UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 106458 / September 22, 2026

ADMINISTRATIVE PROCEEDING
File No. 3-22748

In the Matter of OTC LINK LLC, Respondent.	**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTIONS 15(b)(4) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, 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"), against OTC Link LLC ("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. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting the findings herein, except as to the Commission's jurisdiction over Respondent and the subject matter of these proceedings, which are admitted, Respondent 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, 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[1] that:

Summary

1. This proceeding arises out of repeated compliance failures by Respondent OTC Link LLC, a registered broker-dealer that operates OTC Link ATS, an Alternative Trading System ("ATS") for over-the-counter securities. OTC Link ATS is and at all times between August 2016 and March 2025 (the "Relevant Period") has been an "SCI entity" pursuant to Regulation Systems Compliance and Integrity ("Regulation SCI").

2. At all times during the Relevant Period, Respondent lacked written policies and procedures that were reasonably designed to ensure that OTC Link ATS's SCI systems and, for purposes of security standards, indirect SCI systems, had levels of capacity, integrity, resiliency, availability, and security, adequate to maintain OTC Link ATS's operational capability and promote the maintenance of fair and orderly markets, as required by Regulation SCI.

3. Although staff in the Commission's Division of Examinations examined OTC Link ATS several times during the Relevant Period and each time cited Respondent for, among other things, failing to establish, maintain, and enforce certain policies and procedures required by Regulation SCI, Respondent failed to remediate all such deficiencies during the Relevant Period.

4. As a result of the conduct described herein, Respondent willfully[2] violated Rules 1001(a)(1), (a)(2), and (a)(3) of Regulation SCI.

Respondent

5. OTC Link LLC is a Delaware limited liability company with its principal place of business in New York, New York. OTC Link LLC is an indirect, wholly owned subsidiary of OTC Markets Group Inc. OTC Link LLC has been registered with the Commission as a broker-dealer since 2012. OTC Link LLC operates five ATS platforms, including OTC Link ATS. OTC Markets

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[1] The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

[2] "Willfully," for purposes of imposing relief under Section 15(b)(4) of the Exchange 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).

Group Inc.'s securities trade over the counter under ticker symbol "OTCM" on the ATS platforms it operates.

6. In 2012, OTC Link ATS noticed its operations as an ATS by filing with the Commission an Initial Operation Report on Form ATS. OTC Link ATS also functions as a Qualified Interdealer Quotation System ("IDQS") and is not a national securities exchange or self-regulatory organization.

OTC Link LLC Failed to Establish, Maintain, and Enforce Certain Written Policies and Procedures Required by Regulation SCI

7. The Commission adopted Regulation SCI in 2014 to strengthen the technology infrastructure of the U.S. securities markets and further the Commission's mission of maintaining fair and orderly markets by, among other things, imposing requirements on certain key market participants intended to reduce the occurrence of systems issues and improve resiliency when systems problems do occur. Regulation Systems Compliance and Integrity, Securities Exchange Act Rel. No. 73639, 79 Fed. Reg. 72252, 72257 (Dec. 5, 2014) ("SCI Adopting Release").

8. In adopting Regulation SCI, the Commission acknowledged that "regulatory and related technological developments" have increased the "risk of operational problems with automated systems, including failures, disruptions, delays, and intrusions" and, "given the speed and interconnected nature of the U.S. securities markets, a seemingly minor systems problem at a single entity can quickly create losses and liability for market participants, and spread rapidly across the national market system, potentially creating widespread damage and harm to market participants, including investors." *Id.* at 72252-53. Regulation SCI was thus adopted "to address the technological vulnerabilities, and improve Commission oversight, of the core technology of key U.S. securities markets entities." *Id.* at 72253.

9. These entities—which Regulation SCI refers to as "SCI entities"—are market participants that play a significant role in the U.S. securities markets and/or have the potential to impact investors, the overall market, or the trading of individual securities in the event of certain types of systems problems. SCI Adopting Release at 72258. SCI entities comprise certain self-regulatory organizations, alternative trading systems, plan processors, and exempt clearing agencies. *Id.* Under Rule 1000 of Regulation SCI, an ATS can meet the definition of an SCI ATS in two ways. As relevant here, an SCI ATS is "an alternative trading system, as defined in [17 C.F.R. § 242.300(a)], which during at least four of the preceding six calendar months . . . [h]ad with respect to equity securities that are not NMS stocks and for which transactions are reported to a self-regulatory organization, five percent (5%) or more of the average daily dollar volume as calculated by the self-regulatory organization to which such transactions are reported." Rule 1000 of Regulation SCI (17 C.F.R. § 242.1000).

