

FORM ADV

UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION AND REPORT BY EXEMPT REPORTING ADVISERS

|                                                   |                   |
|---------------------------------------------------|-------------------|
| Primary Business Name: HSBC SECURITIES (USA) INC. | CRD Number: 19585 |
| Other-Than-Annual Amendment - All Sections        | Rev. 10 / 2021    |
| 7 / 13 / 2026 3:35:13 PM                          |                   |

**WARNING:** Complete this form truthfully. False statements or omissions may result in denial of your application, revocation of your registration, or criminal prosecution. You must keep this form updated by filing periodic amendments. See Form ADV General Instruction 4.

Item 1 Identifying Information

Responses to this Item tell us who you are, where you are doing business, and how we can contact you. If you are filing an *umbrella registration*, the information in Item 1 should be provided for the *filing adviser* only. General Instruction 5 provides information to assist you with filing an *umbrella registration*.

A. Your full legal name (if you are a sole proprietor, your last, first, and middle names):  
**HSBC SECURITIES (USA) INC.**

B. (1) Name under which you primarily conduct your advisory business, if different from Item 1.A.  
**HSBC SECURITIES (USA) INC.**

List on *Section 1.B. of Schedule D* any additional names under which you conduct your advisory business.

(2) If you are using this Form ADV to register more than one investment adviser under an *umbrella registration*, check this box ☐

If you check this box, complete a *Schedule R* for each relying adviser.

C. If this filing is reporting a change in your legal name (Item 1.A.) or primary business name (Item 1.B.(1)), enter the new name and specify whether the name change is of ☐ your legal name or ☐ your primary business name:

D. (1) If you are registered with the SEC as an investment adviser, your SEC file number: **801-64563**  
(2) If you report to the SEC as an *exempt reporting adviser*, your SEC file number:  
(3) If you have one or more Central Index Key numbers assigned by the SEC ("CIK Numbers"), all of your CIK numbers:

| CIK Number |
|------------|
| 853784     |
| 1092524    |

E. (1) If you have a number ("CRD Number") assigned by the *FINRA's CRD* system or by the IARD system, your *CRD* number: **19585**

If your firm does not have a *CRD* number, skip this Item 1.E. Do not provide the *CRD* number of one of your officers, employees, or affiliates.

(2) If you have additional *CRD* Numbers, your additional *CRD* numbers:

No Information Filed

F. Principal Office and Place of Business

(1) Address (do not use a P.O. Box):  
Number and Street 1: Number and Street 2:  
66 HUSDSON BOULEVARD EAST  
City: State: Country: ZIP+4/Postal Code:  
NEW YORK New York United States 10001

If this address is a private residence, check this box: ☐

List on *Section 1.F. of Schedule D* any office, other than your principal office and place of business, at which you conduct investment advisory business. If you are applying for registration, or are registered, with one or more state securities authorities, you must list all of your offices in the state or states to which you are applying for registration or with whom you are registered. If you are applying for SEC registration, if you are registered only with the SEC, or if you are reporting to the SEC as an exempt reporting adviser, list the largest twenty-five offices in terms of numbers of employees as of the end of your most recently completed fiscal year.

(2) Days of week that you normally conduct business at your *principal office and place of business*:  
☒ Monday - Friday ☐ Other:  
Normal business hours at this location:  
8:30AM - 5:30PM  
(3) Telephone number at this location:  
212-525-2879  
(4) Facsimile number at this location, if any:  
212-382-5560  
(5) What is the total number of offices, other than your *principal office and place of business*, at which you conduct investment advisory business as of the end of your most recently

completed fiscal year?

58

G.

Mailing address, if different from your *principal office and place of business* address:

Number and Street 1:

City:

State:

Number and Street 2:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box:

☐

H.

If you are a sole proprietor, state your full residence address, if different from your *principal office and place of business* address in Item 1.F.:

Number and Street 1:

City:

State:

Number and Street 2:

Country:

ZIP+4/Postal Code:

I.

Do you have one or more websites or accounts on publicly available social media platforms (including, but not limited to, Twitter, Facebook and LinkedIn)?

Yes

No

☒

☐

If "yes," list all firm website addresses and the address for each of the firm's accounts on publicly available social media platforms on *Section 1.I. of Schedule D*. If a website address serves as a portal through which to access other information you have published on the web, you may list the portal without listing addresses for all of the other information. You may need to list more than one portal address. Do not provide the addresses of websites or accounts on publicly available social media platforms where you do not control the content. Do not provide the individual electronic mail (e-mail) addresses of employees or the addresses of employee accounts on publicly available social media platforms.

J.

Chief Compliance Officer

(1) Provide the name and contact information of your Chief Compliance Officer. If you are an *exempt reporting adviser*, you must provide the contact information for your Chief Compliance Officer, if you have one. If not, you must complete Item 1.K. below.

Name:

Telephone number:

Number and Street 1:

City:

Other titles, if any:

Facsimile number, if any:

Number and Street 2:

Country:

ZIP+4/Postal Code:

Electronic mail (e-mail) address, if Chief Compliance Officer has one:

(2) If your Chief Compliance Officer is compensated or employed by any *person* other than you, a *related person* or an investment company registered under the Investment Company Act of 1940 that you advise for providing chief compliance officer services to you, provide the *person's* name and IRS Employer Identification Number (if any):

Name:

IRS Employer Identification Number:

K.

Additional Regulatory Contact Person: If a person other than the Chief Compliance Officer is authorized to receive information and respond to questions about this Form ADV, you may provide that information here.

Name:

Telephone number:

Number and Street 1:

City:

Titles:

Facsimile number, if any:

Number and Street 2:

Country:

ZIP+4/Postal Code:

Electronic mail (e-mail) address, if contact person has one:

L.

Do you maintain some or all of the books and records you are required to keep under Section 204 of the Advisers Act, or similar state law, somewhere other than your *principal office and place of business*?

Yes

No

☒

☐

If "yes," complete *Section 1.L. of Schedule D*.

M.

Are you registered with a *foreign financial regulatory authority*?

Yes

No

☐

☒

Answer "no" if you are not registered with a *foreign financial regulatory authority*, even if you have an affiliate that is registered with a *foreign financial regulatory authority*. If "yes," complete *Section 1.M. of Schedule D*.

N.

Are you a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934?

Yes

No

☐

☒

O.

Did you have \$1 billion or more in assets on the last day of your most recent fiscal year?

If yes, what is the approximate amount of your assets:

☐ \$1 billion to less than \$10 billion

☐ \$10 billion to less than \$50 billion

☒ \$50 billion or more

For purposes of Item 1.O. only, "assets" refers to your total assets, rather than the assets you manage on behalf of clients. Determine your total assets using the total assets shown on the balance sheet for your most recent fiscal year end.

P. Provide your *Legal Entity Identifier* if you have one:  
CYYGQCGNHMHPMRL3R97

A *legal entity identifier* is a unique number that companies use to identify each other in the financial marketplace. You may not have a *legal entity identifier*.

SECTION 1.B. Other Business Names

No Information Filed

SECTION 1.F. Other Offices

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

|                                         |                      |                           |                             |
|-----------------------------------------|----------------------|---------------------------|-----------------------------|
| Number and Street 1:<br>407 MAIN STREET |                      | Number and Street 2:      |                             |
| City:<br>CHATHAM                        | State:<br>New Jersey | Country:<br>United States | ZIP+4/Postal Code:<br>07928 |

If this address is a private residence, check this box: ☐

|                                   |                                           |
|-----------------------------------|-------------------------------------------|
| Telephone Number:<br>973-457-2584 | Facsimile Number, if any:<br>973-701-0364 |
|-----------------------------------|-------------------------------------------|

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
409579

How many *employees* perform investment advisory functions from this office location?  
7

- Are other business activities conducted at this office location? (check all that apply)
- ☒ (1) Broker-dealer (registered or unregistered)
  - ☒ (2) Bank (including a separately identifiable department or division of a bank)
  - ☒ (3) Insurance broker or agent
  - ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
  - ☐ (5) Registered municipal advisor
  - ☐ (6) Accountant or accounting firm
  - ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

|                                              |                   |                                    |                             |
|----------------------------------------------|-------------------|------------------------------------|-----------------------------|
| Number and Street 1:<br>1441 BRICKELL AVENUE |                   | Number and Street 2:<br>16TH FLOOR |                             |
| City:<br>MIAMI                               | State:<br>Florida | Country:<br>United States          | ZIP+4/Postal Code:<br>33131 |

If this address is a private residence, check this box: ☐

|                                   |                                           |
|-----------------------------------|-------------------------------------------|
| Telephone Number:<br>305-539-4723 | Facsimile Number, if any:<br>716-630-1885 |
|-----------------------------------|-------------------------------------------|

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
231089

How many *employees* perform investment advisory functions from this office location?  
24

- Are other business activities conducted at this office location? (check all that apply)
- ☒ (1) Broker-dealer (registered or unregistered)
- ☒ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:  
1441 BRICKELL AVENUE

City:  
MIAMI

State:  
Florida

Country:  
United States

Number and Street 2:

ZIP+4/Postal Code:  
33131

If this address is a private residence, check this box: ☐

Telephone Number:  
305-774-5400

Facsimile Number, if any:  
305-774-5401

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
212554

How many *employees* perform investment advisory functions from this office location?  
16

- Are other business activities conducted at this office location? (check all that apply)
- ☒ (1) Broker-dealer (registered or unregistered)
- ☒ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:  
2950 AVENTURA BOULEVARD

City:  
AVENTURA

State:  
Florida

Country:  
United States

Number and Street 2:

ZIP+4/Postal Code:  
33180

If this address is a private residence, check this box: ☐

Telephone Number:

305-931-6700

Facsimile Number, if any:

305-936-0915

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
135858

How many *employees* perform investment advisory functions from this office location?  
10

- Are other business activities conducted at this office location? (check all that apply)
- ☒ (1) Broker-dealer (registered or unregistered)
- ☒ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:

66 HUDSON BOULEVARD

Number and Street 2:

City:

NEW YORK

State:

New York

Country:

United States

ZIP+4/Postal Code:

10001

If this address is a private residence, check this box: ☐

Telephone Number:

267-241-0556

Facsimile Number, if any:

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
530929

How many *employees* perform investment advisory functions from this office location?  
14

- Are other business activities conducted at this office location? (check all that apply)
- ☒ (1) Broker-dealer (registered or unregistered)
- ☒ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:

66 HUDSON BOULEVARD

Number and Street 2:

|                                                                                                                                                                                                                                                                                               |                           |               |                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------|--------------------|
| City:                                                                                                                                                                                                                                                                                         | State:                    | Country:      | ZIP+4/Postal Code: |
| NEW YORK                                                                                                                                                                                                                                                                                      | New York                  | United States | 10001              |
| If this address is a private residence, check this box: <input type="checkbox"/>                                                                                                                                                                                                              |                           |               |                    |
| Telephone Number:                                                                                                                                                                                                                                                                             | Facsimile Number, if any: |               |                    |
| 212-525-5237                                                                                                                                                                                                                                                                                  | 646-366-6132              |               |                    |
| If this office location is also required to be registered with FINRA or a <i>state securities authority</i> as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the <i>CRD</i> Branch Number here: |                           |               |                    |
| 136116                                                                                                                                                                                                                                                                                        |                           |               |                    |
| How many <i>employees</i> perform investment advisory functions from this office location?                                                                                                                                                                                                    |                           |               |                    |
| 31                                                                                                                                                                                                                                                                                            |                           |               |                    |
| Are other business activities conducted at this office location? (check all that apply)                                                                                                                                                                                                       |                           |               |                    |
| <input checked="" type="checkbox"/> (1) Broker-dealer (registered or unregistered)                                                                                                                                                                                                            |                           |               |                    |
| <input checked="" type="checkbox"/> (2) Bank (including a separately identifiable department or division of a bank)                                                                                                                                                                           |                           |               |                    |
| <input checked="" type="checkbox"/> (3) Insurance broker or agent                                                                                                                                                                                                                             |                           |               |                    |
| <input type="checkbox"/> (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)                                                                                                                                                            |                           |               |                    |
| <input type="checkbox"/> (5) Registered municipal advisor                                                                                                                                                                                                                                     |                           |               |                    |
| <input type="checkbox"/> (6) Accountant or accounting firm                                                                                                                                                                                                                                    |                           |               |                    |
| <input type="checkbox"/> (7) Lawyer or law firm                                                                                                                                                                                                                                               |                           |               |                    |
| Describe any other <i>investment-related</i> business activities conducted from this office location:                                                                                                                                                                                         |                           |               |                    |

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

|                                                                                                                                                                                                                                                                                               |                           |               |                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------|--------------------|
| Number and Street 1:                                                                                                                                                                                                                                                                          | Number and Street 2:      |               |                    |
| 250 PARK AVENUE                                                                                                                                                                                                                                                                               |                           |               |                    |
| City:                                                                                                                                                                                                                                                                                         | State:                    | Country:      | ZIP+4/Postal Code: |
| NEW YORK                                                                                                                                                                                                                                                                                      | New York                  | United States | 10177              |
| If this address is a private residence, check this box: <input type="checkbox"/>                                                                                                                                                                                                              |                           |               |                    |
| Telephone Number:                                                                                                                                                                                                                                                                             | Facsimile Number, if any: |               |                    |
| 212-983-8850                                                                                                                                                                                                                                                                                  |                           |               |                    |
| If this office location is also required to be registered with FINRA or a <i>state securities authority</i> as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the <i>CRD</i> Branch Number here: |                           |               |                    |
| 135787                                                                                                                                                                                                                                                                                        |                           |               |                    |
| How many <i>employees</i> perform investment advisory functions from this office location?                                                                                                                                                                                                    |                           |               |                    |
| 9                                                                                                                                                                                                                                                                                             |                           |               |                    |
| Are other business activities conducted at this office location? (check all that apply)                                                                                                                                                                                                       |                           |               |                    |
| <input checked="" type="checkbox"/> (1) Broker-dealer (registered or unregistered)                                                                                                                                                                                                            |                           |               |                    |
| <input checked="" type="checkbox"/> (2) Bank (including a separately identifiable department or division of a bank)                                                                                                                                                                           |                           |               |                    |
| <input checked="" type="checkbox"/> (3) Insurance broker or agent                                                                                                                                                                                                                             |                           |               |                    |
| <input type="checkbox"/> (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)                                                                                                                                                            |                           |               |                    |
| <input type="checkbox"/> (5) Registered municipal advisor                                                                                                                                                                                                                                     |                           |               |                    |
| <input type="checkbox"/> (6) Accountant or accounting firm                                                                                                                                                                                                                                    |                           |               |                    |
| <input type="checkbox"/> (7) Lawyer or law firm                                                                                                                                                                                                                                               |                           |               |                    |
| Describe any other <i>investment-related</i> business activities conducted from this office location:                                                                                                                                                                                         |                           |               |                    |

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-

five offices (in terms of numbers of *employees*).

|                           |          |                      |                    |
|---------------------------|----------|----------------------|--------------------|
| Number and Street 1:      |          | Number and Street 2: |                    |
| 239 VAN RENSSELAER STREET |          | FLOOR 2              |                    |
| City:                     | State:   | Country:             | ZIP+4/Postal Code: |
| BUFFALO                   | New York | United States        | 12410              |

If this address is a private residence, check this box: ☐

|                   |                           |
|-------------------|---------------------------|
| Telephone Number: | Facsimile Number, if any: |
| (800) 975-4722    |                           |

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
244050

How many *employees* perform investment advisory functions from this office location?  
36

- Are other business activities conducted at this office location? (check all that apply)
- ☒ (1) Broker-dealer (registered or unregistered)
  - ☒ (2) Bank (including a separately identifiable department or division of a bank)
  - ☒ (3) Insurance broker or agent
  - ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
  - ☐ (5) Registered municipal advisor
  - ☐ (6) Accountant or accounting firm
  - ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

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|                      |            |                      |                    |
|----------------------|------------|----------------------|--------------------|
| Number and Street 1: |            | Number and Street 2: |                    |
| 1800 TYSONS          |            |                      |                    |
| City:                | State:     | Country:             | ZIP+4/Postal Code: |
| VIRGINIA             | Washington | United States        | 22102              |

If this address is a private residence, check this box: ☐

|                   |                           |
|-------------------|---------------------------|
| Telephone Number: | Facsimile Number, if any: |
| 703-883-8029      | 703-883-8097              |

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
338265

How many *employees* perform investment advisory functions from this office location?  
10

- Are other business activities conducted at this office location? (check all that apply)
- ☒ (1) Broker-dealer (registered or unregistered)
  - ☒ (2) Bank (including a separately identifiable department or division of a bank)
  - ☒ (3) Insurance broker or agent
  - ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
  - ☐ (5) Registered municipal advisor
  - ☐ (6) Accountant or accounting firm
  - ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

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|                                                 |                      |                           |                                  |
|-------------------------------------------------|----------------------|---------------------------|----------------------------------|
| Number and Street 1:<br>39410 FREMONT BOULEVARD |                      | Number and Street 2:      |                                  |
| City:<br>FREMONT                                | State:<br>California | Country:<br>United States | ZIP+4/Postal Code:<br>94538-2112 |

If this address is a private residence, check this box: ☐

|                                   |                           |
|-----------------------------------|---------------------------|
| Telephone Number:<br>206-798-2181 | Facsimile Number, if any: |
|-----------------------------------|---------------------------|

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
302322

How many *employees* perform investment advisory functions from this office location?  
9

- Are other business activities conducted at this office location? (check all that apply)
- ☒ (1) Broker-dealer (registered or unregistered)
  - ☒ (2) Bank (including a separately identifiable department or division of a bank)
  - ☒ (3) Insurance broker or agent
  - ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
  - ☐ (5) Registered municipal advisor
  - ☐ (6) Accountant or accounting firm
  - ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

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|                                                 |                    |                           |                             |
|-------------------------------------------------|--------------------|---------------------------|-----------------------------|
| Number and Street 1:<br>901 CENTRAL PARK AVENUE |                    | Number and Street 2:      |                             |
| City:<br>SCARSDALE                              | State:<br>New York | Country:<br>United States | ZIP+4/Postal Code:<br>10583 |

If this address is a private residence, check this box: ☐

|                                   |                                           |
|-----------------------------------|-------------------------------------------|
| Telephone Number:<br>914-723-7200 | Facsimile Number, if any:<br>914-723-0493 |
|-----------------------------------|-------------------------------------------|

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
135761

How many *employees* perform investment advisory functions from this office location?  
10

- Are other business activities conducted at this office location? (check all that apply)
- ☒ (1) Broker-dealer (registered or unregistered)
  - ☒ (2) Bank (including a separately identifiable department or division of a bank)
  - ☒ (3) Insurance broker or agent
  - ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
  - ☐ (5) Registered municipal advisor
  - ☐ (6) Accountant or accounting firm

☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

|                      |            |                      |                    |
|----------------------|------------|----------------------|--------------------|
| Number and Street 1: |            | Number and Street 2: |                    |
| 196 BELLEVUE WAY NE  |            | NE                   |                    |
| City:                | State:     | Country:             | ZIP+4/Postal Code: |
| BELLEVUE             | Washington | United States        | 98004              |

If this address is a private residence, check this box: ☐

|                   |                           |
|-------------------|---------------------------|
| Telephone Number: | Facsimile Number, if any: |
| 415-423-6673      | 206-232-0811              |

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
429981

How many *employees* perform investment advisory functions from this office location?  
7

- Are other business activities conducted at this office location? (check all that apply)
- ☒ (1) Broker-dealer (registered or unregistered)
  - ☒ (2) Bank (including a separately identifiable department or division of a bank)
  - ☒ (3) Insurance broker or agent
  - ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
  - ☐ (5) Registered municipal advisor
  - ☐ (6) Accountant or accounting firm
  - ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

|                      |          |                      |                    |
|----------------------|----------|----------------------|--------------------|
| Number and Street 1: |          | Number and Street 2: |                    |
| 6702 BAY PARKWAY     |          |                      |                    |
| City:                | State:   | Country:             | ZIP+4/Postal Code: |
| BROOKLYN             | New York | United States        | 11204              |

If this address is a private residence, check this box: ☐

|                   |                           |
|-------------------|---------------------------|
| Telephone Number: | Facsimile Number, if any: |
| 917-215-1739      |                           |

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
135773

How many *employees* perform investment advisory functions from this office location?  
16

- Are other business activities conducted at this office location? (check all that apply)
- ☒ (1) Broker-dealer (registered or unregistered)
  - ☒ (2) Bank (including a separately identifiable department or division of a bank)

- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:  
1107 S. BALDWIN

City:  
ARCADIA

State:  
California

Country:  
United States

ZIP+4/Postal Code:  
91007

If this address is a private residence, check this box: ☐

Telephone Number:  
626-570-8665

Facsimile Number, if any:  
626-576-8017

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
135928

How many *employees* perform investment advisory functions from this office location?  
10

Are other business activities conducted at this office location? (check all that apply)

- ☒ (1) Broker-dealer (registered or unregistered)
- ☒ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:  
601 MONTGOMERY STREET

City:  
SAN FRANCISCO

State:  
California

Country:  
United States

ZIP+4/Postal Code:  
94111

If this address is a private residence, check this box: ☐

Telephone Number:  
415-678-3889

Facsimile Number, if any:  
415-678-3847

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
135944

How many *employees* perform investment advisory functions from this office location?  
7

Are other business activities conducted at this office location? (check all that apply)

- ☒ (1) Broker-dealer (registered or unregistered)
- ☒ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:  
10745 S. DE ANZA BLVD.

City:  
CUPERTINO

State:  
California

Country:  
United States

Number and Street 2:

ZIP+4/Postal Code:  
95014

If this address is a private residence, check this box: ☐

Telephone Number:  
510-713-3028

Facsimile Number, if any:

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
309667

How many *employees* perform investment advisory functions from this office location?  
10

Are other business activities conducted at this office location? (check all that apply)

- ☒ (1) Broker-dealer (registered or unregistered)
- ☒ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:  
150 CANAL STREET

City:  
NEW YORK

State:  
New York

Country:  
United States

Number and Street 2:

ZIP+4/Postal Code:  
10013

If this address is a private residence, check this box: ☐

Telephone Number:  
212-227-1833

Facsimile Number, if any:  
212-571-0527

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:

How many *employees* perform investment advisory functions from this office location?  
6

Are other business activities conducted at this office location? (check all that apply)

- ☒ (1) Broker-dealer (registered or unregistered)
- ☒ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:  
15315 CULVER DRIVE

City:  
IRVINE

State:  
California

Country:  
United States

Number and Street 2:  
SUITE # 187

ZIP+4/Postal Code:  
92604

If this address is a private residence, check this box: ☐

Telephone Number:  
949-551-8850

Facsimile Number, if any:

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
320578

How many *employees* perform investment advisory functions from this office location?  
13

Are other business activities conducted at this office location? (check all that apply)

- ☒ (1) Broker-dealer (registered or unregistered)
- ☒ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:  
66 HUDSON BOULEVARD

City:  
NEW YORK

State:  
New York

Country:  
United States

Number and Street 2:

ZIP+4/Postal Code:  
10001

If this address is a private residence, check this box: ☐

Telephone Number:

Facsimile Number, if any:

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
540559

How many *employees* perform investment advisory functions from this office location?  
22

- Are other business activities conducted at this office location? (check all that apply)
- ☒ (1) Broker-dealer (registered or unregistered)
  - ☒ (2) Bank (including a separately identifiable department or division of a bank)
  - ☒ (3) Insurance broker or agent
  - ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
  - ☐ (5) Registered municipal advisor
  - ☐ (6) Accountant or accounting firm
  - ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

|                      |                      |               |                    |
|----------------------|----------------------|---------------|--------------------|
| Number and Street 1: | Number and Street 2: |               |                    |
| 39-10 MAIN STREET    |                      |               |                    |
| City:                | State:               | Country:      | ZIP+4/Postal Code: |
| FLUSHING             | New York             | United States | 11354              |

If this address is a private residence, check this box: ☐

|                   |                           |
|-------------------|---------------------------|
| Telephone Number: | Facsimile Number, if any: |
| 718-321-8866      |                           |

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
135812

How many *employees* perform investment advisory functions from this office location?  
8

- Are other business activities conducted at this office location? (check all that apply)
- ☒ (1) Broker-dealer (registered or unregistered)
  - ☒ (2) Bank (including a separately identifiable department or division of a bank)
  - ☒ (3) Insurance broker or agent
  - ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
  - ☐ (5) Registered municipal advisor
  - ☐ (6) Accountant or accounting firm
  - ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

|                      |                      |               |                    |
|----------------------|----------------------|---------------|--------------------|
| Number and Street 1: | Number and Street 2: |               |                    |
| 445 N. BEDFORD DR.   | 2ND FLOOR            |               |                    |
| City:                | State:               | Country:      | ZIP+4/Postal Code: |
| BEVERLY HILLS        | California           | United States | 90210              |

If this address is a private residence, check this box: ☐

Telephone Number:  
310-285-6130

Facsimile Number, if any:

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
387421

How many *employees* perform investment advisory functions from this office location?  
12

- Are other business activities conducted at this office location? (check all that apply)
- ☒ (1) Broker-dealer (registered or unregistered)
- ☒ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:  
1572 UNION TURNPIKE

City:  
NEW HYDE PARK

State:  
New York

Country:  
United States

Number and Street 2:

ZIP+4/Postal Code:  
10040

If this address is a private residence, check this box: ☐

Telephone Number:  
516-328-4139

Facsimile Number, if any:

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
135859

How many *employees* perform investment advisory functions from this office location?  
14

- Are other business activities conducted at this office location? (check all that apply)
- ☒ (1) Broker-dealer (registered or unregistered)
- ☒ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

|                                       |                    |                                                   |                             |
|---------------------------------------|--------------------|---------------------------------------------------|-----------------------------|
| Number and Street 1:<br>LARKIN SQUARE |                    | Number and Street 2:<br>239 VAN RENSSELAER STREET |                             |
| City:<br>BUFFALO                      | State:<br>New York | Country:<br>United States                         | ZIP+4/Postal Code:<br>14210 |

If this address is a private residence, check this box: ☐

|                                   |                                           |
|-----------------------------------|-------------------------------------------|
| Telephone Number:<br>866-577-5144 | Facsimile Number, if any:<br>888-629-5144 |
|-----------------------------------|-------------------------------------------|

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
836184

How many *employees* perform investment advisory functions from this office location?  
12

Are other business activities conducted at this office location? (check all that apply)

☒ (1) Broker-dealer (registered or unregistered)

☒ (2) Bank (including a separately identifiable department or division of a bank)

☒ (3) Insurance broker or agent

☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

☐ (5) Registered municipal advisor

☐ (6) Accountant or accounting firm

☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

|                                           |                    |                           |                             |
|-------------------------------------------|--------------------|---------------------------|-----------------------------|
| Number and Street 1:<br>8100 TRANSIT ROAD |                    | Number and Street 2:      |                             |
| City:<br>AMHERST                          | State:<br>New York | Country:<br>United States | ZIP+4/Postal Code:<br>14221 |

If this address is a private residence, check this box: ☐

|                                   |                                           |
|-----------------------------------|-------------------------------------------|
| Telephone Number:<br>716-810-1660 | Facsimile Number, if any:<br>716-810-1661 |
|-----------------------------------|-------------------------------------------|

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
749871

How many *employees* perform investment advisory functions from this office location?  
11

Are other business activities conducted at this office location? (check all that apply)

☒ (1) Broker-dealer (registered or unregistered)

☒ (2) Bank (including a separately identifiable department or division of a bank)

☒ (3) Insurance broker or agent

☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

☐ (5) Registered municipal advisor

☐ (6) Accountant or accounting firm

☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:  
455 N. BEDFORD

City:  
CALIFORNIA

State:  
New York

Country:  
United States

Number and Street 2:

ZIP+4/Postal Code:  
90210

If this address is a private residence, check this box: ☐

Telephone Number:  
310-285-6130

Facsimile Number, if any:  
310-281-4236

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
135915

How many *employees* perform investment advisory functions from this office location?  
10

- Are other business activities conducted at this office location? (check all that apply)
- ☒ (1) Broker-dealer (registered or unregistered)
- ☒ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

SECTION 1.I. Website Addresses

List your website addresses, including addresses for accounts on publicly available social media platforms where you control the content (including, but not limited to, Twitter, Facebook and/or LinkedIn). You must complete a separate Schedule D Section 1.I. for each website or account on a publicly available social media platform.

Address of Website/Account on Publicly Available Social Media Platform:   HTTPS://WWW.US.HSBC.COM/

SECTION 1.L. Location of Books and Records

Complete the following information for each location at which you keep your books and records, other than your *principal office and place of business*. You must complete a separate Schedule D, Section 1.L. for each location.

Name of entity where books and records are kept:  
IRON MOUNTAIN

Number and Street 1:  
7 GLENSHAW ROAD,

City:  
ORANGEBURG

State:  
New York

Country:  
United States

Number and Street 2:

ZIP+4/Postal Code:  
10962-1206

If this address is a private residence, check this box: ☐

Telephone Number:  
845-580-7213

Facsimile number, if any:

- This is (check one):
- ☐ one of your branch offices or affiliates.
- ☒ a third-party unaffiliated recordkeeper.
- ☐ other.

Briefly describe the books and records kept at this location.  
THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:  
IRON MOUNTAIN

Number and Street 1:  
415 FERRY STREET

Number and Street 2:

City:  
NEWARK

State:  
New Jersey

Country:  
United States

ZIP+4/Postal Code:  
07105-3903

If this address is a private residence, check this box: ☐

Telephone Number:  
917-853-1659

Facsimile number, if any:

This is (check one):

☐ one of your branch offices or affiliates.

☒ a third-party unaffiliated recordkeeper.

☐ other.

Briefly describe the books and records kept at this location.  
THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:  
IRON MOUNTAIN

Number and Street 1:  
2300 NEWLIN MILLS ROAD

Number and Street 2:

City:  
EASTON

State:  
Pennsylvania

Country:  
United States

ZIP+4/Postal Code:  
18045

If this address is a private residence, check this box: ☐

Telephone Number:  
484-223-7272

Facsimile number, if any:

This is (check one):

☐ one of your branch offices or affiliates.

☒ a third-party unaffiliated recordkeeper.

☐ other.

Briefly describe the books and records kept at this location.  
THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:  
IRON MOUNTAIN

Number and Street 1:  
4175 CHANDLER DR

Number and Street 2:  
CHICAGO DISTRICT OFFICE

City:  
HANOVER PARK

State:  
California

Country:  
United States

ZIP+4/Postal Code:  
60133-6769

If this address is a private residence, check this box: ☐

Telephone Number:  
630-540-9700

Facsimile number, if any:

This is (check one):

- ☐ one of your branch offices or affiliates.
- ☒ a third-party unaffiliated recordkeeper.
- ☐ other.

Briefly describe the books and records kept at this location.

THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:  
PERSHING LLC

Number and Street 1:  
1 PERSHING PLAZA

City:  
JERSEY CITY

State:  
New Jersey

Number and Street 2:

Country:  
United States

ZIP+4/Postal Code:  
07399

If this address is a private residence, check this box: ☐

Telephone Number:  
888-367-2563

Facsimile number, if any:  
201-413-4640

This is (check one):

- ☐ one of your branch offices or affiliates.
- ☒ a third-party unaffiliated recordkeeper.
- ☐ other.

Briefly describe the books and records kept at this location.

## PERSHING LLC ACTS AS CUSTODIAN AND CLEARING AGENT

Name of entity where books and records are kept:  
IRON MOUNTAIN

Number and Street 1:  
9 RUNWAY RD

City:  
LEVITTOWN

State:  
Pennsylvania

Number and Street 2:

Country:  
United States

ZIP+4/Postal Code:  
19057

If this address is a private residence, check this box: ☐

Telephone Number:  
856-297-8146

Facsimile number, if any:

This is (check one):

- ☐ one of your branch offices or affiliates.
- ☒ a third-party unaffiliated recordkeeper.
- ☐ other.

Briefly describe the books and records kept at this location.

THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:  
IRON MOUNTAIN

Number and Street 1:  
BOX 424, COUNTY ROUTE 10

City:  
GERMANTOWN

State:  
New York

Number and Street 2:

Country:  
United States

ZIP+4/Postal Code:  
12526

If this address is a private residence, check this box: ☐

Telephone Number:518-828-2540

Facsimile number, if any:

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.

THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:

IRON MOUNTAIN

Number and Street 1:107A WEST SIDE AVE

City:JERSEY CITY

State:New Jersey

Country:United States

Number and Street 2:

ZIP+4/Postal Code:07305-4506

If this address is a private residence, check this box: ☐

Telephone Number:646-738-4261

Facsimile number, if any:

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.

THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:

IRON MOUNTAIN

Number and Street 1:811 ROUTE 33

City:FREEHOLD

State:New Jersey

Country:United States

Number and Street 2:

ZIP+4/Postal Code:07728-8431

If this address is a private residence, check this box: ☐

Telephone Number:848-468-1811

Facsimile number, if any:

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.

THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:

IRON MOUNTAIN

Number and Street 1:20, 22, 30 KIMBERLY ROAD

Number and Street 2:

|                                                                                                                                                                                                         |                      |                           |                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------|----------------------------------|
| City:<br>EAST BRUNSWICK                                                                                                                                                                                 | State:<br>New Jersey | Country:<br>United States | ZIP+4/Postal Code:<br>08816-2009 |
| If this address is a private residence, check this box: <input type="checkbox"/>                                                                                                                        |                      |                           |                                  |
| Telephone Number:<br>732-910-1243                                                                                                                                                                       |                      | Facsimile number, if any: |                                  |
| This is (check one):<br><input type="radio"/> one of your branch offices or affiliates.<br><input checked="" type="radio"/> a third-party unaffiliated recordkeeper.<br><input type="radio"/> other.    |                      |                           |                                  |
| Briefly describe the books and records kept at this location.<br>THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE. |                      |                           |                                  |

|                                                                                                                                                                                                      |                    |                           |                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------|-----------------------------|
| Name of entity where books and records are kept:<br>HSBC SECURITIES (USA) INC.                                                                                                                       |                    |                           |                             |
| Number and Street 1:<br>239 VAN RESSELAER STREET                                                                                                                                                     |                    | Number and Street 2:      |                             |
| City:<br>BUFFALO                                                                                                                                                                                     | State:<br>New York | Country:<br>United States | ZIP+4/Postal Code:<br>14210 |
| If this address is a private residence, check this box: <input type="checkbox"/>                                                                                                                     |                    |                           |                             |
| Telephone Number:<br>847-876-1574                                                                                                                                                                    |                    | Facsimile number, if any: |                             |
| This is (check one):<br><input type="radio"/> one of your branch offices or affiliates.<br><input type="radio"/> a third-party unaffiliated recordkeeper.<br><input checked="" type="radio"/> other. |                    |                           |                             |
| Briefly describe the books and records kept at this location.<br>HSBC OPERATION DEPT. CLIENT ACCOUNT DOCUMENTATION, TRADING DOCUMENTS, CONFIRMS ETC ARE MAINTAINED                                   |                    |                           |                             |

|                                                                                                                                                                                                         |                      |                           |                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------|----------------------------------|
| Name of entity where books and records are kept:<br>IRON MOUNTAIN                                                                                                                                       |                      |                           |                                  |
| Number and Street 1:<br>26 SOUTHMIDDLESEX AVENUE                                                                                                                                                        |                      | Number and Street 2:      |                                  |
| City:<br>MONROE                                                                                                                                                                                         | State:<br>New Jersey | Country:<br>United States | ZIP+4/Postal Code:<br>08831-3724 |
| If this address is a private residence, check this box: <input type="checkbox"/>                                                                                                                        |                      |                           |                                  |
| Telephone Number:<br>732-580-7867                                                                                                                                                                       |                      | Facsimile number, if any: |                                  |
| This is (check one):<br><input type="radio"/> one of your branch offices or affiliates.<br><input checked="" type="radio"/> a third-party unaffiliated recordkeeper.<br><input type="radio"/> other.    |                      |                           |                                  |
| Briefly describe the books and records kept at this location.<br>THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE. |                      |                           |                                  |

|                                                  |  |  |  |
|--------------------------------------------------|--|--|--|
| Name of entity where books and records are kept: |  |  |  |
|--------------------------------------------------|--|--|--|

IRON MOUNTAIN

Number and Street 1:  
37 HURDS CORNERS RD

Number and Street 2:

City:  
PAWLING

State:  
New York

Country:  
United States

ZIP+4/Postal Code:  
12564-2400

If this address is a private residence, check this box: ☐

Telephone Number:  
845-855-1330

Facsimile number, if any:

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.  
THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:  
IRON MOUNTAIN

Number and Street 1:  
9 EMPIRE BOULEVARD

Number and Street 2:

City:  
SOUTH HACKENSACK

State:  
New Jersey

Country:  
United States

ZIP+4/Postal Code:  
07606-1805

If this address is a private residence, check this box: ☐

Telephone Number:  
201-440-4938

Facsimile number, if any:

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.  
THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:  
IRON MOUNTAIN

Number and Street 1:  
8901 SNOWDEN RIVER PARKWAY

Number and Street 2:

City:  
COLUMBIA

State:  
Maryland

Country:  
United States

ZIP+4/Postal Code:  
21046

If this address is a private residence, check this box: ☐

Telephone Number:  
301-399-2167

Facsimile number, if any:

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.

THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:  
IRON MOUNTAIN

Number and Street 1:  
ROUTE 9W SOUTH 16

Number and Street 2:

City:PORT EWEN

State:New York

Country:United States

ZIP+4/Postal Code:12466

If this address is a private residence, check this box: ☐

Telephone Number:845-338-2131

Facsimile number, if any:

This is (check one):

☐ one of your branch offices or affiliates.

☒ a third-party unaffiliated recordkeeper.

☐ other.

Briefly describe the books and records kept at this location.  
THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:  
HSBC SECURITIES (USA) INC.

Number and Street 1:  
227 W. MONROE

Number and Street 2:

City:CHICAGO

State:Illinois

Country:United States

ZIP+4/Postal Code:60606

If this address is a private residence, check this box: ☐

Telephone Number:224-880-7116

Facsimile number, if any:

This is (check one):

☒ one of your branch offices or affiliates.

☐ a third-party unaffiliated recordkeeper.

☐ other.

Briefly describe the books and records kept at this location.  
REGISTRATION FORM U4/U5 RECORDS

Name of entity where books and records are kept:  
IRON MOUNTAIN

Number and Street 1:  
549 MILL ROAD

Number and Street 2:

City:EDISON

State:New Jersey

Country:United States

ZIP+4/Postal Code:08837-3854

If this address is a private residence, check this box: ☐

Telephone Number:201-832-6356

Facsimile number, if any:

This is (check one):

☐ one of your branch offices or affiliates.

- ☒ a third-party unaffiliated recordkeeper.
- ☐ other.

Briefly describe the books and records kept at this location.  
THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:  
IRON MOUNTAIN

|                                             |                      |                           |                                  |
|---------------------------------------------|----------------------|---------------------------|----------------------------------|
| Number and Street 1:<br>11 BRICK PLANT ROAD |                      | Number and Street 2:      |                                  |
| City:<br>SOUTH RIVER                        | State:<br>New Jersey | Country:<br>United States | ZIP+4/Postal Code:<br>08882-1097 |

If this address is a private residence, check this box: ☐

|                                   |                           |
|-----------------------------------|---------------------------|
| Telephone Number:<br>201-376-9520 | Facsimile number, if any: |
|-----------------------------------|---------------------------|

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.  
THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:  
IRON MOUNTAIN

|                                              |                    |                           |                             |
|----------------------------------------------|--------------------|---------------------------|-----------------------------|
| Number and Street 1:<br>ROUTE 9W SOUTH 10-15 |                    | Number and Street 2:      |                             |
| City:<br>PORT EWEN                           | State:<br>New York | Country:<br>United States | ZIP+4/Postal Code:<br>12466 |

If this address is a private residence, check this box: ☐

|                                   |                           |
|-----------------------------------|---------------------------|
| Telephone Number:<br>845-338-2131 | Facsimile number, if any: |
|-----------------------------------|---------------------------|

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.  
THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:  
IRON MOUNTAIN

|                                           |                      |                           |                                  |
|-------------------------------------------|----------------------|---------------------------|----------------------------------|
| Number and Street 1:<br>25 COMMERCE DRIVE |                      | Number and Street 2:      |                                  |
| City:<br>SOMERSET                         | State:<br>New Jersey | Country:<br>United States | ZIP+4/Postal Code:<br>08873-3469 |

If this address is a private residence, check this box: ☐

|                   |                           |
|-------------------|---------------------------|
| Telephone Number: | Facsimile number, if any: |
|-------------------|---------------------------|

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.  
THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:  
IRON MOUNTAIN

|                                       |                      |                           |                                  |
|---------------------------------------|----------------------|---------------------------|----------------------------------|
| Number and Street 1:<br>70 CLYDE ROAD |                      | Number and Street 2:      |                                  |
| City:<br>SOMERSET                     | State:<br>New Jersey | Country:<br>United States | ZIP+4/Postal Code:<br>08873-3459 |

If this address is a private residence, check this box: ☐

|                                   |                           |
|-----------------------------------|---------------------------|
| Telephone Number:<br>732-651-2800 | Facsimile number, if any: |
|-----------------------------------|---------------------------|

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.  
THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:  
IRON MOUNTAIN

|                                        |                      |                           |                                  |
|----------------------------------------|----------------------|---------------------------|----------------------------------|
| Number and Street 1:<br>100 CLYDE ROAD |                      | Number and Street 2:      |                                  |
| City:<br>SOMERSET                      | State:<br>New Jersey | Country:<br>United States | ZIP+4/Postal Code:<br>08873-3476 |

If this address is a private residence, check this box: ☐

|                                   |                           |
|-----------------------------------|---------------------------|
| Telephone Number:<br>732-243-9098 | Facsimile number, if any: |
|-----------------------------------|---------------------------|

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.  
THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:  
IRON MOUNTAIN

|                                          |                      |                           |                             |
|------------------------------------------|----------------------|---------------------------|-----------------------------|
| Number and Street 1:<br>112 MELRICH ROAD |                      | Number and Street 2:      |                             |
| City:<br>CRANBURY                        | State:<br>New Jersey | Country:<br>United States | ZIP+4/Postal Code:<br>08512 |

If this address is a private residence, check this box: ☐

Telephone Number:  
201-206-1224

Facsimile number, if any:

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.  
THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:  
IRON MOUNTAIN

Number and Street 1:  
100 BAILEY AVE

City:  
BUFFALO

State:  
New York

Country:  
United States

Number and Street 2:

ZIP+4/Postal Code:  
14220-1050

If this address is a private residence, check this box: ☐

Telephone Number:  
716-822-2200

Facsimile number, if any:  
716-332-9539

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.  
THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Name of entity where books and records are kept:  
IRON MOUNTAIN

Number and Street 1:  
102 HARBOR DRIVE

City:  
JERSEY CITY

State:  
New Jersey

Country:  
United States

Number and Street 2:

ZIP+4/Postal Code:  
07307-4506

If this address is a private residence, check this box: ☐

Telephone Number:  
201-333-3399

Facsimile number, if any:

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.  
THIS IS AN ARCHIVAL STORAGE FACILITY THAT MAINTAINS HISTORICAL BOOKS AND RECORDS THAT ARE NO LONGER REQUIRED TO BE MAINTAINED ON-SITE.

Item 2 SEC Registration / Reporting

Responses to this Item help us (and you) determine whether you are eligible to register with the SEC. Complete this Item 2.A. only if you are applying for SEC registration or submitting an *annual updating amendment* to your SEC registration. If you are filing an *umbrella registration*, the information in Item 2 should be provided for the *filing adviser* only.

A. To register (or remain registered) with the SEC, you must check **at least one** of the Items 2.A.(1) through 2.A.(12), below. If you are submitting an *annual updating amendment* to your SEC registration and you are no longer eligible to register with the SEC, check Item 2.A.(13). **Part 1A Instruction 2** provides information to help you determine whether you may affirmatively respond to each of these items.

You (the adviser):

☒

(1) are a **large advisory firm** that either:

(a) has regulatory assets under management of \$100 million (in U.S. dollars) or more; or

(b) has regulatory assets under management of \$90 million (in U.S. dollars) or more at the time of filing its most recent *annual updating amendment* and is registered with the SEC;

☐

(2) are a **mid-sized advisory firm** that has regulatory assets under management of \$25 million (in U.S. dollars) or more but less than \$100 million (in U.S. dollars) and you are either:

(a) not required to be registered as an adviser with the *state securities authority* of the state where you maintain your *principal office and place of business*; or

(b) not subject to examination by the *state securities authority* of the state where you maintain your *principal office and place of business*;

Click **HERE** for a list of states in which an investment adviser, if registered, would not be subject to examination by the state securities authority.

☐

(3) Reserved

☐

(4) have your *principal office and place of business* **outside the United States**;

☐

(5) are **an investment adviser (or subadviser) to an investment company** registered under the Investment Company Act of 1940;

☐

(6) are **an investment adviser to a company which has elected to be a business development company** pursuant to section 54 of the Investment Company Act of 1940 and has not withdrawn the election, and you have at least \$25 million of regulatory assets under management;

☐

(7) are a **pension consultant** with respect to assets of plans having an aggregate value of at least \$200,000,000 that qualifies for the exemption in rule 203A-2(a);

☐

(8) are a **related adviser** under rule 203A-2(b) that *controls*, is *controlled* by, or is under common *control* with, an investment adviser that is registered with the SEC, and your *principal office and place of business* is the same as the registered adviser;

If you check this box, complete **Section 2.A.(8) of Schedule D**.

☐

(9) are an **adviser** relying on rule 203A-2(c) because you **expect to be eligible for SEC registration within 120 days**;

If you check this box, complete **Section 2.A.(9) of Schedule D**.

☐

(10) are a **multi-state adviser** that is required to register in 15 or more states and is relying on rule 203A-2(d);

If you check this box, complete **Section 2.A.(10) of Schedule D**.

☐

(11) are an **Internet adviser** relying on rule 203A-2(e);

If you check this box, complete **Section 2.A.(11) of Schedule D**.

☐

(12) have **received an SEC order** exempting you from the prohibition against registration with the SEC;

If you check this box, complete **Section 2.A.(12) of Schedule D**.

☐

(13) are **no longer eligible** to remain registered with the SEC.

State Securities Authority Notice Filings and State Reporting by Exempt Reporting Advisers

C. Under state laws, SEC-registered advisers may be required to provide to *state securities authorities* a copy of the Form ADV and any amendments they file with the SEC. These are called *notice filings*. In addition, *exempt reporting advisers* may be required to provide *state securities authorities* with a copy of reports and any amendments they file with the SEC. If this is an initial application or report, check the box(es) next to the state(s) that you would like to receive notice of this and all subsequent filings or reports you submit to the SEC. If this is an amendment to direct your *notice filings* or reports to additional state(s), check the box(es) next to the state(s) that you would like to receive notice of this and all subsequent filings or reports you submit to the SEC. If this is an amendment to your registration to stop your *notice filings* or reports from going to state(s) that currently receive them, uncheck the box(es) next to those state(s).

Jurisdictions

☒ AL

☒ AK

☒ AZ

☒ AR

☒ CA

☒ CO

☒ CT

☒ DE

☒ DC

☐

☒ IL

☒ IN

☒ IA

☒ KS

☒ KY

☒ LA

☒ ME

☒ MD

☒ MA

☐

☒ NE

☒ NV

☒ NH

☒ NJ

☒ NM

☒ NY

☒ NC

☒ ND

☒ OH

☐

☒ SC

☒ SD

☒ TN

☒ TX

☒ UT

☒ VT

☒ VI

☒ VA

☒ WA

☐

|                                        |                                        |                                        |                                        |
|----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
| <input checked="" type="checkbox"/> FL | <input checked="" type="checkbox"/> MI | <input checked="" type="checkbox"/> OK | <input checked="" type="checkbox"/> WV |
| <input checked="" type="checkbox"/> GA | <input checked="" type="checkbox"/> MN | <input checked="" type="checkbox"/> OR | <input checked="" type="checkbox"/> WI |
| <input type="checkbox"/> GU            | <input checked="" type="checkbox"/> MS | <input checked="" type="checkbox"/> PA | <input checked="" type="checkbox"/> WY |
| <input checked="" type="checkbox"/> HI | <input checked="" type="checkbox"/> MO | <input checked="" type="checkbox"/> PR |                                        |
| <input checked="" type="checkbox"/> ID | <input checked="" type="checkbox"/> MT | <input checked="" type="checkbox"/> RI |                                        |

If you are amending your registration to stop your notice filings or reports from going to a state that currently receives them and you do not want to pay that state's notice filing or report filing fee for the coming year, your amendment must be filed before the end of the year (December 31).

SECTION 2.A.(8) Related Adviser

If you are relying on the exemption in rule 203A-2(b) from the prohibition on registration because you *control*, are *controlled* by, or are under common *control* with an investment adviser that is registered with the SEC and your *principal office and place of business* is the same as that of the registered adviser, provide the following information:

Name of Registered Investment Adviser

CRD Number of Registered Investment Adviser

SEC Number of Registered Investment Adviser  
-

SECTION 2.A.(9) Investment Adviser Expecting to be Eligible for Commission Registration within 120 Days

If you are relying on rule 203A-2(c), the exemption from the prohibition on registration available to an adviser that expects to be eligible for SEC registration within 120 days, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations. You must make both of these representations:

- ☐ I am not registered or required to be registered with the SEC or a *state securities authority* and I have a reasonable expectation that I will be eligible to register with the SEC within 120 days after the date my registration with the SEC becomes effective.
- ☐ I undertake to withdraw from SEC registration if, on the 120th day after my registration with the SEC becomes effective, I would be prohibited by Section 203A(a) of the Advisers Act from registering with the SEC.

SECTION 2.A.(10) Multi-State Adviser

If you are relying on rule 203A-2(d), the multi-state adviser exemption from the prohibition on registration, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations.

If you are applying for registration as an investment adviser with the SEC, you must make both of these representations:

- ☐ I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of 15 or more states to register as an investment adviser with the *state securities authorities* in those states.
- ☐ I undertake to withdraw from SEC registration if I file an amendment to this registration indicating that I would be required by the laws of fewer than 15 states to register as an investment adviser with the *state securities authorities* of those states.

If you are submitting your *annual updating amendment*, you must make this representation:

- ☐ Within 90 days prior to the date of filing this amendment, I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of at least 15 states to register as an investment adviser with the *state securities authorities* in those states.

SECTION 2.A.(11) Internet Adviser

If you are relying on rule 203A-2(e), the Internet adviser exemption from the prohibition on registration, you are required to make a representation about your eligibility for SEC registration. By checking the appropriate box, you will be deemed to have made the required representation.

If you are applying for registration as an investment adviser with the SEC or changing your existing Item 2 response regarding your eligibility for SEC registration, you must make this representation:

- ☐ I will provide investment advice on an ongoing basis to more than one client exclusively through an *operational interactive website*.

If you are filing an annual updating amendment to your existing registration and are continuing to rely on the Internet adviser exemption for SEC registration, you must make this representation:

- ☐ I have provided and will continue to provide investment advice on an ongoing basis to more than one client exclusively through an *operational interactive website*.

SECTION 2.A.(12) SEC Exemptive Order

If you are relying upon an SEC *order* exempting you from the prohibition on registration, provide the following information:

Application Number:  
803-

Date of order:

Item 3 Form of Organization

If you are filing an *umbrella registration*, the information in Item 3 should be provided for the *filing adviser* only.

A. How are you organized?

Corporation

Sole Proprietorship

Limited Liability Partnership (LLP)

Partnership

Limited Liability Company (LLC)

Limited Partnership (LP)

Other (specify):

If you are changing your response to this Item, see *Part 1A Instruction 4*.

B. In what month does your fiscal year end each year?

DECEMBER

C. Under the laws of what state or country are you organized?

StateCountry

DelawareUnited States

If you are a *partnership*, provide the name of the state or country under whose laws your partnership was formed. If you are a *sole proprietor*, provide the name of the state or country where you reside.

If you are changing your response to this Item, see *Part 1A Instruction 4*.

Item 4 Successions

YesNo

A. Are you, at the time of this filing, succeeding to the business of a registered investment adviser, including, for example, a change of your structure or legal status (e.g., form of organization or state of incorporation)?

If "yes", complete Item 4.B. and *Section 4 of Schedule D*.

B. Date of Succession: (MM/DD/YYYY)

If you have already reported this succession on a previous Form ADV filing, do not report the succession again. Instead, check "No." See *Part 1A Instruction 4*.

SECTION 4 Successions

No Information Filed

Item 5 Information About Your Advisory Business - Employees, Clients, and Compensation

Responses to this Item help us understand your business, assist us in preparing for on-site examinations, and provide us with data we use when making regulatory policy. *Part 1A Instruction 5.a.* provides additional guidance to newly formed advisers for completing this Item 5.

Employees

If you are organized as a sole proprietorship, include yourself as an employee in your responses to Item 5.A. and Items 5.B.(1), (2), (3), (4), and (5). If an employee performs more than one function, you should count that employee in each of your responses to Items 5.B.(1), (2), (3), (4), and (5).

A. Approximately how many *employees* do you have? Include full- and part-time *employees* but do not include any clerical workers.

490

B. (1) Approximately how many of the *employees* reported in 5.A. perform investment advisory functions (including research)?

402

(2) Approximately how many of the *employees* reported in 5.A. are registered representatives of a broker-dealer?

- (3)

Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives*?

199
- (4)

Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives* for an investment adviser other than you?

0
- (5)

Approximately how many of the *employees* reported in 5.A. are licensed agents of an insurance company or agency?

251
- (6)

Approximately how many firms or other *persons* solicit advisory *clients* on your behalf?

0

*In your response to Item 5.B.(6), do not count any of your employees and count a firm only once – do not count each of the firm's employees that solicit on your behalf.*

Clients

*In your responses to Items 5.C. and 5.D. do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.*

- C.

(1)

To approximately how many *clients* for whom you do not have regulatory assets under management did you provide investment advisory services during your most recently completed fiscal year?

0

(2)

Approximately what percentage of your *clients* are non-*United States persons*?

1%

- D.

*For purposes of this Item 5.D., the category "individuals" includes trusts, estates, and 401(k) plans and IRAs of individuals and their family members, but does not include businesses organized as sole proprietorships.*

*The category "business development companies" consists of companies that have made an election pursuant to section 54 of the Investment Company Act of 1940. Unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, do not answer (1)(d) or (3)(d) below.*

Indicate the approximate number of your *clients* and amount of your total regulatory assets under management (reported in Item 5.F. below) attributable to each of the following type of *client*. If you have fewer than 5 *clients* in a particular category (other than (d), (e), and (f)) you may check Item 5.D.(2) rather than respond to Item 5.D.(1).

The aggregate amount of regulatory assets under management reported in Item 5.D.(3) should equal the total amount of regulatory assets under management reported in Item 5.F.(2)(c) below.

If a *client* fits into more than one category, select one category that most accurately represents the *client* to avoid double counting *clients* and assets. If you advise a registered investment company, business development company, or pooled investment vehicle, report those assets in categories (d), (e), and (f) as applicable.

| Type of <i>Client</i>                                                                               | (1) Number of <i>Client(s)</i> | (2) Fewer than 5 <i>Clients</i>     | (3) Amount of Regulatory Assets under Management |
|-----------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------|--------------------------------------------------|
| (a) Individuals (other than <i>high net worth individuals</i> )                                     | 10254                          | <input type="checkbox"/>            | \$ 2,149,208,918                                 |
| (b) <i>High net worth individuals</i>                                                               | 1791                           | <input type="checkbox"/>            | \$ 1,550,427,619                                 |
| (c) Banking or thrift institutions                                                                  | 0                              | <input checked="" type="checkbox"/> | \$ 0                                             |
| (d) Investment companies                                                                            | 0                              |                                     | \$ 0                                             |
| (e) Business development companies                                                                  | 0                              |                                     | \$ 0                                             |
| (f) Pooled investment vehicles (other than investment companies and business development companies) | 28                             |                                     | \$ 87,955,632                                    |
| (g) Pension and profit sharing plans (but not the plan participants or government pension plans)    | 8                              | <input type="checkbox"/>            | \$ 5,003,339                                     |
| (h) Charitable organizations                                                                        | 0                              | <input checked="" type="checkbox"/> | \$ 0                                             |
| (i) State or municipal <i>government entities</i> (including government pension plans)              | 0                              | <input checked="" type="checkbox"/> | \$ 0                                             |
| (j) Other investment advisers                                                                       | 0                              | <input checked="" type="checkbox"/> | \$ 0                                             |
| (k) Insurance companies                                                                             | 0                              | <input checked="" type="checkbox"/> | \$ 0                                             |
| (l) Sovereign wealth funds and foreign official institutions                                        | 0                              | <input checked="" type="checkbox"/> | \$ 0                                             |
| (m) Corporations or other businesses not listed above                                               | 27                             | <input type="checkbox"/>            | \$ 45,502,061                                    |
| (n) Other:                                                                                          |                                | <input type="checkbox"/>            | \$                                               |

Compensation Arrangements

- E. You are compensated for your investment advisory services by (check all that apply):

- ☒

(1)

A percentage of assets under your management
- ☐

(2)

Hourly charges
- ☐

(3)

Subscription fees (for a newsletter or periodical)
- ☒

(4)

Fixed fees (other than subscription fees)
- ☐

(5)

Commissions
- ☒

(6)

*Performance-based fees*

(7)

Other (specify):

Item 5 Information About Your Advisory Business - Regulatory Assets Under Management

Regulatory Assets Under Management

Yes

No

F.

(1)

Do you provide continuous and regular supervisory or management services to securities portfolios?

(2)

If yes, what is the amount of your regulatory assets under management and total number of accounts?

|                    | U.S. Dollar Amount   | Total Number of Accounts |
|--------------------|----------------------|--------------------------|
| Discretionary:     | (a) \$ 824,539,072   | (d) 2,316                |
| Non-Discretionary: | (b) \$ 3,013,558,497 | (e) 9,792                |
| Total:             | (c) \$ 3,838,097,569 | (f) 12,108               |

Part 1A Instruction 5.b.

explains how to calculate your regulatory assets under management. You must follow these instructions carefully when completing this Item.

(3)

What is the approximate amount of your total regulatory assets under management (reported in Item 5.F.(2)(c) above) attributable to *clients* who are non-United States persons?

\$ 265,619,277

Item 5 Information About Your Advisory Business - Advisory Activities

Advisory Activities

G.

What type(s) of advisory services do you provide? Check all that apply.

(1)

Financial planning services

(2)

Portfolio management for individuals and/or small businesses

(3)

Portfolio management for investment companies (as well as "business development companies" that have made an election pursuant to section 54 of the Investment Company Act of 1940)

(4)

Portfolio management for pooled investment vehicles (other than investment companies)

(5)

Portfolio management for businesses (other than small businesses) or institutional *clients* (other than registered investment companies and other pooled investment vehicles)

(6)

Pension consulting services

(7)

Selection of other advisers (including *private fund* managers)

(8)

Publication of periodicals or newsletters

(9)

Security ratings or pricing services

(10)

Market timing services

(11)

Educational seminars/workshops

(12)

Other(specify): PROVIDE ASSET ALLOC RECOMMENDATIONS & BASED UPON SUCH RECOMMENDATIONS 3RD PARTY ADV TO MANAGE ASSETS PURSUANT TO CLIENT APPROVAL

Do not check Item 5.G.(3) unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, including as a subadviser. If you check Item 5.G.(3), report the 811 or 814 number of the investment company or investment companies to which you provide advice in [Section 5.G.\(3\) of Schedule D](#).

H.

If you provide financial planning services, to how many *clients* did you provide these services during your last fiscal year?

0

1 - 10

11 - 25

26 - 50

51 - 100

101 - 250

251 - 500

More than 500

If more than 500, how many?  
(round to the nearest 500)

In your responses to this Item 5.H., do not include as "*clients*" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.

I.

(1)

Do you participate in a *wrap fee program*?

(2)

If you participate in a *wrap fee program*, what is the amount of your regulatory assets under management attributable to acting as:

(a)

sponsor to a *wrap fee program*

\$ 3,838,097,568

(b)

portfolio manager for a *wrap fee program*?

\$ 3,158,426,206

(c)

sponsor to and portfolio manager for the same *wrap fee program*?

\$ 3,838,097,568

If you report an amount in Item 5.I.(2)(c), do not report that amount in Item 5.I.(2)(a) or Item 5.I.(2)(b).

If you are a portfolio manager for a wrap fee program, list the names of the programs, their sponsors and related information in Section 5.I.(2) of Schedule D.

If your involvement in a wrap fee program is limited to recommending wrap fee programs to your clients, or you advise a mutual fund that is offered through a wrap fee program, do not check Item 5.I.(1) or enter any amounts in response to Item 5.I.(2).

|    |                                                                                                                                                                                    |                       |                                  |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|
|    |                                                                                                                                                                                    | Yes                   | No                               |
| J. | (1) In response to Item 4.B. of Part 2A of Form ADV, do you indicate that you provide investment advice only with respect to limited types of investments?                         | <input type="radio"/> | <input checked="" type="radio"/> |
|    | (2) Do you report <i>client</i> assets in Item 4.E. of Part 2A that are computed using a different method than the method used to compute your regulatory assets under management? | <input type="radio"/> | <input checked="" type="radio"/> |

K. Separately Managed Account *Clients*

|  |                                                                                                                                                                                |                                  |                       |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------|
|  |                                                                                                                                                                                | Yes                              | No                    |
|  | (1) Do you have regulatory assets under management attributable to <i>clients</i> other than those listed in Item 5.D.(3)(d)-(f) (separately managed account <i>clients</i> )? | <input checked="" type="radio"/> | <input type="radio"/> |

If yes, complete Section 5.K.(1) of Schedule D.

|  |                                                                                                                                |                       |                                  |
|--|--------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|
|  | (2) Do you engage in borrowing transactions on behalf of any of the separately managed account <i>clients</i> that you advise? | <input type="radio"/> | <input checked="" type="radio"/> |
|--|--------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|

If yes, complete Section 5.K.(2) of Schedule D.

|  |                                                                                                                                 |                       |                                  |
|--|---------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|
|  | (3) Do you engage in derivative transactions on behalf of any of the separately managed account <i>clients</i> that you advise? | <input type="radio"/> | <input checked="" type="radio"/> |
|--|---------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|

If yes, complete Section 5.K.(2) of Schedule D.

|  |                                                                                                                                                                                                                                |                                  |                       |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------|
|  | (4) After subtracting the amounts in Item 5.D.(3)(d)-(f) above from your total regulatory assets under management, does any custodian hold ten percent or more of this remaining amount of regulatory assets under management? | <input checked="" type="radio"/> | <input type="radio"/> |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------|

If yes, complete Section 5.K.(3) of Schedule D for each custodian.

L. Marketing Activities

|  |                                                                                                                                                                                                                                                         |                                  |                                  |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
|  |                                                                                                                                                                                                                                                         | Yes                              | No                               |
|  | (1) Do any of your <i>advertisements</i> include:                                                                                                                                                                                                       |                                  |                                  |
|  | (a) Performance results?                                                                                                                                                                                                                                | <input checked="" type="radio"/> | <input type="radio"/>            |
|  | (b) A reference to specific investment advice provided by you (as that phrase is used in rule 206(4)-1(a)(5))?                                                                                                                                          | <input type="radio"/>            | <input checked="" type="radio"/> |
|  | (c) <i>Testimonials</i> (other than those that satisfy rule 206(4)-1(b)(4)(ii))?                                                                                                                                                                        | <input type="radio"/>            | <input checked="" type="radio"/> |
|  | (d) <i>Endorsements</i> (other than those that satisfy rule 206(4)-1(b)(4)(ii))?                                                                                                                                                                        | <input type="radio"/>            | <input checked="" type="radio"/> |
|  | (e) <i>Third-party ratings</i> ?                                                                                                                                                                                                                        | <input type="radio"/>            | <input checked="" type="radio"/> |
|  | (2) If you answer "yes" to L(1)(c), (d), or (e) above, do you pay or otherwise provide cash or non-cash compensation, directly or indirectly, in connection with the use of <i>testimonials</i> , <i>endorsements</i> , or <i>third-party ratings</i> ? | <input type="radio"/>            | <input type="radio"/>            |
|  | (3) Do any of your <i>advertisements</i> include <i>hypothetical performance</i> ?                                                                                                                                                                      | <input checked="" type="radio"/> | <input type="radio"/>            |
|  | (4) Do any of your <i>advertisements</i> include <i>predecessor performance</i> ?                                                                                                                                                                       | <input type="radio"/>            | <input checked="" type="radio"/> |

SECTION 5.G.(3) Advisers to Registered Investment Companies and Business Development Companies

No Information Filed

SECTION 5.I.(2) Wrap Fee Programs

If you are a portfolio manager for one or more *wrap fee programs*, list the name of each program and its *sponsor*. You must complete a separate Schedule D Section 5.I.(2) for each *wrap fee program* for which you are a portfolio manager.

Name of *Wrap Fee Program*  
HSBC PRISM ADVISORY

Name of *Sponsor*  
HSBC SECURITIES (USA) INC.

Sponsor’s SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-):

-

Sponsor’s CRD Number (if any):

Name of *Wrap Fee Program*  
MANAGED PORTFOLIO ACCOUNT

Name of *Sponsor*  
HSBC SECURITIES (USA) INC.

Sponsor’s SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-):

-

Sponsor’s CRD Number (if any):

Name of *Wrap Fee Program*  
SPECTRUM

Name of *Sponsor*  
HSBC SECURITIES (USA) INC.

Sponsor’s SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-):

-

Sponsor’s CRD Number (if any):

Name of *Wrap Fee Program*  
SPECTRUM 2

Name of *Sponsor*  
HSBC SECURITIES (USA) INC.

Sponsor’s SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-):

-

Sponsor’s CRD Number (if any):

SECTION 5.K.(1) Separately Managed Accounts

After subtracting the amounts reported in Item 5.D.(3)(d)-(f) from your total regulatory assets under management, indicate the approximate percentage of this remaining amount attributable to each of the following categories of assets. If the remaining amount is at least \$10 billion in regulatory assets under management, complete Question (a). If the remaining amount is less than \$10 billion in regulatory assets under management, complete Question (b).

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.

End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment* . Mid-year is the date six months before the end of year date. Each column should add up to 100% and numbers should be rounded to the nearest percent.

Investments in derivatives, registered investment companies, business development companies, and pooled investment vehicles should be reported in those categories. Do not report those investments based on related or underlying portfolio assets. Cash equivalents include bank deposits, certificates of deposit, bankers' acceptances and similar bank instruments.

Some assets could be classified into more than one category or require discretion about which category applies. You may use your own internal methodologies and the conventions of your

service providers in determining how to categorize assets, so long as the methodologies or conventions are consistently applied and consistent with information you report internally and to current and prospective clients. However, you should not double count assets, and your responses must be consistent with any instructions or other guidance relating to this Section.

