

SECURITIES AND EXCHANGE COMMISSION

Release No. IC-36155; File No. 812-16028

U.S. Bancorp, et al.; Notice of Application and Temporary Order

May 15, 2026.

Agency: Securities and Exchange Commission (the “Commission”).

Action: Temporary order and notice of application for a permanent order under section 9(c) of the Investment Company Act of 1940 (the “Act”).

Summary of Application: Applicants (defined below) have applied for a temporary order (the “Temporary Order”) exempting Fund Servicing Applicants (defined below) from section 9(a) of the Act with respect to an injunction entered against BTIG, LLC on May 2, 2022, by the United States District Court for the Southern District of New York (the “District Court”), until the Commission takes final action on an application for a permanent order exempting the Fund Servicing Applicants and other Covered Persons (defined below) from section 9(a) of the Act (the “Permanent Order,” and with the Temporary Order, the “Requested Orders”).

Applicants: U.S. Bancorp Asset Management, Inc. (“USBAM”), U.S. Bancorp Investments, Inc. (“USBI”, and together with USBAM, the “Fund Servicing Applicants”), and BTIG, LLC (“BTIG”, and collectively with the Fund Servicing Applicants, the “Applicants”) and U.S. Bancorp (“USB”).¹

Filing Date: The application was filed on May 15, 2026.

Hearing or Notification of Hearing: The Temporary Order will be effective until such time as the Commission takes final action on the application by issuing an order granting the requested

¹ USB is a party to the Application solely for purposes of making the representations and agreeing to the conditions in the Application that apply to it.

relief, unless the Commission orders a hearing. Interested persons may request a hearing by emailing the Commission's Secretary at Secretarys-Office@sec.gov and serving the Applicant with a copy of the request by email, if an email address is listed for the relevant Applicant below, or personally or by mail, if a physical address is listed for the relevant Applicant below. The email should include the file number referenced above. Hearing requests should be received by the Commission by 5:30 p.m. Eastern time, on June 9, 2026, and should be accompanied by proof of service on the Applicants, in the form of an affidavit, or, for lawyers, a certificate of service. Pursuant to rule 0-5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission's Secretary.

Addresses: The Commission: Secretarys-Office@sec.gov. Applicants: Matthew Krush, U.S. Bancorp, 800 Nicollet Mall, Minneapolis, Minnesota 55402; Steven Druskin BTIG, LLC, 350 Bush Street, 9th Floor, San Francisco, California 94104; Counsel: Frederick Wertheim, Sullivan & Cromwell LLP, 125 Broad Street, New York, NY 10004; Dalia Blass, Sullivan & Cromwell LLP, 1700 New York Avenue, N.W., Suite 700, Washington, D.C. 20006; Scott A. Moehrke, P.C. and Nicole Dornbusch Horowitz, Kirkland & Ellis LLP, 333 West Wolf Point Plaza, Chicago, IL 60654.

For Further Information Contact: Jacob D. Krawitz, Senior Special Counsel, or Kaitlin C. Bottock, Assistant Chief Counsel, at (202) 551-6825 (Division of Investment Management, Chief Counsel's Office).

Supplementary Information: The following is a temporary order and a summary of the application. The complete application may be obtained via the Commission's website by

searching for the file number at the top of this document, or for an Applicant using the Company name search field, on the SEC's EDGAR system. The SEC's EDGAR system may be searched at <https://www.sec.gov/search-filings>. You may also call the SEC's Office of Investor Education and Advocacy at (202) 551-8090.

Applicants' Representations:

1. USB, an international banking and financial services corporation headquartered in Minneapolis, Minnesota, is a financial holding company and bank holding company under the Bank Holding Company Act of 1956, as amended. USB and its subsidiaries provide a full range of financial services, including lending and depository services, cash management, capital markets, and trust and investment management services. USB and its subsidiaries also engage in credit card services, merchant and ATM processing, mortgage banking, insurance, brokerage and leasing.

2. USBAM, a Delaware corporation, is an investment adviser registered under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). As of October 31, 2025, USBAM had approximately \$420.4 billion of regulatory assets under management, of which about \$188.8 billion related to its advisory activities for registered investment companies.

