UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

In the Matter of Perella Weinberg Partners LP; Tudor, Pickering, Holt & Co. Securities LLC; and Perella Weinberg Partners Capital Management LP, Respondents.	Admin. Proc. File No. 3-21769 **Respondents' Motion to Amend and Stay Ordered Undertakings**

Respondents Perella Weinberg Partners LP (including as successor to Tudor, Pickering, Holt & Co. Securities LLC) and Perella Weinberg Partners Capital Management LP, by and through the undersigned counsel, respectfully move the Commission to:

- Amend the undertakings imposed by and referenced in Section IV, Paragraph D and Section III, Paragraphs 7, 36–39, and 42 of the Commission's September 29, 2023 order entered in this administrative proceeding, File No. 3-21769 (the "Order"), as set out in the enclosed brief and its attachments, pursuant to Rules 200(d)(1) and 100(c) of the Commission's Rules of Practice; and

- Stay those undertakings while this motion remains pending, pursuant to Rules of Practice 401 and 100(c).

Dated: March 11, 2025

Respectfully submitted,

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RESPONDENTS' BRIEF IN SUPPORT OF MOTION TO AMEND AND STAY ORDERED UNDERTAKINGS

March 11, 2025

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Perella Weinberg Partners LP (including as successor to Tudor, Pickering, Holt & Co. Securities LLC) and Perella Weinberg Partners Capital Management LP (together, "Perella") respectfully submit this brief in support of their motion to amend the undertakings imposed by the Commission's September 29, 2023 order as part of the off-channel communications initiative (the "Order") and stay those undertakings pending resolution of the motion.

Perella's requested amendments are described on pages 3–4 below, and two copies of our Proposed Amended Order are enclosed as Attachments A (with tracked changes) and B (clean).

I. Background

Perella was the first firm to self-report recordkeeping issues to the Enforcement Division in connection with the SEC's off-channel communications sweep. Perella stepped into the unknown because it was the right thing to do and because, across administrations, the SEC has emphasized the importance of self-reporting and benefits for doing so. When the SEC announced its $2.5 million settlement with Perella on September 29, 2023, alongside settlements with various other firms for higher civil money penalties, the Enforcement Director remarked, "One of the orders included in today's announced actions is not like the others. There are real benefits to self-reporting, remediating and cooperating."[1] But in terms of the undertakings that the Commission imposed, the Perella order was precisely like the others. That was the premise of the SEC's off-channel sweep: A uniform, industrywide problem demanded an undifferentiated solution, which, from 2022 through 2024—for Perella and dozens of other broker-dealers and investment advisers that settled with the Commission before and after—meant, nonnegotiably, a comprehensive review and report to the Enforcement Division by an independent consultant, implementation of the consultant's recommendations, a follow-on review and report by the consultant one year later, a

[1] Press Release, "SEC Charges 10 Firms with Widespread Recordkeeping Failures," Rel. No. 2023-212 (Sept. 29, 2023).

separate internal audit, and ongoing reporting of relevant discipline imposed on employees for two years, all by order of the Commission in near-verbatim undertakings.

The Commission abandoned this premise on January 13, 2025, when it announced eight settlements with firms for the same off-channel communications issues, under the same provisions of the securities laws, but with substantially different (and far less burdensome) undertakings.[2] For one thing, the undertakings in the January 2025 orders required only that the firms conduct internal audits of relevant areas—no independent consultant, no follow-on review, no reports to the Enforcement Division, and no ongoing disciplinary reporting.[3] For another, the Commission did not order the firms to comply with the undertakings—rather, they were voluntary—which allowed the broker-dealers among them to avoid the imposition of yearslong heightened supervision plans by FINRA.[4]

Of those eight settlements, only one involved a firm that self-reported, yet the others received tangible benefits that outweighed Perella's. And the sole self-reporter (for which Perella paved the way) further benefitted in paying a civil money penalty that was less than a quarter of Perella's, despite that firm being many times larger.[5]

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[2] Press Release, "Twelve Firms to Pay More Than $63 Million Combined to Settle SEC's Charges for Recordkeeping Failures," Rel. No. 2025-6 (Jan. 13, 2025).