10. Rule 1001(a)(1) of Regulation SCI requires SCI entities to "establish, maintain, and enforce written policies and procedures reasonably designed to ensure that its SCI systems and, for purposes of security standards, indirect SCI systems, have levels of capacity, integrity, resiliency, availability, and security, adequate to maintain the SCI entity's operational capability and promote

the maintenance of fair and orderly markets." Rule 1001(a)(1) of Regulation SCI (17 C.F.R. § 242.1001(a)(1)).

11. Rule 1001(a)(2) of Regulation SCI requires that SCI entities' written policies and procedures include, at a minimum, policies and procedures concerning technological infrastructure capacity planning, capacity stress testing, review of systems development and testing methodology, vulnerability and threat assessment, business continuity and disaster recovery, market data collection and dissemination, and monitoring for SCI events. Rule 1001(a)(2) of Regulation SCI (17 C.F.R. § 242.1001(a)(2)). Among the minimum written policies and procedures specifically required by Rule 1001(a)(2) are policies and procedures that provide for regular reviews and testing of SCI systems, including backup systems, to identify vulnerabilities pertaining to internal and external threats, physical hazards, and natural or manmade disasters. Rule 1001(a)(2)(iv) of Regulation SCI (17 C.F.R. § 242.1001(a)(2)(iv)).

12. Rule 1001(a)(3) of Regulation SCI requires each SCI entity periodically to review the effectiveness of the policies and procedures required by Rule 1001(a) and take prompt action to remedy deficiencies in such policies and procedures. Rule 1001(a)(3) of Regulation SCI (17 C.F.R. § 242.1001(a)(3)).

13. Throughout the Relevant Period, Respondent failed to establish, maintain, and enforce certain written policies and procedures required by Rule 1001(a)(1), including, but not limited to, written policies and procedures pertaining to system security (e.g., account management and access control, network device security configuration management, and data loss prevention policies and procedures).

14. Throughout the Relevant Period, Respondent also failed to establish, maintain, and enforce certain minimum written policies and procedures specifically required by Rule 1001(a)(2), including, but not limited to, written policies and procedures pertaining to vulnerability review and testing required by Rule 1001(a)(2)(iv) (e.g., application vulnerability management, testing, and remediation policies and procedures), some of which Respondent kept in "draft" form and failed to finalize during the Relevant Period.

15. During the Relevant Period staff in the Commission's Division of Examinations examined OTC Link ATS several times. Following each examination, Division of Examinations staff issued to Respondent a letter identifying these and other deficiencies as apparent violations of Rules 1001(a)(1) and (a)(2) of Regulation SCI.

16. Notwithstanding these deficiency letters, OTC Link LLC repeatedly failed to remediate the apparent violations of Rule 1001(a)(1) and (a)(2) explicitly detailed therein, and subsequent examinations found previously identified deficiencies regarding written policies and procedures that remained unaddressed. For example, OTC Link ATS's access control policy, first found to be in draft form and therefore noted as deficient in connection with a fiscal-year 2016 examination, remained in draft form and was again cited in deficiency letters issued by Division of Examinations staff in 2019 and 2022. As of fiscal year 2023, OTC Link ATS's access control policy had still not been formally established.

17. By failing to take prompt action to remedy these deficiencies, Respondent also violated Rule 1001(a)(3) of Regulation SCI.

18. In 2024, Respondent retained third-party compliance consultants to review OTC Link ATS's Regulation SCI compliance program and make recommendations concerning its Regulation SCI policies and procedures. In connection with this compliance review, since March 2025 Respondent has established additional written policies and procedures required by Regulation SCI, including policies and procedures Respondent had previously failed to establish, maintain, and enforce concerning application vulnerability management, account management and access control, and network device configuration management.

IV.

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

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

A. Respondent OTC Link LLC cease and desist from committing or causing any violations and any future violations of Rules 1001(a)(1), (a)(2), and (a)(3) of Regulation SCI.

B. Respondent is censured.

C. Respondent shall, within 14 days of the entry of this Order, pay a civil money penalty in the amount of $575,000 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;

(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 OTC Link LLC 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 Laura D'Allaird, Chief, Cyber and Emerging Technologies Unit, Division of Enforcement, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

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