

FINANCIAL INDUSTRY REGULATORY AUTHORITY

In the Matter of the

Continued Membership

of

Deutsche Bank Securities, Inc.
(CRD No. 2525)

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

SD-2190

Date: **January 14, 2020**

I. Introduction

On February 27, 2018, Deutsche Bank Securities, Inc. (“DBSI” or “Firm”) submitted a Membership Continuance Application (“Application”) to FINRA’s Department of Registration and Disclosure (“RAD”).¹ The Application seeks to permit the Firm, a FINRA member subject to statutory disqualification, to continue its membership with FINRA notwithstanding its disqualification. A hearing was not held in this matter. Rather, pursuant to FINRA Rule 9523(b), FINRA’s Department of Member Regulation (“FINRA” or “Member Regulation”) 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

DBSI is subject to statutory disqualification, as that term is defined in Section 3(a)(39)(F) of the Exchange Act, incorporating by reference Section 15(b)(4)(D), as the result of a February 1, 2018 order (“CFTC Order”) issued by the Commodity Futures Trading Commission (“CFTC”)² finding that the Firm willfully violated certain anti-fraud and anti-manipulation provisions of the Commodity Exchange Act (“CEA”), specifically Sections 6(c), 6(d) and 9(a)(2) of the CEA, 7 U.S.C. §§ 9, 13b and 13(a)(2) (2006) and, for conduct occurring on or after August 15, 2011, Sections 6(c)(1), 6(c)(1)(A), 6(c)(3) and 6(d), 7 U.S.C. §§ 9(1), 9(3), 13b (2012) and CFTC Regulations 180.1(a) and 180.2, 17 C.F.R. §§ 180.1(a) and 180.2 (2017).³

¹ See MC-400A Application and related exhibits, compiled by FINRA’s RAD and provided to the parties and FINRA’s Office of General Counsel, pursuant to FINRA Procedural Rule 9524(a)(3), with a cover memorandum dated March 6, 2018 and an email update to the Firm’s answers dated January 9, 2020 (attached as Exhibit 1).

² See CFTC Order, *In the Matter of Deutsche Bank Securities, Inc.*, CFTC Docket No. 18-09 (Feb. 1, 2018), Exhibit 1 at pp. 1075-1100.

³ *Id.* at p. 1091. While the CFTC Order does not specify that the violations as “willful,” they are considered willful violations of the CEA because, as more fully articulated in the CFTC Order, to prove attempted manipulation under

According to the CFTC Order, from at least as early as January 2007 through May 2012, “DBSI, by and through certain of its traders, attempted to manipulate the U.S. Dollar International Swaps and Derivatives Association Fix (“ISDAFIX”), a leading global benchmark referenced in a range of interest rate products, to benefit its derivative positions.”⁴ In particular, the CFTC found that on certain days on which DBSI had a trading position concerning the ISDAFIX, DBSI attempted to manipulate that benchmark by making “false, misleading, or knowingly inaccurate” submissions to a leading interest rate swaps brokering firm to skew the benchmark to benefit its positions.⁵ These submissions were “false, misleading or knowingly inaccurate” because they did not reflect where DBSI would bid or offer interest rate swaps to a dealer of good credit at the appropriate time, but instead were submitted with the intent to benefit the Firm’s specific positions.⁶ The CFTC also found that DBSI bid, offered, and executed transactions at or near the ISDAFIX’s “fixing time” in whatever direction benefitted its trading positions.⁷ Finally, the CFTC found that DBSI had inadequate controls and procedures concerning the submission process and trading at the ISDAFIX fixing time to deter this conduct, and upon notification of an attempted manipulation, failed to take any corrective action.⁸

The CFTC Order required DBSI to: (i) cease and desist violating the above-referenced CEA provisions and regulations; (ii) pay a civil monetary penalty of \$70 million;⁹ and (iii) to comply with certain undertakings including implementing or improving its internal controls and procedures to ensure the integrity of the Firm’s participation in any interest-swap benchmark, and cooperate fully with the CFTC in any investigation or other action instituted by the CFTC for at least 3 years, or until all related investigations and litigations are concluded, whichever time period is longer.¹⁰ In addition, DBSI is required to: (i) undertake certain remediation efforts to the extent not covered by its previously initiated corrective measures; (ii) submit, within 120 days of the entry of the CFTC Order, a report to the CFTC concerning the status of its remediation efforts before and since the entry of the CFTC Order;¹¹ and (iii) submit, within 365 days of the entry of

CEA Sections 9(a)(2) and 6(c)(3) and Regulation 180.2 requires an intent to affect market price, and an overt act in furtherance of that intent. Thus, these anti-manipulation provisions of the CEA are deemed willful violations. *Id.* at p. 1087-1088.