[3] *See, e.g.*, *In the Matter of PJT Partners LP*, Rel. No. 34-102167, ¶¶ 26–30 (Jan. 13, 2025).

[4] *Compare* Order, Section IV.D ("Respondents shall comply with the undertakings . . ."), *with, e.g.*, *PJT Partners*, Rel. No 34-102167, Section IV (no such provision); *see* FINRA Reg. Notice 09-19, Attachment B (Apr. 9, 2009) (where a broker-dealer is statutorily disqualified as a result of an SEC order finding a willful violation of Section 15(b)(4)(E) of the Securities Exchange Act of 1934, "[i]f sanction *is still in effect* [after entry of the order], then [an MC-400A] application [for continued FINRA membership is] required" for the broker-dealer to remain in the industry; and "[i]f sanction is no longer in effect, then no [MC-400A] application required") (emphasis added); FINRA Rule 9523(b) (". . . after an [MC-400A] application is filed, . . . the Department of Member Regulation is authorized to accept the membership or continued membership of a disqualified member . . . pursuant to a supervisory plan . . .").

[5] *Compare* PJT Partners LP, Statement of Financial Condition as of Dec. 31, 2023, at 9 (filed Feb. 28, 2024) (net capital of $288.1 million), *with* Perella Weinberg Partners LP, Statement of Financial Condition as of Dec. 31, 2022, at 11 (filed Feb. 24, 2023) (net capital of $30.9 million), *and* Tudor, Pickering, Holt & Co. Securities LLC, Statement of Financial Condition as of Dec. 31, 2022, at 11 (filed Feb. 24, 2023) (net capital of $6.5 million).

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II. The Commission Should Amend the Order to Equalize the Undertakings

Unlike the firms that settled with the Commission in January 2025, Perella has incurred and will continue for years to incur substantial costs because of the undertakings in the Order, unless the Commission exercises its authority to amend the Order and equalize the undertakings as set out in the table below. Otherwise, perversely, Perella's prompt self-report will have earned it unfair, unequal treatment in a sweep that was premised on nonnegotiable uniformity—a terrible, backwards lesson for the industry.

Paragraph of Order	Amendment Requested
Section III, ¶ 7	7. After self-reporting its conduct, Perella initiated a review of its recordkeeping failures and further enhanced its program of remediation. ~~As set forth in the Undertakings below, Perella will retain an independent compliance consultant to review and assess Perella's remedial steps relating to its recordkeeping practices, policies and procedures, related supervisory practices, and employment actions.~~
Section III, ¶¶ 36(a)–(c) *(Independent Consultant)*	36. ~~Independent Compliance Consultant.~~ ~~a. PWP, TPH, and PWPCM shall each retain, within thirty (30) days of the entry of this Order, the services of an independent compliance consultant ("Compliance Consultant") that is not unacceptable to the Commission staff. The Compliance Consultant's compensation and expenses shall be borne exclusively by Perella.~~ ~~b. Perella will oversee the work of the Compliance Consultant.~~ ~~c. Perella shall provide to the Commission staff, within sixty (60) days of the entry of this Order, a copy of the engagement letter detailing the Compliance Consultant's responsibilities, which shall include a comprehensive compliance review as described below. Perella shall require that, within ninety (90) days of the date of the engagement letter, the Compliance Consultant conduct:~~ Internal Audit. Within one hundred eighty (180) days of the entry of this Order, Respondents shall require that their Internal Audit function initiate a separate audit(s), to be completed within three hundred sixty-five (365) days of the entry of this Order, consisting of the following:[3]

