

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 105791 / June 29, 2026**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 6976 / June 29, 2026**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-22653**

**In the Matter of**

**Wedbush Securities Inc.**

**Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE  
AND CEASE-AND-DESIST PROCEEDINGS,  
PURSUANT TO SECTIONS 15(b)(4) AND  
21C OF THE SECURITIES EXCHANGE  
ACT OF 1934 AND SECTION 203(e) OF THE  
INVESTMENT ADVISERS ACT OF 1940,  
MAKING FINDINGS, AND IMPOSING  
REMEDIAL SANCTIONS AND A CEASE-  
AND-DESIST ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15(b)(4) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”), and Section 203(e) of the Investment Advisers Act of 1940 (“Advisers Act”) against Wedbush Securities Inc. (“Wedbush” or “Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Respondent admits the facts set forth in Section III below, acknowledges that its conduct violated the federal securities laws, admits the Commission’s jurisdiction over it and the subject matter of these proceedings, and consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 15(b)(4) and 21C of the Securities Exchange Act of 1934 and Section 203(e) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

#### Summary

1. These proceedings arise out of Respondent's failure to submit to the Commission complete and accurate data in response to the Commission staff's electronic blue sheets ("EBS") requests, resulting in the reporting of EBS that were incomplete or deficient.

2. The Commission staff routinely sends requests for securities trading records to market makers, broker-dealers and/or clearing firms in order to review trading activity, and firms provide the requested records in a universal electronic format known as the EBS format. It is a fundamental obligation of broker-dealers to provide complete and accurate EBS data when requested by representatives of the Commission to do so. The submission of complete and accurate EBS data is critical to many aspects of the Commission's operations and its ability to discharge its enforcement and regulatory mandates. The failure of a broker-dealer to provide complete and accurate EBS information in response to a Commission representative's request can impact the Commission's ability to discharge its statutory obligations, undermine the integrity of its investigations and examinations, and ultimately interfere with the Commission's ability to protect investors.

3. From at least March 2018 through December 2023 (the "Relevant Period"), in response to requests from the Commission staff, Respondent made at least 19,571 EBS submissions to the Commission that contained inaccurate information or omissions, resulting from seven types of errors. Those errors resulted in the misreporting of EBS data for at least 51.8 million transactions. As a result, Respondent violated the recordkeeping and reporting requirements of Section 17(a)(1) of the Exchange Act and Rules 17a-4(j) and 17a-25 thereunder.

#### Respondent

4. **Wedbush** is a California corporation with its principal office in Pasadena, CA and is registered with the Commission as a broker-dealer and investment adviser. There were two prior disciplinary actions brought by other regulators against Wedbush involving EBS violations: (i) New York Stock Exchange Case No. 06-196 (April 2007); and (ii) FINRA Disciplinary Proceeding No. 2012034934301 (August 2015).

#### Facts

##### **A. Wedbush's Deficient EBS Submissions**

5. During the Relevant Period, in response to requests from the Commission staff, Respondent made at least 19,571 EBS submissions to the Commission that contained inaccurate

information or omissions, resulting from seven types of errors. Those errors resulted in the misreporting of EBS data for at least 51.8 million transactions.

6. Wedbush's submissions during the Relevant Period, among other things, omitted responsive transactions and contained inaccurate information about the securities transactions reported. The errors in Wedbush's EBS reports were caused, in large part, by coding errors or programming issues in the EBS reporting systems of Wedbush or the vendors that assisted its EBS reporting process.

7. As a result of seven coding errors or programming issues in Wedbush's or its vendors' EBS reporting systems, Wedbush: (i) misreported more than 53,400 transactions as solicited when they should have been reported as unsolicited; (ii) caused at least 21,500 options transactions to be misidentified as short sales; (iii) failed to report approximately 2,500,000 transactions; (iv) provided EBS data with incomplete branch office/registered representative codes for nearly 1,200,000 transactions; and (v) omitted or misreported the transaction type identifier information for at least 48,100,000 transactions as a result of three types of errors.

## **B. Respondent's Remedial Efforts**

8. Wedbush engaged in voluntary remedial efforts concerning its EBS systems and control environment. For example, Wedbush developed an in-house EBS reporting validation tool that reviews each EBS field prior to submission and conducts post-submission review. Wedbush also created a dedicated compliance technology team and Regulatory Operations Group that supports and oversees its regulatory submissions, and implemented new written supervisory procedures. After the investigation began, Wedbush identified and self-reported the three transaction type identifier errors to Commission staff. Wedbush is in the process of resubmitting corrected EBS to the Commission.

## **Violations of the Federal Securities Laws**

9. Section 17(a)(1) of the Exchange Act requires, among other things, that broker-dealers make and keep for prescribed periods such records, furnish such copies thereof, and make and disseminate such reports as the Commission, by rule, prescribes as necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the Exchange Act. Exchange Act Rule 17a-4(j) requires, in part, broker-dealers such as Wedbush to furnish promptly to a representative of the Commission legible, true, complete, and current copies of those records of the member, broker, or dealer that are required to be preserved under Exchange Act Rule 17a-4, or any other records of the broker-dealer subject to examination under Section 17(b) of the Exchange Act that are requested by a representative of the Commission. Likewise, Exchange Act Rule 17a-25 requires broker-dealers such as Wedbush to, upon request, electronically submit to the Commission the securities transaction information as required in the rule.

10. As described above, Wedbush failed to furnish complete records to the Commission staff that were requested by the Commission staff in its EBS requests from at least

March 2018 through December 2023. Therefore, Wedbush willfully<sup>1</sup> violated the recordkeeping and reporting requirements of Section 17(a)(1) of the Exchange Act and Rule 17a-4(j) thereunder. In addition, Wedbush willfully violated Exchange Act Rule 17a-25 by failing to submit electronically certain securities transaction information to the Commission through the EBS system in response to requests made by the Commission staff.

#### **Wedbush's Remedial Efforts**

11. In determining to accept the Offer, the Commission considered remedial acts undertaken by Respondent and cooperation afforded the Commission staff.

#### **IV.**

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Wedbush's Offer.

Accordingly, pursuant to Sections 15(b)(4) and 21C of the Exchange Act and Section 203(e) of the Advisers Act, it is hereby ORDERED that:

A. Respondent Wedbush cease and desist from committing or causing any violations and any future violations of Section 17(a)(1) of the Exchange Act and Rules 17a-4(j) and 17a-25 promulgated thereunder.

B. Respondent Wedbush is censured.

C. Respondent Wedbush shall, within ten (10) days of the entry of this Order, pay a civil money penalty in the amount of \$1,900,000.00 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717. Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

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<sup>1</sup> "Willfully," for purposes of imposing relief under Section 15(b)(4) of the Exchange Act and Section 203(e) of the Advisers Act, "means no more than that the person charged with the duty knows what he is doing." *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "also be aware that he is violating one of the Rules or Acts." *Tager v. SEC*, 344 F.2d 5, 8 (2d Cir. 1965). The decision in *The Robare Group, Ltd. v. SEC*, which construed the term "willfully" for purposes of a differently structured statutory provision, does not alter that standard. 922 F.3d 468, 478-79 (D.C. Cir. 2019) (setting forth the showing required to establish that a person has "willfully omit[ted]" material information from a required disclosure in violation of Section 207 of the Advisers Act).

- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center  
Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Wedbush as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Thomas P. Smith, Jr., Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 Pearl Street, Suite 20-100, New York, NY 10004.

D. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Vanessa A. Countryman  
Secretary