(a)

| Asset Type                                                                                                                         | Mid-year | End of year |
|------------------------------------------------------------------------------------------------------------------------------------|----------|-------------|
| (i) Exchange-Traded Equity Securities                                                                                              | %        | %           |
| (ii) Non Exchange-Traded Equity Securities                                                                                         | %        | %           |
| (iii) U.S. Government/Agency Bonds                                                                                                 | %        | %           |
| (iv) U.S. State and Local Bonds                                                                                                    | %        | %           |
| (v) Sovereign Bonds                                                                                                                | %        | %           |
| (vi) Investment Grade Corporate Bonds                                                                                              | %        | %           |
| (vii) Non-Investment Grade Corporate Bonds                                                                                         | %        | %           |
| (viii) Derivatives                                                                                                                 | %        | %           |
| (ix) Securities Issued by Registered Investment Companies or Business Development Companies                                        | %        | %           |
| (x) Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or Business Development Companies) | %        | %           |
| (xi) Cash and Cash Equivalents                                                                                                     | %        | %           |
| (xii) Other                                                                                                                        | %        | %           |

Generally describe any assets included in "Other"

(b)

| Asset Type                                                                                                                         | End of year |
|------------------------------------------------------------------------------------------------------------------------------------|-------------|
| (i) Exchange-Traded Equity Securities                                                                                              | 42 %        |
| (ii) Non Exchange-Traded Equity Securities                                                                                         | 0 %         |
| (iii) U.S. Government/Agency Bonds                                                                                                 | 26 %        |
| (iv) U.S. State and Local Bonds                                                                                                    | 24 %        |
| (v) Sovereign Bonds                                                                                                                | 0 %         |
| (vi) Investment Grade Corporate Bonds                                                                                              | 5 %         |
| (vii) Non-Investment Grade Corporate Bonds                                                                                         | 0 %         |
| (viii) Derivatives                                                                                                                 | 0 %         |
| (ix) Securities Issued by Registered Investment Companies or Business Development Companies                                        | 1 %         |
| (x) Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or Business Development Companies) | 0 %         |
| (xi) Cash and Cash Equivalents                                                                                                     | 2 %         |
| (xii) Other                                                                                                                        | 0 %         |

Generally describe any assets included in "Other"

SECTION 5.K.(2) Separately Managed Accounts - Use of Borrowingsand Derivatives

☒ No information is required to be reported in this Section 5.K.(2) per the instructions of this Section 5.K.(2)

If your regulatory assets under management attributable to separately managed accounts are at least \$10 billion, you should complete Question (a). If your regulatory assets under management attributable to separately managed accounts are at least \$500 million but less than \$10 billion, you should complete Question (b).

(a) In the table below, provide the following information regarding the separately managed accounts you advise. If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise. End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. Mid-year is the date six months before the end of year date.

In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the dollar amount of any *borrowings* and (b) the *gross notional value* of all derivatives, by (ii) the regulatory assets under management of the account.

In column 2, provide the dollar amount of *borrowings* for the accounts included in column 1.

In column 3, provide aggregate *gross notional value* of derivatives divided by the aggregate regulatory assets under management of the accounts included in column 1 with respect to each category of derivatives specified in 3(a) through (f).

You may, but are not required to, complete the table with respect to any separately managed account with regulatory assets under management of less than \$10,000,000.

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

(i) Mid-Year

| Gross Notional Exposure | (1) Regulatory Assets Under Management | (2) Borrowings | (3) Derivative Exposures     |                                 |                       |                       |                          |                      |
|-------------------------|----------------------------------------|----------------|------------------------------|---------------------------------|-----------------------|-----------------------|--------------------------|----------------------|
|                         |                                        |                | (a) Interest Rate Derivative | (b) Foreign Exchange Derivative | (c) Credit Derivative | (d) Equity Derivative | (e) Commodity Derivative | (f) Other Derivative |
| Less than 10 %          | \$                                     | \$             | %                            | %                               | %                     | %                     | %                        | %                    |
| 10-149 %                | \$                                     | \$             | %                            | %                               | %                     | %                     | %                        | %                    |
| 150 % or more           | \$                                     | \$             | %                            | %                               | %                     | %                     | %                        | %                    |

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

(ii) End of Year

| Gross Notional Exposure | (1) Regulatory Assets Under Management | (2) Borrowings | (3) Derivative Exposures     |                                 |                       |                       |                          |                      |
|-------------------------|----------------------------------------|----------------|------------------------------|---------------------------------|-----------------------|-----------------------|--------------------------|----------------------|
|                         |                                        |                | (a) Interest Rate Derivative | (b) Foreign Exchange Derivative | (c) Credit Derivative | (d) Equity Derivative | (e) Commodity Derivative | (f) Other Derivative |
| Less than 10 %          | \$                                     | \$             | %                            | %                               | %                     | %                     | %                        | %                    |
| 10-149 %                | \$                                     | \$             | %                            | %                               | %                     | %                     | %                        | %                    |
| 150 % or more           | \$                                     | \$             | %                            | %                               | %                     | %                     | %                        | %                    |

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

(b) In the table below, provide the following information regarding the separately managed accounts you advise as of the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.

In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the dollar amount of any *borrowings* and (b) the *gross notional value* of all derivatives, by (ii) the regulatory assets under management of the account.

In column 2, provide the dollar amount of *borrowings* for the accounts included in column 1.

You may, but are not required to, complete the table with respect to any separately managed accounts with regulatory assets under management of less than \$10,000,000.

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

| Gross Notional Exposure | (1) Regulatory Assets Under Management | (2) Borrowings |
|-------------------------|----------------------------------------|----------------|
| Less than 10 %          | \$                                     | \$             |
| 10-149 %                | \$                                     | \$             |
| 150 % or more           | \$                                     | \$             |

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

SECTION 5.K.(3) Custodians for Separately Managed Accounts

Complete a separate Schedule D Section 5.K.(3) for each custodian that holds ten percent or more of your aggregate separately managed account regulatory assets under management.

(a)

Legal name of custodian:  
PERSHING LLC

(b)

Primary business name of custodian:  
PERSHING LLC

(c)

The location(s) of the custodian's office(s) responsible for *custody* of the assets :  

City:  
JERSEY CITY

State:  
New Jersey

Country:  
United States

(d)

Is the custodian a *related person* of your firm?

Yes

No

(e)

If the custodian is a broker-dealer, provide its SEC registration number (if any)

8 - 17574

(f)

If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

(g)

What amount of your regulatory assets under management attributable to separately managed accounts is held at the custodian?

\$ 331,085,535

(a)

Legal name of custodian:  
HSBC BANK USA, N.A.

(b)

Primary business name of custodian:  
HSBC BANK USA, N.A.

(c)

The location(s) of the custodian's office(s) responsible for *custody* of the assets :

City:  
NEW YORK

State:  
New York

Country:  
United States

Yes

No

(d)

Is the custodian a *related person* of your firm?

(e)

If the custodian is a broker-dealer, provide its SEC registration number (if any)  
-

(f)

If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

(g)

What amount of your regulatory assets under management attributable to separately managed accounts is held at the custodian?

\$ 151,445,459

Item 6 Other Business Activities

In this Item, we request information about your firm's other business activities.

A.

You are actively engaged in business as a (check all that apply):

☒

(1)

broker-dealer (registered or unregistered)

☐

(2)

registere representative of a broker-dealer

☐

(3)

commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

☒

(4)

futures commission merchant

☐

(5)

real estate broker, dealer, or agent

☒

(6)

insurance broker or agent

☐

(7)

bank (including a separately identifiable department or division of a bank)

☐

(8)

trust company

☐

(9)

registered municipal advisor

☐

(10)

registered security-based swap dealer

☐

(11)

major security-based swap participant

☐

(12)

accountant or accounting firm

☐

(13)

lawyer or law firm

☐

(14)

other financial product salesperson (specify):

If you engage in other business using a name that is different from the names reported in Items 1.A. or 1.B.(1), complete *Section 6.A. of Schedule D.*

Yes

No

B.

(1)

Are you actively engaged in any other business not listed in Item 6.A. (other than giving investment advice)?

(2)

If yes, is this other business your primary business?

If "yes," describe this other business on *Section 6.B.(2) of Schedule D*, and if you engage in this business under a different name, provide that name.

Yes

No

(3)

Do you sell products or provide services other than investment advice to your advisory *clients*?

If "yes," describe this other business on *Section 6.B.(3) of Schedule D*, and if you engage in this business under a different name, provide that name.

SECTION 6.A. Names of Your Other Businesses

No Information Filed

SECTION 6.B.(2) Description of Primary Business

Describe your primary business (not your investment advisory business):

If you engage in that business under a different name, provide that name:

SECTION 6.B.(3) Description of Other Products and Services

Describe other products or services you sell to your *client*. You may omit products and services that you listed in Section 6.B.(2) above.

HSBC SECURITIES (USA) INC.("HSBC SECURITIES") SELLS INVESTMENT PRODUCTS AND VARIABLE ANNUITIES AND CAN EARN COMMISSIONS IN ITS CAPACITY AS A BROKER/DEALER. ADDITIONALLY, REPRESENTATIVES OF THE FIRM CAN ENGAGE IN THE SALE OF FIXED ANNUITIES.

If you engage in that business under a different name, provide that name:

Item 7 Financial Industry Affiliations

In this Item, we request information about your financial industry affiliations and activities. This information identifies areas in which conflicts of interest may occur between you and your *clients*.

A. This part of Item 7 requires you to provide information about you and your *related persons*, including foreign affiliates. Your *related persons* are all of your *advisory affiliates* and any *person* that is under common *control* with you.

You have a *related person* that is a (check all that apply):

☒

(1)

broker-dealer, municipal securities dealer, or government securities broker or dealer (registered or unregistered)

☒

(2)

other investment adviser (including financial planners)

☐

(3)

registered municipal advisor

☒

(4)

registered security-based swap dealer

☐

(5)

major security-based swap participant

☒

(6)

commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

☒

(7)

futures commission merchant

☒

(8)

banking or thrift institution

☒

(9)

trust company

☐

(10)

accountant or accounting firm

☐

(11)

lawyer or law firm

☒

(12)

insurance company or agency

☐

(13)

pension consultant

☐

(14)

real estate broker or dealer

☐

(15)

sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles

☒

(16)

sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

*Note that Item 7.A. should not be used to disclose that some of your employees perform investment advisory functions or are registered representatives of a broker-dealer. The number of your firm's employees who perform investment advisory functions should be disclosed under Item 5.B.(1). The number of your firm's employees who are registered representatives of a broker-dealer should be disclosed under Item 5.B.(2).*

*Note that if you are filing an umbrella registration, you should not check Item 7.A.(2) with respect to your relying advisers, and you do not have to complete Section 7.A. in Schedule D for your relying advisers. You should complete a Schedule R for each relying adviser.*

*For each related person, including foreign affiliates that may not be registered or required to be registered in the United States, complete [Section 7.A. of Schedule D](#).*

*You do not need to complete Section 7.A. of Schedule D for any related person if: (1) you have no business dealings with the related person in connection with advisory services you provide to your clients; (2) you do not conduct shared operations with the related person; (3) you do not refer clients or business to the related person, and the related person does not refer prospective clients or business to you; (4) you do not share supervised persons or premises with the related person; and (5) you have no reason to believe that your relationship with the related person otherwise creates a conflict of interest with your clients.*

*You must complete [Section 7.A. of Schedule D](#) for each related person acting as qualified custodian in connection with advisory services you provide to your clients (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)), regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.*

SECTION 7.A. Financial Industry Affiliations

Complete a separate Schedule D Section 7.A. for each *related person* listed in Item 7.A.

1.

Legal Name of *Related Person*:

HSBC GLOBAL ASSET MANAGEMENT (USA) INC.

2.

Primary Business Name of *Related Person*:

HSBC GLOBAL ASSET MANAGEMENT (USA) INC.

3.

*Related Person's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)

801 - 25999

or

Other

4.

*Related Person's*

(a) CRD Number (if any):

105686

(b) CIK Number(s) (if any):

No Information Filed

5. *Related Person* is: (check all that apply)

(a) ☐ broker-dealer, municipal securities dealer, or government securities broker or dealer

(b) ☒ other investment adviser (including financial planners)

(c) ☐ registered municipal advisor

(d) ☐ registered security-based swap dealer

(e) ☐ major security-based swap participant

(f) ☒ commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

(g) ☐ futures commission merchant

(h) ☐ banking or thrift institution

(i) ☐ trust company

(j) ☐ accountant or accounting firm

(k) ☐ lawyer or law firm

(l) ☐ insurance company or agency

(m) ☐ pension consultant

(n) ☐ real estate broker or dealer

(o) ☐ sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles

(p) ☐ sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

6. Do you *control* or are you *controlled* by the *related person*?

Yes

No

7. Are you and the *related person* under common *control*?

Yes

No

8. (a) Does the *related person* act as a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?

Yes

No

(b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the *related person* and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person*?

Yes

No

(c) If you have answered "yes" to question 8.(a) above, provide the location of the *related person's* office responsible for *custody* of your *clients'* assets:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

9. (a) If the *related person* is an investment adviser, is it exempt from registration?

Yes

No

(b) If the answer is yes, under what exemption?

10. (a) Is the *related person* registered with a *foreign financial regulatory authority* ?

Yes

No

(b) If the answer is yes, list the name and country, in English of each *foreign financial regulatory authority* with which the *related person* is registered.

Name of Country/English Name of Foreign Financial Regulatory Authority

Other - DUTCH FINANCIAL AUTHORITY (DFA)

11. Do you and the *related person* share any *supervised persons*?

Yes

No

12. Do you and the *related person* share the same physical location?

Yes

No

1. Legal Name of *Related Person*:

HSBC BANK USA, N.A.

2. Primary Business Name of *Related Person*:

HSBC BANK USA, N.A.

3. *Related Person's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)

-

or

Other

4. *Related Person's*

(a) CRD Number (if any):

(b) CIK Number(s) (if any):

No Information Filed

5. *Related Person* is: (check all that apply)

(a) ☐ broker-dealer, municipal securities dealer, or government securities broker or dealer

(b) ☐ other investment adviser (including financial planners)

(c) ☐ registered municipal advisor

- Yes No**



Number and Street 2:

## 1ST AND 3RD FLOORS

State:

Country:

ZIP+4/Postal Code:

New York

United States

10001

**Yes No**



\_\_\_\_\_

|  |  |
|--|--|
|  |  |
|--|--|



**Yes No**



of the

suant to

1.

(a) Name of the *private fund*:

452 LATIN AMERICA INSTITUTIONAL FUND L.P.

(b) *Private fund* identification number:

(include the "805-" prefix also)

805-4419011058

2.

Under the laws of what state or country is the *private fund* organized:

State:

Country:

Cayman Islands

3.

(a) Name(s) of General Partner, Manager, Trustee, or Directors (or *persons* serving in a similar capacity):

| Name of General Partner, Manager, Trustee, or Director |
|--------------------------------------------------------|
| HSBC LA INSTITUTIONAL INVESTORS LP                     |

(b) If filing an *umbrella registration*, identify the *filing adviser* and/or *relying adviser(s)* that sponsor(s) or manage(s) this *private fund*.

No Information Filed

4.

The *private fund* (check all that apply; you must check at least one):

☒ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940

☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5.

List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

No Information Filed

6.

(a) Is this a "master fund" in a master-feeder arrangement?

YesNo

(b) If yes, what is the name and *private fund* identification number (if any) of the feeder funds investing in this *private fund*?

No Information Filed

(c) Is this a "feeder fund" in a master-feeder arrangement?

YesNo

(d) If yes, what is the name and *private fund* identification number (if any) of the master fund in which this *private fund* invests?

Name of *private fund*:

HSBC LATIN AMERICA PRIVATE EQUITY INVESTORS L.P.

*Private fund* identification number:

(include the "805-" prefix also)

805-7678392023

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7.

If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

No Information Filed

NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

8.

(a) Is this *private fund* a "fund of funds"?

YesNo

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

(b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?

YesNo

9.

During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than "money market funds," to the extent provided in Instruction 6.e.)?

YesNo

10. What type of fund is the *private fund*?

- ☐ hedge fund
- ☐ liquidity fund
- ☒ private equity fund
- ☐ real estate fund
- ☐ securitized asset fund
- ☐ venture capital fund
- ☐ Other *private fund*:

NOTE: For definitions of these fund types, please see [Instruction 6 of the Instructions to Part 1A](#).

11. Current gross asset value of the *private fund*:

\$ 2,352,821

Ownership

12. Minimum investment commitment required of an investor in the *private fund*:

\$ 1,000,000

NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the organizational documents of the fund).

13. Approximate number of the *private fund*'s beneficial owners:

5

14. What is the approximate percentage of the *private fund* beneficially owned by you and your *related persons*:

0%

15. (a) What is the approximate percentage of the *private fund* beneficially owned (in the aggregate) by funds of funds:

0%

Yes No

(b) If the private fund qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to *qualified clients*?

- ☒
- ☐

16. What is the approximate percentage of the *private fund* beneficially owned by non-*United States persons*:

45%

Your Advisory Services

Yes No

17. (a) Are you a subadviser to this *private fund*?

- ☐
- ☒

(b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the *private fund*. If the answer to question 17.(a) is "no," leave this question blank.

No Information Filed

Yes No

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the *private fund*?

- ☒
- ☐

(b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the *private fund*. If the answer to question 18.(a) is "no," leave this question blank.

| Name of Other Adviser to <i>private fund</i> | SEC file number | CRD number |
|----------------------------------------------|-----------------|------------|
| GRAYCLIFF PARTNERS LP                        | 801-72820       | 157221     |

Yes No

19. Are your *clients* solicited to invest in the *private fund*?

- ☐
- ☒

NOTE: For purposes of this question, do not consider feeder funds of the *private fund*.

20. Approximately what percentage of your *clients* has invested in the *private fund*?

1%

Private Offering

Yes No

21. Has the *private fund* ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933?

- ☒
- ☐

22. If yes, provide the *private fund*'s Form D file number (if any):

| Form D file number |
|--------------------|
| 021-114316         |

B. SERVICE PROVIDERS

Auditors

Yes No

23. (a) (1) Are the *private fund's* financial statements subject to an annual audit?



- (2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP?



If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

**Additional Auditor Information : 1 Record(s) Filed.**

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

- (b) Name of the auditing firm:

PRICEWATERHOUSECOOPERS, LLP

- (c) The location of the auditing firm's office responsible for the *private fund's* audit (city, state and country):

City:

NEW YORK

State:

New York

Country:

United States

**Yes No**

- (d) Is the auditing firm an *independent public accountant*?



- (e) Is the auditing firm registered with the Public Company Accounting Oversight Board?



If yes, Public Company Accounting Oversight Board-Assigned Number:

238

- (f) If "yes" to (e) above, is the auditing firm subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?



- (g) Are the *private fund's* audited financial statements for the most recently completed fiscal year distributed to the *private fund's* investors?

Yes No

- (h) Do all of the reports prepared by the auditing firm for the *private fund* since your last *annual updating amendment* contain unqualified opinions?

☒ Yes ☐ No ☐ Report Not Yet Received

*If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.*

## Prime Broker

24. (a) Does the *private fund* use one or more prime brokers?

Yes No



If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

No Information Filed

## Custodian

25. (a) Does the *private fund* use any custodians (including the prime brokers listed above) to hold some or all of its assets?

Yes No



If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

**Additional Custodian Information : 1 Record(s) Filed.**

If the answer to question 25.(a) is "yes," respond to questions (b) through g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

- (b) Legal name of custodian:

HSBC BANK USA,, N.A.

- (c) Primary business name of custodian:

HBUS

- (d) The location of the custodian's office responsible for *custody* of the *private fund's* assets (city, state and country):

|          |          |               |
|----------|----------|---------------|
| City:    | State:   | Country:      |
| NEW YORK | New York | United States |

Yes

No

(e)

Is the custodian a *related person* of your firm?

(f)

If the custodian is a broker-dealer, provide its SEC registration number (if any):  
-  
CRD Number (if any):

(g)

If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

Administrator

26.

(a)

Does the *private fund* use an administrator other than your firm?

Yes

No

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

Additional Administrator Information : 1 Record(s) Filed.

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

(b)

Name of administrator:  
SS&C

(c)

Location of administrator (city, state and country):  
City:NEW YORKState:New YorkCountry:United States

Yes

No

(d)

Is the administrator a *related person* of your firm?

(e)

Does the administrator prepare and send investor account statements to the *private fund's* investors?  

Yes (provided to all investors)

Some (provided to some but not all investors)

No (provided to no investors)

(f)

If the answer to question 26.(e) is "no" or "some," who sends the investor account statements to the (rest of the) *private fund's* investors? If investor account statements are not sent to the (rest of the) *private fund's* investors, respond "not applicable."

27.

During your last fiscal year, what percentage of the *private fund's* assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?

0%

Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

Marketers

28.

(a)

Does the *private fund* use the services of someone other than you or your *employees* for marketing purposes?

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

No Information Filed

A. PRIVATE FUND

Information About the Private Fund

1.

(a)

Name of the *private fund*:

452 LATIN AMERICA PARTNERS L.P.

(b) *Private fund* identification number:  
(include the "805-" prefix also)  
805-6086835745

2. Under the laws of what state or country is the *private fund* organized:

State:  
Delaware

Country:  
United States

3. (a) Name(s) of General Partner, Manager, Trustee, or Directors (or *persons* serving in a similar capacity):

| Name of General Partner, Manager, Trustee, or Director |
|--------------------------------------------------------|
| HCUS LATIN AMERICA EQUITY INVESTORS GP LP              |

(b) If filing an *umbrella registration*, identify the *filing adviser* and/or *relying adviser(s)* that sponsor(s) or manage(s) this *private fund*.

|                      |
|----------------------|
| No Information Filed |
|----------------------|

4. The *private fund* (check all that apply; you must check at least one):

- ☒ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940
- ☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5. List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

|                      |
|----------------------|
| No Information Filed |
|----------------------|

Yes No

6. (a) Is this a "master fund" in a master-feeder arrangement?

☐ ☒

(b) If yes, what is the name and *private fund* identification number (if any) of the feeder funds investing in this *private fund*?

|                      |
|----------------------|
| No Information Filed |
|----------------------|

Yes No

(c) Is this a "feeder fund" in a master-feeder arrangement?

☐ ☒

(d) If yes, what is the name and *private fund* identification number (if any) of the master fund in which this *private fund* invests?

Name of *private fund*:

*Private fund* identification number:  
(include the "805-" prefix also)

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7. If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

|                      |
|----------------------|
| No Information Filed |
|----------------------|

NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

Yes No

8. (a) Is this *private fund* a "fund of funds"?

☐ ☒

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

(b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?

☐ ☐

Yes No

9. During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than "money market funds," to the extent provided in Instruction 6.e.)?

☐ ☒

10. What type of fund is the *private fund*?

☐ hedge fund ☐ liquidity fund ☒ private equity fund ☐ real estate fund ☐ securitized asset fund ☐ venture capital fund ☐ Other *private fund*:

NOTE: For definitions of these fund types, please see [Instruction 6 of the Instructions to Part 1A](#).

11. Current gross asset value of the *private fund*:  
\$ 193,839

**Ownership**

12. Minimum investment commitment required of an investor in the *private fund*:  
\$ 1,000,000

NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the organizational documents of the fund).

13. Approximate number of the *private fund*'s beneficial owners:  
6

14. What is the approximate percentage of the *private fund* beneficially owned by you and your *related persons*:  
1%

15. (a) What is the approximate percentage of the *private fund* beneficially owned (in the aggregate) by funds of funds:  
63%

YesNo

(b) If the private fund qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to *qualified clients*?  
☒ ☐

16. What is the approximate percentage of the *private fund* beneficially owned by non-*United States persons*:  
92%

**Your Advisory Services**

YesNo

17. (a) Are you a subadviser to this *private fund*?  
☐ ☒

(b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the *private fund*. If the answer to question 17.(a) is "no," leave this question blank.

No Information Filed

YesNo

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the *private fund*?  
☒ ☐

(b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the *private fund*. If the answer to question 18.(a) is "no," leave this question blank.

| Name of Other Adviser to <i>private fund</i> | SEC file number | CRD number |
|----------------------------------------------|-----------------|------------|
| GRAYCLIFF PARTNERS LP                        | 801-72820       | 157221     |

YesNo

19. Are your *clients* solicited to invest in the *private fund*?  
☐ ☒

NOTE: For purposes of this question, do not consider feeder funds of the *private fund*.

20. Approximately what percentage of your *clients* has invested in the *private fund*?  
1%

**Private Offering**

YesNo

21. Has the *private fund* ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933?  
☒ ☐

22. If yes, provide the *private fund*'s Form D file number (if any):

| Form D file number |
|--------------------|
| 021-126455         |

B. SERVICE PROVIDERS

**Auditors**

Yes No

23. (a) (1) Are the *private fund's* financial statements subject to an annual audit?

(2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP?

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

**Additional Auditor Information : 1 Record(s) Filed.**

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

(b) Name of the auditing firm:  
PRICEWATERHOUSE COOPERS

(c) The location of the auditing firm's office responsible for the *private fund's* audit (city, state and country):

City: NEW YORK State: New York Country: United States

(d) Is the auditing firm an *independent public accountant*?

(e) Is the auditing firm registered with the Public Company Accounting Oversight Board?

If yes, Public Company Accounting Oversight Board-Assigned Number:

(f) If "yes" to (e) above, is the auditing firm subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?

(g) Are the *private fund's* audited financial statements for the most recently completed fiscal year distributed to the *private fund's* investors?

(h) Do all of the reports prepared by the auditing firm for the *private fund* since your last *annual updating amendment* contain unqualified opinions?

☒ Yes ☐ No ☐ Report Not Yet Received

*If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.*

### Prime Broker

24. (a) Does the *private fund* use one or more prime brokers?

If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

No Information Filed

### Custodian

25. (a) Does the *private fund* use any custodians (including the prime brokers listed above) to hold some or all of its assets?

If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

**Additional Custodian Information : 1 Record(s) Filed.**

If the answer to question 25.(a) is "yes," respond to questions (b) through g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

(b) Legal name of custodian:  
HSBC BANK USA, N.A.

(c) Primary business name of custodian:  
HBUS

(d) The location of the custodian's office responsible for *custody* of the *private fund's* assets (city, state and country):

City: State: Country:

|                                                                                                                                                                      |          |               |     |    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------|-----|----|
| NEW YORK                                                                                                                                                             | New York | United States |     |    |
|                                                                                                                                                                      |          |               | Yes | No |
| (e) Is the custodian a <i>related person</i> of your firm?                                                                                                           |          |               |     |    |
| <input type="radio"/> <input checked="" type="radio"/>                                                                                                               |          |               |     |    |
| (f) If the custodian is a broker-dealer, provide its SEC registration number (if any):                                                                               |          |               |     |    |
| -                                                                                                                                                                    |          |               |     |    |
| CRD Number (if any):                                                                                                                                                 |          |               |     |    |
|                                                                                                                                                                      |          |               |     |    |
| (g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its <i>legal entity identifier</i> (if any) |          |               |     |    |

Administrator

|                                                                                 |                                  |                       |
|---------------------------------------------------------------------------------|----------------------------------|-----------------------|
| 26. (a) Does the <i>private fund</i> use an administrator other than your firm? | Yes                              | No                    |
|                                                                                 | <input checked="" type="radio"/> | <input type="radio"/> |

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

Additional Administrator Information : 1 Record(s) Filed.

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

(b) Name of administrator:

SS&C

(c) Location of administrator (city, state and country):

|          |          |               |
|----------|----------|---------------|
| City:    | State:   | Country:      |
| NEW YORK | New York | United States |

(d) Is the administrator a *related person* of your firm?

(e) Does the administrator prepare and send investor account statements to the *private fund's* investors?

☒ Yes (provided to all investors) ☐ Some (provided to some but not all investors) ☐ No (provided to no investors)

(f) If the answer to question 26.(e) is "no" or "some," who sends the investor account statements to the (rest of the) *private fund's* investors? If investor account statements are not sent to the (rest of the) *private fund's* investors, respond "not applicable."

27. During your last fiscal year, what percentage of the *private fund's* assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?

100%

Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

Marketers

|                                                                                                                                  |                       |                                  |
|----------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|
| 28. (a) Does the <i>private fund</i> use the services of someone other than you or your <i>employees</i> for marketing purposes? | Yes                   | No                               |
|                                                                                                                                  | <input type="radio"/> | <input checked="" type="radio"/> |

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

No Information Filed

A. PRIVATE FUND

Information About the *Private Fund*

1. (a) Name of the *private fund*:

452 LATIN AMERICA PRIVATE EQUITY INVESTORS L.P.

(b) *Private fund* identification number:  
(include the "805-" prefix also)  
805-7678392023

2. Under the laws of what state or country is the *private fund* organized:

State:

Country:  
Cayman Islands

3. (a) Name(s) of General Partner, Manager, Trustee, or Directors (or *persons* serving in a similar capacity):

| Name of General Partner, Manager, Trustee, or Director |
|--------------------------------------------------------|
| HSBC LATIN AMERICA PRIVATE EQUITY INVESTORS GP L.P.    |

(b) If filing an *umbrella registration*, identify the *filing adviser* and/or *relying adviser(s)* that sponsor(s) or manage(s) this *private fund*.

|                      |
|----------------------|
| No Information Filed |
|----------------------|

4. The *private fund* (check all that apply; you must check at least one):

- ☒ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940
- ☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5. List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

|                      |
|----------------------|
| No Information Filed |
|----------------------|

Yes No

6. (a) Is this a "master fund" in a master-feeder arrangement?

☒ ☐

(b) If yes, what is the name and *private fund* identification number (if any) of the feeder funds investing in this *private fund*?

| Name of <i>private fund</i>                | <i>Private fund</i> identification number |
|--------------------------------------------|-------------------------------------------|
| HSBC LATIN AMERICA INSTITUTIONAL FUND L.P. | 805-4419011058                            |

Yes No

(c) Is this a "feeder fund" in a master-feeder arrangement?

☐ ☒

(d) If yes, what is the name and *private fund* identification number (if any) of the master fund in which this *private fund* invests?

Name of *private fund*:

*Private fund* identification number:  
(include the "805-" prefix also)

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7. If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

|                      |
|----------------------|
| No Information Filed |
|----------------------|

NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

Yes No

8. (a) Is this *private fund* a "fund of funds"?

☒ ☐

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

(b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?

☒ ☐

Yes No

9. During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than "money market funds," to the extent provided in Instruction 6.e.)?

☐ ☒

10. What type of fund is the *private fund*?

☐ hedge fund ☐ liquidity fund ☒ private equity fund ☐ real estate fund ☐ securitized asset fund ☐ venture capital fund ☐ Other *private fund*:

NOTE: For definitions of these fund types, please see [Instruction 6 of the Instructions to Part 1A](#).

11. Current gross asset value of the *private fund*:  
\$ 22,521,170

Ownership

12. Minimum investment commitment required of an investor in the *private fund*:  
\$ 1,000,000

NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the organizational documents of the fund).

13. Approximate number of the *private fund*'s beneficial owners:  
3

14. What is the approximate percentage of the *private fund* beneficially owned by you and your *related persons*:  
0%

15. (a) What is the approximate percentage of the *private fund* beneficially owned (in the aggregate) by funds of funds:  
100%

Yes No

(b) If the private fund qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to *qualified clients*? ☒ ☐

16. What is the approximate percentage of the *private fund* beneficially owned by non-*United States persons*:  
100%

Your Advisory Services

Yes No

17. (a) Are you a subadviser to this *private fund*? ☐ ☒

(b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the *private fund*. If the answer to question 17.(a) is "no," leave this question blank.

No Information Filed

Yes No

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the *private fund*? ☒ ☐

(b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the *private fund*. If the answer to question 18.(a) is "no," leave this question blank.

| Name of Other Adviser to <i>private fund</i> | SEC file number | CRD number |
|----------------------------------------------|-----------------|------------|
| GRAYCLIFF PARTNERS LP                        | 801-72820       | 157221     |

Yes No

19. Are your *clients* solicited to invest in the *private fund*? ☐ ☒

NOTE: For purposes of this question, do not consider feeder funds of the *private fund*.

20. Approximately what percentage of your *clients* has invested in the *private fund*?  
1%

Private Offering

Yes No

21. Has the *private fund* ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933? ☐ ☒

22. If yes, provide the *private fund*'s Form D file number (if any):

No Information Filed

B. SERVICE PROVIDERS

Auditors

Yes No

23. (a) (1) Are the *private fund*'s financial statements subject to an annual audit? ☒ ☐

(2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP?

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

**Additional Auditor Information : 1 Record(s) Filed.**

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

(b) Name of the auditing firm:  
PRICEWATERHOUSECOOPERS, LLP

(c) The location of the auditing firm's office responsible for the *private fund*'s audit (city, state and country):  
City:  
NEW YORK  
State:  
New York  
Country:  
United States

(d) Is the auditing firm an *independent public accountant*?

Yes No

(e) Is the auditing firm registered with the Public Company Accounting Oversight Board?

Yes No

If yes, Public Company Accounting Oversight Board-Assigned Number:  
238

(f) If "yes" to (e) above, is the auditing firm subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?

Yes No

(g) Are the *private fund*'s audited financial statements for the most recently completed fiscal year distributed to the *private fund*'s investors?

Yes No

(h) Do all of the reports prepared by the auditing firm for the *private fund* since your last *annual updating amendment* contain unqualified opinions?

☒ Yes

☐ No

☐ Report Not Yet Received

If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.