⁴ *Id.* at p. 1076. The ISDAFIX rate is used to indicate the prevailing mid-market rate, to value cash settlement of options on interest rate swaps, and as a valuation tool for a variety of products across financial markets. *Id.*

⁵ *Id.* at p. 1076-1077.

⁶ *Id.* at p. 1077.

⁷ During the Relevant Period, the first step in setting the ISDAFIX each day was the Swaps Broker collecting and disseminating swap rates and spreads (sometimes known as the “fix”) to the market at 11 a.m. Eastern Time. Reporting false submissions to the Swaps Broker could move the ISDAFIX to benefit a participant’s trading positions. *Id.* at p. 1076-1077.

⁸ *Id.* at p. 1077.

⁹ FINRA staff received documentation from DBSI confirming its timely payment of the civil penalty (attached as Exhibit 2).

¹⁰ Exhibit 1 at p. 1095-1098.

¹¹ See Firm’s interim report submitted to the CFTC (attached as Exhibit 3).

the CFTC Order, a report and related certification from a representative of the Firm's executive management explaining how DBSI has complied with the CFTC Order's undertakings.¹²

III. Background Information

DBSI is based in New York, New York and has been a FINRA member since March 1940.¹³ According to the Firm's Central Registration Depository ("CRD") record, DBSI has nine branch offices, eight of which are Offices of Supervisory Jurisdiction, and employs 2,239 registered individuals, 420 of which are registered principals. The Firm represented, and FINRA confirmed, that it does not currently employ any statutorily disqualified individuals.¹⁴

DBSI 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 retailer; U.S. government securities dealer; U.S. government securities broker; municipal securities dealer; municipal securities broker; put and call broker or dealer or option writer; investment advisory services; trading securities for own account; private placements of securities; broker or dealer selling interests in mortgages or other receivables; and effects transactions in commodity futures, commodities, commodity options as broker for others or dealer for own account.¹⁵

DBSI is a member of the following self-regulatory organizations ("SROs"): BOX Options Exchange LLC ("BOX"); Cboe BYX Exchange, Inc. ("BYX"); Cboe BZX Exchange, Inc. ("BZX"); Cboe C2 Exchange, Inc. ("C2"); Cboe EDGA Exchange, Inc. ("EDGA"); Cboe EDGX Exchange, Inc. ("EDGX"); Cboe Exchange, Inc. ("CBOE"); Investors' Exchange LLC ("IEX"); MIAX Emerald, LLC ("MIAX Emerald"); MIAX Pearl, LLC ("MIAX Pearl"); Miami International Securities Exchange, LLC ("MIAX Options"); NYSE American LLC ("NYSE-AMER"); NYSE Arca, Inc. ("NYSE-ARCA"); NYSE Chicago, Inc. ("NYSE-CHI"); NYSE National, Inc. ("NYSE-NAT"); Nasdaq BX, Inc. ("BX"); Nasdaq GEMX, LLC ("ISE GEMX"); Nasdaq ISE, LLC ("ISE"); Nasdaq MRX, LLC ("ISE MRX"); Nasdaq PHLX LLC ("PHLX"); Nasdaq Stock Market ("NQX"); New York Stock Exchange ("NYSE").¹⁶ DBSI is also a member of the Municipal Securities Rulemaking Board ("MSRB"), the Depository Trust Company

¹² *Id.*

¹³ See Exhibit 1 at p. 1068-1069.

¹⁴ *Id.* at p. 1070. FINRA confirmed this through an analysis of the Firm's information contained in CRD, last performed on January 10, 2020.

¹⁵ See CRD Excerpt for DBSI: Types of Business (attached as Exhibit 4).

¹⁶ See CRD Excerpt for DBSI: Organization Registration Status (attached as Exhibit 5).