3. USBI, a Delaware corporation, is a broker-dealer and FINRA member registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and an investment adviser registered under Advisers Act, as well as a municipal securities broker and a municipal securities dealer subject to the rules of the Municipal Securities Rulemaking Board.

4. BTIG, a Delaware limited liability company, is a broker-dealer and FINRA member registered under the Exchange Act. BTIG's key business lines include institutional

equity and fixed income sales and trading, investment banking, research and strategy, outsource trading, and prime brokerage.

5. BTIG does not serve as an investment adviser or depositor of any registered investment company (a “RIC”), employee securities company (an “ESC”) or business development company (a “BDC”),² or as principal underwriter for any open-end management investment company registered under the Act (an “Open-End Fund”), registered unit investment trust (a “UIT”), or registered face-amount certificate company (a “FACC”) (such activities, collectively, “Fund Servicing Activities”).³ Applicants request that any relief granted by the Commission also apply, subject to the same terms and conditions specified in the application, to USB, USBAM, USBI, and any entity that may become an Affiliated Person of USB at any time in the future (together with the Applicants, the “Covered Persons”)⁴ with respect to any activity contemplated by Section 9(a) of the Act.⁵

6. On May 19, 2021, the Commission filed a complaint (the “Complaint”) in *Securities and Exchange Commission v. BTIG, LLC* Case No. 21-cv-4521 (S.D.N.Y.) (the “Action”) in the District Court, charging BTIG with violating Rules 200(g) and 203(b)(1) of Regulation SHO. The Complaint alleged the following: Regulation SHO regulates the short selling of securities and is designed, in part, to protect investors by restricting naked short selling

² Neither BDCs nor ESCs are specifically mentioned in section 9 but are nonetheless required to comply with its requirements by virtue of section 59 of the Act (for BDCs) and the terms of applicable exemptive relief (for ESCs).

³ The term “Fund” or “Funds” refers to any RIC, ESC, BDC, UIT or FACC for which a Covered Person currently provides, or may in the future provide, Fund Servicing Activities.

⁴ BTIG is an Applicant but does not and will not serve as investment adviser, depositor or principal underwriter to any registered investment company and is not a Covered Person.

⁵ Covered Persons may, if the Orders are granted, in the future act in any of the capacities contemplated by Section 9(a) of the Act subject to the applicable terms and conditions of the Orders.

and reducing failures to deliver. From December 2016 through July 2017, BTIG marked as “long” or “short exempt” over 90 equity sale orders from a single hedge fund customer in violation of Rule 200(g) of Regulation SHO. The customer had indicated that it was “long” the securities in question. BTIG’s customer was not “long” the shares of stock and was not “deemed to own” the shares of stock sold at the moment the sale orders were entered and was therefore “short” the stock at the time of each of those sale orders. Accordingly, BTIG should have marked its customer’s sale orders as “short.” BTIG was not entitled to simply rely on its customer’s representations concerning order marking and was obligated to independently verify that its customer was, in fact, long, before marking the trades. On each of these occasions, BTIG also failed to borrow and locate shares before executing these short sales. As a result of its conduct, BTIG violated the order marking and locate requirements of Rules 200(g) and 203(b)(1) of Regulation SHO (the “Conduct”). The Applicants state that only a small fraction of BTIG’s equity trading and sales group’s hundreds of employees were involved with the single customer whose sale orders resulted in the Conduct.

7. After the filing of the Complaint, BTIG agreed to a settlement, under which BTIG submitted an executed written consent (the “Consent”). Pursuant to the Consent, BTIG consented to the entry of a final judgment, without admitting or denying the allegations in the Complaint (except as to jurisdiction).

8. On May 2, 2022, the District Court entered a judgment in the Action (the “Judgment”), enjoining BTIG from violating Rules 200(g) and 203(b)(1) of Regulation SHO, under the Exchange Act. Furthermore, pursuant to the Judgment, BTIG was required to disgorge \$315,048, pay \$64,258 in prejudgment interest, and pay a civil penalty of

\$315,048. As a result, BTIG is currently disqualified from serving in the capacities specified in Section 9(a)(2) of the Act.