Prime Broker

24. (a) Does the *private fund* use one or more prime brokers?

Yes No

If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

No Information Filed

Custodian

25. (a) Does the *private fund* use any custodians (including the prime brokers listed above) to hold some or all of its assets?

Yes No

If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

**Additional Custodian Information : 1 Record(s) Filed.**

If the answer to question 25.(a) is "yes," respond to questions (b) through g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

(b) Legal name of custodian:  
HSBC BANK USA, N.A.

(c) Primary business name of custodian:  
HBUS

(d) The location of the custodian's office responsible for *custody* of the *private fund*'s assets (city, state and country):  
City:  
NEW YORK  
State:  
New York  
Country:  
United States

(e) Is the custodian a *related person* of your firm?

es No

☐ ☐

(f) If the custodian is a broker-dealer, provide its SEC registration number (if any):

—

CRD Number (if any):

(g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

## Administrator

26. (a) Does the *private fund* use an administrator other than your firm?

Yes No



If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

**Additional Administrator Information : 1 Record(s) Filed.**

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

(b) Name of administrator:

SS&amp;C

(c) Location of administrator (city, state and country):

City:

State:

Country:

NEW YORK

New York

United States

(d) Is the administrator a *related person* of your firm?

Yes No



(e) Does the administrator prepare and send investor account statements to the *private fund's* investors?

☒ Yes (provided to all investors) ☐ Some (provided to some but not all investors) ☐ No (provided to no investors)

(f) If the answer to question 26.(e) is "no" or "some," who sends the investor account statements to the (rest of the) *private fund's* investors? If investor account statements are not sent to the (rest of the) *private fund's* investors, respond "not applicable."

27. During your last fiscal year, what percentage of the *private fund's* assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?

0 %

Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

## Marketers

28. (a) Does the *private fund* use the services of someone other than you or your *employees* for marketing purposes?

Yes No



You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

No Information Filed

### A. PRIVATE FUND

### **Information About the *Private Fund***

1. (a) Name of the *private fund*:

452 PRIVATE EQUITY ACCESS FUND, L.P.

(b) *Private fund* identification number:

(include the "805-" prefix also)

805-4080440268

2.

Under the laws of what state or country is the *private fund* organized:

State:

Delaware

Country:

United States

3.

(a) Name(s) of General Partner, Manager, Trustee, or Directors (or *persons* serving in a similar capacity):

| Name of General Partner, Manager, Trustee, or Director |
|--------------------------------------------------------|
| HSBC PRIVATE EQUITY ACCESS LP                          |

(b) If filing an *umbrella registration*, identify the *filing adviser* and/or *relying adviser(s)* that sponsor(s) or manage(s) this *private fund*.

No Information Filed

4.

The *private fund* (check all that apply; you must check at least one):

☒ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940

☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5. List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

No Information Filed

6.

(a) Is this a "master fund" in a master-feeder arrangement?

YesNo

☐☒

(b) If yes, what is the name and *private fund* identification number (if any) of the feeder funds investing in this *private fund*?

No Information Filed

(c) Is this a "feeder fund" in a master-feeder arrangement?

YesNo

☒☐

(d) If yes, what is the name and *private fund* identification number (if any) of the master fund in which this *private fund* invests?

Name of *private fund*:

HSBC PRIVATE EQUITY INVESTORS CAYMAN L.P.

*Private fund* identification number:

(include the "805-" prefix also)

805-5020494132

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7.

If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

No Information Filed

NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

8.

(a) Is this *private fund* a "fund of funds"?

YesNo

☐☒

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

(b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?

☐☐

9.

During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than "money market funds," to the extent provided in Instruction 6.e.)?

YesNo

☐☒

10.

What type of fund is the *private fund*?

☐ hedge fund☐ liquidity fund☒ private equity fund☐ real estate fund☐ securitized asset fund☐ venture capital fund☐ Other *private fund*:

NOTE: For definitions of these fund types, please see [Instruction 6 of the Instructions to Part 1A](#).

11. Current gross asset value of the *private fund*:  
\$ 4,790,059

Ownership

12. Minimum investment commitment required of an investor in the *private fund*:  
\$ 1,000,000

NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the organizational documents of the fund).

13. Approximate number of the *private fund's* beneficial owners:  
6

14. What is the approximate percentage of the *private fund* beneficially owned by you and your *related persons*:  
0%

15. (a) What is the approximate percentage of the *private fund* beneficially owned (in the aggregate) by funds of funds:  
48%

Yes No

(b) If the private fund qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to *qualified clients*? ☒ ☐

16. What is the approximate percentage of the *private fund* beneficially owned by non-*United States persons*:  
52%

Your Advisory Services

Yes No

17. (a) Are you a subadviser to this *private fund*? ☐ ☒

(b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the *private fund*. If the answer to question 17.(a) is "no," leave this question blank.

No Information Filed

Yes No

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the *private fund*? ☒ ☐

(b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the *private fund*. If the answer to question 18.(a) is "no," leave this question blank.

| Name of Other Adviser to <i>private fund</i> | SEC file number | CRD number |
|----------------------------------------------|-----------------|------------|
| GRAYCLIFF PARTNERS LP                        | 801-72820       | 157221     |

Yes No

19. Are your *clients* solicited to invest in the *private fund*? ☐ ☒

NOTE: For purposes of this question, do not consider feeder funds of the *private fund*.

20. Approximately what percentage of your *clients* has invested in the *private fund*?  
1%

Private Offering

Yes No

21. Has the *private fund* ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933? ☐ ☒

22. If yes, provide the *private fund's* Form D file number (if any):

No Information Filed

B. SERVICE PROVIDERS

Auditors

Yes No

23. (a) (1) Are the *private fund's* financial statements subject to an annual audit? ☒ ☐

(2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP? ☒ ☐

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

Additional Auditor Information : 1 Record(s) Filed.

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

(b) Name of the auditing firm:

PRICEWATERHOUSECOOPERS, LLP

(c) The location of the auditing firm's office responsible for the *private fund*'s audit (city, state and country):

City:

State:

Country:

NEW YORK

New York

United States

(d) Is the auditing firm an *independent public accountant*?

Yes

No

(e) Is the auditing firm registered with the Public Company Accounting Oversight Board?

Yes

No

If yes, Public Company Accounting Oversight Board-Assigned Number:

238

(f) If "yes" to (e) above, is the auditing firm subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?

Yes

No

(g) Are the *private fund*'s audited financial statements for the most recently completed fiscal year distributed to the *private fund*'s investors?

Yes

No

(h) Do all of the reports prepared by the auditing firm for the *private fund* since your last *annual updating amendment* contain unqualified opinions?

Yes

No

Report Not Yet Received

If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.

Prime Broker

24. (a) Does the *private fund* use one or more prime brokers?

Yes

No

If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

No Information Filed

Custodian

25. (a) Does the *private fund* use any custodians (including the prime brokers listed above) to hold some or all of its assets?

Yes

No

If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

Additional Custodian Information : 1 Record(s) Filed.

If the answer to question 25.(a) is "yes," respond to questions (b) through g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

(b) Legal name of custodian:

HSBC BANK (USA), N.A.

(c) Primary business name of custodian:

HBUS

(d) The location of the custodian's office responsible for *custody* of the *private fund*'s assets (city, state and country):

City:

State:

Country:

NEW YORK

New York

United States

Yes

No

(e) Is the custodian a *related person* of your firm?

(f) If the custodian is a broker-dealer, provide its SEC registration number (if any):

—

CRD Number (if any):

(g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

## Administrator

26. (a) Does the *private fund* use an administrator other than your firm?

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

**Additional Administrator Information : 1 Record(s) Filed.**

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

(b) Name of administrator:

SS&amp;C

(c) Location of administrator (city, state and country):

City:

NEW YORK

State:

New York

Country:

United States

(d) Is the administrator a *related person* of your firm?

(e) Does the administrator prepare and send investor account statements to the *private fund's* investors?

☒ Yes (provided to all investors) ☐ Some (provided to some but not all investors) ☐ No (provided to no investors)

(f) If the answer to question 26.(e) is "no" or "some," who sends the investor account statements to the (rest of the) *private fund's* investors? If investor account statements are not sent to the (rest of the) *private fund's* investors, respond "not applicable."

27. During your last fiscal year, what percentage of the *private fund's* assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?

0 %

Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

## Marketers

28. (a) Does the *private fund* use the services of someone other than you or your *employees* for marketing purposes?

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

No Information Filed

### A. PRIVATE FUND

### **Information About the *Private Fund***

1. (a) Name of the *private fund*:

452 PRIVATE EQUITY INVESTORS CAYMAN L.P.

(b) *Private fund* identification number:

(include the "805-" prefix also)

2. Under the laws of what state or country is the *private fund* organized:

State:

Country:  
Cayman Islands

3. (a) Name(s) of General Partner, Manager, Trustee, or Directors (or *persons* serving in a similar capacity):

| Name of General Partner, Manager, Trustee, or Director |
|--------------------------------------------------------|
| HSBC PRIVATE EQUITY L.P.                               |

(b) If filing an *umbrella registration*, identify the *filing adviser* and/or *relying adviser(s)* that sponsor(s) or manage(s) this *private fund*.

|                      |
|----------------------|
| No Information Filed |
|----------------------|

4. The *private fund* (check all that apply; you must check at least one):

- ☒ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940
- ☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5. List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

|                      |
|----------------------|
| No Information Filed |
|----------------------|

6. (a) Is this a "master fund" in a master-feeder arrangement?

Yes No

☒ ☐

(b) If yes, what is the name and *private fund* identification number (if any) of the feeder funds investing in this *private fund*?

| Name of <i>private fund</i>           | <i>Private fund</i> identification number |
|---------------------------------------|-------------------------------------------|
| HSBC PRIVATE EQUITY ACCESS FUND, L.P. | 805-4080440268                            |

(c) Is this a "feeder fund" in a master-feeder arrangement?

Yes No

☐ ☒

(d) If yes, what is the name and *private fund* identification number (if any) of the master fund in which this *private fund* invests?

Name of *private fund*:

*Private fund* identification number:  
(include the "805-" prefix also)

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7. If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

|                      |
|----------------------|
| No Information Filed |
|----------------------|

NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

8. (a) Is this *private fund* a "fund of funds"?

Yes No

☒ ☐

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

(b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?

☒ ☐

9. During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than "money market funds," to the extent provided in Instruction 6.e.)?

Yes No

☐ ☒

10. What type of fund is the *private fund*?

- ☐ hedge fund
- ☐ liquidity fund
- ☒ private equity fund
- ☐ real estate fund
- ☐ securitized asset fund
- ☐ venture capital fund
- ☐ Other *private fund*:

NOTE: For definitions of these fund types, please see [Instruction 6 of the Instructions to Part 1A](#).

11. Current gross asset value of the *private fund*:  
\$ 43,951,691

Ownership

12. Minimum investment commitment required of an investor in the *private fund*:  
\$ 1,000,000  
NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the organizational documents of the fund).

13. Approximate number of the *private fund's* beneficial owners:  
4

14. What is the approximate percentage of the *private fund* beneficially owned by you and your *related persons*:  
0%

15. (a) What is the approximate percentage of the *private fund* beneficially owned (in the aggregate) by funds of funds:  
100%

Yes No

(b) If the private fund qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to *qualified clients*?  
☒ ☐

16. What is the approximate percentage of the *private fund* beneficially owned by non-*United States persons*:  
49%

Your Advisory Services

Yes No

17. (a) Are you a subadviser to this *private fund*?  
☐ ☒  
(b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the *private fund*. If the answer to question 17.(a) is "no," leave this question blank.

|                      |
|----------------------|
| No Information Filed |
|----------------------|

Yes No

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the *private fund*?  
☒ ☐  
(b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the *private fund*. If the answer to question 18.(a) is "no," leave this question blank.

| Name of Other Adviser to <i>private fund</i> | SEC file number | CRD number |
|----------------------------------------------|-----------------|------------|
| GRAYCLIFF PARTNERS LP                        | 801-72820       | 157221     |

Yes No

19. Are your *clients* solicited to invest in the *private fund*?  
☐ ☒  
NOTE: For purposes of this question, do not consider feeder funds of the *private fund*.

20. Approximately what percentage of your *clients* has invested in the *private fund*?  
1%

Private Offering

Yes No

21. Has the *private fund* ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933?  
☒ ☐

22. If yes, provide the *private fund's* Form D file number (if any):

| Form D file number |
|--------------------|
| 021-97528          |

B. SERVICE PROVIDERS

Auditors

Yes No

23. (a) (1) Are the *private fund's* financial statements subject to an annual audit?  
☒ ☐  
(2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP?  
☒ ☐

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

Additional Auditor Information : 1 Record(s) Filed.

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

(b) Name of the auditing firm:

PRICEWATERHOUSECOOPERS, LLP

(c) The location of the auditing firm's office responsible for the *private fund*'s audit (city, state and country):

City:

NEW YORK

State:

New York

Country:

United States

(d) Is the auditing firm an *independent public accountant*?

Yes

No

(e) Is the auditing firm registered with the Public Company Accounting Oversight Board?

Yes

No

If yes, Public Company Accounting Oversight Board-Assigned Number:

238

(f) If "yes" to (e) above, is the auditing firm subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?

Yes

No

(g) Are the *private fund*'s audited financial statements for the most recently completed fiscal year distributed to the *private fund*'s investors?

Yes

No

(h) Do all of the reports prepared by the auditing firm for the *private fund* since your last *annual updating amendment* contain unqualified opinions?

Yes

No

Report Not Yet Received

If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.

Prime Broker

24. (a) Does the *private fund* use one or more prime brokers?

Yes

No

If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

No Information Filed

Custodian

25. (a) Does the *private fund* use any custodians (including the prime brokers listed above) to hold some or all of its assets?

Yes

No

If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

Additional Custodian Information : 1 Record(s) Filed.

If the answer to question 25.(a) is "yes," respond to questions (b) through g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

(b) Legal name of custodian:

HSBC BANK USA, N.A.

(c) Primary business name of custodian:

HBUS

(d) The location of the custodian's office responsible for *custody* of the *private fund*'s assets (city, state and country):

City:

NEW YORK

State:

New York

Country:

United States

Yes No

(e) Is the custodian a *related person* of your firm?

(f) If the custodian is a broker-dealer, provide its SEC registration number (if any):

—

CRD Number (if any):

(g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

## Administrator

26. (a) Does the *private fund* use an administrator other than your firm?

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

**Additional Administrator Information : 1 Record(s) Filed.**

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

(b) Name of administrator:

GRAYCLIFF PARTNERS LP

(c) Location of administrator (city, state and country):

City:

NEW YORK

State:

New York

Country:

United States

(d) Is the administrator a *related person* of your firm?

(e) Does the administrator prepare and send investor account statements to the *private fund's* investors?



☒ Yes (provided to all investors) ☐ Some (provided to some but not all investors) ☐ No (provided to no investors)

☒ Yes (provided to all investors) ☐ Some (provided to some but not all investors) ☐ No (provided to no investors)

(f) If the answer to question 26.(e) is "no" or "some," who sends the investor account statements to the (rest of the) *private fund's* investors? If investor account statements are not sent to the (rest of the) *private fund's* investors, respond "not applicable."

27. During your last fiscal year, what percentage of the *private fund's* assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?

0 %

Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

## Marketers

28. (a) Does the *private fund* use the services of someone other than you or your *employees* for marketing purposes?

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

No Information Filed

### A. PRIVATE FUND

### Information About the *Private Fund*

1. (a) Name of the *private fund*:

452 PRIVATE EQUITY PARTNERS II USA L.P.

(b) *Private fund* identification number:  
(include the "805-" prefix also)

2. Under the laws of what state or country is the *private fund* organized:

State:  
New York

Country:  
United States

3. (a) Name(s) of General Partner, Manager, Trustee, or Directors (or *persons* serving in a similar capacity):

| Name of General Partner, Manager, Trustee, or Director |
|--------------------------------------------------------|
| HSBC PRIVATE EQUITY INVESTORS II L.P.                  |

(b) If filing an *umbrella registration*, identify the *filing adviser* and/or *relying adviser(s)* that sponsor(s) or manage(s) this *private fund*.

|                      |
|----------------------|
| No Information Filed |
|----------------------|

4. The *private fund* (check all that apply; you must check at least one):

- ☒ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940
- ☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5. List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

|                      |
|----------------------|
| No Information Filed |
|----------------------|

6. (a) Is this a "master fund" in a master-feeder arrangement?

Yes No

☐☒

(b) If yes, what is the name and *private fund* identification number (if any) of the feeder funds investing in this *private fund*?

|                      |
|----------------------|
| No Information Filed |
|----------------------|

(c) Is this a "feeder fund" in a master-feeder arrangement?

Yes No

☐☒

(d) If yes, what is the name and *private fund* identification number (if any) of the master fund in which this *private fund* invests?

Name of *private fund*:

*Private fund* identification number:  
(include the "805-" prefix also)

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7. If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

|                      |
|----------------------|
| No Information Filed |
|----------------------|

NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

8. (a) Is this *private fund* a "fund of funds"?

Yes No

☐☒

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

(b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?

☐☐

9. During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than "money market funds," to the extent provided in Instruction 6.e.)?

Yes No

☐☒

10. What type of fund is the *private fund*?

- ☐ hedge fund
- ☐ liquidity fund
- ☒ private equity fund
- ☐ real estate fund
- ☐ securitized asset fund
- ☐ venture capital fund
- ☐ Other *private fund*:

NOTE: For definitions of these fund types, please see [Instruction 6 of the Instructions to Part 1A](#).

11. Current gross asset value of the *private fund*:  
\$ 7,096,198

Ownership

12. Minimum investment commitment required of an investor in the *private fund*:  
\$ 1,000,000

NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the organizational documents of the fund).

13. Approximate number of the *private fund*'s beneficial owners:  
2

14. What is the approximate percentage of the *private fund* beneficially owned by you and your *related persons*:  
1%

15. (a) What is the approximate percentage of the *private fund* beneficially owned (in the aggregate) by funds of funds:  
99%

YesNo

(b) If the private fund qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to *qualified clients*?  
☒ ☐

16. What is the approximate percentage of the *private fund* beneficially owned by non-*United States persons*:  
99%

Your Advisory Services

YesNo

17. (a) Are you a subadviser to this *private fund*?  
☐ ☒

(b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the *private fund*. If the answer to question 17.(a) is "no," leave this question blank.

No Information Filed

YesNo

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the *private fund*?  
☒ ☐

(b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the *private fund*. If the answer to question 18.(a) is "no," leave this question blank.

| Name of Other Adviser to <i>private fund</i> | SEC file number | CRD number |
|----------------------------------------------|-----------------|------------|
| GRAYCLIFF PARTNERS LP                        | 801-72820       | 157221     |

YesNo

19. Are your *clients* solicited to invest in the *private fund*?  
☐ ☒

NOTE: For purposes of this question, do not consider feeder funds of the *private fund*.

20. Approximately what percentage of your *clients* has invested in the *private fund*?  
1%

Private Offering

YesNo

21. Has the *private fund* ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933?  
☐ ☒

22. If yes, provide the *private fund*'s Form D file number (if any):

No Information Filed

B. SERVICE PROVIDERS

Auditors

YesNo

23. (a) (1) Are the *private fund*'s financial statements subject to an annual audit?  
☐ ☒

(2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP?  
☐ ☒

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b)

through (f) separately for each auditing firm.

|                      |  |
|----------------------|--|
| No Information Filed |  |
|----------------------|--|

- Yes

No
- (g) Are the *private fund's* audited financial statements for the most recently completed fiscal year distributed to the *private fund's* investors?
- 
- (h) Do all of the reports prepared by the auditing firm for the *private fund* since your last *annual updating amendment* contain unqualified opinions?
- Yes

No

Report Not Yet Received
- If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.

Prime Broker

- Yes

No
24. (a) Does the *private fund* use one or more prime brokers?
- 

If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

|                      |  |
|----------------------|--|
| No Information Filed |  |
|----------------------|--|

Custodian

- Yes

No
25. (a) Does the *private fund* use any custodians (including the prime brokers listed above) to hold some or all of its assets?
- 

If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

Additional Custodian Information : 1 Record(s) Filed.

If the answer to question 25.(a) is "yes," respond to questions (b) through g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

(b) Legal name of custodian:

HSBC BANK USA, N.A

(c) Primary business name of custodian:

HBUS

(d) The location of the custodian's office responsible for *custody* of the *private fund's* assets (city, state and country):

City:

NEW YORK

State:

New York

Country:

United States

(e) Is the custodian a *related person* of your firm?

(f) If the custodian is a broker-dealer, provide its SEC registration number (if any):

-

CRD Number (if any):

(g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

Administrator

Yes

No

26. (a) Does the *private fund* use an administrator other than your firm?

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

Additional Administrator Information : 1 Record(s) Filed.

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

(b) Name of administrator:  
SS&C

(c) Location of administrator (city, state and country):  
City:  
NEW YORKState:  
New YorkCountry:  
United States

(d) Is the administrator a *related person* of your firm?

YesNo

(e) Does the administrator prepare and send investor account statements to the *private fund's* investors?  
☒ Yes (provided to all investors) ☐ Some (provided to some but not all investors) ☐ No (provided to no investors)

(f) If the answer to question 26.(e) is "no" or "some," who sends the investor account statements to the (rest of the) *private fund's* investors? If investor account statements are not sent to the (rest of the) *private fund's* investors, respond "not applicable."

27. During your last fiscal year, what percentage of the *private fund's* assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?  
0%  
Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

Marketers

28. (a) Does the *private fund* use the services of someone other than you or your *employees* for marketing purposes?

YesNo

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

No Information Filed

A. PRIVATE FUND

Information About the *Private Fund*

1. (a) Name of the *private fund*:  
HSBC EQUITY PARTNERS USA LP

(b) *Private fund* identification number:  
(include the "805-" prefix also)  
805-4762239329

2. Under the laws of what state or country is the *private fund* organized:

State:  
New YorkCountry:  
United States

3. (a) Name(s) of General Partner, Manager, Trustee, or Directors (or *persons* serving in a similar capacity):

Name of General Partner, Manager, Trustee, or Director

HSBC EQUITY INVESTORS USA, LP

(b) If filing an *umbrella registration*, identify the *filing adviser* and/or *relying adviser(s)* that sponsor(s) or manage(s) this *private fund*.

No Information Filed

4. The *private fund* (check all that apply; you must check at least one):

☒ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940

☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5.

List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

No Information Filed

Yes

No

6.

(a) Is this a "master fund" in a master-feeder arrangement?

(b) If yes, what is the name and *private fund* identification number (if any) of the feeder funds investing in this *private fund*?

No Information Filed

(c) Is this a "feeder fund" in a master-feeder arrangement?

(d) If yes, what is the name and *private fund* identification number (if any) of the master fund in which this *private fund* invests?

Name of *private fund*:

*Private fund* identification number:  
(include the "805-" prefix also)

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7.

If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

No Information Filed

NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

8.

(a) Is this *private fund* a "fund of funds"?

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

(b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?

9.

During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than "money market funds," to the extent provided in Instruction 6.e.)?

10.

What type of fund is the *private fund*?

hedge fund

liquidity fund

private equity fund

real estate fund

securitized asset fund

venture capital fund

Other *private fund*:

NOTE: For definitions of these fund types, please see [Instruction 6 of the Instructions to Part 1A](#).

11.

Current gross asset value of the *private fund*:

\$ 0

Ownership

12.

Minimum investment commitment required of an investor in the *private fund*:

\$ 1,000,000

NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the organizational documents of the fund).

13.

Approximate number of the *private fund*'s beneficial owners:

2

14.

What is the approximate percentage of the *private fund* beneficially owned by you and your *related persons*:

100%

15.

(a) What is the approximate percentage of the *private fund* beneficially owned (in the aggregate) by funds of funds:

0%

(b) If the private fund qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to *qualified clients*?

Yes

No

16. What is the approximate percentage of the *private fund* beneficially owned by non-*United States persons*:

0%

Your Advisory Services

17. (a) Are you a subadviser to this *private fund*?

Yes

No

(b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the *private fund*. If the answer to question 17.(a) is "no," leave this question blank.

No Information Filed

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the *private fund*?

Yes

No

(b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the *private fund*. If the answer to question 18.(a) is "no," leave this question blank.

| Name of Other Adviser to <i>private fund</i> | SEC file number | CRD number |
|----------------------------------------------|-----------------|------------|
| GRAYCLIFF PARTNERS LP                        | 801-72820       | 157221     |

19. Are your *clients* solicited to invest in the *private fund*?

Yes

No

NOTE: For purposes of this question, do not consider feeder funds of the *private fund*.

20. Approximately what percentage of your *clients* has invested in the *private fund*?

1%

Private Offering

21. Has the *private fund* ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933?

Yes

No

22. If yes, provide the *private fund's* Form D file number (if any):

No Information Filed

B. SERVICE PROVIDERS

Auditors

23. (a) (1) Are the *private fund's* financial statements subject to an annual audit?

Yes

No

(2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP?

Yes

No

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

No Information Filed

(g) Are the *private fund's* audited financial statements for the most recently completed fiscal year distributed to the *private fund's* investors?

Yes

No

(h) Do all of the reports prepared by the auditing firm for the *private fund* since your last *annual updating amendment* contain unqualified opinions?

Yes

No

Report Not Yet Received

If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.

Prime Broker

24. (a) Does the *private fund* use one or more prime brokers?

Yes

No

If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

No Information Filed

Custodian

25. (a) Does the *private fund* use any custodians (including the prime brokers listed above) to hold some or all of its assets?

YesNo

If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

Additional Custodian Information : 1 Record(s) Filed.

If the answer to question 25.(a) is "yes," respond to questions (b) through g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

(b) Legal name of custodian:  
HSBC BANK USA, N.A.

(c) Primary business name of custodian:  
HBUS

(d) The location of the custodian's office responsible for *custody* of the *private fund*'s assets (city, state and country):

City:  
NEW YORK

State:  
New York

Country:  
United States

(e) Is the custodian a *related person* of your firm?

YesNo

(f) If the custodian is a broker-dealer, provide its SEC registration number (if any):

-

CRD Number (if any):

(g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

Administrator

26. (a) Does the *private fund* use an administrator other than your firm?

YesNo

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

No Information Filed

27. During your last fiscal year, what percentage of the *private fund*'s assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?

0%

Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

Marketers

28. (a) Does the *private fund* use the services of someone other than you or your *employees* for marketing purposes?

YesNo

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

No Information Filed

A. PRIVATE FUND

Information About the *Private Fund*

1. (a) Name of the *private fund*:  
HSBC LATIN AMERICAN COINVESTMENT PARTNERS, L.P.
- (b) *Private fund* identification number:  
(include the "805-" prefix also)  
805-7182968992

2. Under the laws of what state or country is the *private fund* organized:  

State: DelawareCountry: United States

3. (a) Name(s) of General Partner, Manager, Trustee, or Directors (or *persons* serving in a similar capacity):

| Name of General Partner, Manager, Trustee, or Director |
|--------------------------------------------------------|
| HCUS LA DIRECT INVESTORS GP LP                         |

(b) If filing an *umbrella registration*, identify the *filing adviser* and/or *relying adviser(s)* that sponsor(s) or manage(s) this *private fund*.

|                      |
|----------------------|
| No Information Filed |
|----------------------|

4. The *private fund* (check all that apply; you must check at least one):

☒ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5. List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

|                      |
|----------------------|
| No Information Filed |
|----------------------|

6. (a) Is this a "master fund" in a master-feeder arrangement?

Yes No

☐☒

(b) If yes, what is the name and *private fund* identification number (if any) of the feeder funds investing in this *private fund*?

|                      |
|----------------------|
| No Information Filed |
|----------------------|

- (c) Is this a "feeder fund" in a master-feeder arrangement?

Yes No

☐☒

(d) If yes, what is the name and *private fund* identification number (if any) of the master fund in which this *private fund* invests?

Name of *private fund*:  
  
*Private fund* identification number:  
(include the "805-" prefix also)

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7. If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

|                      |
|----------------------|
| No Information Filed |
|----------------------|

- NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

8. (a) Is this *private fund* a "fund of funds"?

Yes No

☐☒

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

(b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?

Yes No

☐☒
9. During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than  

Yes No

☐☒

"money market funds," to the extent provided in Instruction 6.e.)?

10. What type of fund is the *private fund*?

- ☐ hedge fund ☐ liquidity fund ☒ private equity fund ☐ real estate fund ☐ securitized asset fund ☐ venture capital fund ☐ Other *private fund*:

NOTE: For definitions of these fund types, please see [Instruction 6 of the Instructions to Part 1A](#).

11. Current gross asset value of the *private fund*:

\$ 7,049,854

Ownership

12. Minimum investment commitment required of an investor in the *private fund*:

\$ 1,000,000

NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the organizational documents of the fund).

13. Approximate number of the *private fund*'s beneficial owners:

2

14. What is the approximate percentage of the *private fund* beneficially owned by you and your *related persons*:

100%

15. (a) What is the approximate percentage of the *private fund* beneficially owned (in the aggregate) by funds of funds:

0%

Yes No

(b) If the private fund qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to *qualified clients*? ☒ ☐

16. What is the approximate percentage of the *private fund* beneficially owned by non-*United States persons*:

0%

Your Advisory Services

Yes No

17. (a) Are you a subadviser to this *private fund*? ☐ ☒

(b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the *private fund*. If the answer to question 17.(a) is "no," leave this question blank.

No Information Filed

Yes No

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the *private fund*? ☒ ☐

(b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the *private fund*. If the answer to question 18.(a) is "no," leave this question blank.

| Name of Other Adviser to <i>private fund</i> | SEC file number | CRD number |
|----------------------------------------------|-----------------|------------|
| GRAYCLIFF PARTNERS LP                        | 801-72820       | 157221     |

Yes No

19. Are your *clients* solicited to invest in the *private fund*? ☐ ☒

NOTE: For purposes of this question, do not consider feeder funds of the private fund.

20. Approximately what percentage of your *clients* has invested in the *private fund*?

1%

Private Offering

Yes No

21. Has the *private fund* ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933? ☐ ☒

22. If yes, provide the *private fund*'s Form D file number (if any):

No Information Filed

Auditors

23. (a) (1) Are the *private fund's* financial statements subject to an annual audit?

Yes

No

(2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP?

Yes

No

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

No Information Filed

(g) Are the *private fund's* audited financial statements for the most recently completed fiscal year distributed to the *private fund's* investors?

Yes

No

(h) Do all of the reports prepared by the auditing firm for the *private fund* since your last *annual updating amendment* contain unqualified opinions?

Yes

No

Report Not Yet Received

If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.

Prime Broker

24. (a) Does the *private fund* use one or more prime brokers?

Yes

No

If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

No Information Filed

Custodian

25. (a) Does the *private fund* use any custodians (including the prime brokers listed above) to hold some or all of its assets?

Yes

No

If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

Additional Custodian Information : 1 Record(s) Filed.

If the answer to question 25.(a) is "yes," respond to questions (b) through g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

(b) Legal name of custodian:  
HSBC BANK USA, N.A.

(c) Primary business name of custodian:  
HBUS

(d) The location of the custodian's office responsible for *custody* of the *private fund's* assets (city, state and country):  

City:  
NEW YORK

State:  
New York

Country:  
United States

(e) Is the custodian a *related person* of your firm?

Yes

No

(f) If the custodian is a broker-dealer, provide its SEC registration number (if any):  
-  
CRD Number (if any):

(g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

Administrator

26. (a) Does the *private fund* use an administrator other than your firm?

Yes

No

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

No Information Filed

27. During your last fiscal year, what percentage of the *private fund's* assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?

100%

Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

Marketers

28. (a) Does the *private fund* use the services of someone other than you or your *employees* for marketing purposes?

Yes

No

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

No Information Filed

Funds per Page: 15

Total Funds: 8

SECTION 7.B.(2) Private Fund Reporting

No Information Filed

Item 8 Participation or Interest in Client Transactions

In this Item, we request information about your participation and interest in your *clients'* transactions. This information identifies additional areas in which conflicts of interest may occur between you and your *clients*. Newly-formed advisers should base responses to these questions on the types of participation and interest that you expect to engage in during the next year.

Like Item 7, Item 8 requires you to provide information about you and your *related persons*, including foreign affiliates.

Proprietary Interest in Client Transactions

A. Do you or any *related person*:

Yes

No

(1) buy securities for yourself from advisory *clients*, or sell securities you own to advisory *clients* (principal transactions)?

(2) buy or sell for yourself securities (other than shares of mutual funds) that you also recommend to advisory *clients*?

(3) recommend securities (or other investment products) to advisory *clients* in which you or any *related person* has some other proprietary (ownership) interest (other than those mentioned in Items 8.A.(1) or (2))?

Sales Interest in Client Transactions

B. Do you or any *related person*:

Yes

No

(1) as a broker-dealer or registered representative of a broker-dealer, execute securities trades for brokerage customers in which advisory *client* securities are sold to or bought from the brokerage customer (agency cross transactions)?

(2) recommend to advisory *clients*, or act as a purchaser representative for advisory *clients* with respect to, the purchase of securities for which you or any *related person* serves as underwriter or general or managing partner?

(3) recommend purchase or sale of securities to advisory *clients* for which you or any *related person* has any other sales interest (other than the receipt of sales commissions as a broker or registered representative of a broker-dealer)?

Investment or Brokerage Discretion

C. Do you or any *related person* have *discretionary authority* to determine the:

Yes

No

(1) securities to be bought or sold for a *client's* account?

(2) amount of securities to be bought or sold for a *client's* account?

(3) broker or dealer to be used for a purchase or sale of securities for a *client's* account?

(4) commission rates to be paid to a broker or dealer for a *client's* securities transactions?