(“DTC”), the Fixed Income Clearing Corp. (“FICC-Gov”), and the National Securities Clearing Corp. (“NSCC”).¹⁷

Recent FINRA Examinations

A. Routine Examinations

In the past two years, FINRA completed five routine and nine non-routine examinations of the Firm. The most recent routine examination was completed in June 2019 (revised August 2019).¹⁸ The Firm was issued a Cautionary Action for two of the eight exceptions noted. The two exceptions related to the Firm inappropriately appending a Principal Transaction Indicator to a Trade Reporting and Compliance Engine (TRACE) report and failing to perform a review to identify those entities that would meet the definition of “non-member” affiliate.¹⁹

The examination completed in February 2019 resulted in a Cautionary Action for the eight exceptions noted.²⁰ The exceptions related to, among other things, the Firm’s failure to comply with its records retention requirements, to supervise, approve and track changes to clients account data, maintain an adequate process to ensure that the appropriate moment-to-moment haircut was taken on high yield underwriting commitments, to allocate certain costs in computing its net capital, and to establish and enforce controls related to options transactions.²¹

The examination completed on February 8, 2018²² resulted in a Cautionary Action for one of the five exceptions related to the Firm’s reporting of Options positions; another of the exceptions related to the Firm’s supervisory processes for an order-by-order review of manually handled options orders was referred to FINRA’s Market Regulation for further review and disposition.²³ Three exceptions related to an Equities examination of the Firm were closed without further action.

Lastly, FINRA completed two examinations on January 8, 2018. One examination (“NYSE examination”)²⁴ was conducted on behalf of two SROs pursuant to Regulatory Service

¹⁷ Membership in these organizations was verified by FINRA staff through a search of public MSRB, DTC, and NSCC member directories, last performed January 10, 2020.

¹⁸ See Disposition Letter for examination no. 20180571835 dated June 20, 2019 (Revised August 13, 2019), the Examination Report dated May 22, 2019 and the Firm’s Response dated June 6, 2019 (collectively attached as Exhibit 6).

¹⁹ *Id.*

²⁰ See Disposition Letter for examination no. 20180564220 dated February 20, 2019, the Examination Report dated November 15, 2018 and the Firm’s Response dated December 14, 2018 (collectively attached as Exhibit 7).

²¹ *Id.*

²² See Disposition Letter for examination nos. 20170531334 and 20170530888 dated February 8, 2018, the Examination Report dated December 15, 2017 and the Firm’s Response dated January 3, 2018 (collectively attached as Exhibit 8).

²³ This exception is being investigated under Matter No. 20170531334 and remains open.

²⁴ See Disposition Letter for examination no. 20170527713 dated January 8, 2018, the Examination Report dated October 24, 2017 and the Firm’s Response dated October 31, 2017 (collectively attached as Exhibit 9).

Agreements and the other examination was a routine Financial/Operational and Sales Practice examination.²⁵ The Firm was issued a Cautionary Action for one of the two exceptions noted in the NYSE examination. This exception related to the Firm's failure to address the supervision and documentation of NYSE floor errors; the other exception was close without further action. There were five exceptions noted on the Financial/Operational and Sales Practice examination, one of which was referred to FINRA's Department of Enforcement ("DOE") for further investigation and disposition;²⁶ the Firm was issued a Cautionary Action for the remaining four exceptions. These exceptions related to the Firm's failure to maintain records in the United States, maintain trade activity records, maintain an effective control process to ensure security and non-security accounts are properly netted for accurate net capital reporting, and maintain a formalize process to review on-boarded accounts.

B. Non-Routine Examinations

The Firm was issued a Cautionary Action for each of the nine non-routine examinations conducted.²⁷ These examinations focused on the Firm's purchase of a covered security during a restricted period; supervisory processes, systems and procedures in connection with the delivery of disclosure documents at the time of purchase of ETPs; purchase and sale transactions effected in the municipal securities to the Real-time Transaction Reporting System ("RTRS"); compliance with Municipal Advisor rules in the context of its secondary market sales and trading relationships with municipal entity ("ME") accounts; compliance with the Trade-At Prohibition; communication with customers regarding the execution of transactions at an average price; the reporting of mandatory indicator coder to RTRS; the accuracy and completeness of the Firm's order memoranda for options orders; and reporting of new issue offerings to TRACE. The Firm responded in writing that it implemented corrective measures for the noted deficiencies.

Regulatory Actions

In the past two years, DBSI has been the subject of 11 disciplinary matters resulting in 11 Letters of Acceptance, Waiver and Consent ("AWCs"), and three decisions issued by FINRA on behalf of FINRA and several other SROs; two AWCs issued by the NYSE; one AWC issued by NASDAQ; one order issued by the CFTC; and three orders issued by the Securities and Exchange Commission ("SEC").

