

FINANCIAL INDUSTRY REGULATORY AUTHORITY

In the Matter of the
Continued Membership
of

Perella Weinberg Partners LP
(CRD No. 138618)

And

Tudor, Pickering, Holt & Co. Securities, LLC
(CRD No. 129772)

Notice Pursuant to
Rule 19h-1
Securities Exchange Act
of 1934

SD-2374
SD-2381

May 29, 2024

I. Introduction

On October 16, 2023, Perella Weinberg Partners LP (“Perella”) and Tudor, Pickering, Holt & Co. Securities, LLC (“Tudor”), (individually “Firm” and collectively “Firms”) each submitted a Membership Continuance Application (“Applications”) to FINRA’s Credentialing, Registration, Education, and Disclosure (“CRED”) Department.¹ The Applications seek to permit the Firms, FINRA members, to continue their membership with FINRA notwithstanding their statutory disqualification. A hearing was not held in these matters; rather, pursuant to FINRA Rule 9523(b), FINRA’s Department of Member Supervision (“FINRA,” “Member Supervision,” or “Department”) approves the Applications and is filing this Notice pursuant to Rule 19h-1 of the Securities Exchange Act of 1934 (“Exchange Act” or “SEA”).²

II. The Statutorily Disqualifying Event

The Firms are subject to statutory disqualification, as that term is defined in Section 3(a)(39)(F) of the Exchange Act, incorporating by reference Sections 15(b)(4)(D) and (E), as a result of a September 29, 2023 order issued by the Securities and Exchange Commission (“SEC” or “Commission”) finding that both Perella and Tudor willfully violated Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) and failed reasonably to

¹ See Perella Application and related attachments compiled by CRED, with a cover memorandum dated October 18, 2023, attached as Exhibit 1. See Tudor Application and related attachments compiled by CRED, with a cover memorandum dated October 23, 2023, attached as Exhibit 2.

² The Firms consented to being listed on the same SEA Rule 19h-1 Notice.

supervise their employees with a view to preventing or detecting certain of their employees' aiding and abetting violations of Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder ("SEC Order").³ According to the SEC Order, from at least January 2018, employees of the Firms sent and received off-channel communications that related to the Firms' business, and a majority of these written communications was not maintained or preserved by the Firms.⁴ Further, supervisors who were responsible for preventing this misconduct among junior employees routinely communicated off-channel using their personal devices, and, in so doing, failed to comply with the Firms' policies by communicating using non-Firm approved methods on their personal devices about the Firms' broker-dealer business.⁵

The Firms were censured, ordered to cease and desist from committing or causing any future violations, ordered to pay a civil money penalty jointly and severally in the amount of \$2,500,000, and ordered to comply with certain undertakings.⁶

III. Remedial Measures

According to the Applications, the Firms represented that they undertook remedial measures prior to the issuance of the SEC Order, including issuing new firm-owned devices, strengthening their self-policing procedures, and investing in new technologies to improve their surveillance efforts.⁷ Additionally, the Firms conducted trainings and reminded employees of the importance of complying with recordkeeping obligations.⁸ According to the SEC Order, the Commission considered the Firms' prompt remedial actions and cooperation with the SEC when determining to accept the Offer of Settlement, and noted that the Firms self-reported off-channel communications prior to being contacted

³ See SEC Order, *In re Perella Weinberg Partners LP; Tudor, Pickering, Holt & Co. Securities LLC; and Perella Weinberg Partners Capital Management LP*, Exchange Act Release No. 98632 (Sept. 29, 2023), attached as Exhibit 3.

The SEC Order also triggered disqualification under Rules 262(a)(4), 506(d)(1)(iv), and 602(c)(3) of the Securities Act of 1933 and Rule 503(a)(4)(ii) of Regulation Crowdfunding. On September 29, 2023, the SEC granted the Firms a waiver from the application of the disqualification provisions of these Rules. *See In re Certain Broker-Dealer Practices*, Securities Act Release No. 11249 (Sept. 29, 2023), attached as Exhibit 4.

⁴ See Exhibit 3 at p. 2, para. 3.

⁵ *Id.* at p. 2, para. 4.

⁶ *Id.* at pp. 7-12. The Firms submitted evidence that the civil penalty was paid on October 3, 2023. *See* Correspondence from Perella to FINRA dated April 1, 2024, and Correspondence from Tudor to FINRA dated April 1, 2024 (with attachment), collectively attached as Exhibit 5, at FINRA p. 4 Response 2, FINRA p. 10 Response 2, and FINRA pp. 13-14. The Firms have also represented that they are in compliance with the ordered undertakings. *Id.* at FINRA pp. 2, 8.