D. If you answer "yes" to C.(3) above, are any of the brokers or dealers *related persons*?

E. Do you or any *related person* recommend brokers or dealers to *clients*?



*If you checked "yes" to Item 9.D.(2), all related persons that act as qualified custodians (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)) must be identified in [Section 7.A. of Schedule D](#), regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.*

E. If you are filing your *annual updating amendment* and you were subject to a surprise examination by an *independent public accountant* during your last fiscal year, provide the date (MM/YYYY) the examination commenced:

11/2025

F. If you or your *related persons* have *custody of client* funds or securities, how many *persons*, including, but not limited to, you and your *related persons*, act as qualified custodians for your *clients* in connection with advisory services you provide to *clients*?

### SECTION 9.C. *Independent Public Accountant*

You must complete the following information for each *independent public accountant* engaged to perform a surprise examination, perform an audit of a pooled investment vehicle that you manage, or prepare an internal control report. You must complete a separate Schedule D Section 9.C. for each *independent public accountant*.

(1) Name of the *independent public accountant*:  
PRICEWATERHOUSECOOPERS LLP

(2) The location of the *independent public accountant's* office responsible for the services provided:

Number and Street 1:  
300 MADISON AVENUE

City: NEW YORK State: New York

Number and Street 2:

|               |                    |
|---------------|--------------------|
| Country:      | ZIP+4/Postal Code: |
| United States | 10017              |

(3) Is the *independent public accountant* registered with the Public Company Accounting Oversight Board?

**Yes** **No**

☒ ☐

If "yes," Public Company Accounting Oversight Board-Assigned Number:  
238

(4) If "yes" to (3) above, is the *independent public accountant* subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?



(5) The *independent public accountant* is engaged to:

- A. ☒ audit a pooled investment vehicle
- B. ☒ perform a surprise examination of *clients'* assets
- C. ☒ prepare an internal control report

(6) Since your last *annual updating amendment*, did all of the reports prepared by the *independent public accountant* that audited the pooled investment vehicle or that examined internal controls contain unqualified opinions?

- ☒ Yes
- ☐ No
- ☐ Report Not Yet Received

*If you check "Report Not Yet Received", you must promptly file an amendment to your Form ADV to update your response when the accountant's report is available.*

## Item 10 Control Persons

In this Item, we ask you to identify every *person* that, directly or indirectly, *controls* you. If you are filing an *umbrella registration*, the information in Item 10 should be provided for the *filing adviser* only.

If you are submitting an initial application or report, you must complete Schedule A and Schedule B. Schedule A asks for information about your direct owners and executive officers. Schedule B asks for information about your indirect owners. If this is an amendment and you are updating information you reported on either Schedule A or Schedule B (or both) that you filed with your initial application or report, you must complete Schedule C.

A. Does any *person* not named in Item 1.A. or Schedules A, B, or C, directly or indirectly, *control* your management or policies?

Yes ☐ No ☐

If yes, complete **Section 10.A. of Schedule D.**

B. If any *person* named in Schedules A, B, or C or in Section 10.A. of Schedule D is a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934, please complete [Section 10.B. of Schedule D](#).

## SECTION 10.A. Control Persons

SECTION 10.B. *Control Person* Public Reporting Companies

- B. If any *person* named in Schedules A, B, or C, or in Section 10.A. of Schedule D is a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934, please provide the following information (you must complete a separate Schedule D Section 10.B. for each public reporting company):
- (1) Full legal name of the public reporting company:

HSBC HOLDINGS PLC

(2) The public reporting company's CIK number (Central Index Key number that the SEC assigns to each reporting company):

108913

Item 11 Disclosure Information

In this Item, we ask for information about your disciplinary history and the disciplinary history of all your *advisory affiliates*. We use this information to determine whether to grant your application for registration, to decide whether to revoke your registration or to place limitations on your activities as an investment adviser, and to identify potential problem areas to focus on during our on-site examinations. One event may result in "yes" answers to more than one of the questions below. In accordance with General Instruction 5 to Form ADV, "you" and "your" include the *filing adviser* and all *relying advisers* under an *umbrella registration*.

Your *advisory affiliates* are: (1) all of your current *employees* (other than *employees* performing only clerical, administrative, support or similar functions); (2) all of your officers, partners, or directors (or any *person* performing similar functions); and (3) all *persons* directly or indirectly *controlling* you or *controlled* by you. If you are a "separately identifiable department or division" (SID) of a bank, see the Glossary of Terms to determine who your *advisory affiliates* are.

*If you are registered or registering with the SEC or if you are an exempt reporting adviser, you may limit your disclosure of any event listed in Item 11 to ten years following the date of the event. If you are registered or registering with a state, you must respond to the questions as posed; you may, therefore, limit your disclosure to ten years following the date of an event only in responding to Items 11.A.(1), 11.A.(2), 11.B.(1), 11.B.(2), 11.D.(4), and 11.H.(1)(a). For purposes of calculating this ten-year period, the date of an event is the date the final order, judgment, or decree was entered, or the date any rights of appeal from preliminary orders, judgments, or decrees lapsed.*

You must complete the appropriate Disclosure Reporting Page ("DRP") for "yes" answers to the questions in this Item 11.

|                                                                                                                                                                                                                                                                                                                                                                                             |                                  |                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                             | Yes                              | No                               |
| Do any of the events below involve you or any of your <i>supervised persons</i> ?                                                                                                                                                                                                                                                                                                           | <input checked="" type="radio"/> | <input type="radio"/>            |
| <u>For "yes" answers to the following questions, complete a Criminal Action DRP:</u>                                                                                                                                                                                                                                                                                                        |                                  |                                  |
| A. In the past ten years, have you or any <i>advisory affiliate</i> :                                                                                                                                                                                                                                                                                                                       | Yes                              | No                               |
| (1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any <i>felony</i> ?                                                                                                                                                                                                                                                     | <input type="radio"/>            | <input checked="" type="radio"/> |
| (2) been <i>charged</i> with any <i>felony</i> ?                                                                                                                                                                                                                                                                                                                                            | <input checked="" type="radio"/> | <input type="radio"/>            |
| <i>If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.A.(2) to charges that are currently pending.</i>                                                                                                                                                                                       |                                  |                                  |
| B. In the past ten years, have you or any <i>advisory affiliate</i> :                                                                                                                                                                                                                                                                                                                       |                                  |                                  |
| (1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a <i>misdemeanor</i> involving: investments or an <i>investment-related</i> business, or any fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses? | <input type="radio"/>            | <input checked="" type="radio"/> |
| (2) been <i>charged</i> with a <i>misdemeanor</i> listed in Item 11.B.(1)?                                                                                                                                                                                                                                                                                                                  | <input type="radio"/>            | <input checked="" type="radio"/> |
| <i>If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.B.(2) to charges that are currently pending.</i>                                                                                                                                                                                       |                                  |                                  |
| <u>For "yes" answers to the following questions, complete a Regulatory Action DRP:</u>                                                                                                                                                                                                                                                                                                      |                                  |                                  |
| C. Has the SEC or the Commodity Futures Trading Commission (CFTC) ever:                                                                                                                                                                                                                                                                                                                     | Yes                              | No                               |
| (1) <i>found</i> you or any <i>advisory affiliate</i> to have made a false statement or omission?                                                                                                                                                                                                                                                                                           | <input type="radio"/>            | <input checked="" type="radio"/> |
| (2) <i>found</i> you or any <i>advisory affiliate</i> to have been <i>involved</i> in a violation of SEC or CFTC regulations or statutes?                                                                                                                                                                                                                                                   | <input checked="" type="radio"/> | <input type="radio"/>            |
| (3) <i>found</i> you or any <i>advisory affiliate</i> to have been a cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted?                                                                                                                                                                                      | <input type="radio"/>            | <input checked="" type="radio"/> |
| (4) entered an <i>order</i> against you or any <i>advisory affiliate</i> in connection with <i>investment-related</i> activity?                                                                                                                                                                                                                                                             | <input checked="" type="radio"/> | <input type="radio"/>            |
| (5) imposed a civil money penalty on you or any <i>advisory affiliate</i> , or <i>ordered</i> you or any <i>advisory affiliate</i> to cease and desist from any activity?                                                                                                                                                                                                                   | <input checked="" type="radio"/> | <input type="radio"/>            |
| D. Has any other federal regulatory agency, any state regulatory agency, or any <i>foreign financial regulatory authority</i> :                                                                                                                                                                                                                                                             |                                  |                                  |
| (1) ever <i>found</i> you or any <i>advisory affiliate</i> to have made a false statement or omission, or been dishonest, unfair, or unethical?                                                                                                                                                                                                                                             | <input checked="" type="radio"/> | <input type="radio"/>            |
| (2) ever <i>found</i> you or any <i>advisory affiliate</i> to have been <i>involved</i> in a violation of <i>investment-related</i> regulations or statutes?                                                                                                                                                                                                                                | <input checked="" type="radio"/> | <input type="radio"/>            |
| (3) ever <i>found</i> you or any <i>advisory affiliate</i> to have been a cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted?                                                                                                                                                                                 | <input type="radio"/>            | <input checked="" type="radio"/> |
| (4) in the past ten years, entered an <i>order</i> against you or any <i>advisory affiliate</i> in connection with an <i>investment-related</i> activity?                                                                                                                                                                                                                                   | <input checked="" type="radio"/> | <input type="radio"/>            |
| (5) ever denied, suspended, or revoked your or any <i>advisory affiliate's</i> registration or license, or otherwise prevented you or any <i>advisory affiliate</i> , by <i>order</i> , from associating with an <i>investment-related</i> business or restricted your or any <i>advisory affiliate's</i> activity?                                                                         | <input checked="" type="radio"/> | <input type="radio"/>            |
| E. Has any <i>self-regulatory organization</i> or commodities exchange ever:                                                                                                                                                                                                                                                                                                                |                                  |                                  |
| (1) <i>found</i> you or any <i>advisory affiliate</i> to have made a false statement or omission?                                                                                                                                                                                                                                                                                           | <input checked="" type="radio"/> | <input type="radio"/>            |

|     |                                                                                                                                                                                                                                                                                                                |                                  |                                  |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| (2) | <i>found</i> you or any <i>advisory affiliate</i> to have been <i>involved</i> in a violation of its rules (other than a violation designated as a " <i>minor rule violation</i> " under a plan approved by the SEC)?                                                                                          | <input checked="" type="radio"/> | <input type="radio"/>            |
| (3) | <i>found</i> you or any <i>advisory affiliate</i> to have been the cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted?                                                                                                           | <input type="radio"/>            | <input checked="" type="radio"/> |
| (4) | disciplined you or any <i>advisory affiliate</i> by expelling or suspending you or the <i>advisory affiliate</i> from membership, barring or suspending you or the <i>advisory affiliate</i> from association with other members, or otherwise restricting your or the <i>advisory affiliate's</i> activities? | <input type="radio"/>            | <input checked="" type="radio"/> |
| F.  | Has an authorization to act as an attorney, accountant, or federal contractor granted to you or any <i>advisory affiliate</i> ever been revoked or suspended?                                                                                                                                                  | <input type="radio"/>            | <input checked="" type="radio"/> |
| G.  | Are you or any <i>advisory affiliate</i> now the subject of any regulatory <i>proceeding</i> that could result in a "yes" answer to any part of Item 11.C., 11.D., or 11.E.?                                                                                                                                   | <input checked="" type="radio"/> | <input type="radio"/>            |

For "yes" answers to the following questions, complete a Civil Judicial Action DRP:

|    |     |                                                                                                                                                                                                                  |                       |                                  |
|----|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|
| H. | (1) | Has any domestic or foreign court:                                                                                                                                                                               | Yes                   | No                               |
|    | (a) | in the past ten years, <i>enjoined</i> you or any <i>advisory affiliate</i> in connection with any <i>investment-related</i> activity?                                                                           | <input type="radio"/> | <input checked="" type="radio"/> |
|    | (b) | ever <i>found</i> that you or any <i>advisory affiliate</i> were <i>involved</i> in a violation of <i>investment-related</i> statutes or regulations?                                                            | <input type="radio"/> | <input checked="" type="radio"/> |
|    | (c) | ever dismissed, pursuant to a settlement agreement, an <i>investment-related</i> civil action brought against you or any <i>advisory affiliate</i> by a state or <i>foreign financial regulatory authority</i> ? | <input type="radio"/> | <input checked="" type="radio"/> |
|    | (2) | Are you or any <i>advisory affiliate</i> now the subject of any civil <i>proceeding</i> that could result in a "yes" answer to any part of Item 11.H.(1)?                                                        | <input type="radio"/> | <input checked="" type="radio"/> |

Item 12 Small Businesses

The SEC is required by the Regulatory Flexibility Act to consider the effect of its regulations on small entities. In order to do this, we need to determine whether you meet the definition of "small business" or "small organization" under rule 0-7.

Answer this Item 12 only if you are registered or registering with the SEC **and** you indicated in response to Item 5.F.(2)(c) that you have regulatory assets under management of less than \$25 million. You are not required to answer this Item 12 if you are filing for initial registration as a state adviser, amending a current state registration, or switching from SEC to state registration.

For purposes of this Item 12 only:

- Total Assets refers to the total assets of a firm, rather than the assets managed on behalf of *clients*. In determining your or another *person's* total assets, you may use the total assets shown on a current balance sheet (but use total assets reported on a consolidated balance sheet with subsidiaries included, if that amount is larger).
- *Control* means the power to direct or cause the direction of the management or policies of a *person*, whether through ownership of securities, by contract, or otherwise. Any *person* that directly or indirectly has the right to vote 25 percent or more of the voting securities, or is entitled to 25 percent or more of the profits, of another *person* is presumed to *control* the other *person*.

|    |                                                                                                                                                                                                                                                                     |                       |                       |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| A. | Did you have total assets of \$5 million or more on the last day of your most recent fiscal year?                                                                                                                                                                   | Yes                   | No                    |
|    | <i>If "yes," you do not need to answer Items 12.B. and 12.C.</i>                                                                                                                                                                                                    | <input type="radio"/> | <input type="radio"/> |
| B. | Do you:                                                                                                                                                                                                                                                             |                       |                       |
|    | (1) <i>control</i> another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of \$25 million or more on the last day of its most recent fiscal year?                                           | <input type="radio"/> | <input type="radio"/> |
|    | (2) <i>control</i> another <i>person</i> (other than a natural person) that had total assets of \$5 million or more on the last day of its most recent fiscal year?                                                                                                 | <input type="radio"/> | <input type="radio"/> |
| C. | Are you:                                                                                                                                                                                                                                                            |                       |                       |
|    | (1) <i>controlled</i> by or under common <i>control</i> with another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of \$25 million or more on the last day of its most recent fiscal year? | <input type="radio"/> | <input type="radio"/> |
|    | (2) <i>controlled</i> by or under common <i>control</i> with another <i>person</i> (other than a natural person) that had total assets of \$5 million or more on the last day of its most recent fiscal year?                                                       | <input type="radio"/> | <input type="radio"/> |

Schedule A

Direct Owners and Executive Officers

- Complete Schedule A only if you are submitting an initial application or report. Schedule A asks for information about your direct owners and executive officers. Use Schedule C to amend this information.
- Direct Owners and Executive Officers. List below the names of:
  - each Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Compliance Officer(Chief Compliance Officer is required if you are registered or applying for registration and cannot be more than one individual), director, and any other individuals with similar status or functions;
  - if you are organized as a corporation, each shareholder that is a direct owner of 5% or more of a class of your voting securities, unless you are a public reporting company (a company subject to Section 12 or 15(d) of the Exchange Act);

Direct owners include any *person* that owns, beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 5% or more of a class of your voting securities. For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.
  - if you are organized as a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 5% or more of your capital;
  - in the case of a trust that directly owns 5% or more of a class of your voting securities, or that has the right to receive upon dissolution, or has contributed, 5% or more of your capital,

- the trust and each trustee; and
- (e) if you are organized as a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 5% or more of your capital, and (ii) if managed by elected managers, all elected managers.
3. Do you have any indirect owners to be reported on Schedule B? ☒ Yes ☐ No
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner or executive officer is an individual.
5. Complete the Title or Status column by entering board/management titles; status as partner, trustee, sole proprietor, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are:    NA - less than 5%                      B - 10% but less than 25%        D - 50% but less than 75%  
                                    A - 5% but less than 10%        C - 25% but less than 50%        E - 75% or more
7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.
- (b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.
- (c) Complete each column.

| FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name) | DE/FE/I | Title or Status                                                                  | Date Title or Status Acquired MM/YYYY | Ownership Code | Control Person | PR | CRD No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No. |
|-------------------------------------------------------------------|---------|----------------------------------------------------------------------------------|---------------------------------------|----------------|----------------|----|-----------------------------------------------------------------------------|
| HSBC MARKETS (USA), INC.                                          | DE      | PARENT                                                                           | 08/1995                               | E              | Y              |    |                                                                             |
| MEHTA, ORESTA I                                                   | I       | DIRECTOR                                                                         | 08/2022                               | NA             | Y              |    | 7056066                                                                     |
| SHAW, IAN G                                                       | I       | MANAGING DIRECTOR, HEAD OF US WPB COMPLIANCE AND OTHER COMPLIANCE OFFICER OF RIA | 01/2024                               | NA             | N              |    | 7051510                                                                     |
| NATALE, DUSTIN                                                    | I       | CHIEF COMPLIANCE OFFICER (BD) AND HEAD OF MSS COMPLIANCE                         | 01/2025                               | NA             | Y              |    | 5581428                                                                     |
| BUSCAGLIA, SARA FAYE                                              | I       | DIRECTOR                                                                         | 10/2020                               | NA             | Y              | N  | 4884059                                                                     |
| PECORELLA, ANTHONY                                                | I       | US HEAD OF OPERATIONS / PRINCIPAL OPERATIONS OFFICER                             | 11/2025                               | NA             | Y              | N  | 1948919                                                                     |
| GOODWIN, CARY LONGSTRETH                                          | I       | PRESIDENT/CEO/DIRECTOR                                                           | 12/2025                               | NA             | Y              |    | 3092972                                                                     |
| WIRGIN, MICHAEL K                                                 | I       | GENERAL COUNSEL                                                                  | 01/2026                               | NA             | Y              |    | 7050015                                                                     |
| SHAH, CHINTAN NAYANKUMAR                                          | I       | CHIEF FINANCIAL OFFICER / PRINCIPAL FINANCIAL OFFICER                            | 03/2026                               | NA             | Y              | N  | 6432536                                                                     |

Schedule B

Indirect Owners

1. Complete Schedule B only if you are submitting an initial application or report. Schedule B asks for information about your indirect owners; you must first complete Schedule A, which asks for information about your direct owners. Use Schedule C to amend this information.
2. Indirect Owners. With respect to each owner listed on Schedule A (except individual owners), list below:
- (a) in the case of an owner that is a corporation, each of its shareholders that beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 25% or more of a class of a voting security of that corporation;
- For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.
- (b) in the case of an owner that is a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 25% or more of the partnership's capital;
- (c) in the case of an owner that is a trust, the trust and each trustee; and
- (d) in the case of an owner that is a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 25% or more of the LLC's capital, and (ii) if managed by elected managers, all elected managers.
3. Continue up the chain of ownership listing all 25% owners at each level. Once a public reporting company (a company subject to Sections 12 or 15(d) of the Exchange Act) is reached, no further ownership information need be given.
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner is an individual.
5. Complete the Status column by entering the owner's status as partner, trustee, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are:    C - 25% but less than 50%        E - 75% or more  
                                    D - 50% but less than 75%        F - Other (general partner, trustee, or elected manager)
7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.
- (b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.
- (c) Complete each column.

| FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name) | DE/FE/I | Entity in Which Interest is Owned     | Status                  | Date Status Acquired MM/YYYY | Ownership Code | Control Person | PR | CRD No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No. |
|-------------------------------------------------------------------|---------|---------------------------------------|-------------------------|------------------------------|----------------|----------------|----|-----------------------------------------------------------------------------|
| HSBC HOLDINGS PLC                                                 | FE      | HSBC OVERSEAS HOLDINGS (UK) LIMITED   | ULTIMATE PARENT COMPANY | 07/2005                      | E              | Y              | Y  |                                                                             |
| HSBC INVESTMENTS (NORTH AMERICA) INC.                             | DE      | HSBC MARKETS (USA) INC.               | HOLDING COMPANY         | 01/2004                      | E              | Y              | N  |                                                                             |
| HSBC NORTH AMERICA HOLDINGS INC.                                  | DE      | HSBC INVESTMENTS (NORTH AMERICA) INC. | HOLDING COMPANY         | 01/2004                      | E              | Y              | N  |                                                                             |

|                                     |    |                                  |                 |         |   |   |   |  |
|-------------------------------------|----|----------------------------------|-----------------|---------|---|---|---|--|
| HSBC OVERSEAS HOLDINGS (UK) LIMITED | FE | HSBC NORTH AMERICA HOLDINGS INC. | HOLDING COMPANY | 07/2005 | E | Y | N |  |
|-------------------------------------|----|----------------------------------|-----------------|---------|---|---|---|--|

Schedule D - Miscellaneous

You may use the space below to explain a response to an Item or to provide any other information.

FOR SCHEDULE A/C DIRECT OWNERS / EXECUTIVE OFFICERS: THERE IS ONE OFFICER (JOHN FARRELL) WHO DOES NOT HAVE A MIDDLE NAME OR MIDDLE INITIAL. TO CLARIFY ITEM 7.A (FINANCIAL INDUSTRY AFFILIATIONS), AS THERE ARE NO ENTITIES UNDER THE OWNERSHIP OF HSBC NORTH AMERICA INC. THAT ARE EITHER PENSION CONSULTANTS OR A REAL ESTATE BROKER OR DEALER WE HAVE NOT CHECKED ITEMS 9 AND 10. HOWEVER, THE APPLICANT IS ULTIMATELY OWNED BY HSBC HOLDINGS PLC ("HOLDINGS") WHO MAY HAVE A PENSION CONSULTANT OR REAL ESTATE BROKER OR DEALER AMONG ITS DIRECT AND INDIRECT AFFILIATES. A LIST OF SUCH ENTITIES CAN BE PROVIDED UPON REQUEST. SECTION 7 A THE APPLICANT IS ULTIMATELY OWNED BY HSBC HOLDINGS PLC ("HOLDINGS"). AMONG HOLDINGS INTERNATIONALLY HELD DIRECT AND INDIRECT AFFILIATES ARE VARIOUS INVESTMENT ADVISERS, BROKER-DEALERS, MUNICIPAL SECURITIES DEALERS, OR GOVERNMENT SECURITIES DEALERS. SOME OF THESE FIRMS HAVE NOT BEEN LISTED ON SECTION 7.A. OF SCHEDULE D SINCE THE APPLICANT HAS NO RELATIONSHIP WITH THEM OTHER THAN COMMON OWNERSHIP. A LIST OF SUCH FIRMS CAN BE PROVIDED UPON REQUEST. SECTION 7.B.-SECTION 7.B.-THE REGISTRANT HAS RELATED SEC-REGISTERED ADVISERS THAT MANAGE LIMITED PARTNERSHIPS (LPS) OR LIMITED LIABILITY COMPANIES (LLCS) THAT ARE NOT LISTED IN SECTION 7.B. OF SCHEDULE D; INFORMATION ABOUT THOSE LIMITED PARTNERSHIPS OR LIMITED LIABILITY COMPANIES IS AVAILABLE UPON REQUEST AND MAY ALSO BE AVAILABLE IN SECTION 7.B. OF THE SCHEDULE D OF THE FORM ADVS OF OUR RELATED SEC-REGISTERED ADVISERS. CLIENTS OF THE REGISTRANT ARE NOT SOLICITED TO INVEST IN THOSE LIMITED PARTNERSHIPS OR LIMITED LIABILITY COMPANIES. ITEM 8 8B(3) is "No" as the HSI CONDUIT BUSINESS is demised.

Schedule R

No Information Filed

DRP Pages

CRIMINAL DISCLOSURE REPORTING PAGE (ADV)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.A. or 11.B. of Form ADV.

Criminal

Check item(s) being responded to:

☐ 11.A(1) ☒ 11.A(2) ☐ 11.B(1) ☐ 11.B(2)

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

Multiple counts of the same charge arising out of the same event(s) should be reported on the same DRP. Unrelated criminal actions, including separate cases arising out of the same event, must be reported on separate DRPs. Use this DRP to report all charges arising out of the same event. One event may result in more than one affirmative answer to the items listed above.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC PRIVATE BANK (SUISSE) SA  
(For individuals, Last, First, Middle)

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.
- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes    ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1.

If charge(s) were brought against an organization over which you or an *advisory affiliate* exercise(d) *control*: Enter organization name, whether or not the organization was an *investment-related* business and your or the *advisory affiliate*'s position, title, or relationship.

HSBC PRIVATE BANK (SUISSE) SA ("HSBC SWITZERLAND")
2.

Formal Charge(s) were brought in: (include name of Federal, Military, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case number).

U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA, CASE NO. 19-60359-CR
3.

Event Disclosure Detail (Use this for both organizational and individual charges.)

A.

Date First *Charged* (MM/DD/YYYY):

12/02/2019   ☐ Exact   ☒ Explanation

If not exact, provide explanation:

THE CHARGE WAS FILED ON DECEMBER 2,2019 UNDER SEAL, AND WAS THEN UNSEALED ON DECEMBER 10,2019.

B.

Event Disclosure Detail (include Charge(s)/Charge Description(s), and for each charge provide: (1) number of counts, (2) *felony* or *misdemeanor*, (3) plea for each charge, and (4) product type if charge is *investment-related*).

DOJ CHARGED HSBC SWITZERLAND BY FELONY INFORMATION WITH ONE COUNT OF CONSPIRACY, THE OBJECTS OF WHICH WERE: (I) TO DEFRAUD THE IRS; (II) TO FILE FALSE INCOME TAX RETURNS; AND (III) TO EVADE FEDERAL INCOME TAXES.

C.

Did any of the Charge(s) within the Event involve a *felony*?

☒ Yes   ☐ No

D.

Current status of the Event?

☐ Pending   ☐ On Appeal   ☒ Final

E.

Event Status Date (complete unless status is Pending) (MM/DD/YYYY):

12/10/2019   ☒ Exact   ☐ Explanation

If not exact, provide explanation:

4.

Disposition Disclosure Detail:

Include for each charge (a) Disposition Type (e.g., convicted, acquitted, dismissed, pretrial, etc.), (b) Date, (c) Sentence/Penalty, (d) Duration (if sentence - suspension, probation, etc.), (e) Start Date of Penalty, (f) Penalty/Fine Amount, and (g) Date Paid.

ON DECEMBER 10,2019, THE COURT APPROVED A DEFERRED PROSECUTION AGREEMENT (DPA) BETWEEN HSBC SWITZERLAND AND DOJ. THE DPA IS FOR A THREE-YEAR TERM WITH THE POTENTIAL FOR A ONE-YEAR EXTENSION IF DOJ FINDS THAT HSBC SWITZERLAND VIOLATED ANY OF THE TERMS OF THE AGREEMENT. HSBC SWITZERLAND WILL PAY \$192.35 MILLION IN PENALTIES.

5.

Provide a brief summary of circumstances leading to the charge(s) as well as the disposition. Include the relevant dates when the conduct which was the subject of the charge(s) occurred. (Your response must fit within the space provided.)

ACCORDING TO DOCUMENTS FILED AS PART OF THE DPA, BETWEEN 2000 AND 2010 HSBC SWITZERLAND ASSISTED U.S. CLIENTS IN CONCEALING OFFSHORE ASSETS AND INCOME FROM U.S. TAXING AUTHORITIES. THE DPA REQUIRES HSBC SWITZERLAND TO COOPERATE FULLY WITH THE TAX DIVISION AND THE IRS, AS WELL AS TO DISCLOSE INFORMATION IT MAY LATER UNCOVER REGARDING U.S.-RELATED ACCOUNTS. THE \$192.35 MILLION PENALTY HAS THREE PARTS: (I) \$60,600,000 IN RESTITUTION TO THE IRS, WHICH REPRESENTS THE UNPAID TAXES RESULTING FROM HSBC SWITZERLAND'S PARTICIPATION IN THE CONSPIRACY; (II) FORFEITURE OF \$71,850,000, WHICH REPRESENTS GROSS FEES (NOT PROFITS) THAT THE BANK EARNED ON ITS UNDECLARED ACCOUNTS BETWEEN 2000 AND 2010; AND (III) A PENALTY OF \$59,900,000. THE PENALTY AMOUNT TAKES INTO CONSIDERATION THAT HSBC SWITZERLAND SELF-REPORTED ITS CONDUCT, CONDUCTED A THOROUGH INTERNAL INVESTIGATION, PROVIDED CLIENT IDENTIFYING INFORMATION TO THE TAX DIVISION, AND EXTENSIVELY COOPERATED IN A SERIES OF INVESTIGATIONS AND PROSECUTIONS, AS WELL AS IMPLEMENTED REMEDIAL MEASURES TO PROTECT AGAINST THE USE OF ITS SERVICES FOR TAX EVASION IN THE FUTURE.
- REGULATORY ACTION DISCLOSURE REPORTING PAGE (ADV)
- GENERAL INSTRUCTIONS
- This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.
- Regulatory Action
- Check item(s) being responded to:
- |                                  |                                             |                                  |                                  |                                  |
|----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |
- Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.
- One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.
- PART I

A. The *person(s)* or entity(ies) for whom this *DRP* is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this *DRP* is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV *DRP* - ADVISORY AFFILIATE

No Information Filed

- ☐ This *DRP* should be removed from the *ADV* record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This *DRP* should be removed from the *ADV* record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the *IARD* system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the *IARD* or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.

- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its *IARD* or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NASD REGULATION. INC.
2. Principal Sanction:

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

03/13/1998 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

MRD 199801874
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Debt - Government

Other Product Types:

DEBT CORPORATE, EQUITY-OTC, FUTURES-FINANCIAL, EQUITY LISTED (COMMON & PREFERRED STOCK)
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

HSBC VIOLATED SECURITIES EXCHANGE ACT RULE 11AC1-1 ("SEC FIRM QUOTE RULE"), NASD CONDUCT RULE 3320 AND NASD MARKETPLACE RULE 4613 (B) ("NASD FIRM QUOTE RULES"). VIOLATION OF NASD CONDUCT RULES 2110 AND 3010. FAILURE TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERN THE SEC AND NASD FIRM QUOTE RULES. A CENSURE, A FINE OF \$8,000 (\$5,000 FOR THE FIRM QUOTE RULE VIOLATION AND \$3,000 FOR THE SUPERVISION VIOLATION).
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

10/19/1998 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 8,000.00
- ☐ Revocation/Expulsion/Denial
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Censure
- ☐ Bar
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING ANY VIOLATION OF SEC RULE 11AC1-1, RULE 3320, RULE 4613(B) RULES 2110 AND 3010, AS CITED BY THE NASD REGULATION, INC. HSBC AGREED TO PAY A FINE OF \$8,000 IN SETTLEMENT OF THIS MATTER.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
WITHOUT ADMITTING OR DENYING ANY VIOLATION OF SEC RULE 11AC1-1, RULE 3320, RULE 4613(B) RULES 2110 AND 3010, AS CITED BY THE NASD REGULATION, INC. HSBC AGREED TO PAY A FINE OF \$8,000 IN SETTLEMENT OF THIS MATTER.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.
- ☐ Yes

☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ *SRO*

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NEW YORK STOCK EXCHANGE, INC. ("NYSE")
2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

01/21/1998 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

99-24
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Debt - Government

Other Product Types:

DEBT CORPORATE, EQUITY-OTC, FUTURES-FINANCIAL, EQUITY LISTED (COMMON & PREFERRED STOCK)
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE NYSE ALLEGED THAT HSBC SECURITIES (USA) INC. ("HSBC") VIOLATED SEC RULE 17A-3 (AND 17A-4) AND EXCHANGE RULE 440 - FILURE TO KEEPBOOKS AND RECORDS CURRENT. VIOLATION OF SEC RULE 17A-11; SEC RULE 15C3-3; RULE 15C3-3(D)(1); SECTION 220(B)(2) OF REGULATION T; EXCHANGE RULE 410(B); EXCHANGE RULE 132; EXCHANGE RULE 345 AND 345.10; EXCHANGE RULE 342 AND 346. CENSURED AND FINED \$50,000.00.
8. Current Status?

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:
- If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.
10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):

03/17/1999 ☒ Exact ☐ Explanation

If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 50,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

WITHOUT ADMITTING OR DENYING ANY VIOLATION, HSBC HAS TAKEN CORRECTIVE ACTION IN THIS MATTER AND AGREED TO PAY A FINE OF \$50,000.00.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
WITHOUT ADMITTING OR DENYING ANY VIOLATION, HSBC HAS TAKEN CORRECTIVE ACTION IN THIS MATTER AND AGREED TO PAY A FINE OF \$50,000.00.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

|                                  |                                             |                                  |                                  |                                  |
|----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
NASD REGULATION, INC.

2. Principal Sanction:

Censure  
Other Sanctions:  
A FINE OF \$7,500.

3. Date Initiated (MM/DD/YYYY):

07/01/2003 ☐ Exact ☒ Explanation  
If not exact, provide explanation:  
THE EXACT DATE WAS NOT PROVIDED.