²⁵ See Disposition Letter for examination no. 20170524639 dated January 8, 2018, the Examination Report dated November 8, 2017 and the Firm's Response dated December 5, 2017 (collectively attached as Exhibit 10).

²⁶ This exception is being investigated under Matter No. 20170556919 and remains open.

²⁷ See Disposition Letters and Firm Responses thereto for Cause Examinations Nos.: 20160508089 (October 25, 2019); 20160491118 (March 29, 2019); 20170562109 (January 24, 2019); 20170561248 (December 19, 2018); 20180588666 (August 16, 2018); 20160486095 (June 22, 2018); 20170540170 (April 17, 2018); 20150443242 (November 6, 2017); and 20160518542 (October 24, 2017) (collectively attached as Exhibit 11).

A. FINRA Actions²⁸

These FINRA disciplinary actions addressed misconduct concerning: the Firm's failure to, among other things, maintain a continuous two-sided trading interest during regular market hours at prices within certain percentages away from the National Best Bid or Offer; to have reasonable supervisory procedures in place that resulted in numerous Order Audit Trail System (OATS) and equity trade reporting violations; comply with rules pertaining to handling intermarket sweep orders ("ISOs"); to establish, maintain, and enforce written supervisory procedures, and a system reasonably designed to prevent and detect violations of securities laws and regulations governing books and records requirements concerning documenting transmission times for orders sent to third-party broker-dealers for execution by floor brokers, and documenting the correct time of execution on brokerage order memoranda; and comply with TRACE requirements. The Firm was censured in all these matters, ordered to pay fines ranging from \$22,500 to \$1.4 million and, in certain cases, ordered to comply with certain undertakings concerning its relevant procedures and/or systems.²⁹

B. NYSE Actions³⁰

The first NYSE action addressed the Firm's submission of trades with inaccurate account type identifiers for comparison and/or settlement, and failing to implement adequate supervisory systems for this issue. The Firm was censured and fined \$100,000. The second NYSE action addressed the Firm's failure to establish and maintain reasonably designed procedures for the review of electronic communications. The Firm was censured and fined \$65,000.

C. NASDAQ Action³¹

The NASDAQ action addressed the Firm's violation of Rule 101 of Regulation M, acting as a distribution participant executing transactions in a covered security during a restricted period, and the Firm's failure to establish and maintain reasonably designed written supervisory procedures to achieve compliance with the Rule. The Firm was censured and fined \$2,500.

²⁸ See FINRA Actions, matter nos. 20160511383-01 (November 6, 2018); 20140418941-01 (June 27, 2018); 20130379938-01 (May 1, 2018), 20130379938-02, 20130379938-03, 20130379938-04, 20130379938-05 (April 13, 2018), 20130379938-06 (April 27, 2018); 20150443242 (February 13, 2018), 20150443242-01 (February 13, 2018), 20150443242-02 (February 16, 2018), 20150443242-03 (February 13, 2018); and 20150443249-01 (December 13, 2017) (collectively attached as Exhibit 12).

²⁹ All fines stemming from these AWCs have been paid in full and the Firm has complied with the ordered undertakings.

³⁰ See NYSE AWC No. 2019-03-00039 dated November 13, 2019, and NYSE AWC No. 2017-05-00037 dated August 21, 2018 (collectively attached as Exhibit 13).

³¹ See NASDAQ AWC No. 2016050808901 dated November 8, 2019 (attached as Exhibit 14).

D. CFTC Action³²

The CFTC action addressed the Firm's failure to diligently supervise its agents and employees who were engaged in a scheme to manipulate the price of precious metals futures contracts by utilizing a variety of manual spoofing techniques. Consequently, DBSI was held jointly and severally liable, with its parent company, to pay a civil monetary penalty in the amount of \$30,000,000 and to comply with certain undertakings relating to, among other things, maintain systems and controls reasonably designed to detect spoofing activity by its traders and provide training, at least annually, addressing the legal requirements with respect to spoofing.³³

E. SEC Actions

In addition to the above, in the past two years the Firm was also subject to statutory disqualification as a result of the following SEC orders:

On March 11, 2019, the SEC issued an order finding that DBSI willfully violated Sections 206(2) and 207 of the Investment Advisers Act of 1940 through breaches of fiduciary duty and inadequate disclosures by its registered investment adviser in connection with mutual fund share class selection practices and the fees it received. The Firm was censured, ordered to pay disgorgement of \$2,657,063.46 and prejudgment interest of \$314,399.39, and to comply with certain undertakings.³⁴