Paragraph of Order	Amendment Requested
	i. A comprehensive review of . . . . . . vii. . . . across business lines and seniority levels. [FN3] This undertaking may instead be fulfilled through a review conducted by an independent compliance consultant engaged by Respondents, including through any such review that was completed before the date on which this Order was amended and entered.
Section III, ¶¶ 36(d)–(j) *(Independent Consultant, cont'd)*	[Strike entirely]
Section III, ¶ 37 *(One-Year Evaluation)*	[Strike entirely]
Section III, ¶ 38 *(Reporting Discipline Imposed)*	[Strike entirely]
Section III, ¶ 39 *(Internal Audit)*	[Strike entirely]
Section III, ¶ 42 *(Certification)*	PWP, TPH, and PWPCM shall each certify, in writing, compliance with the undertakings set forth above. The certification shall identify the undertakings~~,~~ and provide written evidence of compliance in the form of a narrative~~, and be supported by exhibits sufficient to demonstrate compliance~~. The Commission staff may make reasonable requests for further evidence of compliance, and Respondents agree to provide such evidence. The certification ~~and supporting material~~ shall be submitted to Alison R. Levine, Assistant Regional Director, Division of Enforcement, New York Regional Office, Securities and Exchange Commission, 100 Pearl Street, Suite 20-100, New York, NY, 10004-2616, or such other person as the Commission staff may request, with a copy to the Office of Chief Counsel of the Enforcement Division, no later than sixty (60) days from the later of the date of the completion of the undertakings or the date on which this Order was amended and entered.
Section IV, ¶ D *("Respondents shall comply with the undertakings . . .")*	[Strike entirely]
Passim	[Non-substantive edits to account for the date of the Order and the fact that Tudor, Pickering, Holt & Co. Securities LLC has since merged with Perella Weinberg Partners LP, which is the surviving entity in the merger]

As Rule of Practice 200 reflects, the Commission has broad authority to "amend an order instituting proceedings to include new matters of fact or law,"[6] including "to take into account subsequent developments which should be considered in disposing of a proceeding."[7] Such amendments "should be freely granted, subject only to the consideration that other parties should not be surprised, nor their rights prejudiced."[8]

Here, the less burdensome undertakings in the January 2025 orders, the Commission's implicit recognition of the sufficiency of those undertakings, and the unfair and arbitrary unavailability of those undertakings to Perella in its earlier settlement are, taken together, a "new matter of fact" and "subsequent development" warranting amendment of the Order. Far from prejudicing any party, the requested amendments would right the inequity and unfair prejudice that Perella will suffer in bearing the continuing costs of complying with undertakings that the Commission has now found unnecessary, in settlements involving the same violations as part of the same initiative—plus the costs associated with a FINRA-imposed heightened supervision plan for years into the future.

The Commission granted similar relief in connection with its prior sweep relating to market timing and late trading. There, the Commission agreed to "relieve" earlier-settling respondents of their dissimilar "ongoing obligations," partly in view of the fact that the Commission had "eliminate[d] similar undertakings in other administrative proceedings related to market timing

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[6] Rule of Practice 200(d)(1), 17 C.F.R. § 201.200(d)(1); *see also* Rule of Practice 100(c), 17 C.F.R. § 201.100(c) (where the Commission determines "that to do so would serve the interests of justice and not result in prejudice to the parties to the proceeding," it "may by order direct, in a particular proceeding, that an alternative procedure shall apply or that compliance with an otherwise applicable rule is unnecessary").

[7] Adopting Release, Rules of Practice, 60 Fed. Reg. 32738, 32757 (June 23, 1995) (cmt. (d) on Rule 200).

[8] *Id.* (citing *In the Matter of Carl L. Shipley*, 45 S.E.C. 589, 595 (1974)); *accord* Fed. R. Civ. P. 60(b)(5) (a court "may relieve a party . . . from a final judgment, order, or proceeding . . . [where] applying it prospectively is no longer equitable").

and other actions."[9] The circumstances here merit the same outcome, which would serve the interests of justice—not only in equalizing the treatment of similarly situated firms for the same conduct, but also in sending a clear message that self-reporting pays and tarrying does not.