4. Docket/Case Number:  
CONSENT NO. C10030122

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):  
N/A

6. Principal Product Type:  
Debt - Government  
Other Product Types:  
DEBIT - CORPORATE DEBIT - ASSET BACKED EQUITY - OTC FUTURES - COMMODITY

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
THE ALLEGATIONS RELATED TO THIS REGULATORY ACTION IS AS FOLLOWS: 1) DURING THE TIME PERIOD NOVEMBER 6, 2002 TO JANUARY 22, 2003, HSBC SECURITIES INACCURATELY REPORTED TO THE TRADE REPORTING A COMPLIANCE ENGINE ("TRACE") THAT IT HAD ACTED AS AN AGENT, WHEN IT HAD ACTUALLY ACTED IN A PRINCIPAL CAPACITY, IN 60 RANDOM TRANSACTIONS REVIEWED BY NASD STAFF. BY REASON OF THE FOREGOING, HSBC SECURITIES VIOLATED NASD MARKETPLACE RULE 6230 AND NASD CONDUCT RULE 2110. 2) DURING THE TIME PERIOD JULY 2002 TO JANUARY 2003, HSBC SECURITIES FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH TRACE REPORTING REQUIREMENTS. BY REASON OF FOREGOING, HSBC SECURITIES VIOLATED NASD CONDUCT RULE 3010(A) AND NASD CONDUCT RULE 2110.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
12/18/2003 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 7,500.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
N/A  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITH RESPECT TO THE FINDING LISTED IN THE AWC, PLEASE NOTE THAT THIS WAS CAUSED BY A PROGRAMMING ERROR RESULTING FROM HSBC SECURITIES (USA) INC. STAFF DEFAULTING TO THE WRONG CAPACITY DESIGNATION WHEN THE FOIRM'S TRACE REPORTING SOFTWARE WAS FIRST IMPLEMENTED. THIS ISSUE WAS IMMEDIATELY RESOLVED WHEN IT WAS BROUGHT TO OUR ATTENTION. WITH RESPECT TO FINDING LISTED IN THE AWC, THIS WAS ALSO RESOLVED DURING THE 2003 EXAMINATION OF OUR FIRM. REVISED PROCEDURES WERE PREPARED AND GIVEN TO THE NASD EXAMINER WHO CONDUCTED THE REVIEW. THESE PROCEDURES INCLUDE, AMOUNG OTHER THINGS, REVIEWING TRANSACTIONS BY UTILIZING THE "TRADE REPORTING SYSTEM" FUNCTION OF THE TRACE WEB SITE. HSBC SECURITIES WAS FINED \$7,500.00. PAYMENT WAS MADE BY BANK CHECK TO THE NASD FOR THE FULL AMOUNT EFFECTIVE JANUARY 15, 2004.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
PER THE NASD FINDINGS, DURING THE PERIOD OF NOVEMBER 6, 2002 AND JANUARY 22, 2003, HSBC SECURITIES INACCURATELY REPORTED TO THE TRADE REPORTING AND COMPLIANCE ENGINE ("TRACE") THAT IT HAD ACTED AS A AGENT, WHEN IT HAD ACTUALLY ACTED IN A PRINCIPAL CAPACITY. DURING THE TIME PERIOD JULY 2002 TO JANUARY 2003, HSBC SECURITIES FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH TRACE REPORTING REQUIREMENT. HSBC SECURITIES ACCEPTS AND CONSENTS, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS WAS CENSURED AND FINED \$7,500.00. WITH RESPECT TO THE INACCURACY REPORTED TO THE TRADE REPORTING AND COMPLIANCE ENGINE ("TRACE"), THIS WAS CAUSED BY A PROGRAMMING ERROR RESULTING FROM HSBC SECURITIES (USA) INC. STAFF DEFAULTING TO THE WRONG CAPACITY DESIGNED WHEN THE FIRM'S TRACE REPORTING SOFTWARE WAS FIRST IMPLEMENTED. THIS ISSUE WAS IMMEDIATELY RESOLVED WHEN IT WAS BROUGHT TO OUR ATTENTION. WITH RESPECT TO FAILURE TO ESTABLISH AND MAINTAIN AND ADEQUATE SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH TRACE REPORTING REQUIREMENT, THIS ISSUE WAS ALSO RESLOVED DURING THE 2003 EXAMINATION OF OUR FIRM. REVISED PROCEDURES WERE PREPARED AND GIVEN TO THE NASD EXAMINER WHO CONDUCTED THE REVIEW. THESE PROCEDURES INCLUDE, AMOUNG OTHER THINGS, REVIEWING TRANSACTIONS BY UTILIZING THE "TRADE REPORTING SYSTEM" FUNCTION OF THE TRACE WEB SITE.

GENERAL INSTRUCTIONS

| Regulatory Action                 |                                             |                                  |                                  |                                  |
|-----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Check item(s) being responded to: |                                             |                                  |                                  |                                  |
| <input type="checkbox"/> 11.C(1)  | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1)  | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1)  | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.    | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate *DRP* for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one *DRP*. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one *DRP* to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate *DRP*.

PART I

- A. The *person(s)* or entity(ies) for whom this *DRP* is being filed is (are):
- ☒ You (the advisory firm)
  - ☐ You and one or more of your *advisory affiliates*
  - ☐ One or more of your *advisory affiliates*

If this *DRP* is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV *DRP* - ADVISORY AFFILIATE

No Information Filed

- ☐ This *DRP* should be removed from the *ADV* record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This *DRP* should be removed from the *ADV* record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the *IARD* system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the *IARD* or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.
- ☐ Yes    ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its *IARD* or *CRD* records.

PART II

1. Regulatory Action initiated by:
- ☐ SEC    ☐ Other Federal    ☐ State    ☒ SRO    ☐ Foreign
- (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
- NASD REGULATION INC. ("NASD")
2. Principal Sanction:
- Other
- Other Sanctions:
- FINED.
3. Date Initiated (MM/DD/YYYY):
- 03/13/2007    ☒ Exact    ☐ Explanation
- If not exact, provide explanation:
4. Docket/Case Number:
- 20041000233-01
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:
- Other

Other Product Types:  
NO PRODUCT.

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
THE NASD REGULATION INC. ("NASD") ALLEGED THAT HSBC SECURITIES (USA) INC. VIOLATED: NASD RULE 3360 FOR FAILURE TO TIMELY REPORT ITS SHORT INTEREST POSITIONS TO THE NASD.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
03/13/2007 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:  
A. Were any of the following Sanctions *Ordered* (check all appropriate items)?  

☒ Monetary/Fine Amount: \$ 5,000.00  
☐ Revocation/Expulsion/Denial  
☐ Censure  
☐ Bar  
☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

  
B. Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE NASD REGULATION INC. ("NASD") ALLEGED THAT HSBC SECURITIES (USA) INC. VIOLATED: NASD RULE 3360 FOR FAILURE TO TIMELY REPORT ITS SHORT INTEREST POSITIONS TO THE NASD.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
WITHOUT ADMITTING OR DENYING ANY VIOLATION, HSBC SECURITIES (USA) INC. WAS FINED \$5,000.00.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:  

☐ 11.C(1)☐ 11.C(2)☐ 11.C(3)☐ 11.C(4)☐ 11.C(5)☐ 11.D(1)☐ 11.D(2)☐ 11.D(3)☐ 11.D(4)☐ 11.D(5)☐ 11.E(1)☒ 11.E(2)☐ 11.E(3)☐ 11.E(4)☐ 11.F.☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):  

☒ You (the advisory firm)  
☐ You and one or more of your *advisory affiliates*  
☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☒ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

CHICAGO BOARD OF TRADE ("CBOT")
2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

11/01/2005 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

05-RFT-058
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Futures - Commodity

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE CHICAGO BOARD OF TRADE ("CBOT") ALLEGED THAT HSBC SECURITIES (USA) INC.("HSBC") VIOLATED REGULATION 332.08. TRADE DATES FOR THE PERIOD OF NOVEMBER 1, 2005 THROUGH DECEMBER 31, 2005 AND FOR THE PERIOD OF FEBRUARY 27, 2006 THROUGH MARCH 24, 2006 CONTAINED AT LEASE ONE DATA ENTRY ERROR.
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:
- If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.
10. How was matter resolved:

Other
11. Resolution Date (MM/DD/YYYY):

08/03/2006 ☒ Exact ☐ Explanation

If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 1,800.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

THE CHICAGO BOARD OF TRADE ("CBOT") ALLEGED THAT HSBC SECURITIES (USA) INC.("HSBC") VIOLATED REGULATION 332.08. TRADE DATES FOR THE PERIOD OF NOVEMBER 1, 2005 THROUGH DECEMBER 31, 2005 AND FOR THE PERIOD OF FEBRUARY 27, 2006 THROUGH MARCH 24, 2006 CONTAINED AT LEASE ONE DATA ENTRY ERROR. HSBC WAS FINED \$1800,00

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

THE CHICAGO BOARD OF TRADE ("CBOT") ALLEGED THAT HSBC SECURITIES (USA) INC.("HSBC") VIOLATED REGULATION 332.08. TRADE DATES FOR THE PERIOD OF NOVEMBER 1, 2005 THROUGH DECEMBER 31, 2005 AND FOR THE PERIOD OF FEBRUARY 27, 2006 THROUGH MARCH 24, 2006 CONTAINED AT LEASE ONE DATA ENTRY ERROR. HSBC WAS FINED \$1800,00

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINANCIAL INDUSTRY REGULATORY AUTHORITY

2. Principal Sanction:

Other

Other Sanctions:

OTHER TO INCLUDE THE FOLLOWING PRINCIPAL SANCTION: FINE, CENSURE AND UNDERTAKING.

3. Date Initiated (MM/DD/YYYY):

01/19/2017

☒ Exact

☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

2013035716601

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Equity - OTC

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT UTILIZED AN ORDER MANAGEMENT SYSTEM (OMS) WHICH ALLOWED THE FIRM TO DESIGNATE CERTAIN ACCOUNTS TO AUTOMATICALLY TRANSMIT TRADE VOLUME TO BLOOMBERG FOR ADVERTISEMENT. THE FINDINGS STATED THAT THE FIRM OPENED A NUMBER OF ACCOUNTS WITH A DEFAULT SETTING THAT RESULTED IN CERTAIN TRADE ACTIVITY BEING SENT TO BLOOMBERG TWICE FOR ADVERTISING. THE FIRM'S PROGRAMMING ERROR CAUSED IT TO OVER-ADVERTISE TRADE VOLUME EXECUTED IN AT LEAST 30 SEPARATE AFFECTED TRADING BOOKS. ONE OF THE FIRM'S TRADERS MANUALLY ENTERED TRADE VOLUME IN CERTAIN SECURITIES FOR ADVERTISING ON BLOOMBERG. THOSE SECURITIES, HOWEVER, WERE ALSO BEING SENT TO BLOOMBERG FOR AUTOMATIC ADVERTISING THROUGH THE FIRM'S OMS. BY VIRTUE OF THE TRADER'S ERRONEOUS MANUAL ADVERTISEMENTS, THE FIRM OVER-ADVERTISED ITS EXECUTED TRADE VOLUME. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES, CONCERNING THE ADVERTISEMENT OF TRADE VOLUME.

8. Current Status?

☐ Pending

☐ On Appeal

☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

N/A

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

01/19/2017

☒ Exact

☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 575,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

UNDERTAKING: REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

THE FIRM WAS CENSURED AND THE FIRM PAID A FINE ON FEBRUARY 15,2017 FOR \$575,000, AND UNDERTAKES TO REVISE THE FIRM'S SUPERVISORY WRITTEN PROCEDURES. THE MITIGATED MONETARY SANCTION IN THIS MATTER REFLECTS THE FIRM'S SELF-REPORTING OF THE OVER-ADVERTISING VIOLATIONS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |                                  |                                  |                                             |                                  |
|----------------------------------|----------------------------------|----------------------------------|---------------------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2) | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4)            | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2) | <input type="checkbox"/> 11.D(3) | <input checked="" type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4)            |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.   |                                  |                                             |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

|             |                                                                                                               |
|-------------|---------------------------------------------------------------------------------------------------------------|
| CRD Number: | This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual |
| Registered: | <input type="radio"/> Yes <input checked="" type="radio"/> No                                                 |
| Name:       | HSBC BANK USA. N.A.<br>(For individuals, Last, First, Middle)                                                 |

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
- ☐ SEC ☒ Other Federal ☐ State ☐ SRO ☐ Foreign
- (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
- THE COMPTROLLER OF THE CURRENCY ("OCC")
2. Principal Sanction:
- Civil and Administrative Penalt(ies) /Fine(s)
- Other Sanctions:
3. Date Initiated (MM/DD/YYYY):
- 04/13/2011 ☒ Exact ☐ Explanation
- If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):  
HSBC BANK USA N.A.

6. Principal Product Type:  
Banking Products (Other than CD(s))  
Other Product Types:  
RESIDENTIAL MORTGAGE SERVICING

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
ON JANUARY 9, 2017, THE OFFICE OF THE COMPTROLLER OF THE CURRENCY ("OCC") ANNOUNCED THAT IT HAD TERMINATED ITS RESIDENTIAL MORTGAGE SERVICING RELATED CONSENT ORDER AGAINST HSBC BANK USA, N.A. (THE "BANK"), A SUBSIDIARY OF HSBC USA INC. THE OCC TERMINATED THE CONSENT ORDER HAVING FOUND THAT THE BANK HAD SATISFIED ALL OF THE REQUIREMENTS OF THE OCC'S ORIGINALLY ISSUED APRIL 2011 CONSENT ORDER, AND THE FEBRUARY 2013 AND JUNE 2015 AMENDMENTS THERETO. WITH TERMINATION OF THE CONSENT ORDER, THE BUSINESS RESTRICTIONS IMPOSED BY THE OCC ON THE BANK PURSUANT TO THE JUNE 2015 AMENDMENT TO THE CONSENT ORDER ARE ALSO TERMINATED. THE BANK WILL PAY A \$32.5 MILLION CIVIL MONEY PENALTY TO THE U.S. TREASURY FOR DEFICIENCIES IN TIMELY COMPLIANCE WITH THE CONSENT ORDER, INCLUDING IDENTIFIED DEFICIENCIES ON APPROXIMATELY 1,700 MORTGAGE LOAN ACCOUNTS RELATIVE TO PAYMENT CHANGE NOTIFICATIONS REQUIRED UNDER APPLICABLE BANKRUPTCY RULES. AN ADDITIONAL CHARGE TO INCOME IN THE AMOUNT OF \$27.5 MILLION WAS TAKEN BY THE BANK IN THE FOURTH QUARTER ENDED DECEMBER 31, 2016 RELATED TO THIS MATTER.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Settled

11. Resolution Date (MM/DD/YYYY):  
01/09/2017 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 32,500,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
HSBC BANK USA N.A. IN ACCORDANCE WITH THE SETTLEMENT WILL PAY A FINE IN THE AMOUNT OF \$32,500,000  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
N/A

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
WITHOUT ADMITTING OR DENYING THE VIOLATIONS HSBC BANK USA N.A. IN ACCORDANCE WITH THE SETTLEMENT WILL PAY A FINE IN THE AMOUNT OF \$32,500,000

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☒ 11.D(2)

☐ 11.D(3)

☒ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

|             |                                                                                                               |
|-------------|---------------------------------------------------------------------------------------------------------------|
| CRD Number: | This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual |
| Registered: | <input type="radio"/> Yes <input checked="" type="radio"/> No                                                 |
| Name:       | HSBC HOLDINGS PLC<br>(For individuals, Last, First, Middle)                                                   |

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☐ *SRO*
- ☒ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
THE EUROPEAN COMMISSION ("THE COMMISSION")

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

12/07/2016 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):  
HSBC HOLDINGS PLC

6. Principal Product Type:

No Product  
Other Product Types:  
EURO INTEREST RATE DERIVATIVE PRICING

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

IN DECEMBER 2016, THE EUROPEAN COMMISSION (THE 'COMMISSION') ISSUED A DECISION THAT IN EARLY 2007 HSBC, AMONG OTHER BANKS, COLLUDED ON EURO INTEREST RATE DERIVATIVE PRICING ELEMENTS, AND EXCHANGED RELATED SENSITIVE INFORMATION, IN BREACH OF EU ANTITRUST RULES. THE COMMISSION DETERMINED THAT THE DURATION OF HSBC'S INFRINGEMENT WAS 1 MONTH AND FINED HSBC 33,606,000 EUROS. HSBC IS CURRENTLY CONSIDERING WHETHER TO APPEAL SUCH DECISION.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

12/07/2016 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 35,958,420.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

HSBC HOLDINGS PLC. IN ACCORDANCE WITH THE SETTLEMENT WILL PAY A FINE IN THE AMOUNT OF 33,606,000, EUROS, SUBJECT TO A POSSIBLE APPEAL. THE FINE IS CONVERTED TO \$ 35,958,420 US DOLLARS AS REPORTED ABOVE IN SECTION 12.A.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

WITHOUT ADMITTING OR DENYING THE VIOLATIONS, HSBC HOLDINGS PLC. IN ACCORDANCE WITH THE SETTLEMENT WILL PAY A FINE IN THE AMOUNT OF 33,606,000, EUROS, SUBJECT TO A POSSIBLE APPEAL.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes

☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NASD REGULATION, INC. ("NASD")
2. Principal Sanction:

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

03/17/1999

☒ Exact

☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

C8A990038-AWC
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Debt - Government

Other Product Types:

DEBT CORPORATE, EQUITY-OTC, FUTURES-FINANCIAL, EQUITY LISTED(COMMON & PREFERRED STOCK)
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE NASD REGULATION, INC. ALLEGED THAT HSBC SECURITIES (USA) INC. VIOLATED: MARKETPLACE RULES 4632(A), 4620(A)AND 4642(A): MARKETPLACE RULES 4632(A), 6420(A) AND 4642(A); MARKETPLACE RULES 6130(D); CONDUCT RULE 3370; CONDUCT RULE 3360; CONDUCT RULE 2110; CONDUCT RULES 2110 AND 301(B).
8. Current Status?

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:
- If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.
10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):

05/03/1999

☒ Exact

☐ Explanation

If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 7,500.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions Ordered:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING ANY VIOLATION, HSBC WAS FINED \$7,500.00.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☒ 11.D(2)

☐ 11.D(3)

☒ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes

☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☒ State

☐ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
STATE OF WISCONSIN (COMMISSIONER OF SECURITIES)

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):  
06/25/1996 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:  
S-96053(L)

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
Debt - Government  
Other Product Types:  
DEBT CORPORATE, EQUITY-OTC, FUTURES-FINANCIAL, EQUITY LISTED(COMMON & PREFERRED STOCK)

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
VIOLATION OF SECTION 551.63. OF THE WISCONSIN STATUES.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Settled

11. Resolution Date (MM/DD/YYYY):  
07/24/1996 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 4,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
HSBC SECURITIES (USA) INC. WAS ORDERED TO PAY \$4,000.00 AS AN ADMINISTRATIVE ASSESSMENT PURSUANT TO SECTION 551.605 OF THE WISCONSIN STATUES.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☒ *SRO*
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
NASD REGULATION, INC. ("NASD")

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

12/03/1996 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

CMS960167

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Debt - Government

Other Product Types:

DEBT CORPORATE, EQUITY OTC, FUTURES FINANCIAL, EQUITY LISTED (COMMON & PREFERRED)

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE NASD ALLEGED THAT ON JULY 22,23, 24, 19, AND 31, HSBC ENTERED QUOTATIONS IN THE NASDAQ STOCK MARKET SECURITIE, EXCEEDING THE PARMETERS FOR MAXINUM ALLOWABLE SPREADS PURSUANT TO MARKETPLACE RULE 4613(D).

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

07/11/1997 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 1,000.00
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO THE ENTRY OF FINDINGS BY NASD REGULATION, INC., HSBC SECURITIES, INC. AGREED TO PAY A FINE OF \$1,000.00.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

CHICAGO BOARD OF TRADE ("CBOT")

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

12/01/1998 ☐ Exact ☒ Explanation

If not exact, provide explanation:

DATE INITIATED IS AN APPROXIMATE DATE.

4. Docket/Case Number:

98-RFT-187

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Futures - Financial

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE CBOT ALLEGATED THAT HSBC VIOLATED REGULATION 332.08 IN THAT THE FIRM FAILED TO MAKE ALL TRADE DATA SUBMISSIONS IN A CORRECT MANNER.

8. Current Status?

☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

03/01/1999 ☐ Exact ☒ Explanation

If not exact, provide explanation:

RESOLUTION DATE IS AN APPROXIMATE DATE.

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 500.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

WITHOUT ADMITTING OR DENYING ANY VIOLATION, HSBC WAS ORDERED TO PAY A FINE IN THE AMOUNT OF \$500.00.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

|                                  |                                             |                                  |                                  |                                  |
|----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☒ SRO
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
CHICAGO BOARD OF TRADE ("CBOT")

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

- 04/06/1998
- ☒ Exact
- ☐ Explanation
- If not exact, provide explanation:

4. Docket/Case Number:

98-INV-4A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Debt - Government

Other Product Types:

DEBT CORPORATE, EQUITY OTC, FUTURES FINANCIAL, EQUITY LISTED (COMMON & PREFERRED STOCK)

7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):

VIOLATION OF REGULATION 9B.16, BY VITUE OF REGULATION 9B.07 IN THAT PROJECT A TERMINAL OPERATORS EMPLOYED BY HSBC KNOWINGLY CAUSED TRANSACTIONS TO BE ENTERED INTO THE PROJECT A SYSTEM IN WHICH A PROPRIETARY ACCOUNT ASSUME THE OPPOSITE SIDE OF CUSTOMER ORDERS AND THE PROPRIETARY ORDERS WERE ENTERED PRIOR TO THE ORDERS; AND RULE 504.00, IN THAT, BY VIRTUE OF THE ABOVE-REFERENCE VIOLATION.

8.

Current Status?

Pending

On Appeal

Final

9.

If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.

How was matter resolved:

Settled

11.

Resolution Date (MM/DD/YYYY):

02/26/1999

Exact

Explanation

If not exact, provide explanation:

12.

Resolution Detail:

A.

Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒

Monetary/Fine Amount: \$ 20,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

WITHOUT ADMITTING OR DENYING ANY VIOLATION OF REGULATION 9B.16 AND RULE 504.00, AS CITED IN THE PRELIMINARY CHANGES, HSBC AGREED TO PAY A FINE OF \$20,000 IN SETTLEMENT OF THIS MATTER.

13.

Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an 

INITIAL

**OR**

AMENDED

 response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.D(1)

☐ 11.E(1)

☐ 11.F.

☐ 11.C(2)

☐ 11.D(2)

☒ 11.E(2)

☐ 11.G.

☐ 11.C(3)

☐ 11.D(3)

☐ 11.E(3)

☐ 11.C(4)

☐ 11.D(4)

☐ 11.E(4)

☐ 11.C(5)

☐ 11.D(5)

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A.

The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

You (the advisory firm)

You and one or more of your *advisory affiliates*

One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes    ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC    ☐ Other Federal    ☐ State    ☒ SRO    ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NASD REGULATION, INC.
2. Principal Sanction:

Other

Other Sanctions:

MONETARY SANCTION
3. Date Initiated (MM/DD/YYYY):

03/02/2001    ☒ Exact    ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

COMPLAINT NUMBER CMS 020140
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Equity - OTC

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

34 BACKING AWAY INCIDENTS DURING THE FOURTH QUARTER OF 2000.
8. Current Status?

☐ Pending    ☐ On Appeal    ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):

08/06/2002    ☒ Exact    ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 10,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
FINED \$10,000.00.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate *DRP* for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one *DRP*. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one *DRP* to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate *DRP*.

PART I

A. The *person(s)* or entity(ies) for whom this *DRP* is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this *DRP* is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV *DRP* - ADVISORY AFFILIATE

No Information Filed

☐ This *DRP* should be removed from the *ADV* record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This *DRP* should be removed from the *ADV* record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.

☐ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NEW YORK STOCK EXCHANGE, INC.

2. Principal Sanction:  
Censure  
Other Sanctions:  
FINE

3. Date Initiated (MM/DD/YYYY):  
10/29/2003 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:  
04-190

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
Other  
Other Product Types:  
E:MAIL RETENTION

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
FAILURE TO PRESERVE ELECTRONIC COMMUNICATION FOR A PERIOD OF THREE YEARS. FAILURE TO REASONABLY SUPERVISE OPERATIONAL AND TECHNOLOGICAL ACTIVITIES RELATING TO RETENTION OF ELECTRONIC COMMUNICATIONS. NOT PROMPTLY REPORTING FAILURE TO RETAIN ELECTRONIC COMMUNICATIONS.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Stipulation and Consent

11. Resolution Date (MM/DD/YYYY):  
12/15/2004 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 500,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
FINED \$500,000.00. RESOLUTION DATE: 12/15/2004.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A.

The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.  
☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B.

If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1.

Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
CHICAGO BOARD OF TRADE ("CBOT")

2.

Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:

3.

Date Initiated (MM/DD/YYYY):

03/14/2007

☒ Exact

☐ Explanation

If not exact, provide explanation:

4.

Docket/Case Number:

06-MSI-34B

5.

*Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6.

Principal Product Type:

Futures - Commodity  
Other Product Types:

7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE CHICAGO BOARD OF TRADE ("CBOT") ALLEGED THAT HSBC SECURITIES (USA) INC. ("HSBC") VIOLATED REGULATION 3242.01 IN THAT THE FIRM FAILED TO MAKE DELIVERY OF CONTRACT GRADE TWO-YEAR U.S. TREASURY NOTES BY 1:00 P.M., CHICAGO TIME, ON DELIVERY DAY.

8. Current Status?

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Decision & Order of Offer of Settlement

11. Resolution Date (MM/DD/YYYY):

03/14/2007ExactExplanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions Ordered (check all appropriate items)?

Monetary/Fine Amount: \$ 60,000.00

Revocation/Expulsion/Denial

Censure

Bar

Disgorgement/Restitution

Cease and Desist/Injunction

Suspension

B. Other Sanctions Ordered:

Sanction detail: if suspended, enjoined or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an advisory affiliate, date paid and if any portion of penalty was waived:  
THE CHICAGO BOARD OF TRADE ("CBOT") ALLEGED THAT HSBC SECURITIES (USA) INC. ("HSBC") VIOLATED REGULATION 3242.01 IN THAT THE FIRM FAILED TO MAKE DELIVERY OF CONTRACT GRADE TWO-YEAR U.S. TREASURY NOTES BY 1:00 P.M., CHICAGO TIME, ON DELIVERY DAY. HSBC WAS FINED \$60,000.00.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an INITIAL

OR

 AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

11.C(1)

11.D(1)

11.E(1)

11.F.

11.C(2)

11.D(2)

11.E(2)

11.G.

11.C(3)

11.D(3)

11.E(3)

11.C(4)

11.D(4)

11.E(4)

11.C(5)

11.D(5)

Use a separate DRP for each event or proceeding . The same event or proceeding may be reported for more than one person or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The person(s) or entity(ies) for whom this DRP is being filed is (are):

You (the advisory firm)

You and one or more of your advisory affiliates

One or more of your advisory affiliates

If this DRP is being filed for an advisory affiliate, give the full name of the advisory affiliate below (for individuals, Last name, First name, Middle name).  
If the advisory affiliate has a CRD number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

This DRP should be removed from the ADV record because the advisory affiliate(s) is no longer associated with the adviser.

This DRP should be removed from the ADV record because: (1) the event or proceeding occurred more than ten years ago or (2) the adviser is registered or applying for registration

with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  
☐ SEC ☐ Other Federal ☐ State ☒ *SRO* ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
CHICAGO BOARD OF TRADE ("CBOT")
2. Principal Sanction:  
Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:
3. Date Initiated (MM/DD/YYYY):  
03/07/2007 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
4. Docket/Case Number:  
06-RFT-052
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
Futures - Commodity  
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
THE CHICAGO BOARD OF TRADE ("CBOT") ALLEGED THAT HSBC SECURITIES (USA) INC. ("HSBC") VIOLATED REGULATION 332.08. TRADE DATE FOR THE TRADE DATES OF OCTOBER 1, 2006 THROUGH DECEMBER 27, 2006 REFLECTED AN UNACCEPTABLE CTR ERROR RATE. HSBC WAS FINED \$1,000.00.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Other
11. Resolution Date (MM/DD/YYYY):  
03/08/2007 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 1,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If

requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE CHICAGO BOARD OF TRADE ("CBOT") ALLEGED THAT HSBC SECURITIES (USA) INC. ("HSBC") VIOLATED REGULATION 332.08. TRADE DATE FOR THE TRADE DATES OF OCTOBER 1, 2006 THROUGH DECEMBER 27, 2006 REFLECTED AN UNACCEPTABLE CTR ERROR RATE. HSBC WAS FINED \$1,000.00.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
NASD REGULATION, INC.

2. Principal Sanction:

Censure

Other Sanctions:  
MONETARY/FINE

3. Date Initiated (MM/DD/YYYY):

06/12/2007

Exact

Explanation

If not exact, provide explanation:

4.

Docket/Case Number:  
20060055677-01

5.

Advisory Affiliate Employing Firm when activity occurred which led to the regulatory action (if applicable):

6.

Principal Product Type:  
Equity - OTC  
Other Product Types:

7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):  
  
THE NASD ALLEGED THE FOLLOWING: SEC RULES 10B-10, 17A-3, A7A-4, 200(G) OF REGULATION SHO, 203(B)(1) OF REGULATION SHO, NASD RULES 3010, 3110, 6130, 6955(A) - HSBC SECURITIES (USA) INC. ("HSBC") ACCEPTED SHORT SALE ORDERS IN AN EQUITY SECURITY FROM ANOTHER PERSON, OR AFFECTED A SHORT SALE IN AN EQUITY SECURITYFOR ITS OWN ACCOUNT, WITHOUT DOCUMENTING THAT IT BORROWED THE SECURITY, OR ENTERED INTO A BONA FIDE ARRANGEMENT TO BORROW THE SECURITY, OR THAT IT HAD REASONABLE GROUNDS TO BELIEVE THAT THE SECURITY COULD BE BORROWED SO THAT IT COULD BE DELIVERED ON THE DATE DELIVERY IS DUE. THE FINDINGS STATED THAT THE FIRM FAILED TO CORRECTLY REPORT SALE TRANSACTIONS TO ACT AS LONG, SHORT OR SHORT EXEMPT, FAILED TO REPORT THE CORRECT EXECUTION TIME AND IN ONE INSTANCE, THE FIRM REPORTED ITS CAPACITY AS PRINCIPAL WHEN IT WAS ACTING AS AGENT. THE FINDINGS ALSO STATED THAT THE FIRM REPORTED TO OATS EXECUTION REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA AND EXECUTED SHORT SALE ORDERS AND FAILED TO PROPERLY MARK THE ORDER TICKETS AS SHORT FOR THESE ORDERS. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO PRESERVE FOR A PERIOD OF NOT LESS THAN THREE YEARS, THE FIRST TWO IN AN ACCESSIBLE PLACE, THE MEMORANDUM OF BROKERAGE ORDERS, A CUSTOMER CONFIRMATION AND FAILED TO SHOW THE TIME OF RECEIPT ON THE MEMORANDUM OF A BROKERAGE ORDER. THE NASD FOUND THAT THE FIRM FAILED TO DISCLOSE THE CORRECT CAPACITY AND TO DISCLOSE AVERAGE PRICE ON CUSTOMER CONFIRMATIONS. THE NASD ALSO FOUND THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES RELATING TO COMPLIANCE WITH ORDER HANDLING, BEST EXECUTION, ANTI-INTIMIDATION AND COORDINATION, SALES TRANSACTIONS, BOOKS AND RECORDS AND FOR MONITORING USE OF FIRM'S BANK.

8.

Current Status? 

Pending 

On Appeal 

Final

9.

If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.

How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11.

Resolution Date (MM/DD/YYYY):  
  
06/12/2007 

Exact 

Explanation

If not exact, provide explanation:

12.

Resolution Detail:

A.

Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒

Monetary/Fine Amount: \$ 27,500.00

☐

Revocation/Expulsion/Denial

☒

Censure

☐

Bar

☐

Disgorgement/Restitution

☐

Cease and Desist/Injunction

☐

Suspension

B.

Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING THE FINDINGS, HSBC SECURITIES (USA) INC. ("HSBC"), CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. HSBC WAS CENSURED AND FINED \$27,500.00.

13.

Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
  
THE NASD ALLEGED THE FOLLOWING: SEC RULES 10B-10, 17A-3, A7A-4, 200(G) OF REGULATION SHO, 203(B)(1) OF REGULATION SHO, NASD RULES 3010, 3110, 6130, 6955(A) - HSBC SECURITIES (USA) INC. ("HSBC") ACCEPTED SHORT SALE ORDERS IN AN EQUITY SECURITY FROM ANOTHER PERSON, OR AFFECTED A SHORT SALE IN AN EQUITY SECURITYFOR ITS OWN ACCOUNT, WITHOUT DOCUMENTING THAT IT BORROWED THE SECURITY, OR ENTERED INTO A BONA FIDE ARRANGEMENT TO BORROW THE SECURITY, OR THAT IT HAD REASONABLE GROUNDS TO BELIEVE THAT THE SECURITY COULD BE BORROWED SO THAT IT COULD BE DELIVERED ON THE DATE DELIVERY IS DUE. THE FINDINGS STATED THAT THE FIRM FAILED TO CORRECTLY REPORT SALE TRANSACTIONS TO ACT AS LONG, SHORT OR SHORT EXEMPT, FAILED TO REPORT THE CORRECT EXECUTION TIME AND IN ONE INSTANCE, THE FIRM REPORTED ITS CAPACITY AS PRINCIPAL WHEN IT WAS ACTING AS AGENT. THE FINDINGS ALSO STATED THAT THE FIRM REPORTED TO OATS EXECUTION REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA AND EXECUTED SHORT SALE ORDERS AND FAILED TO PROPERLY MARK THE ORDER TICKETS AS SHORT FOR THESE ORDERS. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO PRESERVE FOR A PERIOD OF NOT LESS THAN THREE YEARS, THE FIRST TWO IN AN ACCESSIBLE PLACE, THE MEMORANDUM OF BROKERAGE ORDERS, A CUSTOMER CONFIRMATION AND FAILED TO SHOW THE TIME OF RECEIPT ON THE MEMORANDUM OF A BROKERAGE ORDER. THE NASD FOUND THAT THE FIRM FAILED TO DISCLOSE THE CORRECT CAPACITY AND TO DISCLOSE AVERAGE PRICE ON CUSTOMER CONFIRMATIONS. THE NASD ALSO FOUND THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NASD REGULATION INC. ("NASD")

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

07/27/2007 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

20050026982-01

5.    *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6.    Principal Product Type:  
Other  
Other Product Types:  
NO PRODUCT TYPE
7.    Describe the allegations related to this regulatory action (your response must fit within the space provided):  
THE NASD REGULATION INC. ("NASD") ALLEGED THAT HSBC SECURITIES (USA) INC. VIOLATED NASD RULE 2110 - RESPONDENT MEMBER FAILED WITHIN 90 SECONDS AFTER EXECUTION TO TRANSMIT TO THE NASDAQ MARKET CENTER (NMC) LAST SALE REPORTS OF TRANSACTION IN CQS SECURITIES.
8.    Current Status?    ☐ Pending    ☐ On Appeal    ☒ Final
9.    If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):  
07/27/2007    ☒ Exact    ☐ Explanation  
If not exact, provide explanation:
12. Resolution Detail:

A.    Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 5,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.    Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE NASD REGULATION INC. ("NASD") ALLEGED THAT HSBC SECURITIES (USA) INC. VIOLATED NASD RULE 2110 - RESPONDENT MEMBER FAILED WITHIN 90 SECONDS AFTER EXECUTION TO TRANSMIT TO THE NASDAQ MARKET CENTER (NMC) LAST SALE REPORTS OF TRANSACTION IN CQS SECURITIES.
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
WITHOUT ADMITTING OR DENYING ANY VIOLATION, HSBC SECURITIES (USA) INC. WAS FINED \$5,000.00.

GENERAL INSTRUCTIONS

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| Regulatory Action                 |                                             |                                  |                                  |                                  |
|-----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Check item(s) being responded to: |                                             |                                  |                                  |                                  |
| <input type="checkbox"/> 11.C(1)  | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1)  | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1)  | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.    | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate *DRP* for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one *DRP*. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one *DRP* to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate *DRP*.

PART I

A.    The *person(s)* or entity(ies) for whom this *DRP* is being filed is (are):

☒ You (the advisory firm)

- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NEW YORK STOCK EXCHANGE REGULATION - DIVISION OF ENFORCEMENT
2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

CENSURE AND UNDERTAKING
3. Date Initiated (MM/DD/YYYY):

07/27/2007 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

NYSE HEARING BOARD DECISION 07-150
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Other

Other Product Types:

CALLABLE RANGE ACCRUAL CERTIFICATES OF DEPOSIT.
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

(1) VIOLATION OF NYSE RULE 476(A)(6) FOR ENGAGING IN CONDUCT INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE BY: (A) RECOMMENDING AND SELLING LIBOR CDS TO CUSTOMERS FOR WHOM SUCH PRODUCTS WERE UNSUITABLE; (B) FAILING TO ACCURATELY ADVISE CUSTOMERS ABOUT THE RISKS ASSOCIATED WITH THE LIBOR CDS; AND/OR (C) MAKING MATERIAL MISREPRESENTATIONS REGARDING CERTAIN MATERIAL FEATURES OF THE LIBOR CDS AND/OR THE MANNER IN WHICH THE PRODUCTS WERE LIKELY TO PERFORM. (2) VIOLATION OF NYSE RULE 401(A) BY FAILING TO ADHERE TO PRINCIPLES OF GOOD BUSINESS PRACTICE BY RECOMMENDING AND SELLING THE LIBOR CD PRODUCTS TO CLIENTS FOR WHOM THEY WERE NOT SUITABLE. (3) VIOLATION OF NYSE RULE 342(A) AND (B) BY: (A) FAILING TO ESTABLISH AND MAINTAIN APPROPRIATE PROCEDURES TO REASONABLY SUPERVISE WHETHER THE SALE OF CALLABLE LIBOR CDS WERE SUITABLE FOR ITS CUSTOMERS, AND (B) FAILING TO ADEQUATELY SUPERVISE ITS PERSONNEL IN ORDER TO REASONABLY DETECT AND PREVENT MISREPRESENTATIONS REGARDING MATERIAL FEATURES OF LIBOR CDS, AND/OR THE MANNER IN WHICH THEY WERE LIKELY TO PERFORM.
8. Current Status?

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Stipulation and Consent

11. Resolution Date (MM/DD/YYYY):  

10/08/2007 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 500,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

THE FIRM MUST ENGAGE IN AN UNDERTAKING REQUIRING THE FIRM TO REVIEW THE PURCHASES OF THE OUTSTANDING LIBOR CDS (THAT EXISTED AS OF JUNE 1, 2007) AND OFFER A REMEDIATION PLAN REVIEWED AND APPROVED BY NYSE ENFORCEMENT, IN ACCORDANCE WITH THE TERMS OF THE STIPULATION AND CONSENT TO PENALTY.  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
CENSURE AND FINE IN THE AMOUNT OF \$500,000 AND AN UNDERTAKING REQUIRING THE FIRM TO REVIEW THE PURCHASES OF THE OUTSTANDING LIBOR CDS (THAT EXISTED AS OF JUNE 1, 2007) AND OFFERA REMEDIATION PLAN, REVIEWED AND APPROVED BY NYSE ENFORCEMENT, IN ACCORDANCE WITH THE TERMS OF THE STIPULATION AND COSENT TO PENALTY.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
THE NYSE HEARING BOARD RENDERED A DECISION ON SEPTEMBER13, 2007 WITH REGARD TO THE STIPULATION OF FACTS AND CONSENT TO PENALTY ENTERED INTO BETWEEN THE FIRM AND THE DIVISION OF ENFORCEMENT OF NYSE REGULATION. THE DECISION BECAME FINAL AT THE CLOSE OF BUSINESS ON OCTOBER 8, 2007. THE FIRM MUST OFFER ITS REMEDIATION PLAN TO NYSE ENFORCEMENT WITHIN 30 DAYS OF THE THE DATE ON WHICH THE DECISION BECAME FINAL. THE FIRM IS REQUIRED TO PAY ITS FINE WITHIN 45 DAYS OF THE DATE ON WHICH THE DECISION BECAME FINAL.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the *IARD* system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the *IARD* or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.

☒ Yes    ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its *IARD* or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC    ☐ Other Federal    ☐ State    ☒ SRO    ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

CHICAGO BOARD OF TRADE
2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

06/19/2007    ☒ Exact    ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

07-MSR-05
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Futures - Financial

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

CHICAGO BOARD OF TRADE ALLEGES THAT HSBC SECURITIES (USA) INC. (A) ENGEDGED IN THE EXECUTION OF AN EFP TRANSACTION WITHOUT A BONA FIDE CASH COMPONENT AND (B) THE FIRM EXECUTED TWO CONTINGENT EFP TRANSACTIONS,, IN WHICH THE CASH EXCHANGED CORRELATED TO THE NET OF TWO FUTURES TRANSACTIONS.
8. Current Status?

☐ Pending    ☐ On Appeal    ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled
11. Resolution Date (MM/DD/YYYY):

09/22/2007    ☒ Exact    ☐ Explanation

If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 30,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*,

date paid and if any portion of penalty was waived:  
HSBC SECURITIES (USA) INC. WAS FINED IN THE AMOUNT OF \$30,000. THE FIRM WAS REQUIRED TO PAY ITS FINE WITHIN 30 DAYS OF THE DATE ON WHICH THE DECISION BECAME FINAL.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
IN ORDER TO ENSURE THAT THE TRADING STAFF ("THE STAFF") ARE KNOWLEDGEABLE ABOUT CBOT EFP RULES, THE FIRM HAS IMPLETMENED AN EFP TRAINING.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
FINRA

2. Principal Sanction:

Censure

Other Sanctions:  
MONETARY/FINE.

3. Date Initiated (MM/DD/YYYY):

05/14/2008

☒ Exact

☐ Explanation

If not exact, provide explanation:

4.

Docket/Case Number:  
2007009471401

5.

Advisory Affiliate Employing Firm when activity occurred which led to the regulatory action (if applicable):

6.

Principal Product Type:  
Other  
Other Product Types:  
FIXED INCOME SECURITIES

7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):  
FINRA ALLEGES THAT HSBC SECURITIES (USA) INC. VIOLATED NASD RULES 2110 AND 3010. DURING THE PERIOD JANUARY 2004 THROUGH JUNE 2006, CUSTOMERS WHO MAINATINED ESCROW ACCOUNTS WITH THE FIRM'S BANK AFFILIATE WERE CHARGED COMMISSIONS FOR FIXED INCOME SECURITIES TRADES EXECUTED BY THE FIRM ON THEIR BEHALF, WHICH WERE HIGHER THAN THE COMMISSIONS THEY WERE CHARGED IN THE PAST AND IN CERTAIN INSTANCES, HIGHER THAN INDUSTRY STANDARDS. THE FIRM FAILED TO TAKE ADEQUATE STEPS TO ASSESS THE FAIRNESS OF THE COMMISSIONS. THE FIRM LACKED ADQUATE WRITTEN GUIDELINES FOR MARK-UPS AND COMMISSIONS ON TRADES FOR FIXED INCOME PRODUCTS, AND ALSO FAILED TO ESTABLISH AND MAINTAIN ADQUATE PROCEDURES TO MONITOR THE APPROPRIATENESS OF COMMISSIONS CHARGED THESE CUSTOMERS IN THAT THE FIRM (A) FAILED TO ESTABLISH ADEQUATE WRITTEN GUIDELINES FOR MARK-UPS AND COMMISSIONS ON FIXED INCOME PRODUCTS (B) FAILED TO GIVE ADEQUATE GUIDANCE IN REFERENCE TO DETRMINING WHAT IS A FAIR MARK-UP OR COMMISSION ON FIXED INCOME PRODUCTS (C) FAILED TO INCLUDE TRADES EXECUTED FOR CUSTOMERS IN BRANCH EXAMINATION REVIEWS (D) FAILED TO ESTABLISHED REASONABLE PROCEDURES FOR MONITORING FIXED INCOME SECURITY MARK-UPS AND COMMISSIONS.

8.

Current Status?

☐ Pending

☐ On Appeal

☒ Final

9.

If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.

How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11.

Resolution Date (MM/DD/YYYY):  
05/14/2008

☒ Exact

☐ Explanation

If not exact, provide explanation:

12.

Resolution Detail:

A.

Were any of the following Sanctions Ordered (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 200,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions Ordered:

Sanction detail: if suspended, enjoined or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an advisory affiliate, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING THE FINDINGS, HSBC SECURITIES (USA) INC. WAS CENSURED AND FINED \$200,000.

13.

Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

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B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☒ SRO
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
FINRA

2. Principal Sanction:

Censure  
Other Sanctions:  
MONETARY/FINE.

3. Date Initiated (MM/DD/YYYY):

03/19/2008 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:

20060059732-01

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other  
Other Product Types:  
TRACE-ELIGIBLE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FINRA ALLEGES THAT HSBC SECURITIES VIOLATED SEC RULE 17A-3, NASD RULES 2110, 6230(A), 6230(C)(8) - FAILURE TO REPORT TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES EXECUTED ON A BUSINESS DAY DURING TRACE SYSTEM HOURS WITHIN 15 MINUTES OF THE TIME OF EXECUTION; FAILED TO REPORT THE CORRECT TIME OF TRADER EXECUTION FOR TRACE-ELIGIBLE SECURITIES; FAILED TO SHOW THE CORRECT TIME OF EXECUTION ON THE MEMORANDUM OF TRACE-ELIGIBLE SECURITIES ORDERS.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
03/19/2008 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 12,500.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING THE FINDINGS, HSBC SECURITIES (USA) INC.("HSBC")WAS CENSURED AND FINED \$12, 500.00.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the *IARD* system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the *IARD* or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.

☐ Yes    ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its *IARD* or *CRD* records.

PART II

1. Regulatory Action initiated by:  

☐ SEC    ☐ Other Federal    ☐ State    ☒ SRO    ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA
2. Principal Sanction:  
Other  
Other Sanctions:  
MONETARY/FINE
3. Date Initiated (MM/DD/YYYY):  
02/02/2009    ☒ Exact    ☐ Explanation  
If not exact, provide explanation:
4. Docket/Case Number:  
2007007234501
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
Other  
Other Product Types:  
TRACE-ELIGIBLE SECURITIES, MUNICIPAL SECURITIES SUBJECT TO MSRB REPORTING REQUIREMENTS, COVERED OPTIONS CONTRACTS.
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
FINRA ALLEGES THAT HSBC SECURITIES (USA) INC. ("HSBC")VIOLATED ARTICLE VI, SECTION 2 AND SCHEDULE A, SECTION 1 OF THR NASD BY LAWS AND NASD RULE 2110: FAILURE TO INCLUDE TRANSACTIONS FOR CERTAIN COVERED SECURITIES, SUCH AS TRACE-ELIGIBLE SECURITIES, MUNICIPAL SECURITIES SUBJECT TO MSRB REPORTING REQUIREMENTS AND COVERED OPTIONS CONTRACTS, ON ITS TRADING ACTIVITY FEE SELF-REPORTING FORMS FOR CERTAIN ACCOUNTS BETWEEN SEPTEMBER 2003 AND DECEMBER 2006. AS A RESULT, THE REQUIRED TRADING ACTIVITY FEES WERE NOT PAID FOR THESE TRANSACTIONS, SPECIFICALLY, DURING THIS PERIOD HSBC UNDERPAID APPROXIMATELY \$28,00.000 IN TRADING ACTIVITY FEES. ONCE THE ERROR WAS DISCOVERED BY HSBC, HSBC SUBSEQUENTLY SUBMITTED CORRECT TRADING ACTIVITY FEE SELF-REPORTING FORMS AND LATER SUBMITTTED AMENDED FORMS AND THE ADDITIONAL FEES TO CORRECT THE PREVIOUS ERRORS.
8. Current Status?    ☐ Pending    ☐ On Appeal    ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):  
02/02/2009    ☒ Exact    ☐ Explanation  
If not exact, provide explanation:
12. Resolution Detail:  
A. Were any of the following Sanctions *Ordered* (check all appropriate items)?  

☒ Monetary/Fine Amount: \$ 5,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions Ordered:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING THE FINDINGS, HSBC SECURITIES (USA) INC. WAS FINED \$5,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate *DRP* for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one *DRP*. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one *DRP* to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate *DRP*.

PART I

A. The *person(s)* or entity(ies) for whom this *DRP* is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this *DRP* is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV *DRP* - ADVISORY AFFILIATE

No Information Filed

☐ This *DRP* should be removed from the *ADV* record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This *DRP* should be removed from the *ADV* record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.

☐ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
FINRA

2. Principal Sanction:

Censure

Other Sanctions:

MONETARY/FINE.

3.

Date Initiated (MM/DD/YYYY):

04/30/2009 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4.

Docket/Case Number:

2007011232101

5.

Advisory Affiliate

Employing Firm when activity occurred which led to the regulatory action (if applicable):

6.

Principal Product Type:

Other

Other Product Types:

TRACE-ELIGIBLE SECURITIES

7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):

NASD RULES 2110, 6230(A) - FINRA ALLEGES THAT HSBC SECURITIES (USA) INC. FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF NASD RULE 6230(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF NASD RULE 2110.

8.

Current Status?

☐ Pending ☐ On Appeal ☒ Final

9.

If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.

How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11.

Resolution Date (MM/DD/YYYY):

04/30/2009 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12.

Resolution Detail:

A.

Were any of the following Sanctions Ordered (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 20,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions Ordered:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

WITHOUT ADMITTING OR DENYING THE FINDINGS,HSBC SECURITIES (USA) INC.CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. HSBC SECURITIES (USA)INC. WAS SENSURED AND FINED \$20,000.

13.

Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☒ *SRO*
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
FINRA

2. Principal Sanction:

Other  
Other Sanctions:  
N/A

3. Date Initiated (MM/DD/YYYY):

01/20/2010 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:

20080127719-01

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other  
Other Product Types:  
NO PRODUCT

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FINRA ALLEGED THAT HSBC SECURITIES (USA) INC. ("HSBC") VIOLATED RULE 6955(A): HSBC FAILED TO TIMELY REPORT TO THE ORDER AUDIT TRAIL SYSTEM (OATS) REPORTABLE ORDER EVENTS.

8. Current Status?

- ☐ Pending
- ☐ On Appeal
- ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
01/20/2010 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 12,500.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING ANY VIOLATION, HSBC WAS FINED \$12,500.00.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

|                                             |                                             |                                  |                                  |                                  |
|---------------------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1)            | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1)            | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input checked="" type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.              | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or CRD records.

## PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or SRO)

FINRA

## 2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

CENSURE

3. Date Initiated (MM/DD/YYYY):

04/22/2010 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

2008013863801

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

## AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FINRA ALLEGED THAT DURING THE PERIOD FROM MAY 31, 2006 THROUGH FEBRUARY 28, 2008 ("RELEVANT PERIOD"), EXCEPT AS OTHERWISE NOTED, HSBC SECURITIES VIOLATED CERTAIN NASD, FINRA, AND MSRB RULES BY (1) MAKING NEGLIGENT MISREPRESENTATIONS AND OMISSIONS OF MATERIAL FACTS TO CUSTOMERS CONCERNING THE SAFETY AND LIQUIDITY OF AUCTION RATE SECURITIES ("ARS"); (2) USING ADVERTISING AND MARKETING MATERIALS THAT WERE NOT FAIR AND BALANCED AND DID NOT PROVIDE A SOUND BASIS FOR EVALUATING THE FACTS ABOUT PURCHASING ARS; (3) SELLING RESTRICTED, AND THEREFORE UNSUITABLE, ARS TO CERTAIN NON-QUALIFIED CUSTOMERS; (4) FAILING TO RETAIN CERTAIN EMAILS FROM MAY 2004 TO APRIL 2009, AND FAILING TO RETAIN CERTAIN INTERNAL INSTANT MESSAGES FROM FEBRUARY 2007 TO SEPTEMBER 2008; AND (5) FAILING TO MAINTAIN ADEQUATE SUPERVISORY PROCEDURES CONCERNING ITS SALES AND MARKETING ACTIVITIES REGARDING ARS AND ITS RETENTION OF CERTAIN EMAILS AND INSTANT MESSAGES.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

### Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

04/22/2010 ☒ Exact ☐ Explanation

If not exact, provide explanation:

## 12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 1,500,000.00

☐ Revocation/Expulsion/Denial☒ Censure

 Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

 Suspension

B. Other Sanctions Ordered:

REPURCHASE OFFER

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

WITHOUT ADMITTING OR DENYING FINRA'S FINDINGS AND WITHOUT ADJUDICATION OF ANY ISSUE OF LAW OR FACT, HSBC SECURITIES CONSENTED, SOLELY FOR THE PURPOSE OF THIS PROCEEDING, TO THE ENTRY OF FINRA'S FINDINGS AND THE FOLLOWING SANCTIONS: A CENSURE AND FINE IN THE AMOUNT OF \$1.5 MILLION; OFFERING TO REPURCHASE ELIGIBLE ARS FROM INVESTORS IN THE RELEVANT CLASS; MAKING BEST EFFORTS TO PROVIDE LIQUIDITY TO INVESTORS WHO PURCHASED ARS DURING THE RELEVANT PERIOD BUT WHO WERE NOT IN THE RELEVANT CLASS; FOR ANY INVESTOR IN THE RELEVANT CLASS WHO SOLD ELIGIBLE ARS BELOW PAR BETWEEN CERTAIN DATES, PAYING THE DIFFERENCE BETWEEN PAR AND THE SALE PRICE; ARBITRATING CLAIMS FOR CONSEQUENTIAL DAMAGES FILED BY ELIGIBLE INVESTORS IN THE RELEVANT CLASS UNDER FINRA'S SPECIAL ARBITRATION PROCEDURES; AND PROVIDING FINRA WITH CERTAIN REPORTS. THE SPECIFIC TERMS OF THE REPURCHASE OFFER ARE DEFINED IN THE AWC.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

IN DETERMINING THE SANCTIONS IN THIS MATTER, FINRA TOOK INTO ACCOUNT HSBC SECURITIES' VOLUNTARY REMEDIATION TO CUSTOMERS PRIOR TO THE ENTRY OF THE AWC, WHICH INCLUDED HSBC SECURITIES' VOLUNTARY REPURCHASE OF ARS FROM ITS CUSTOMERS IN 2008. AS OF JULY 2008, HSBC SECURITIES REPURCHASED MORE THAN 90 PERCENT OF ITS THEN CURRENT CUSTOMERS' ARS HOLDINGS AND IN OCTOBER 2008 OFFERED TO REPURCHASE ALL OF THE REMAINING ARS HELD IN THOSE CUSTOMERS' HSBC SECURITIES ACCOUNTS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
FINRA

2. Principal Sanction:  
Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:  
CENSURE

3. Date Initiated (MM/DD/YYYY):  
06/10/2010 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:  
2007010582702

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
Other  
Other Product Types:  
COLLATERALIZED MORTGAGE OBLIGATION ("CMOS")

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
ON MAY 20, 2010, THE FIRM SUBMITTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT IN WHICH HSI, WITHOUT ADMITTING OR DENYING GUILT, CONSENTED TO FINDINGS THAT IT: (1) VIOLATED NASD CONDUCT RULES 3010(A) AND (B) AND 2110 BY (A) FAILING TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND WRITTEN PROCEDURES REGARDING THE SALE OF CMOS TO CUSTOMERS THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS AND WITH FINRA RULES; AND (B) FAILING TO ESTABLISH AND MAINTAIN A SYSTEM OF WRITTEN PROCEDURES REASONABLY DESIGNED TO SUPERVISE WHETHER THE SALES OF CMOS WERE SUITABLE FOR ITS CUSTOMERS AND THE ATTENDED RISKS OF THE PRODUCTS WERE FULLY EXPLAINED WHENEVER A REGISTERED REPRESENTATIVE RECOMMENDED A CMO INVESTMENT; (2) DID NOT COMPLY WITH NASD IM-2210-8 WHICH REQUIRES FIRMS TO OFFER CERTAIN EDUCATIONAL MATERIALS BEFORE THE SALE OF A CMO TO ANY PERSON OTHER THAN AN INSTITUTIONAL INVESTOR AND WHILE THE FIRM DID OFFER A BROCHURE, THE BROCHURE DID NOT COMPLY WITH THE CONTENTS STANDARDS OF NASD CONDUCT RULE 2210(D)(1) AND IM-2210-8; AND (3) VIOLATED NASD CONDUCT RULE 2310 AND 2110 BY RECOMMENDING AND SELLING INVERSE FLOATER CMOS TO CUSTOMERS FOR WHOM SUCH PRODUCTS WERE UNSUITABLE. HSI CONSENTED TO THE IMPOSITION BY FINRA OF A SANCTION OF A CENSURE AND A \$375,000 FINE. FINRA ACKNOWLEDGED THAT, INDEPENDENT OF THE IMPOSED SANCTION, IMPACTED CUSTOMERS HAVE RECEIVED FULL RESTITUTION FROM THE FIRM.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
06/10/2010 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:  
A. Were any of the following Sanctions *Ordered* (check all appropriate items)?  
☒ Monetary/Fine Amount: \$ 375,000.00  
☐ Revocation/Expulsion/Denial  
☒ Censure  
☐ Bar  
B. Other Sanctions *Ordered*:

☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

ON MAY 20, 2010, THE FIRM SUBMITTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT IN WHICH HSI, WITHOUT ADMITTING OR DENYING GUILT, CONSENTED TO FINDINGS THAT IT: (1) VIOLATED NASD CONDUCT RULES 3010(A) AND (B) AND 2110 BY (A) FAILING TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND WRITTEN PROCEDURES REGARDING THE SALE OF CMOS TO CUSTOMERS THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS AND WITH FINRA RULES; AND (B) FAILING TO ESTABLISH AND MAINTAIN A SYSTEM OF WRITTEN PROCEDURES REASONABLY DESIGNED TO SUPERVISE WHETHER THE SALES OF CMOS WERE

SUITABLE FOR ITS CUSTOMERS AND THE ATTENDED RISKS OF THE PRODUCTS WERE FULLY EXPLAINED WHENEVER A REGISTERED REPRESENTATIVE RECOMMENDED A CMO INVESTMENT; (2) DID NOT COMPLY WITH NASD IM-2210-8 WHICH REQUIRES FIRMS TO OFFER CERTAIN EDUCATIONAL MATERIALS BEFORE THE SALE OF A CMO TO ANY PERSON OTHER THAN AN INSTITUTIONAL INVESTOR AND WHILE THE FIRM DID OFFER A BROCHURE, THE BROCHURE DID NOT COMPLY WITH THE CONTENTS STANDARDS OF NASD CONDUCT RULE 2210(D)(1) AND IM-2210-8; AND (3) VIOLATED NASD CONDUCT RULE 2310 AND 2110 BY RECOMMENDING AND SELLING INVERSE FLOATER CMOS TO CUSTOMERS FOR WHOM SUCH PRODUCTS WERE UNSUITABLE. HSI CONSENTED TO THE IMPOSITION BY FINRA OF A SANCTION OF A CENSURE AND A \$375,000 FINE. FINRA ACKNOWLEDGED THAT, INDEPENDENT OF THE IMPOSED SANCTION, IMPACTED CUSTOMERS HAVE RECEIVED FULL RESTITUTION FROM THE FIRM.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate **DRP** for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one **DRP**. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one **DRP** to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate **DRP**.

PART I

A. The *person(s)* or entity(ies) for whom this **DRP** is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this **DRP** is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV **DRP** - *ADVISORY AFFILIATE*

No Information Filed

- ☐ This **DRP** should be removed from the **ADV** record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This **DRP** should be removed from the **ADV** record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a **DRP** for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a **DRP** for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This **DRP** should be removed from the **ADV** record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a **DRP** (with Form **ADV**, **BD** or **U-4**) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this **DRP** must be provided.
- ☐ Yes

☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NASD REGULATION INC. ("NASD")

2. Principal Sanction:

Censure  
Other Sanctions:  
FINED; DISGORGEMENT/RESTITUTION; UNDERTAKING.

3. Date Initiated (MM/DD/YYYY):  
01/17/2007 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:  
20050001900

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
Debt - Government  
Other Product Types:  
DEBT - MUNICIPAL;DEBT - CORPORATE; EQUITY - OTC; EQUITY LISTED (COMMON & PREFERRED STOCK); FUTURES - FINANCIAL; INSURANCE

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
THE NASD REGULATION, INC. ("NASD") ALLEGED THAT HSBC SECURITIES (USA) INC. F/K/A HSBC BROKERAGE (USA) INC. VIOLATED RULE G-30 AND SUPERVISION VIOLATION OF RULE G-27.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
01/17/2007 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 17,500.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☒ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
UNDERTAKING  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING THE FINDINGS, HSBC SECURITIES (USA) INC. WAS CENSURED AND FINED \$17,500.00, REQUIRED TO PAY \$1329.53, PLUS INTEREST, IN RESTITUTION TO PUBLIC CUSTOMERS AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING FAIR PRICING AND MARKUPS WITHIN THIRTY (30) DAYS OF ACCEPTANCE OF THIS AWC BY NAC. A REGISTERED PRINCIPAL OF THE FIRM WILL SUBMIT SATISFACTORY PROFF OF PAYMENT OF THE RESTITUTION OT OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO NASD NO LATER THAN 60 DAYS AFTER ACCEPTANCE OF THIS AWC. ANY UNDISTRIBUTED RESTITUTION AND INTEREST WILL BE FORWARDED TO THE APPROPRIATE ECHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER LAST RESIDED.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☒ SRO
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2. Principal Sanction:

Other

Other Sanctions:

CENSURED AND FINED.

3. Date Initiated (MM/DD/YYYY):

08/19/2010 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

2008015260101

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Equity Listed (Common & Preferred Stock)

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FINRA ALLEGED THAT HSBC SECURITIES (USA) INC. ("HSBC") VIOLATED NASD RULES 2110, 4632, 4632(A) 6130(D): THE FIRM FAILED WITHIN 90 SECONDS AFTER EXECUTION TO TRANSMIT TO THE FIRM/NASDAQ TRADE REPORTING FACILITY (FINRA/NASDAQ TRF)105 LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES. THE FIRM REPORTED TO THE FINRA/NASDAQ TRF 23 LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES IT WAS NOT REQUIRED TO REPORT. THE FIRM FAILED TO REPORT TO THE FINRA/NASDAQ TRF THE CORRECT TIME OF EXECUTION FOR 79 TRANSACTIONS IN REPORTABLE SECURITIES.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
08/19/2010 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 22,500.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING ANY VIOLATION, HSBC WAS FINED \$22,500.00.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

| Regulatory Action                 |                                  |                                  |                                             |                                  |
|-----------------------------------|----------------------------------|----------------------------------|---------------------------------------------|----------------------------------|
| Check item(s) being responded to: |                                  |                                  |                                             |                                  |
| <input type="checkbox"/> 11.C(1)  | <input type="checkbox"/> 11.C(2) | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4)            | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1)  | <input type="checkbox"/> 11.D(2) | <input type="checkbox"/> 11.D(3) | <input checked="" type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1)  | <input type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4)            |                                  |
| <input type="checkbox"/> 11.F.    | <input type="checkbox"/> 11.G.   |                                  |                                             |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

|             |                                                                                                               |
|-------------|---------------------------------------------------------------------------------------------------------------|
| CRD Number: | This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual |
| Registered: | <input type="radio"/> Yes <input checked="" type="radio"/> No                                                 |
| Name:       | HSBC BANK USA, N.A.<br>(For individuals, Last, First, Middle)                                                 |

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  
☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
OFFICE OF THE COMPTROLLER OF THE CURRENCY ("OCC")
2. Principal Sanction:  
Cease and Desist  
Other Sanctions:
3. Date Initiated (MM/DD/YYYY):  
10/06/2010 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
4. Docket/Case Number:  
AA-EC-10-98
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):  
HSBC BANK USA, N.A.
6. Principal Product Type:  
No Product  
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
THE COMPTROLLER OF THE CURRENCY OF THE UNITED STATES OF AMERICA ("COMPTROLLER"), THROUGH HIS NATIONAL BANK EXAMINERS AND OTHER STAFF OF THE OFFICE OF THE COMPTROLLER OF THE CURRENCY ("OCC"), CONDUCTED AN EXAMINATION AND INVESTIGATION OF THE PAYMENTS AND CASH MANAGEMENT ("PCM"), GLOBAL BANKNOTES, AND FOREIGN CORRESPONDENT OPERATIONS OF HSBC BANK USA, N.A., MCLEAN, VIRGINIA ("BANK"). THE OCC HAS IDENTIFIED DEFICIENCIES IN THE BANK'S INTERNAL CONTROLS FOR THESE AREAS AS WELL AS ITS OVERALL PROGRAM FOR BANK SECRECY ACT/ANTI-MONEY LAUNDERING ("BSA/AML") COMPLIANCE.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Consent
11. Resolution Date (MM/DD/YYYY):  
10/06/2010 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Disgorgement/Restitution

☒ Cease and Desist/Injunction

☐ Bar

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
CONSENT CEASE AND DESIST ORDER ISSUED BY THE COMPTROLLER OF THE CURRENCY OF THE UNITED STATES OF AMERICA THROUGH HIS NATIONAL BANK EXAMINERS AND OTHER STAFF OF THE OFFICE OF THE COMPTROLLER OF THE CURRENCY ("OCC"). THE BANK COMMITTED TO TAKING ALL NECESSARY STEPS TO REMEDY THE DEFICIENCIES IDENTIFIED BY THE OCC, AND ENHANCE THE BANK'S BSA/AML COMPLIANCE PROGRAM.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