9. Applicants state that on January 12, 2026, Condor Trading, LP, the parent company of BTIG USB, Project Falon Merger Subsidiary L.P., a direct wholly owned subsidiary of USB, and CT Equity Rep, LLC entered into an Agreement and Plan of Merger (the “Transaction”). Applicants contend that upon the consummation of the Transaction, BTIG will become an indirect wholly owned subsidiary of USB and therefore an “affiliated person” within the meaning of section 2(a)(3) of the Act (an “Affiliated Person”) of each Fund Servicing Applicant.⁶

Applicants’ Legal Analysis:

1. Section 9(a)(2) of the Act provides, in pertinent part, that a person may not serve or act as an investment adviser or depositor of any RIC or as principal underwriter for any Open-End Fund, UIT, or FACC, if such person “... by reason of any misconduct, is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an underwriter, broker, dealer, investment adviser, municipal securities dealer, government securities broker, government securities dealer, bank, transfer agent, credit rating agency, or entity or person required to be registered under the Commodity Exchange Act. . . or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security.” Section 9(a)(3) of the Act extends the prohibitions of section 9(a)(2) to a company, any affiliated person of which has been disqualified under the provisions of section 9(a)(2). Section 2(a)(3) of the Act defines “affiliated person” to

⁶ Section 2(a)(3) of the Act defines “affiliated person” to include, among others, any person directly or indirectly controlling, controlled by, or under common control with, the other person.

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2. Section 9(c) of the Act provides that: “[t]he Commission shall by order grant [an] application [for relief from the prohibitions of subsection 9(a)], either unconditionally or on an appropriate temporary or other conditional basis, if it is established [i] that the prohibitions of subsection [9](a), as applied to such person, are unduly or disproportionately severe or [ii] that the conduct of such person has been such as not to make it against the public interest or protection of investors to grant such application.” Applicants have filed an application pursuant to section 9(c) seeking a Temporary Order and a Permanent Order exempting Fund Servicing Applicants and other Covered Persons from the disqualification provisions of section 9(a) of the Act. The Covered Persons may, if the Requested Orders are granted, in the future act in any of the capacities contemplated by section 9(a) of the Act subject to the applicable terms and conditions of the Requested Orders.

3. Applicants believe they meet the standards for exemption specified in section 9(c). Applicants assert that: (i) should the prohibitions of section 9(a) apply, which would result in the Applicants being unable to consummate the Transaction, the impact would be unduly or disproportionately severe, and (ii) that the Conduct did not constitute conduct that would make it against the public interest or protection of investors to grant the exemption.

4. Applicants state that the Conduct was confined solely to a small fraction of the employees in BTIG’s equity trading and sales group and occurred over eight years before the date of the Application, and before BTIG’s contemplated affiliation with USB and the Fund Servicing Applicants. Applicants further note that as USB and the Fund Servicing Applicants

are currently not affiliated with BTIG, none of the current or former directors, officers or employees of USB or the Fund Servicing Applicants had any involvement in the Conduct.

5. Applicants state that assuming USB would consummate the Transaction without the grant of the requested Orders, the Fund Servicing Applicants would be barred under Section 9(a) from providing Fund Servicing Activities, and the effect on their respective businesses and employees would be unduly severe. The Applicants state that each of the Fund Servicing Applicants has committed substantial capital and other resources to establishing expertise in advising the Funds and underwriting the securities of Funds with a view to continuing and expanding their businesses, which are considered strategically important.

6. Applicants state that given the severity of the impact, an express condition to closing the Transaction is that the Applicants receive relief under section 9(c) of the Act. Applicants further assert that absent the grant of this Order, the Applicants would not consummate the Transaction, which is strategically important to USB. Applicants further state that the inability of the Fund Servicing Applicants to continue providing Fund Servicing Activities would result in the Funds and their shareholders (i) being deprived of the advisory or underwriting services that they have received for many years and (ii) potentially facing substantial costs, including costs related to identifying suitable successors, holding meetings of the Funds' boards of directors, and soliciting shareholders to approve new advisory and/or underwriting agreements. Applicants contend that if the Transaction does not close due to the failure to obtain the relief requested herein, USB will not achieve the anticipated strategic benefits associated with the consummation of the Transaction.