III. The Commission Should Stay the Undertakings Pending Resolution of This Motion

We respectfully request that the Commission stay Perella's undertakings pending its decision on amending them. The Commission has broad authority to order stays in administrative proceedings,[10] and the four factors that the Commission generally weighs when deciding such requests—(1) "the likelihood that the moving party will eventually succeed on the merits," (2) "the likelihood that the moving party will suffer irreparable harm without a stay," (3) "the likelihood that another party will suffer substantial harm as a result of a stay," and (4) "a stay's impact on the public interest"—all weigh in favor of granting one.[11]

1. *Likelihood of success on the merits.* Perella's motion to amend the Order is likely to succeed because the amendments Perella seeks would simply equalize its undertakings with those that the Commission deemed sufficient in authorizing the January 2025 orders for the same conduct in the same initiative. The Commission has granted such motions to amend undertakings

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[9] *In the Matter of Millennium Partners et al.*, Rel. No 34-78364, at 1–2 (July 19, 2016); *see also In the Matter of Inviva, Inc. et al.*, Rel No. 34-59674, at 2 (Apr. 1, 2009) (amending order to relieve respondents of undertaking to undergo periodic compliance reviews by a third party, in favor of a narrower undertaking to undergo a single review); *In the Matter of Franklin Advisers, Inc.*, Rel. No. IA-2906, -28821, at 2–3 (July 20, 2009) (same; ongoing reviews amended to two reviews); *In the Matter of Putnam Inv. Mgmt.*, Rel. No. IA-3600, -30504, at 2, 4 (May 3, 2013) (same, among other modifications; reviews ending as of the year of the amendment).

[10] *See* Rule of Practice 401(a), 17 C.F.R. § 201.401(a) ("The Commission may issue a stay based on [a] motion or on its own motion."); Rule of Practice 100(c), 17 C.F.R. § 201.100(c) (the Commission "may by order direct, in a particular proceeding, that an alternative procedure shall apply or that compliance with an otherwise applicable rule is unnecessary" if it determines "that to do so would serve the interests of justice and not result in prejudice to the parties to the proceeding").

[11] *In the Matter of the Applications of SIFMA and Bloomberg L.P.*, Rel No. 34-83755, at 10–11 (July 31, 2018); *see also In the Matter of Scottsdale Cap. Advisors Corp. et al.*, Rel. No 34-83783, at 3 (Aug. 6, 2018) ("not all four factors must favor a stay for a stay to be granted") (citation and quotation marks omitted).

in the past, and there are compelling reasons for similar relief here, for the reasons discussed above.[12]

2. *Irreparable harm absent a stay.* Perella suffers and will continue to suffer financial harm as a result of the unequal undertakings if they are not stayed pending resolution of the motion to amend. It has no means of recovering the costs of complying with the undertakings, nor the costs associated with FINRA's heightened supervision plan. Deadlines grow nearer, and the costs are ever growing.

3. *Absence of harm to any other party.* No one will be harmed by a stay. Perella's undertakings affect only Perella and do not impact its dealings with clients, counterparties, or the market. Moreover, the firm has substantially complied with several of the undertakings already, including the independent consultant's first review and report and more than a year of reporting on employee discipline. That the Commission saw fit to accept much narrower undertakings in the January 2025 settlements—indeed, narrower than the undertakings with which Perella has already complied—supports the conclusion that staying the undertakings now will not harm anyone.

4. *Public interest.* No public interest is served by forcing Perella to continue complying with the undertakings during the limited period when the motion to amend remains pending. By contrast, staying the undertakings would serve the public interest by underscoring the Commission's commitment to fairness and the value of self-reporting.

[12] But even assuming Perella could not establish a likelihood of success on the merits at this stage, it need only show "serious questions going to the merits" to warrant a stay if the other factors weigh in its favor (as they do). *Scottsdale Cap.*, Rel. No. 34-83738, at 3 (citation and quotation marks omitted).

IV. Conclusion

For the foregoing reasons, we urge the Commission to (i) amend the Order to equalize Perella's undertakings with those in the SEC's January 2025 settlements, as set out in the attached Proposed Amended Order and in the table on pages 3–4 above, and (ii) stay the undertakings while this motion remains pending.

Dated: March 11, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

In accordance with Rule of Practice 151(d), I certify that on March 11, 2025, pursuant to Rules of Practice 150 and 151, I filed this document using the eFAP system and caused a true and correct copy to be served by electronic mail on:

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CERTIFICATE OF COMPLIANCE

In accordance with Rule of Practice 151(e)(3), I certify that I have omitted any sensitive personal information, as defined by Rule of Practice 151(e), from this filing.

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