On July 20, 2018, the SEC issued an order finding that DBSI failed to reasonably supervise its associated persons within the meaning of Section 15(b)(4)(E) of the Exchange Act by allowing them to engage in improper practices with respect to securities lending transactions involving pre-released American Depositary Receipts. The SEC ordered the Firm to pay disgorgement of \$955,506.60, prejudgment interest of \$155,006.02 and a civil penalty of \$497,753.30.³⁵

On February 12, 2018, the SEC issued an order finding that DBSI failed to reasonably supervise its traders and salespersons, within the meaning of Section 15(b)(4)(E) of the Exchange Act, to prevent and detect violations of the antifraud provisions of the federal securities laws in connection with DBSI's secondary market transactions in non-agency commercial mortgage-backed securities. The SEC ordered the Firm to make payments to customers in the aggregate amount of

³² See *In the Matter of Deutsche Bank AG and Deutsche Bank Securities, Inc.*, CFTC Docket No. 18-06 dated January 29, 2018 (attached as Exhibit 15). The Firm complied with all the terms of this order, and therefore was not required to file an Application because the sanctions were no longer in effect.

³³ The Firm represents to FINRA it is in compliance with the ordered undertakings.

³⁴ See *In the Matter of Deutsche Bank Securities, Inc.*, SEC Admin. Proc. No. 3-19100, SEC Rel. No. IA-5197 dated March 11, 2019 (attached as Exhibit 16). The Firm complied with all of the terms of this order, and therefore was not required to file a MC-400A Application because the sanctions are no longer in effect.

³⁵ See *In the Matter of Deutsche Bank Securities, Inc.*, SEC Admin. Proc. No. 3-18606, SEC Rel. No. 34-83677 dated July 20, 2018 (attached as Exhibit 17). The Firm complied with all of the terms of this order, and therefore was not required to file a MC-400A Application because the sanctions are no longer in effect.

\$3,729,743 (Remediation), pay a civil money penalty in the amount of \$750,000 and comply with undertakings related to the disbursement of the Remediation.³⁶

F. Other Statutory Disqualification Matters

On December 16, 2016, the SEC issued an order in which it found that the Firm willfully violated Section 17(a)(2) of the Securities Act of 1933 and Rule 301(b)(2) of Regulation ATS in making material misstatements and omissions concerning its electronic equities order routing services and failing to update its Form ATS.³⁷ The SEC censured the Firm, ordered it to cease and desist from committing or causing any violations or future violations of Section 17(a)(2) and Rule 301(b)(2), and pay a civil penalty of \$18.5 million.³⁸ At or about the same time, the Firm also settled a parallel investigation by the New York Attorney General's office related to the same conduct by agreeing to pay the State of New York \$18.5 million.³⁹

On October 12, 2016, the SEC issued an order in which it found that the Firm willfully violated Sections 15(g) and 17(a) of the Exchange Act and Rule 17a-4 thereunder as well as Rule 501 of Regulation AC for various actions related to its equity research business and recordkeeping related thereto.⁴⁰ The SEC censured the Firm, ordered it to cease and desist from committing or causing any violations or future violations of Sections 15(g) and 17(a) and Rules 17a-4 and 501, and pay a civil penalty of \$9.5 million.⁴¹

Prior SEA Rule 19h-1 Notices

FINRA previously filed a Rule 19h-1 Notice on December 17, 2014, approving DBSI's continued membership. FINRA approved the Firm's continued membership after it became subject to statutory disqualification resulting from a June 9, 2009 consent judgment enjoining the Firm from violating the federal securities laws. The SEC acknowledged FINRA's Notice on January 28, 2015.

³⁶ See *In the Matter of Deutsche Bank Securities, Inc. and Benjamin Solomon*, SEC Admin. Proc. No. 3-18367, SEC Rel. No. 34-82686 dated February 12, 2018 (attached as Exhibit 18). The Firm complied with all of the terms of this order, and therefore was not required to file a MC-400A Application because the sanctions are no longer in effect.

³⁷ See *In the Matter of Deutsche Bank Securities Inc.*, SEC Admin. Proc. No. 3-17730; SEC Rel. No. 34-79576 dated December 16, 2016 (attached as Exhibit 19).

³⁸ The Firm complied with all of the terms of this order, and therefore, a MC-400A Application was not required because the sanctions are no longer in effect.

