

**THE NASDAQ STOCK MARKET LLC  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2023077018901**

TO: The Nasdaq Stock Market LLC  
c/o Department of Enforcement  
Financial Industry Regulatory Authority (“FINRA”)

RE: Lightspeed Financial Services Group LLC, Respondent  
Broker-Dealer  
CRD No. 104369

Pursuant to Rule 9216 of The Nasdaq Stock Market LLC (“Nasdaq”) Code of Procedure, Lightspeed Financial Services Group LLC (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, Nasdaq will not bring any future actions against the Firm 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**

Lightspeed is an introducing broker, headquartered in Morristown, New Jersey, with two branch offices and approximately 30 registered representatives. The Firm specializes in offering services to retail customers, who are professional traders, focused on algorithmic and high-volume trading, and does not engage in proprietary trading. Lightspeed has been a member of FINRA since February 2001 and Nasdaq since July 2006. The Firm has no relevant disciplinary history.

**SUMMARY**

From May 2018 to May 2024, Lightspeed failed to qualify and register six associated persons as Securities Traders and one associated person as a Securities Trader and Securities Trader Principal. As a result, the Firm violated Nasdaq Rule General 4, Section 1.1210, 1220(a)(7), and 1220(b)(4) (on or after November 14, 2018), and their predecessor rules, Nasdaq Rules 1021, 1022(a)(5), 1031, and 1032(f) (before November 14, 2018). Further, from June 2019 to the present, Lightspeed failed to establish and maintain a supervisory system, including written supervisory procedures (WSPs), reasonably designed to achieve compliance with the Nasdaq’s qualification and

registration rules. As a result, the Firm violated Nasdaq Rule General 9, Sections 1(a) and 20(a) (on or after December 6, 2019), and their predecessor rules, Nasdaq Rules 3010 and 2010A (before December 6, 2019).

### **FACTS AND VIOLATIVE CONDUCT**

#### **Lightspeed did not comply with Nasdaq qualification and registration rules.**

1. Nasdaq Rule General 4, Section 1.1210, and its predecessor rules, Nasdaq Rules 1021 and 1031, provide that each person engaged in the securities business of a member shall be registered with the Exchange as a representative or principal in each category of registration appropriate to his or her functions and responsibilities as specified in Nasdaq Rule General 4, Section 1.1220, and its predecessor rules, Nasdaq Rules 1022 and 1032.
2. Nasdaq Rule General 4, Section 1.1220(b)(1), and its predecessor rule, Nasdaq Rule 1011(k), define a “representative” as “any person associated with a member . . . who is engaged in the member’s securities business.”
3. Nasdaq Rule General 4, Section 1.1220(b)(4), and its predecessor rule, Nasdaq Rule 1032(f), require, in relevant part, that each representative who “engage[s] in . . . the execution of transactions on an agency basis, or the direct supervision of such activities,” subject to exceptions not applicable here, pass the Securities Industry Essentials (SIE) and the Securities Trader qualification examinations and register as a Securities Trader.
4. Nasdaq Rule General 4, Section 1.1220(a)(1), and its predecessor rule, Nasdaq Rule 1021, define a “principal” as “any person associated with a member . . . who is actively engaged in the management of the member’s securities business, such as supervision, solicitation, conduct of business in securities . . .”
5. Nasdaq Rule General 4, Section 1.1220(a)(7), and its predecessor rule, Nasdaq Rule 1022(a)(5), require that each principal who supervises the securities trading activities of a Securities Trader be registered pursuant to Nasdaq Rule General 4, Section 1.1220(b)(4), pass the Rule General Securities Principal qualification examination, and register as a Securities Trader Principal.
6. Between May 2018 and May 2024, Lightspeed failed to properly qualify and register seven individuals with Nasdaq pursuant to Nasdaq Rule General 4, Section 1.1210 and 1220, and their predecessor rules, Nasdaq Rules 1021, 1031, 1022, and 1032. Specifically, the Firm:
  - a. failed to qualify and register six individuals who had the ability to place agency orders on Nasdaq as Securities Traders; and
  - b. failed to qualify and register one individual who both had the ability to place agency orders on Nasdaq and supervised individuals who had the

ability to place agency orders on Nasdaq as a Securities Trader Principal and a Securities Trader.