7. Applicants argue that the Conduct was of limited scope and duration. Applicants assert that Conduct involved trading by one BTIG customer, who has not been a customer of

BTIG since August 2017, and pertained to only two issuers. The alleged Conduct concerned the accuracy of the sale order markings at the time the sales were ordered and the resulting failure to borrow or locate shares being sold short. Applicants state that only a small fraction of BTIG's equity trading and sales group's hundreds of employees were involved with the single customer whose sale orders resulted in the Conduct. Applicants note that the Conduct involved nearly 160 million shares of stock in total, more than \$250 million in value, during a period where BTIG was executing trades for an average of 75 million shares per day with a notional value of over \$1.8 billion per day across its equity trading department.

8. Applicants assert that in the time since the Conduct occurred, BTIG has enhanced its training, employee education, compliance efforts, and trading supervisory procedures specifically in an effort to prevent any future Regulation SHO violations. Applicants further state that BTIG's remedial efforts in connection with the Conduct have been and will continue to be focused on all of the departments involved in the sale orders at issue in the Conduct.

9. Applicants state that: (i) none of the current or former directors, officers or employees of the Applicants (other than certain current and former personnel of BTIG who were not, are not, and will not be involved in Fund Servicing Activities) had any involvement in the Conduct; (ii) no person who has been or who subsequently may be identified by the Applicants or any U.S. or non-U.S. regulatory or enforcement agencies as having been responsible for the Conduct (other than certain current and former personnel of BTIG who were not, are not, and will not be involved in Fund Servicing Activities) will be an officer, director, or employee of an Applicant or of any Covered Person providing Fund Servicing Activities; (iii) no persons who otherwise were involved in the Conduct (other than certain current and former personnel of BTIG who were not, are not, and will not be involved in Fund Servicing Activities) have had,

and will have any future, involvement in the Applicants' or Covered Persons' activities in any capacity described in Section 9(a) of the Act; and (iv) because the directors, officers and employees of USB and the Fund Servicing Applicants did not engage in the Conduct, shareholders of the Funds were not affected any differently than if the Funds had received services from any other non-affiliated investment adviser or principal underwriter.

Applicants' Conditions:

Applicants agree that any order granted by the Commission pursuant to the application will be subject to the following conditions:

1. Any temporary exemption granted pursuant to the Application will be without prejudice to, and will not limit the Commission's rights in any manner with respect to, any Commission investigation of, or administrative proceedings involving or against, Covered Persons, including, without limitation, the consideration by the Commission of a permanent exemption from Section 9(a) of the Act requested pursuant to the Application or the revocation or removal of any temporary exemptions granted under the Act in connection with the Application.

2. Neither the Applicants, USB, nor any of the other Covered Persons will employ any person to provide Fund Servicing Activities who previously has been or who subsequently may be identified by the Applicants or any U.S. or non-U.S. regulatory or enforcement agencies as having been responsible for the Conduct in any capacity without first making a further application to the Commission pursuant to Section 9(c).

3. Each Applicant, USB, and any other Covered Person will adopt and implement policies and procedures reasonably designed to ensure that it will comply with the terms and conditions of the requested Orders within 60 days of the date of the Permanent Order.

4. The material terms of the Judgment will be complied with in all material respects.

5. The Applicants will provide written notification to the Chief Counsel of the Commission's Division of Investment Management with a copy to the Chief Counsel of the Commission's Division of Enforcement of a material violation of the terms and conditions of the requested Orders and Judgment within 30 days of discovery of the material violation.

Temporary Order:

The Commission has considered the matter and finds that Applicants have made the necessary showing to justify granting a temporary exemption.

Accordingly,

IT IS HEREBY ORDERED, pursuant to section 9(c) of the Act, that the Fund Servicing Applicants are granted a temporary exemption from the provisions of section 9(a), effective as the date of this order, solely with respect to the Judgment, subject to the representations and conditions in the application, until the Commission takes final action on the Applicants' application for a permanent order.

By the Commission.

J. Matthew DeLesDernier,
Deputy Secretary.