³⁹ See Settlement Agreement, *In the Matter of Deutsche Bank Securities Inc.* dated December 15, 2016 (attached as Exhibit 20). As with the related SEC order, the Firm complied with all of the terms of this settlement, and therefore was not required to file an Application because the sanctions were no longer in effect.

⁴⁰ See *In the Matter of Deutsche Bank Securities, Inc.*, SEC Admin. Proc. No. 3-17622, SEC Rel. No. 34-79083 dated October 12, 2016 (attached as Exhibit 21).

⁴¹ The Firm complied with all of the terms of this order, and therefore was not required to file an Application because the sanctions are no longer in effect.

IV. The Firm's Proposed Continued Membership with FINRA and Plan of Supervision

DBSI seeks to continue its membership with FINRA notwithstanding its status as a statutorily disqualified member. In accordance with the agreed undertakings set forth in the Order, the Firm timely filed its initial report, due within 120 days following entry of the Order, concerning the status of the Firm's efforts to implement the undertakings.

DBSI has agreed to the following Plan of Supervision as a condition of its continued membership with FINRA:⁴²

1. Retain documentation evidencing the Firm's implementation of each of the corrective measures relating to its participation in benchmarks as represented in Section VII.C of the CFTC Order until the undertakings specified in the CFTC Order are complete. Such documentation shall be segregated for ease of review during any statutory disqualification examination;
2. Implement and maintain written procedures to effectuate the corrective measures relating to its participation in benchmarks as represented in Section VII.C of the CFTC Order. Such procedures shall be available for review during any statutory disqualification examination;
3. Comply with the undertakings specified in Section VII.C of the CFTC Order;
4. Provide Member Regulation with copies of correspondence between the Firm and CFTC staff regarding any request to extend the procedural dates relating to the undertakings in the CFTC Order;
5. Provide Member Regulation with a copy of the certifications and all supporting documentation that will be provided to the CFTC upon completion of the undertakings as specified in the CFTC Order; and
6. All requested documents and certifications under this Plan of Supervision shall be sent directly to:

Statutory Disqualification Group
FINRA
9509 Key West Ave
Rockville, MD 20850
SDMailbox@finra.org

V. Discussion

After carefully reviewing the 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 DBSI's Application, FINRA assessed whether the Firm has demonstrated that its continued

⁴² See executed copy of the Plan of Supervision dated September 24, 2018 (attached as Exhibit 22).

membership is consistent with the public interest and, as of the time of the filing of this Notice, does not create an unreasonable risk of harm to investors or the markets.⁴³ Typically, factors that bear on FINRA’s assessment include the nature and gravity of the disqualifying misconduct, time elapsed since its occurrence, 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 DBSI’s continued membership is consistent with the public interest and does not create an unreasonable risk of harm. While the Order at issue involves serious violations of the federal securities laws, the CFTC, through its Order, required the Firm to take appropriate remedial actions. Specifically, the undertakings address the areas where the Firm failed to prevent misconduct and regulatory non-compliance, and bolster the Firm’s training, controls, and processes pertaining to its participation in benchmarks – including interest-rate swap benchmarks – in order to effectively monitor and deter potential misconduct.

Moreover, the undertakings set forth in the CFTC Order, as well as the Firm’s Plan of Supervision, will continue to provide oversight of the Firm’s compliance in the aforementioned relevant areas for several years. 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.

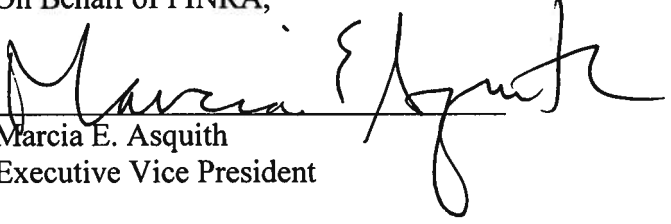
In addition, FINRA conducted a review of the Firm’s regulatory history and recent disciplinary actions, and found that, as of the date of this Notice, the Firm has paid all fines, and complied with all undertakings ordered by various regulators; none of these matters would prevent the continuance of the Firm as a FINRA member. Thus, FINRA is satisfied, based on the foregoing and on the Firm’s representations made pursuant to the Plan of Supervision that the Firm’s continued membership in FINRA does not create an unreasonable risk of harm to the market or investors. Accordingly, FINRA approves DBSI’s Application to continue its membership in FINRA.