⁷ See Exhibit 1 at FINRA 000061 and Exhibit 2 at FINRA 00061.

⁸ See Exhibit 1 at FINRA 000061 and Exhibit 2 at FINRA 00061.

by the Commission.⁹

IV. Firm Background

Perella has been a FINRA member since May 12, 2006¹⁰ and Tudor since May 4, 2004.¹¹ Perella is headquartered in New York, New York with six branches (all of which are Offices of Supervisory Jurisdiction).¹² Perella employs approximately 332 registered representatives (86 of which are registered principals), one operations professional, and 117 non-registered fingerprint employees.¹³ Perella does not employ any statutorily disqualified individuals.¹⁴

Tudor is headquartered in Houston, Texas with three branches (two of which are Offices of Supervisory Jurisdiction).¹⁵ Tudor employs approximately 93 registered representatives (30 of which are registered principals), one operations professional, and 81 non-registered fingerprint employees.¹⁶ Tudor does not employ any statutorily disqualified individuals.¹⁷

Perella is approved to engage in the following lines of business:¹⁸ underwriter or selling group participant (corporate securities other than mutual funds), private placements of securities, and other securities business.¹⁹

Tudor is approved to engage in the following lines of business:²⁰ broker or dealer making

⁹ See Exhibit 3 at p. 6, para. 34.

¹⁰ See Perella's Central Registration Depository ("CRD") Excerpt – Organization Registration Status, attached as Exhibit 6.

¹¹ See Tudor's CRD Excerpt – Organization Registration Status, attached as Exhibit 7.

¹² FINRA confirmed this through analysis of the Firm's information contained in CRD, last performed on May 16, 2024.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ See Perella's CRD Excerpts - Types of Business and Other Business Descriptions, collectively attached as Exhibit 8.

¹⁹ Per the Firm's CRD Record, the "other securities business" includes investment banking, furnishing financial advice to clients in connection with mergers, consolidations, acquisitions, divestitures, tender and exchange offerings, leveraged buyouts and corporate restructurings. *Id.* at p. 2.

²⁰ See Tudor's CRD Excerpts - Types of Business and Other Business Descriptions, collectively attached as Exhibit 9.

inter-dealer markets in corporate securities over-the-counter, broker or dealer retailing corporate equity securities over-the-counter, underwriter or selling group participant (corporate securities other than mutual funds), put and call broker or dealer or option writer, private placements of securities, and other securities business.²¹

Perella is not a member of any other self-regulatory organizations (“SROs”).²²

Tudor is not a member of any other SROs.²³

Recent Examinations

In the past two years, FINRA completed zero routine examinations of Perella, and one non-routine examination of Perella that resulted in a Cautionary Action Letter (“CAL”).

In the past two years, FINRA completed one routine examination and one non-routine examination of Tudor that resulted in CALs.

A. FINRA Non-Routine Examination of Perella

In May 2022, FINRA issued a CAL to Perella for violating FINRA Rules 12200 and 2010 by: 1) opposing a customer’s bid for arbitration before FINRA Dispute Resolution and moving to remand the case to New York state court; and 2) including a forum selection clause in its executed standard form contracts designating New York courts as the exclusive forum for disputes.²⁴

B. FINRA Routine Examination of Tudor

In January 2024, FINRA issued a CAL to Tudor based on two exceptions pertaining to Tudor’s failure to provide documentation related to its annual compensation committee meeting and Tudor’s failure to include a reference to Rule 15c3-5 in its FINRA Rule 3130 certification.²⁵ In response, Tudor agreed to document its annual compensation committee meetings going forward and stated that it has ceased all trading activities, and

²¹ Per the Firm’s CRD Record, the “other securities business” includes engaging in research activities and acting as broker or dealer retailing corporate securities over-the-counter. *Id.* at p. 2.

²² See Exhibit 6. FINRA staff confirmed this through a search of public member directories, last performed on May 16, 2024.

²³ See Exhibit 7. FINRA staff confirmed this through a search of public member directories, last performed on May 28, 2024.

²⁴ See CAL for Matter No. 20200667676 dated May 6, 2022, attached as Exhibit 10. The Firm was not required to provide a written response.

