

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 106641 / October 9, 2026

ADMINISTRATIVE PROCEEDING
File No. 3-22770

In the Matter of

Jefferies 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 Jefferies LLC (“Jefferies” 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, 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 July 2018 through July 2024 (the "Relevant Period"), in response to requests from the Commission staff, Respondent made at least 7,700 EBS submissions to the Commission that contained inaccurate information or omissions, resulting from at least nine types of errors. Those errors resulted in the misreporting of EBS data for at least 1.2 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. **Jefferies** is a Delaware limited liability company with its principal office in New York, New York and is registered with the Commission as a broker-dealer. It is a wholly-owned subsidiary of Jefferies Financial Group Inc., a global financial services firm incorporated in New York and headquartered in New York, New York.

Facts

A. Jefferies' Deficient EBS Submissions

5. During the Relevant Period, in response to requests from the Commission staff, Respondent made at least 7,700 EBS submissions to the Commission that contained inaccurate

information or omissions, resulting from nine types of errors. Those errors resulted in the misreporting of EBS data for at least 1.2 million transactions.

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

7. As a result of the nine types of manual errors, coding errors, or programming issues, Jefferies submitted EBS that, among other things: (i) reported large trader IDs in a non-conforming format for certain clients; (ii) misreported whether customers were broker-dealers; (iii) reported trades in foreign currency rather than US dollars; and (iv) incorrectly applied an average price indicator to single execution trades.

B. Respondent's Remedial Efforts

8. Jefferies engaged in voluntary remedial efforts concerning its EBS systems and control environment. For example, Jefferies retained a consultant to conduct a comprehensive assessment of its EBS reporting program. Jefferies implemented a data validation system and EBS governance and control framework that includes daily autonomous data validation. Jefferies also established an EBS Governance Committee and EBS Core Working Group that each meet periodically to review the EBS program. After regulatory inquiries concerning Jefferies' EBS began, Jefferies identified and self-reported seven of the nine errors. Jefferies has completed resubmissions of a substantial portion of corrected EBS to the Commission and is in the process of resubmitting the remaining portion.

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 Jefferies 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 Jefferies to, upon request, electronically submit to the Commission the securities transaction information as required in the rule.

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

July 2018 through July 2024. Therefore, Jefferies willfully¹ violated the recordkeeping and reporting requirements of Section 17(a)(1) of the Exchange Act and Rule 17a-4(j) thereunder. In addition, Jefferies 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.

Jefferies' 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 Jefferies' Offer.

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

A. Respondent Jefferies 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 Jefferies is censured.

C. Respondent Jefferies shall, within ten (10) days of the entry of this Order, pay a civil money penalty in the amount of \$650,000.00 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;
- (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

¹ “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).

- (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 Jefferies 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