7. Therefore, the Firm violated Nasdaq Rule General 4, Section 1.1210, 1220(a)(7), and 1220 (b)(4) (on or after November 14, 2018), and their predecessor rules, Nasdaq Rules 1021, 1022(a)(5), 1031, and 1032(f) (before November 14, 2018).

**Lightspeed failed to reasonably supervise for compliance with Nasdaq qualification and registration rules.**

8. Nasdaq Rule General 9, Section 20(a) states “[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 regulations and with applicable Nasdaq rules. Nasdaq members shall comply with FINRA Rule 3110 as if such Rule were part of Nasdaq’s Rules.” A violation of Nasdaq Rule General 9, Section 20 also constitutes a violation of Nasdaq Rule General 9, Section 1(a).
9. FINRA Rule 3110(b) states “[e]ach member shall 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 FINRA rules.”
10. From June 2019 to present, the Firm’s supervisory system, including its WSPs, was not reasonably designed to achieve compliance with Nasdaq Rule General 4, Section 1.1210, 1220(a)(7), and 1220(b)(4), and their predecessor rules, Nasdaq Rules 1021, 1022(a)(5), 1031, and 1032(f), in that the Firm failed to perform reasonable reviews to ensure that its employees were properly qualified and registered.
11. Specifically, since June 2019, Lightspeed’s WSPs required the Firm to perform periodic reviews to ensure individuals were properly qualified and registered. However, the WSPs failed to provide any guidance as to how the reviews should be performed, such as what qualification and registration information to review; how to verify that information; what steps should be taken if the Firm identified a registration issue; or how the Firm would document its registration reviews. Moreover, the Firm had no evidence of any such reviews between 2019 and 2021. Further, the registration reviews conducted from 2022 to the present did not consider Nasdaq’s qualification and registration requirements or review employees’ job duties to determine if they required additional qualification and registration.
12. Therefore, the Firm violated Nasdaq Rule General 9, Section 20(a) and 1(a) (on or after December 6, 2019), and their predecessor rules, Nasdaq Rules 3010 and 2010A (before December 6, 2019).

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

- Censure;
- A \$50,000 fine, of which \$10,000 shall be paid to Nasdaq;<sup>1</sup> and
- An undertaking to review and revise the Firm's supervisory system, including WSPs, with respect to the findings described above concerning the Firm's compliance with Nasdaq's registration requirements. Within 30 calendar days of acceptance of this AWC, a registered principal of the Firm shall submit an email from a work-related account of the registered principal to EnforcementNotice@FINRA.org, providing the following information: (i) a reference to this Matter No.; (ii) a representation that the Firm has revised its supervisory system, including WSPs, to address the qualification and registration deficiencies described in paragraphs I.A.8 through I.A.12, above; and (iii) the date the Firm updated its supervisory system and WSPs.

Acceptance of this AWC is conditioned upon the acceptance of parallel settlement agreements in related matters between NYSE, NYSE American, NYSE Arca, and NYSE National.

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 Payment Information form showing the method by which it proposes to 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 sanctions imposed herein shall be effective on a date set by FINRA staff.

## II.

### WAIVER OF PROCEDURAL RIGHTS

The Firm 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;

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<sup>1</sup> The remainder will be paid to The New York Stock Exchange LLC; NYSE American LLC; NYSE Arca, Inc.; and NYSE National, Inc.

- 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. 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, 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.

The Firm 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**

The Firm 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 FINRA's Department of Enforcement 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 Firm; and
- C. If accepted:
  - 1. This AWC will become part of the Firm's permanent disciplinary record and may be considered in any future actions brought by Nasdaq or any other regulator against the Firm;
  - 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. 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 Nasdaq, or to which Nasdaq

is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the Firm's right to take legal or factual positions in litigation or other legal proceedings in which Nasdaq is not a party.

- D. 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. 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 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.

January 14, 2026  
Date

Lightspeed Financial Services Group, LLC  
*Respondent*

By: Keith Petzold  
Keith Petzold  
Chief Compliance Officer

Reviewed by:

James L. Kopecky  
James Kopecky  
Kopecky Schumacher Rosenberg LLC  
312-380-6552  
Counsel for Respondent

Accepted by Nasdaq:

January 16, 2026  
Date

Chris Rivet  
Christopher Rivet  
Counsel  
FINRA, Department of Enforcement

Signed on behalf of Nasdaq by delegated  
authority from the Director of ODA