²⁵ See Disposition Letter for Examination No. 20230770013 dated January 25, 2024, Examination Report dated December 29, 2023, and Firm Response dated January 11, 2024, collectively attached as Exhibit 11, at FINRA pp. 1, 5-6.

thus, Exchange Act Rule 15c3-5(e) no longer applies to the Firm.²⁶

C. FINRA Non-Routine Examination of Tudor

In May 2022, FINRA issued a CAL to Tudor relating to Tudor's failure to 1) comply with Rule 203(b)(1) of Regulation SHO when effecting a short sale order in an equity security in a proprietary account, and 2) conduct supervisory reviews reasonably designed to comply with Rule 203(b)(1) because the reviews did not cover the Firm's proprietary short selling activity.²⁷ In response, Tudor represented that it 1) engaged outside counsel to perform an internal review of the Firm's proprietary trading activities, compliance with Regulation SHO, and related policies and procedures, 2) self-reported the order marking issue to FINRA, and 3) terminated the Firm's proprietary trading activities.²⁸

Regulatory Actions

In the past two years, neither Perella nor Tudor was the subject of any disciplinary actions, aside from the SEC Order that led to the Applications.

V. **Prior SEA Rule 19h-1 Notices**

The Firms have no prior SEA Rule 19h-1 or 19d-1 Notices.

VI. **The Firms' Proposed Continued Membership with FINRA and Plan of Heightened Supervision**

The Firms seek to continue their membership with FINRA notwithstanding their status as disqualified members. The Firms have agreed to the following Plan of Heightened Supervision ("Supervision Plan" or "Plan") as a condition of their continued membership with FINRA:²⁹

Perella Weinberg Partners LP and Tudor, Pickering, Holt & Co. Securities, LLC (collectively, the "Firms") are subject to statutory disqualification pursuant to Section 3(a)(39)(F) of the Securities Exchange Act of 1934, which incorporates by reference Sections 15(b)(4)(D) & (E), as a result of an order issued by the U.S. Securities and Exchange Commission ("SEC" or "Commission") dated September 29, 2023, which found that the Firms willfully violated Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-4(b)(4) thereunder ("SEC Order"). The SEC Order also found that the Firms

²⁶ *Id.* at FINRA p. 8.

²⁷ *See* CAL for Matter No. 20200660973 dated May 13, 2022, and Firm Response dated June 16, 2022, collectively attached as Exhibit 12.

²⁸ *Id.* at FINRA p. 4.

²⁹ *See* Executed Consent to Plan of Heightened Supervision dated April 11, 2024, attached as Exhibit 13.

failed to reasonably supervise its employees within the meaning of Section 15(b)(4)(E).

For the purpose of this Supervision Plan, the term “Digital Communication Channels” means all written electronic methods of communication used to conduct the Firms’ business, including but not limited to, text messaging platforms, whether via SMS messaging, iMessage, or other messaging services such as WhatsApp; direct messaging platforms including X f/k/a “Twitter,” Instagram, LinkedIn, Slack, or Bloomberg Messaging; non-firm domain email accounts; and any other written electronic business-related correspondence. “Digital Communication Channels” encompass platforms used to exchange messages with internal or external stakeholders using either a personal or Firm-provided device.

For the purpose of this Supervision Plan, the term “Off-Channel Communications” means all business-related written electronic messages sent on Digital Communication Channels that are not captured by the Firms’ surveillance and record-keeping systems.

In consenting to this Supervision Plan, the Firms agree to the following:

1. The Firms shall comply with all of the undertakings outlined in the SEC Order.
2. The Firms shall maintain copies of all correspondence between the Firms and Commission staff relating to the SEC Order, including documenting when Commission staff grants extensions to the deadlines set forth in the SEC Order. The Firms shall maintain copies of all such correspondence in a readily accessible place for ease of review by FINRA staff.
3. The Firms shall provide FINRA’s Statutory Disqualification Group with copies of all certifications submitted to the SEC upon completion of the undertakings as specified in the SEC Order. The Firms shall maintain copies of all certifications in a readily accessible place for ease of review by FINRA staff.
4. The Firms shall maintain copies of all reports and supporting documentation submitted to SEC staff in accordance with the SEC Order, as well as any other documentation needed to evidence the status and completion of each of the undertakings outlined in the SEC Order. The Firms shall maintain copies of such documentation in a readily accessible place for ease of review by FINRA staff.
5. Within six months of the SEC’s Letter of Acknowledgement (“LOA”) in this matter, to the extent that they have not already done so within the past six months, and on at least an annual basis thereafter, for a term of six years from the date of the LOA, the Firms shall conduct training for all associated persons regarding the Digital Communication Channels that the Firms have approved for business communication, along with the Firms’ current policies regarding retention of business-related electronic communications. The Firms shall maintain a record of individual completion of said training and a copy of said training materials in a readily accessible place for ease of review by FINRA staff.

