

**THE NASDAQ STOCK MARKET LLC
NOTICE OF ACCEPTANCE OF AWC**

Certified, Return Receipt Requested

**TO: Mizuho Securities USA Inc.
Mr. Brendan Daly
Chief Compliance Officer
320 Park Avenue
12th Floor
New York, NY 10022**

**FROM: The NASDAQ Stock Market LLC ("Nasdaq")
c/o Financial Industry Regulatory Authority ("FINRA")
Department of Enforcement
15200 Omega Drive, Suite 300
Rockville, MD 20850**

DATE: April 2, 2019

RE: Notice of Acceptance of Letter of Acceptance, Waiver and Consent No. 2016051141401

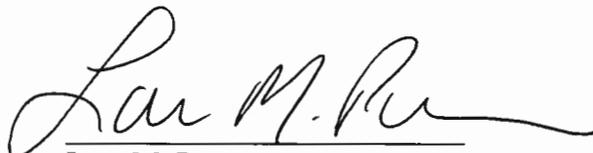
Please be advised that your above-referenced Letter of Acceptance, Waiver and Consent ("AWC") has been accepted on **April 2, 2019** by the Nasdaq Review Council's Review Subcommittee, or by the Office of Disciplinary Affairs on behalf of the Nasdaq Review Council, pursuant to Nasdaq Rule 9216. A copy of the AWC is enclosed herewith.

You are again reminded of your obligation, if currently registered, immediately to update your Uniform Application for Broker-Dealer Registration ("Form BD") to reflect the conclusion of this disciplinary action. Additionally, you must also notify FINRA (or NASDAQ if you are not a member of FINRA) in writing of any change of address or other changes required to be made to your Form BD.

You will be notified by the Registration and Disclosure Department regarding sanctions if a suspension has been imposed and by NASDAQ's Finance Department regarding the payment of any fine if a fine has been imposed.

Mizuho Securities USA Inc.
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If you have any questions concerning this matter, please contact Felix M. Hester, Senior Counsel, at (646) 430-7047.

A handwritten signature in black ink, appearing to read "Lara M. Posner", written over a horizontal line.

Lara M. Posner
Senior Director
Department of Enforcement, FINRA

Signed on behalf of NASDAQ

Enclosure

FINRA District 10 - New York
William St. Louis
Senior Vice President and Regional Director
(Via email)

THE NASDAQ STOCK MARKET LLC
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016051141401

TO: The NASDAQ Stock Market LLC
c/o Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Mizuho Securities USA Inc., Respondent
Broker-Dealer
CRD No. 19647

Pursuant to Rule 9216 of The NASDAQ Stock Market LLC ("Nasdaq") Code of Procedure, Mizuho Securities USA Inc. (the "firm") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, Nasdaq will not bring any future actions against the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The firm hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of Nasdaq, or to which Nasdaq is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by Nasdaq:**

BACKGROUND

The firm became a member of FINRA on July 25, 1987 and of Nasdaq on June 9, 2010. The firm's registrations remain in effect. The firm has no relevant disciplinary history.

SUMMARY

The staff of the Market Analysis Section of the Department of Market Regulation at FINRA (the "staff") conducted a review of the firm's compliance with Nasdaq Rule 4613(a) during the periods from January 1, 2015 through March 31, 2015, July 1, 2015 through December 31, 2015, and April 1, 2016 through June 30, 2016 (collectively the "review period"). Based on its review, the staff determined that the firm violated Nasdaq Rules 4613(a), as set forth below.

FACTS AND VIOLATIVE CONDUCT

Market Maker Quoting Obligations

1. Pursuant to Nasdaq Rule 4613(a), for each National Market System ("NMS") security in which a Nasdaq member is registered as a market maker, the member is required to maintain a continuous two-sided trading interest, during regular market hours, at prices within certain parameters expressed as a percentage referenced from the National Best Bid or Offer ("NBBO").
2. During the review period, the firm, in 130 instances,¹ failed to maintain a continuous two-sided trading interest during regular market hours at prices within certain percentages away from the NBBO. The majority of the violations occurred because of a coding error within the firm's order management system which resulted in the firm not quoting in certain symbols for the entire day. The conduct described in this paragraph constitutes violations of Nasdaq Rule 4613(a).

B. The firm also consents to the imposition of the following sanctions:

1. A censure, and
2. A fine of \$10,000.

The firm agrees to pay the monetary sanction(s) in accordance with its executed Election of Payment Form.

The firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under Nasdaq's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against the firm;
- B. To be notified of the Formal Complaint and have the opportunity to answer the

¹ This is the number of validated violations based on a sample.

allegations in writing;

- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and**
- D. To appeal any such decision to the Nasdaq Review Council and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.**

Further, the firm specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Regulatory Officer, the Nasdaq Review Council, or any member of the Nasdaq Review Council, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

The firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

The firm understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by FINRA's Department of Enforcement and the Nasdaq Review Council, the Review Subcommittee, or the Office of Disciplinary Affairs ("ODA"), pursuant to Nasdaq Rule 9216;**
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm; and**
- C. If accepted:**
 - 1. This AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by Nasdaq or any other regulator against the firm;**
 - 2. Nasdaq may release this AWC or make a public announcement concerning this agreement and the subject matter thereof in accordance with Nasdaq**

Accepted by Nasdaq :

4/2/19
Date



Lara M. Posner
Senior Director
Department of Enforcement
Signed on behalf of Nasdaq, by delegated
authority from the Director of ODA

ELECTION OF PAYMENT FORM

The firm intends to pay the fine proposed in the attached Letter of Acceptance, Waiver and Consent by the following method (check one):

- A firm check or bank check for the full amount
- Wire transfer

Respectfully submitted,

Respondent
Mizuho Securities USA Inc.

March 4, 2019
Date

By: Brendan Daly

Name: Brendan Daly

Title: Chief Compliance Officer

Billing and Payment Contact

Please enter the billing contact information below. Nasdaq MarketWatch will contact you with billing options and payment instructions. *Please DO NOT submit payment until Nasdaq has sent you an invoice.*

Billing Contact Name: Mitchell Billek

Billing Contact Address: 101 Wood Avenue South, 3rd Floor, Iselin, NJ 08830

Billing Contact Email: Mitchell.Billek@mizuhogroup.com

Billing Contact Phone Number: 1 (201) 626-1286

FINRA Matter No. 20160511414