

**THE NASDAQ STOCK MARKET LLC  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2019.08.0061**

TO: The Nasdaq Stock Market LLC  
Nasdaq Enforcement Department

RE: Sandler, O'Neill & Partners, L.P.  
Member Firm  
CRD No. 23328

Pursuant to Rule 9216 of The Nasdaq Stock Market LLC (“Nasdaq” or the “Exchange”) Code of Procedure, Sandler, O’Neill & Partners, L.P. (the “Firm,” “SDLR,” or “Respondent”) 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, Nasdaq will not bring any future actions against the Respondent alleging violations based on the same factual findings described herein.

**I.**

**ACCEPTANCE AND CONSENT**

- A. The firm 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 Nasdaq, or to which Nasdaq 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 Nasdaq:

**BACKGROUND AND RELEVANT DISCIPLINARY HISTORY**

SDLR became a Nasdaq member on July 12, 2006. On January 3, 2020, SDLR completed a merger with another member firm Piper Jaffray to become the merged firm Piper Sandler (CRD 665). SDLR’s registration was terminated on March 10, 2020. On May 7, 2020, Nasdaq sent SDLR a jurisdiction letter preserving jurisdiction in the present matter. The Firm has no relevant disciplinary history.

**SUMMARY**

During the period October 11, 2017 through April 11, 2018 (the “Review Period”), the Firm violated Nasdaq Rules 1031, 3010, and 2010A as set forth below.

**FACTS AND VIOLATIVE CONDUCT**

1. Nasdaq Rule 1031(a) states, “[a]ll persons engaged or to be engaged in the investment banking or securities business of a member who are to function as representatives shall be registered as such with Nasdaq in the category of registration appropriate to the function to be performed as specified in Rule 1032.”<sup>1</sup>
2. Nasdaq Rule 3010(a) provides that “[e]ach member shall establish and maintain a system to supervise the activities of each registered representative and associated person that is reasonably designed to achieve compliance with applicable securities laws and

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<sup>1</sup> Nasdaq Rule 1031 was renumbered as Rule 1.1210 under the 1200 series effective October 1, 2018.

regulations and with applicable Nasdaq rules.”<sup>2</sup>

3. Nasdaq Rule 2010A provides that “[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.”<sup>3</sup>
4. During the Review Period, the Firm failed to qualify and register one employee as a securities trader in violation of Rule 1031. The employee was unqualified as a securities trader and unregistered with Nasdaq for almost 13 years.
5. During the Review Period, the Firm’s supervisory system was not reasonably designed to ensure that its employees were appropriately qualified and registered with Nasdaq in violation of Rules 3010 and 2010A. Specifically, the Firm’s written supervisory procedures did not sufficiently specify the supervisory steps and reviews to be taken, nor did it instruct that equity sales and trading employees be registered at the appropriate entities.
6. By virtue of the above conduct, the Firm thus violated Nasdaq Rules 1031, 3010, and 2010A. The Firm addressed these deficiencies following the Review Period.

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

1. A censure and a total fine in the amount of \$12,500 (consisting of \$7,500 for the Rule 1031 violation and \$5,000 for the supervisory related violations).

Respondent agrees to pay the monetary sanction(s) in accordance with its executed Election of Payment Form.

Respondent 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 imposed herein shall be effective on a date set by Nasdaq Enforcement Department staff.

## II.

### **WAIVER OF PROCEDURAL RIGHTS**

Respondent specifically and voluntarily waives the following rights granted under Nasdaq’s 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 Nasdaq Review Council and then to the U.S.

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<sup>2</sup> Nasdaq Rule 3010 was renumbered as General 9, Section 20 in December 2019.

<sup>3</sup> Nasdaq Rule 2010A was renumbered as General 9, Section 1 in December 2019.

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 Regulatory Officer, the Nasdaq Review Council, or any member of the Nasdaq Review Council, 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.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte 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**

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 Nasdaq Enforcement Department and the Nasdaq Review Council, the Review Subcommittee, or the Office of Disciplinary Affairs ("ODA"), pursuant to Nasdaq 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 Respondent; and
- C. If accepted:
  - 1. This AWC will become part of the Respondent's permanent disciplinary record and may be considered in any future actions brought by Nasdaq or any other regulator against the Respondent;
  - 2. Nasdaq may release this AWC or make a public announcement concerning this agreement and the subject matter thereof in accordance with Nasdaq Rule 8310 and IM-8310-3; and
  - 3. 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 Nasdaq, or to which Nasdaq is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the Respondent's right to take legal or factual positions in litigation or other legal proceedings in which Nasdaq is not a party.
- 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 Nasdaq, nor does it reflect the views of Nasdaq or its staff.

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 the Firm 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.

Sandler, O'Neill & Partners, L.P.  
Respondent

By: 

Print Name: Christopher S. Hooper

Title: Managing Director of Piper Sandler & Co.,  
the successor to Sandler O'Neill & Partners, L.P.

August 5, 2020

Date

Accepted by Nasdaq:

August 7, 2020

Date

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



Muyiwa Odeniyide  
Enforcement Counsel  
Nasdaq Enforcement Department

**PAYMENT INFORMATION**

The fine amount will be reflected on an upcoming invoice directed to your firm's chief compliance officer. ***Please DO NOT submit payment at this time.*** If you need to arrange for an alternative method of payment, please contact Nasdaq at (301) 978-8310.

Respectfully submitted,

Respondent

Sandler, O'Neill & Partners, L.P.

Date: August 5, 2020

By: 

Name: Christopher S. Hooper

Title: Managing Director of Piper Sandler & Co.,  
the successor to Sandler O'Neill & Partners, L.P.