6. The Firms shall conduct the training described in item number 5 above for all new hires, within 65 days from the date of commencement of new hire training, for a term of six years from the date of the LOA. The Firms shall retain a record of all new hire training, including a copy of all written training materials, and keep said record(s) in a readily accessible place for ease of review by FINRA staff.
7. Within 90 days of the LOA, the Firms shall, to the extent that they have not already done so, establish and maintain a written list(s) of all Digital Communication Channels that their associated persons are permitted to use to communicate about the Firms' business. The list(s) shall be circulated to all of the Firms' associated persons at least on a semi-annual basis, for a term of six years from the date of the LOA. The Firms shall require that all associated persons obtain written approval for use of any Digital Communication Channels to communicate about the Firms' business that are not already on the approved list(s) maintained by the Firms. The Firms shall maintain a record of all requests and approvals or rejections of each request, including the date of the requests and the Firms' decision. The Firms shall maintain copies of such requests and decisions in a readily accessible place for ease of review by FINRA staff.
8. The Firms shall require all associated persons to disclose on at least a semi-annual basis, for a term of six years from the date of the LOA, any unapproved Digital Communication Channels he/she is using to communicate about the Firms' business. The Firms shall retain records of such disclosures in a readily accessible place for ease of review by FINRA staff.
9. Subject to Paragraph 7 above, the Firms shall prohibit associated persons from using Off-Channel Communications.
10. Within 90 days of the LOA, the Firms shall, to the extent that they have not already done so, develop a process whereby, in the event that an associated person sends or receives an Off-Channel Communication, the Off-Channel Communication is submitted to the Firms and retained in compliance with relevant securities laws and regulations. For a term of six years from the date of the LOA, the Firms shall maintain a record of all such Off-Channel Communications, including a record of the Firms' receipt of the communication, in a readily accessible place for ease of review by FINRA staff.
11. Within 90 days of the LOA, the Firms shall, to the extent that they have not already done so, develop and maintain written supervisory policies and procedures detailing the Firms' process for disciplining associated persons who use Off-Channel Communications to communicate about the Firms' business. When the Firms use the disciplinary process, the Firms shall document each instance. The Firms shall retain records of such written supervisory policies and procedures and records of the disciplinary processes and each outcome.
12. All requested documents and certifications under this Supervision Plan shall be sent directly to FINRA's Statutory Disqualification Group at SDMailbox@FINRA.org.

13. The Firms shall obtain written approval from FINRA's Statutory Disqualification Group prior to changing any provision of the Supervision Plan.
14. The Firms shall submit any proposed changes or other requested information under this Supervision Plan to FINRA's Statutory Disqualification Group at SDMailbox@FINRA.org.

VII. Discussion

After carefully reviewing the entire record in this matter, FINRA approves each Firm's request to continue its membership with FINRA, subject to the terms and conditions set forth herein. In evaluating the Applications submitted by Perella and Tudor, FINRA assessed whether the Firms have demonstrated that their continued membership is consistent with the public interest and does not create an unreasonable risk of harm to investors or the markets. *See* FINRA By-Laws, Art. III, Sec. 3(d); *cf. Frank Kufrovich*, 55 S.E.C. 616, 624 (2002) (holding that FINRA "may deny an application by a firm for association with a statutorily-disqualified individual if it determines that employment under the proposed plan would not be consistent with the public interest and the protection of investors"). Typically, factors that bear on FINRA's assessment include, among other things, the nature and gravity of the statutorily disqualifying misconduct, the time elapsed since its occurrence, the restrictions imposed, the Firm's regulatory history, and whether there has been any intervening misconduct.

As of the date of this Notice, FINRA has determined that the Firms' continued membership is consistent with the public interest and does not create an unreasonable risk of harm to investors or the markets. While the SEC Order identified serious violations of securities laws, the Firms were not expelled or suspended, nor were any limitations placed on the Firms' securities activities. Although the SEC Order triggered certain disqualifications from exemptions from registration available under the Securities Act of 1933 ("Securities Act"), specifically Regulations A, D and E of the Securities Act and Regulation Crowdfunding, the SEC granted the Firms a waiver from the application of the disqualification provisions of Rules 262(a)(4)(ii), 506(d)(1)(iv)(B), and 602(c)(3) of the Securities Act and Rule 503(a)(4)(ii) of Regulation Crowdfunding. Moreover, the full amount of the civil monetary penalty was promptly paid. Additionally, the Firms represented that they are in compliance with the ordered undertakings.³⁰ Member Supervision also acknowledges that within the SEC Order the Commission considered the Firms' prompt remedial actions and cooperation with the Commission and that the Firms self-reported off-channel communications prior to the Commission contacting the Firms when determining to accept the Offer of Settlement.³¹ The Department is further reassured by the progress the Firms have made on the undertakings required by the SEC. Specifically, the Firms promptly hired an independent compliance consultant, who completed their initial review, and the Firms have worked towards implementing the consultant's

³⁰ *See* Exhibit 5, at FINRA pp. 2-5, 8-11.