FINRA certifies that the Firm meets all qualification requirements and represents that the Firm is registered with several other SROs including BOX, BYX, BZX, C2, EDGA, EDGX, CBOE, IEX, MIAX Emerald, MIAX Pearl, MIAX Options, NYSE-AMER, NYSE-ARCA, NYSE-CHI, NYSE-NAT, BX, ISE GEMX, ISE, ISE MRX, PHLX, NQX, NYSE, MSRB and DTCC and related companies FICC-Gov and NSCC.⁴⁴ The SROs have been provided with the terms and conditions of DBSI’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.

⁴³ See *In the Matter of the Continued Membership of J.P. Morgan Securities, LLC* (citing *Frank Kufrovich*, 55 S.E.C. 616, 624 (2002) (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”). See *J.P. Morgan Securities, LLC*, 19h-1 Notice, http://www.finra.org/sites/default/files/NAC%20Statutory%20Disqualification%20Decision%20SD1904_0_0_0_0_0.pdf (last visited May 29, 2019).

⁴⁴ Based on CRD, MSRB and DTCC records current as of January 10, 2020.

On Behalf of FINRA,



A handwritten signature in black ink, appearing to read "Marcia E. Asquith", written over a horizontal line.

Marcia E. Asquith
Executive Vice President

EXHIBITS

1. MC-400A Application for DBSI filed on February 27, 2018, with a cover memorandum dated March 6, 2018 and an email update to the Firm's answers dated January 9, 2020.
2. Letter from DBSI's counsel to FINRA dated May 23, 2018 with attachments of proof of payment.
3. E-mail from DBSI's counsel to FINRA dated June 7, 2018 with proof of interim report submission to the CFTC.
4. CRD Excerpt for DBSI: Types of Business.
5. CRD Excerpt for DBSI: Organization Registration Status.
6. FINRA's Disposition Letter, Examination Report, and DBSI Response for Examination No. 20180571835.
7. FINRA's Disposition Letter, Examination Report, and DBSI Response for Examination No. 20180564220.
8. FINRA's Disposition Letter, Examination Report, and DBSI Response for Examination Nos. 20170531334 and 20170530888.
9. FINRA's Disposition Letter, Examination Report, and DBSI Response for Examination No. 20170527713.
10. FINRA's Disposition Letter, Examination Report, and DBSI Response for Examination No. 20170524639.
11. FINRA's Disposition Letters, Examination Reports, and DBSI Responses for Examination Nos. 20160508089; 20160491118; 20170562109; 20170561248; 20180588666; 20160486095; 20170540170; 20150443242; and 20160518542.
12. FINRA Actions, Matter Nos. 20160511383-01; 20140418941-01; 20130379938-01; 20130379938-02; 20130379938-03; 20130379938-04; 2013037998-05; 20130379938-06; 20150443242; 20150443242-01; 20150443242-02; 20150443242-03; and 20150443249-01.
13. NYSE AWC No. 2019-03-00039, dated November 13, 2019, and NYSE AWC No. 2017-05-00037, dated August 21, 2018.
14. NASDAQ AWC No. 2016050808901, dated November 8, 2019.
15. *In the Matter of Deutsche Bank AG and Deutsche Bank Securities, Inc.*, CFTC Docket No. 18-06 dated January 29, 2018.

16. *In the Matter of Deutsche Bank Securities, Inc.*, SEC Admin. Proc. No. 3-19100, SEC Rel. No. IA-5197, dated March 11, 2019.
17. *In the Matter of Deutsche Bank Securities, Inc.*, SEC Admin. Proc. No. 3-18606, SEC Rel. No. 34-83677, dated July 20, 2018.
18. *In the Matter of Deutsche Bank Securities, Inc. and Benjamin Solomon*, SEC Admin. Proc. No. 3-18367, SEC Rel. No. 34-82686, dated February 12, 2018.
19. *In the Matter of Deutsche Bank Securities Inc.*, SEC Admin. Proc. No. 3-17730; SEC Rel. No. 34-79576, dated December 16, 2016.
20. Settlement Agreement, *In the Matter of Deutsche Bank Securities Inc.*, dated December 15, 2016.
21. *In the Matter of Deutsche Bank Securities, Inc.*, SEC Admin. Proc. No. 3-17622, SEC Rel. No. 34-79083, dated October 12, 2016.
22. Plan of Supervision, executed on September 24, 2018.