system or procedure requiring the Orphan File to be reviewed, and no Firm personnel ever reviewed it for any surveillance purpose until June 2018.
8. As a result of data missing from its IBSU and TSU surveillance systems, Credit Suisse did not detect and investigate numerous instances of potentially violative trading. For example, based on a sampling of data in the LCDB's Orphan File, on an annual basis during the Relevant Period, the Firm did not review tens of thousands of end-of-day orders for potential marking the close activity and millions of canceled orders for potential spoofing or layering. The Firm's surveillance reports also did not detect specific instances of potentially manipulative trading by Firm customers during the Relevant Period including instances of potential spoofing, marking the open, wash trades, and the potential misuse of material non-public information.

**The Firm's supervisory system and procedures were not reasonably designed to achieve compliance with applicable laws and rules.**

9. The LCDB and Agora, which supplied equity trading data to the LCDB, were critical components of the Firm's surveillance and supervision of trading. The Firm's supervisory system, however, was not reasonably designed to prevent or detect gaps or omissions in LCDB and Agora data.
10. The Firm did not reasonably test how the Agora software update would affect the Agora extractor and its ability to supply data to the LCDB. During the Relevant Period, the Firm also had no system or procedure to monitor whether the Agora extractor retrieved all relevant data from Agora, despite the important function that the extractor performed in supplying data to the LCDB. Thus, the data omissions caused by the extractor's inability to retrieve certain trades from Agora following the software update were not timely identified.
11. Although the IBSU and TSU surveillance reports were highly dependent on the LCDB for data, the Firm had no system or procedure to monitor the accuracy and completeness of the data that the LCDB supplied to the Firm's surveillance systems.

12. Moreover, the Firm’s supervisory system and procedures did not require any review of the Orphan File. As discussed above, the Orphan File contained substantial information concerning transactions omitted from the Firm’s surveillance reports, such as order codes, share quantities, and execution dates and times. The Orphan File was a potential resource for the Firm to use in conjunction with its surveillances, but no Firm personnel reviewed it for any surveillance purpose until June 2018.

**The Firm also failed to reasonably respond to red flags.**

13. From 2013 through 2016, Credit Suisse was repeatedly notified that the LCDB failed to supply accurate and complete data to the Firm’s surveillance systems, thus hindering the Firm’s ability to effectively surveil for potentially violative trading. The Firm failed to respond reasonably to these notifications.
14. Four Firm audits conducted during this period identified that the LCDB was omitting data and that the Firm lacked controls to address the LCDB issues. First, in 2013, a Firm audit of the TSU found that a large volume of trades had been improperly excluded from TSU surveillance reports, and concluded that the LCDB lacked appropriate safeguards to ensure that it supplied complete and accurate data to the Firm’s surveillance reports. Second, a 2015 surveillance audit found that the data supplied by the LCDB to the Firm’s surveillance reports suffered from “shortcomings” and “risks.” Third, a separate 2015 audit of the Firm’s insider trading surveillances observed that there were “known issues with the quality of data provided by the [LCDB]” to these surveillance reports. Fourth, a Firm audit of the LCDB in 2016 concluded that the LCDB lacked “sufficient controls” to ensure the accuracy and completeness of the data disseminated to the Firm’s surveillances.
15. The firm’s efforts to address these audit findings included retaining an outside consultant. In 2015, the outside consultant recommended that the LCDB be replaced because of the risks it posed to the Firm’s regulatory and compliance program. Nevertheless, until 2018, the Firm had not made material progress to replace the LCDB with a new database, and it did not substantially complete the replacement until September 2020.
16. As a result of the foregoing, Credit Suisse violated NYSE Rules 342 and 3110(a) and (b).

**SANCTIONS**

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

**Censure and fine in the amount of \$445,312.50 (resolved simultaneously with similar matters for a total fine of \$7,125,000).<sup>4</sup>**

The Firm agrees to pay the monetary sanction(s) upon notice that this AWC has been

---

<sup>4</sup> Those matters were brought by the SROs.

accepted and that such payment(s) are 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(s) imposed in this matter.

The sanctions herein are imposed pursuant to NYSE Rule 8310 and 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 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 prejudgment of the Chief Regulatory Officer of the NYSE; 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 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 the NYSE pursuant to NYSE 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 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. The NYSE shall publish a copy of the AWC on its website in accordance with NYSE Rule 8313;
  - 4. The NYSE may make a public announcement concerning this agreement and the subject matter thereof in accordance with NYSE 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.

12/8/25  
Date

Credit Suisse Securities (USA) LLC,  
Respondent

By: Jaclyn Barnao  
Jaclyn Barnao  
Managing Director, UBS Global Litigation  
Americas

12/8/25  
Date

Credit Suisse Securities (USA) LLC,  
Respondent

By: Jennifer Huffman  
Jennifer Huffman  
Executive Director, UBS Global Litigation  
Americas

Reviewed by:

Andrew J. Geist 12/8/25

Andrew J. Geist, Esq.  
O'Melveny & Myers LLP  
1301 Avenue of the Americas  
New York, NY 10019  
Counsel for Respondent

Accepted by FINRA

December 9, 2025

\_\_\_\_\_  
Date



\_\_\_\_\_  
Gerald W. Sawczyn  
Director  
FINRA, Department of Enforcement

Signed on behalf of New York Stock  
Exchange LLC, by delegated authority from  
its Chief Regulatory Officer