³¹ *See* Exhibit 3 at p. 6, para. 34.

recommendations.³²

In evaluating the Firms' Applications, FINRA notes that Perella and Tudor have no recent regulatory actions filed against them or additional disqualifying orders. Member Supervision further notes that, as of the date of this Notice, the Firms have paid all fines and complied with all undertakings ordered by the SEC. Additionally, in response to recent examination findings, the Firms took steps to resolve the issues, including documenting meetings, ceasing trading activities, and retaining outside counsel to review policies and procedures at issue in the examinations' findings.

FINRA is further reassured by the controls set in place by the Firms' agreed to Supervision Plan which bolsters the undertakings outlined in the SEC Order and will continue to provide oversight of the Firms and compliance with their remaining undertakings. In accordance with the Plan, the Firms agreed to conduct annual training for all associated persons, including new hires, regarding the Firms' approved digital communication methods and record retention policies for electronic communications. Further, the Plan calls for the Firms to maintain a list of approved digital communication methods that associated persons are permitted to use for Firm business and to circulate that list to their associated persons semi-annually. The Plan requires the Firms' associated persons to obtain written approval to use digital communication channels not already approved. The Plan prohibits the use of off-channel communications and requires associated persons to semi-annually disclose any unapproved digital communication methods they are using for Firm business; they must also forward any off-channel communications that may have taken place to the Firms for retention purposes. These provisions will help to ensure that the Firms are aware of the communication methods being used by associated persons so that they can appropriately monitor, capture, and retain those communications. Additionally, the Plan mandates that the Firms develop policies and procedures for disciplining associated persons who use unapproved communication methods for Firm business and segregate all certifications, reports, and supporting documentation submitted to the SEC regarding compliance with the undertakings, for ease of review by FINRA staff to ensure ongoing compliance.

Following the approval of the Firms' continued membership in FINRA, FINRA intends to utilize its examination and surveillance processes to monitor the Firms' continued compliance with the standards prescribed by Exchange Act Rule 19h-1 and FINRA Rule 9523.

Thus, FINRA is satisfied, based on the foregoing and on the Firms' representations made pursuant to the Supervision Plan, that the Firms' continued membership in FINRA is consistent with the public interest and does not create an unreasonable risk of harm to the market or investors. Accordingly, FINRA approves Perella and Tudor's Applications to continue their membership with FINRA.

In conformity with the provisions of Rule 19h-1 of the Exchange Act, the continued membership of the Firms will become effective within 30 days of the receipt of this notice

³² See Exhibit 5 at FINRA pp. 2, 8.

by the Commission, unless otherwise notified by the SEC.

On Behalf of FINRA,



Marcia E. Asquith
Executive Vice President & Corporate Secretary

EXHIBITS

SD-2374 and SD-2381

1. Perella Application and related attachments compiled by CRED, with a cover memorandum dated October 18, 2023.
2. Tudor Application and related attachments compiled by CRED, with a cover memorandum dated October 23, 2023.
3. SEC Order, *In re Perella Weinberg Partners LP; Tudor, Pickering, Holt & Co. Securities LLC; and Perella Weinberg Partners Capital Management LP*, Exchange Act Release No. 98632 (Sept. 29, 2023).
4. *In re Certain Broker-Dealer Practices*, Securities Act Release No. 11249 (Sept. 29, 2023).
5. Correspondence from Perella to FINRA dated April 1, 2024, and Correspondence from Tudor to FINRA dated April 1, 2024.
6. Perella CRD Excerpt – Organization Registration Status.
7. Tudor CRD Excerpt – Organization Registration Status.
8. Perella CRD Excerpts - Types of Business and Other Business Descriptions.
9. Tudor CRD Excerpts - Types of Business and Other Business Descriptions.
10. CAL for Matter No. 20200667676 dated May 6, 2022.
11. Disposition Letter for Examination No. 20230770013 dated January 25, 2024, Examination Report dated December 29, 2023, and Firm Response dated January 11, 2024.
12. CAL for Matter No. 20200660973 dated May 13, 2022, and Firm Response dated June 16, 2022.
13. Executed Consent to Plan of Heightened Supervision dated April 11, 2024.