THE OCC CONDUCTED AN EXAMINATION AND INVESTIGATION OF THE PCM, GLOBAL BANKNOTES, AND FOREIGN CORRESPONDENT OPERATION OF THE BANK AND IDENTIFIED THE FOLLOWING AS CORRECTIVE ACTIONS TO BE TAKEN: COMPLIANCE COMMITTEE - THE BOARD SHALL MAINTAIN A COMPLIANCE COMMITTEE OF AT LEAST THREE (3) DIRECTORS, OF WHICH AT LEAST TWO (2) MAY NOT BE EMPLOYEES OR OFFICERS OF THE BANK OR ANY OF ITS SUBSIDIARIES OR AFFILIATES. THE COMMITTEE SHALL BE RESPONSIBLE FOR MONITORING AND COORDINATING THE BANK'S ADHERENCE TO THE PROVISIONS OF THE ORDER. COMPREHENSIVE BSA/AML ACTION PLAN - WITHIN 60 DAYS OF THE ORDER, THE BANK SHALL SUBMIT TO THE DEPUTY COMPTROLLER AND THE EXAMINER-IN-CHARGE A PLAN CONTAINING A COMPLETE DESCRIPTION OF THE ACTIONS THAT ARE NECESSARY AND APPROPRIATE TO ACHIEVE FULL COMPLIANCE WITH THE ORDER. MANAGEMENT - WITHIN FIFTEEN (15) DAYS OF THE ORDER, THE BOARD SHALL SUBMIT TO THE DEPUTY COMPTROLLER AND EXAMINER-IN-CHARGE A PLAN TO RECRUIT, HIRE, APPOINT, AND RETAIN A QUALIFIED, PERMANENT REGIONAL COMPLIANCE OFFICER AND A QUALIFIED, PERMANENT BSA OFFICER. REVIEW OF BSA COMPLIANCE PROGRAM - WITHIN TEN (10) DAYS OF THE ORDER, THE BANK SHALL RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT AN INDEPENDENT REVIEW OF THE BANK'S BSA/AML COMPLIANCE PROGRAM. BSA COMPLIANCE PROGRAM - WITHIN 90 DAYS OF THE ORDER, THE BOARD AND EXECUTIVE MANAGEMENT SHALL ENSURE THAT A BSA/AML PROGRAM IS IN PLACE WHICH MEETS SPECIFIC CRITERIA OUTLINED IN THE ORDER. MANAGEMENT INFORMATION - WITHIN 90 DAYS OF THIS ORDER, THE BOARD SHALL ENSURE THAT BANK MANAGEMENT CONDUCTS A MANAGEMENT INFORMATION SYSTEM ASSESSMENT, AND DEVELOPS A PLAN THAT WILL ENABLE MANAGEMENT TO MORE EFFECTIVELY IDENTIFY, MONITOR, AND MANAGE THE BANK'S BSA RISKS ON A TIMELY BASIS. CDD AND EDD INFORMATION - THE BANK SHALL DEVELOP AND IMPLEMENT APPROPRIATE POLICIES AND PROCEDURES FOR GATHERING CUSTOMER DUE DILIGENCE AND ENHANCED DUE DILIGENCE INFORMATION. MONITORING - WITHIN 60 DAYS OF THE ORDER, THE BANK SHALL SUBMIT REVISED POLICIES AND PROCEDURES FOR WIRE MONITORING USING ITS CURRENT WIRE MONITORING SYSTEM TO THE DEPUTY COMPTROLLER AND THE EXAMINER-IN-CHARGE. SUSPICIOUS ACTIVITY REPORTING - THE BANK SHALL DEVELOP AND MAINTAIN A WRITTEN PROGRAM OF POLICIES AND PROCEDURES TO ENSURE, PURSUANT TO 12 C.F.R. § 21.11, THE TIMELY AND APPROPRIATE REVIEW AND DISPOSITIONING OF SUSPICIOUS ACTIVITY ALERTS, AND THE TIMELY FILING OF SARS. ACCOUNT/TRANSACTION ACTIVITY REVIEW ("LOOK-BACK") - THE BANK SHALL RETAIN ON OR MORE INDEPENDENT CONSULTANTS TO CONDUCT AN INDEPENDENT REVIEW OF ACCOUNT AND TRANSACTION ACTIVITY ("LOOK-BACK") COVERING AREAS TO BE SPECIFIED IN WRITING BY THE EXAMINER-IN-CHARGE. RESTRICTIONS ON GROWTH, NEW PRODUCTS AND HIGH-RISK LINES OF BUSINESS - THE BANK INFORMED THE OCC THAT IT IS EXITING THE GLOBAL BANKNOTES LINE OF BUSINESS FOR NON-DOMESTIC CUSTOMERS. IF, IN THE FUTURE, THE BANK INTENDS TO RE-ENTER THE INTERNATIONAL BULK CASH LINE OF BUSINESS, THE BANK SHALL NOTIFY THE EXAMINER-IN-CHARGE OF ITS PLAN IN WRITING AND OBTAIN WRITTEN SUPERVISORY NON-OBJECTION PRIOR TO COMMENCING RE-ENTRY. REMOTE DEPOSIT CAPTURE - THE BANK SHALL ESTABLISH CONTROLS, COMMENSURATE WITH ITS BSA/AML RISK, OVER THE USAGE OF RDC BY FOREIGN CORRESPONDENT CUSTOMERS, AND THE BANK'S MONITORING OF RDC TRANSACTIONS. BSA TRAINING - WITHIN 90 DAYS OF THIS ORDER, THE BANK SHALL DEVELOP, IMPLEMENT, AND THEREAFTER ADHERE TO A COMPREHENSIVE TRAINING PROGRAM FOR ALL APPROPRIATE OPERATIONAL AND SUPERVISORY PERSONNEL TO ENSURE THEIR AWARENESS OF THEIR RESPONSIBILITY FOR COMPLIANCE WITH THE REQUIREMENTS OF THE OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") AND THE BSA, INCLUDING REPORTING REQUIREMENTS ASSOCIATED WITH SARS, PURSUANT TO 12 C.F.R. PART 21, SUBPART B, REGARDLESS OF THE SIZE OF THE RELATIONSHIP OR TYPE OF CUSTOMER INVOLVED. BSA INDEPENDENT TESTING AND AUDIT - THE BANK SHALL DEVELOP AND MAINTAIN AN EFFECTIVE PROGRAM TO AUDIT THE BANK'S BSA/AML COMPLIANCE PROGRAM.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |                                  |                                  |                                             |                                  |
|----------------------------------|----------------------------------|----------------------------------|---------------------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2) | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4)            | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2) | <input type="checkbox"/> 11.D(3) | <input checked="" type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4)            |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.   |                                  |                                             |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC NORTH AMERICA HOLDINGS, INC.  
(For individuals, Last, First, Middle)

- ☐ This *DRP* should be removed from the *ADV* record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This *DRP* should be removed from the *ADV* record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the *IARD* system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the *IARD* or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.
- ☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its *IARD* or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FEDERAL RESERVE BANK OF CHICAGO
2. Principal Sanction:

Cease and Desist

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

10/04/2010 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

10-202-B-HC
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

HSBC NORTH AMERICA HOLDINGS, INC.
6. Principal Product Type:

No Product

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE FEDERAL RESERVE BANK OF CHICAGO (THE "RESERVE BANK") REVIEWED AND ASSESSED THE EFFECTIVENESS OF HSBC NORTH AMERICA HOLDINGS, INC'S. ("HNAH") CORPORATE GOVERNANCE AND COMPLIANCE RISK MANAGEMENT PRACTICES, POLICIES, AND INTERNAL CONTROLS, AND IDENTIFIED DEFICIENCIES. HNAH AND THE BOARD OF GOVERNORS MUTUALLY AGREED TO ENTER INTO A CONSENT CEASE AND DESIST ORDER (THE "ORDER"). PURSUANT TO SECTIONS 8(B)(1) AND (3) OF THE FDI ACT (12U.S.C. §§1818(B)(1) AND 1818(B)(3)), HNAH AND ITS INSTITUTION-AFFILIATED PARTIES SHALL CEASE AND DESIST AND TAKE AFFIRMATIVE ACTION WITH RESPECT TO THE DEFICIENCIES DOCUMENTED IN THE ORDER.
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Consent
11. Resolution Date (MM/DD/YYYY):

10/04/2010 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☒ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

CONSENT CEASE AND DESIST ORDER REQUIRING COMPLIANCE WITH THE PROVISIONS LISTED IN THE SUMMARY SECTION OF THIS DRP.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

THE RESERVE BANK REVIEWED AND ASSESSED THE EFFECTIVENESS OF HNAH'S CORPORATE GOVERNANCE AND COMPLIANCE RISK MANAGEMENT PRACTICES, POLICIES, AND INTERNAL CONTROLS, AND IDENTIFIED THE FOLLOWING AS CORRECTIVE ACTIONS TO BE TAKEN: SOURCE OF STRENGTH - THE BOARD OF DIRECTORS OF HNAH SHALL TAKE STEPS TO FULLY UTILIZE HNAH'S FINANCIAL AND MANAGERIAL RESOURCES, PURSUANT TO SECTION 225.4(A) OF REGULATION Y OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (12 C.F.R. §225.4(A)), TO SERVE AS A SOURCE OF STRENGTH TO THE BANKS. BOARD OVERSIGHT - WITHIN 30 DAYS OF THE ORDER, HNAH'S BOARD OF DIRECTORS SHALL SUBMIT TO THE RESERVE BANK AN ACCEPTABLE WRITTEN PLAN TO STRENGTHEN BOARD OVERSIGHT OF HNAH'S COMPLIANCE RISK MANAGEMENT PROGRAM. REGIONAL COMPLIANCE OFFICER - WITHIN 60 DAYS OF THE ORDER, HNAH'S BOARD OF DIRECTORS SHALL TAKE SUCH ACTIONS AS ARE NECESSARY TO EMPLOY A PERMANENT FULL-TIME REGIONAL COMPLIANCE OFFICER WITH DEMONSTRATED KNOWLEDGE AND EXPERIENCE IN MANAGING A COMPLIANCE RISK MANAGEMENT PROGRAM AT AN ENTITY WITH A COMPLEX COMPLIANCE PROFILE. COMPLIANCE RISK ASSESSMENT - WITHIN 30 DAYS OF THE ORDER, HNAH'S BOARD OF DIRECTORS SHALL SUBMIT TO THE RESERVE BANK A WRITTEN FIRMWIDE COMPLIANCE RISK ASSESSMENT. COMPLIANCE RISK MANAGEMENT PROGRAM - WITHIN 60 DAYS OF THE SUBMISSION OF THE FIRMWIDE COMPLIANCE RISK ASSESSMENT, HNAH'S BOARD OF DIRECTORS SHALL SUBMIT AN ACCEPTABLE WRITTEN PLAN TO THE RESERVE BANK TO IMPROVE GOVERNANCE, STRUCTURE, AND OPERATIONS OF THE COMPLIANCE RISK MANAGEMENT PROGRAM. BSA/AML COMPLIANCE - WITHIN 10 DAYS OF THE ORDER, HNAH'S BOARD OF DIRECTORS SHALL RETAIN AN INDEPENDENT CONSULTANT ACCEPTABLE TO THE RESERVE BANK TO COMPLETE A REVIEW OF THE EFFECTIVENESS OF THE FIRMWIDE BSA/AML COMPLIANCE PROGRAM ADOPTED BY HNAH AND PREPARE A WRITTEN REPORT OF FINDINGS AND RECOMMENDATIONS. SUSPICIOUS ACTIVITY MONITORING AND REPORTING - WITHIN 60 DAYS OF COMPLETION OF THE BSA/AML COMPLIANCE REVIEW, HNAH SHALL SUBMIT TO THE RESERVE BANK AN ACCEPTABLE WRITTEN PROGRAM DESIGNED TO REASONABLY ENSURE PROPER REPORTING BY HNAH AND ITS SUBSIDIARIES OF ALL KNOWN OR SUSPECTED VIOLATIONS OF LAW OR SUSPICIOUS TRANSACTIONS TO LAW ENFORCEMENT AND SUPERVISORY AUTHORITIES. PROGRESS REPORTS - WITHIN 30 DAYS AFTER THE END OF EACH CALENDAR QUARTER FOLLOWING THE DATE OF THE ORDER, HNAH'S BOARD OF DIRECTORS SHALL SUBMIT TO THE RESERVE BANK WRITTEN PROGRESS REPORTS DETAILING THE FORM AND MANNER OF ALL ACTIONS TAKEN TO SECURE COMPLIANCE WITH THE ORDER. APPROVAL AND IMPLEMENTATION OF PLANS, PROGRAM, AND ENGAGEMENT LETTER - HNAH SHALL SUBMIT WRITTEN PLANS AND A PROGRAM THAT ARE ACCEPTABLE TO THE RESERVE BANK WITHIN THE APPLICABLE TIME PERIODS SET FORTH IN THE ORDER.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration

PART II

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or CRD records.

## PART II

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

MONETARY/FINE

12/20/2010 ☒ Exact ☐ Explanation

2009019187301

## TRACE-ELIGIBLE SECURITIES

FINRA ALLEGED THAT HSBC SECURITIES (USA) INC. VIOLATED FINRA RULES 2010, 6730(A), NASD RULES 6230(B), 6230(C)(6): - HSBC SECURITIES (USA) INC. FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) THE CORRECT CONTRA-PARTY'S IDENTIFIER FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES; THE FIRM REPORTED INTER-DEALER TRANSACTIONS AS CUSTOMER TRANSACTIONS. THE FIRM FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES THAT IT WAS REQUIRED TO REPORT. THE FIRM FAILED TO REPORT NUMEROUS TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES TO TRACE WITHIN 15 MINUTES OF THE EXECUTION TIME. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 6730(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF FINRA RULE 2010.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

## Acceptance, Waiver & Consent(AWC)

12/20/2010 ☒ Exact ☐ Explanation

If not exact, provide explanation:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 30,000.00

 Revocation/Expulsion/Denial

☒ Censure

 Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Bar

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING THE FINDINGS, HSBC CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. HSBC WAS CENSURED AND FINED \$30,000.00.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |                                             |                                  |                                  |                                  |
|----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
FINRA

2. Principal Sanction:

Other

Other Sanctions:  
CENSURE AND FINE.

3. Date Initiated (MM/DD/YYYY):  
09/06/2011 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:  
2009020565101

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
Other  
Other Product Types:  
REPORTABLE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
FINRA ALLEGED THAT HSBC SECURITIES (USA) INC. FAILED TO REPORT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY THE CORRECT SYMBOL INDICATING WHETHER THE TRANSACTION WAS A BUY, SELL, SELL SHORT OR CROSS FOR TRANSACTIONS IN REPORTABLE SECURITIES. FINRA RULE 7230A(D).

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
09/06/2011 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 10,000.00  
☐ Revocation/Expulsion/Denial  
☒ Censure  
☐ Bar

☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

B. Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING ANY VIOLATION, HSBC SECURITIES (USA) INC. WAS FINED \$10,000.00.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)  
☐ 11.D(1)  
☐ 11.E(1)  
☐ 11.F.

☐ 11.C(2)  
☐ 11.D(2)  
☒ 11.E(2)  
☐ 11.G.

☐ 11.C(3)  
☐ 11.D(3)  
☐ 11.E(3)

☐ 11.C(4)  
☐ 11.D(4)  
☐ 11.E(4)

☐ 11.C(5)  
☐ 11.D(5)

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☒ SRO
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
FINRA

2. Principal Sanction:

Censure  
Other Sanctions:  
MONETARY/FINE

3. Date Initiated (MM/DD/YYYY):

06/01/2012 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:

2008015436301

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Equity - OTC  
Other Product Types:  
DESIGNATED SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FINRA ALLEGED THAT HSBC SECURITIES (USA) INC. ("HSBC")VIOLATED FINRA RULES 6380(A), 6622(B), 7450(A), NASD RULE 6955(A) - HSBC SECURITIES (USA)INC. FAILED TO TIMELY REPORT REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS); REPORTED EXECUTION OR COMBINED ORDER/EXECUTION REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA; TRANSMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS TO OATS THAT OATS WAS UNABLE TO LINK TO THE RELATED ORDER ROUTED TO NASDAQ OR THE CORRESPONDING NEW ORDER TRANSMITTED BY THE DESTINATION MEMBER FIRM DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA. FINRA ALLEGED THAT HSBC FAILED TO TRANSMIT ROES TO OATS; TRANSMITTED REPORTS TO OATS THAT CONTAINED INACCURATE DESTINATION CODES. HSBC FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) AND FAILED,

WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES TO THE OTC REPORTING FACILITY.

8. Current Status?

☐ Pending

☐ On Appeal

☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

06/01/2012

☒ Exact

☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions Ordered (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 45,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions Ordered:

Sanction detail: if suspended, enjoined or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an advisory affiliate, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING THE FINDINGS, HSBC CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. HSBC WAS CENSURED AND FINED \$45,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or proceeding . The same event or proceeding may be reported for more than one person or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The person(s) or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your advisory affiliates

☐ One or more of your advisory affiliates

If this DRP is being filed for an advisory affiliate, give the full name of the advisory affiliate below (for individuals, Last name, First name, Middle name).

If the advisory affiliate has a CRD number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the advisory affiliate(s) is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2. Principal Sanction:

Censure

Other Sanctions:

MONETARY/FINE

3. Date Initiated (MM/DD/YYYY):

09/20/2012 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

2010024139801

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

TRACE-ELIGIBLE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FINRA ALLEGED THAT HSBC SECURITIES (USA) INC. ("HSBC") VIOLATED FINRA RULES 2010, 6730(A), 6760(B), NASD RULE 3010 - HSBC SECURITIES (USA) INC. SERVED AS THE MANAGING UNDERWRITER OF A DISTRIBUTION OR OFFERING, OTHER THAN A SECONDARY OFFERING, AND FAILED TO REPORT SUCH DISTRIBUTION OR OFFERING TO FINRA MARKET OPERATIONS WITHIN THE PRESCRIBED TIME FRAME. HSBC'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND FINRA RULES CONCERNING FINRA RULE 6760(B). FINRA ALLEGED THAT HSBC FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) S1 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE EXECUTION TIME. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 6730(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATIONS OF FINRA RULE 2010.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

09/20/2012 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 70,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered:*

UNDERWRITING

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING THE FINDINGS, HSBC CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. HSBC WAS CENSURED AND FINED \$70,000 AND WILL REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING FINRA RULE 6760(B) WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☒ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC BANK USA, N.A.  
(For individuals, Last, First, Middle)

CRD Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC NORTH AMERICA HOLDINGS  
(For individuals, Last, First, Middle)

CRD Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC HOLDINGS PLC  
(For individuals, Last, First, Middle)

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:
- B.

If the *advisory affiliate* is registered through the *IARD* system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the *IARD* or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.

☐ Yes

☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its *IARD* or *CRD* records.

PART II

1.

Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☐ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

OFFICE OF THE COMPTROLLER OF CURRENCY ("OCC"), BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
2.

Principal Sanction:

Cease and Desist

Other Sanctions:

MONETARY/FINE
3.

Date Initiated (MM/DD/YYYY):

12/11/2012

☒ Exact

☐ Explanation

If not exact, provide explanation:
4.

Docket/Case Number:

12-062-B-FB-; 12-062-B-FB; 12-062-CMP-HC; AA-EC-12-112; AA-EC-2012-140
5.

*Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

HSBC BANK USA, N.A., HSBC NORTH AMERICA HOLDINGS AND HSBC HOLDINGS PLC
6.

Principal Product Type:

No Product

Other Product Types:
7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):

US REGULATORY AUTHORITIES' INVESTIGATIONS REGARDING INADEQUATE COMPLIANCE WITH ANTI-MONEY LAUNDERING AND SANCTIONS LAWS.
8.

Current Status?

☐ Pending

☐ On Appeal

☒ Final
9.

If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

N/A
- If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.
10.

How was matter resolved:

Consent
11.

Resolution Date (MM/DD/YYYY):

12/11/2012

☒ Exact

☐ Explanation

If not exact, provide explanation:
12.

Resolution Detail:

A.

Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 1,921,000,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☒ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions *Ordered*:

ON DECEMBER 11, 2012, HSBC HOLDINGS PLC ANNOUNCED THAT HSBC BANK USA, N.A., HAD IN RELATION TO INVESTIGATIONS REGARDING INADEQUATE COMPLIANCE WITH ANTI-MONEY LAUNDERING AND SANCTIONS LAWS ENTERED INTO (I) AN AGREEMENT AND CONSENT ORDERS WITH THE OCC,(II) A CONSENT AND ASSESSMENT WITH THE UNITED STATES DEPARTMENT OF THE TREASURY'S FINANCIAL CRIMES ENFORCEMENT NETWORK, (III) A DEFERRED PROSECUTION AGREEMENT AMONG HSBC BANK USA, N.A., HSBC HOLDINGS PLC, THE UNITED STATES DEPARTMENT OF JUSTICE, THE UNITED STATES ATTORNEY'S OFFICE FOR THE EASTERN DISTRICT OF NEW YORK, AND THE UNITED STATES ATTORNEY'S OFFICE FOR THE NORTHERN DISTRICT OF WEST VIRGINIA; AND, HSBC HOLDINGS PLC ENTERED IN TO A DEFERRED PROSECUTION AGREEMENT WITH THE DISTRICT ATTORNEY OF THE

COUNTY OF NEW YORK, (II) CONSENTED TO A CEASE AND DESIST ORDER AND ALONG WITH HSBC NORTH AMERICA HOLDINGS CONSENTED TO A MONETARY PENALTY ORDER WITH THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM. UNDER THESE AGREEMENTS, HSBC HOLDINGS PLC AND ITS SUBSIDIARIES HAVE MADE PAYMENTS TOTALING \$1.921 BILLION, CONTINUE TO COOPERATE FULLY WITH REGULATORY AND LAW ENFORCEMENT AUTHORITIES, AND TAKE FURTHER ACTION TO STRENGTHEN ITS COMPLIANCE POLICIES AND PROCEDURES. HSBC BANK USA, N.A. MAY NOT DIRECTLY OR INDIRECTLY ACQUIRE CONTROL OF, OR HOLD AN INTEREST IN, ANY NEW FINANCIAL SUBSIDIARY, NOR COMMENCE A NEW ACTIVITY IN ITS EXISTING FINANCIAL SUBSIDIARY, UNLESS IT RECEIVES PRIOR APPROVAL FROM THE OCC.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

ON DECEMBER 11, 2012, HSBC HOLDINGS PLC ANNOUNCED THAT HSBC BANK USA, N.A., HAD IN RELATION TO INVESTIGATIONS REGARDING INADEQUATE COMPLIANCE WITH ANTI-MONEY LAUNDERING AND SANCTIONS LAWS ENTERED INTO (I) AN AGREEMENT AND CONSENT ORDERS WITH THE OCC,(II) A CONSENT AND ASSESSMENT WITH THE UNITED STATES DEPARTMENT OF THE TREASURY'S FINANCIAL CRIMES ENFORCEMENT NETWORK, (III) A DEFERRED PROSECUTION AGREEMENT AMONG HSBC BANK USA, N.A., HSBC HOLDINGS PLC, THE UNITED STATES DEPARTMENT OF JUSTICE, THE UNITED STATES ATTORNEY'S OFFICE FOR THE EASTERN DISTRICT OF NEW YORK, AND THE UNITED STATES ATTORNEY'S OFFICE FOR THE NORTHERN DISTRICT OF WEST VIRGINIA; AND, HSBC HOLDINGS PLC ENTERED IN TO A DEFERRED PROSECUTION AGREEMENT WITH THE DISTRICT ATTORNEY OF THE COUNTY OF NEW YORK, (II) CONSENTED TO A CEASE AND DESIST ORDER AND ALONG WITH HSBC NORTH AMERICA HOLDINGS CONSENTED TO A MONETARY PENALTY ORDER WITH THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM. UNDER THESE AGREEMENTS, HSBC HOLDINGS PLC AND ITS SUBSIDIARIES HAVE MADE PAYMENTS TOTALING \$1.921 BILLION, CONTINUE TO COOPERATE FULLY WITH REGULATORY AND LAW ENFORCEMENT AUTHORITIES, AND TAKE FURTHER ACTION TO STRENGTHEN ITS COMPLIANCE POLICIES AND PROCEDURES. HSBC BANK USA, N.A. MAY NOT DIRECTLY OR INDIRECTLY ACQUIRE CONTROL OF, OR HOLD AN INTEREST IN, ANY NEW FINANCIAL SUBSIDIARY, NOR COMMENCE A NEW ACTIVITY IN ITS EXISTING FINANCIAL SUBSIDIARY, UNLESS IT RECEIVES PRIOR APPROVAL FROM THE OCC.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

| Regulatory Action                 |                                             |                                  |                                  |                                  |
|-----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Check item(s) being responded to: |                                             |                                  |                                  |                                  |
| <input type="checkbox"/> 11.C(1)  | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1)  | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1)  | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.    | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2. Principal Sanction:

Censure

Other Sanctions:

MONETARY/FINE

3. Date Initiated (MM/DD/YYYY):

01/07/2013

☒ Exact

☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

2011027202401

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

UNSPECIFIED SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FINRA ALLEGED THAT HSBC SECURITIES (USA) INC. ("HSBC") VIOLATED THE SECURITIES EXCHANGE ACT OF 1934 RULE 17A-4(B)(4), FINRA RULES 2010, 8211, 8213, NASD RULES 2110, 2711(H)(2), 3110, 8211, 8213: THE HSBC'S MIDDLE OFFICE SYSTEM ERRONEOUSLY LEFT OFF SHORT SALE INDICATORS WHEN COMMUNICATING WITH ITS BACK OFFICE SYSTEM, WHICH REPORTED HSBC'S BLUE SHEETS. AS A RESULT, HSBC MISREPORTED SHORT SALE TRANSACTIONS AS LONG SALES ON ITS BLUE SHEETS DURING A FOUR-YEAR PERIOD. HSBC FAILED TO DELIVER PROSPECTUSES OR OFFERING MEMORANDA THAT WERE REQUIRED TO BE DELIVERED IN CONNECTION WITH FIXED INCOME TRANSACTIONS. HSBC EXPERIENCED A BREAKDOWN IN ITS AUTOMATED FEEDS, RESULTING IN FAILURE TO APPEND CERTAIN INVESTMENT BANKING DISCLOSURES TO ITS RESEARCH REPORTS. IN ADDITION, HSBC LEARNED THAT IT HAD ALSO FAILED TO INCLUDE CERTAIN DEBT OFFERINGS IN THE DEFINITION OF INVESTMENT BANKING THAT WAS USED TO DETERMINE THE APPROPRIATE DISCLOSURES FOR ITS RESEARCH REPORTS UP UNTIL THAT TIME. AS A RESULT OF THESE DEFICIENCIES, HSBC ISSUED EQUITY RESEARCH REPORTS WITHOUT REQUIRED DISCLOSURES. MOREOVER, DUE TO INCORRECT MAPPING OF COMPANY IDENTIFIERS, SOME OF THE RESEARCH REPORTS INITIALLY FAILED TO CONTAIN PROPER DISCLOSURES. DESPITE ITS POLICY OF DISABLING TEXT MESSAGING ON EMPLOYEE BLACKBERRIES, CERTAIN NON-TECHNOLOGY EMPLOYEES HAD BLACKBERRIES WITH INBOUND TEXTING FUNCTIONALITY. HSBC LATER TOOK STEPS TO ELIMINATE THIS FUNCTIONALITY. HOWEVER, SOME REGISTERED EMPLOYEES STILL HAD BLACKBERRIES WITH TEXTING CAPABILITY. HSBC FAILED TO RETAIN BLACKBERRY TEXT MESSAGES RECEIVED BY CERTAIN EMPLOYEES.

8. Current Status?

☐ Pending

☐ On Appeal

☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

01/07/2013

☒ Exact

☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 250,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

WITHOUT ADMITTING OR DENYING THE FINDINGS, HSBC CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. HSBC WAS CENSURED AND FINED \$250,000. HSBC SATISFIED THE CRITERIA NECESSARY TO RECEIVE CREDIT FOR EXTRAORDINARY COOPERATION. IN LIGHT OF ITS EXTRAORDINARY COOPERATION, HSBC RECEIVED A REDUCED FINE.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

| Regulatory Action                 |                                             |                                  |                                  |                                  |
|-----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Check item(s) being responded to: |                                             |                                  |                                  |                                  |
| <input type="checkbox"/> 11.C(1)  | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1)  | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1)  | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.    | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

|                              |
|------------------------------|
| ADV DRP - ADVISORY AFFILIATE |
| No Information Filed         |

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2. Principal Sanction:

Censure

Other Sanctions:

MONETARY/FINE

3. Date Initiated (MM/DD/YYYY):

01/15/2013 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:  
2010021555401

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
Equity - OTC  
Other Product Types:  
THRESHOLD SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
FINRA ALLEGED THAT HSBC SECURITIES (USA) INC. ("HSBC") VIOLATED SEC RULE 204(A)(2), SEC RULES 200(G), 203(B)(3) OF REGULATION SHO, FINRA RULES 2010, 6624, NASD RULE 3010 - HSBC HAD A FAIL-TO-DELIVER POSITION AT A REGISTERED CLEARING AGENCY IN A THRESHOLD SECURITY FOR 13 CONSECUTIVE SETTLEMENT DAYS AND FAILED TO IMMEDIATELY THEREAFTER CLOSE OUT THE FAIL-TO-DELIVER POSITION BY PURCHASING SECURITIES OF LIKE KIND AND QUANTITY. HSBC CONTINUED TO HAVE A FAIL-TO-DELIVER POSITION IN THE SECURITY AT THE REGISTERED CLEARING AGENCY ON 79 ADDITIONAL SETTLEMENT DAYS, WHICH FAILED TO CLOSE OUT WHEN REQUIRED. HSBC HAD FAIL-TO-DELIVER POSITIONS AT A REGISTERED CLEARING AGENCY IN THE SECURITY THAT RESULTED FROM A SALE OF A SECURITY THAT THE SELLER WAS DEEMED TO OWN PURSUANT TO §242.200 AND INTENDED TO DELIVER ONCE ALL RESTRICTIONS ON DELIVERY HAD BEEN REMOVED, AND DID NOT CLOSE THE FAIL-TO-DELIVER POSITIONS BY PURCHASING SECURITIES OF LIKE KIND AND QUANTITY WITHIN THE TIME FRAME PRESCRIBED BY SEC RULE 204(A)(2). HSBC ACCEPTED ORDERS IN DEEMED TO OWN OVER-THE-COUNTER (OTC) EQUITY SECURITIES AND FAILED TO PROPERLY MARK THE ORDERS AS SHORT AND AS A RESULT, HSBC EXECUTED SHORT SALE TRANSACTIONS AND FAILED TO REPORT EACH OF THESE TRANSACTIONS TO THE OTC REPORTING FACILITY WITH A SHORT SALE INDICATOR. HSBC'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND FINRA RULES CONCERNING FINRA RULES 6182 AND 6624 (TRADE REPORTING OF SHORT SALES) AND SEC RULES 200(G)(ORDER MARKING), 203(A) (LONG SALES), 203(B)(1) (LOCATE REQUIREMENT), 203(B)(3) (THRESHOLD CLOSE OUT REQUIREMENT), AND 204 (CLOSE OUT REQUIREMENT).

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
01/15/2013 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 65,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING THE FINDINGS, HSBC CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. HSBC WAS CENSURED, FINED \$65,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING FINRA RULES 6182 AND 6624 (TRADE REPORTING OF SHORT SALES) AND SEC RULES 200(G)(ORDER MARKING), 203(A) (LONG SALES), 203(B)(1) (LOCATE REQUIREMENT), 203(B)(3) (THRESHOLD CLOSE OUT REQUIREMENT), AND 204 (CLOSE OUT REQUIREMENT) WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

|                                             |                                  |                                  |                                  |                                  |
|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1)            | <input type="checkbox"/> 11.C(2) | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input checked="" type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2) | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1)            | <input type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.              | <input type="checkbox"/> 11.G.   |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☒ State
- ☐ SRO
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

2. Principal Sanction:

Other  
Other Sanctions:  
FINED

3. Date Initiated (MM/DD/YYYY):

12/04/2012 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:

2012-0233-S

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Insurance  
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES ALLEGED THAT HSBC VIOLATED SECTION 2110(A)(2) OF THE INSURANCE LAW IN ITS RENEWAL APPLICATIONS FOR AGENT'S

LICENSE UNDER SECTION 2103(A) OF THE INSURANCE LAW FOR FAILING TO DISCLOSE CERTAIN REGULATORY MATTERS AND ARBITRATION AWARDS ENTERED AGAINST HSBC.

8. Current Status?

☐ Pending

☐ On Appeal

☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Stipulation and Consent

11. Resolution Date (MM/DD/YYYY):

12/04/2012 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 27,500.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
HSBC SECURITIES (USA) INC. WAIVED ITS RIGHT TO NOTICE AND A HEARING ON SAID CHARGE AND AGREED, IN LIEU OF ANY OTHER DISCIPLINARY ACTION WHICH MIGHT BE TAKEN BY THE NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES. HSBC AGREED TO FINE OF \$27,500.00 AND TO TAKE ALL NECESSARY STEPS TO PREVENT THE RECURRENCE OF ANY SIMLIAR VIOLATIONS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☒ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC BANK USA N.A.  
(For individuals, Last, First, Middle)

- ☐ This *DRP* should be removed from the *ADV* record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This *DRP* should be removed from the *ADV* record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the *IARD* system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the *IARD* or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.
- ☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its *IARD* or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

OFFICE OF THE COMPTROLLER OF THE CURRENCY ("OCC")
2. Principal Sanction:

Cease and Desist

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

04/13/2011 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

AA-EC-11-14
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Other

Other Product Types:

MORTGAGE SERVICING AND FORECLOSURE PRACTICES
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE COMPTROLLER OF THE CURRENCY OF THE UNITED STATES OF AMERICA ("COMPTROLLER"), THROUGH HIS NATIONAL BANK EXAMINERS AND OTHER STAFF OF THE OFFICE OF THE COMPTROLLER OF THE CURRENCY ("OCC"), AS PART OF AN INTERAGENCY HORIZONTAL REVIEW OF MAJOR RESIDENTIAL MORTGAGE SERVICERS, CONDUCTED AN EXAMINATION OF THE RESIDENTIAL REAL ESTATE MORTGAGE FORECLOSURE PROCESSES OF HSBC BANK USA, N.A., MCLEAN, VIRGINIA ("BANK"). THE OCC IDENTIFIED CERTAIN DEFICIENCIES AND UNSAFE OR UNSOUND PRACTICES IN RESIDENTIAL MORTGAGE SERVICING AND IN THE BANK'S INITIATION AND HANDLING OF FORECLOSURE PROCEEDINGS. THE BANK, BY AND THROUGH ITS DULY ELECTED AND ACTING BOARD OF DIRECTORS ("BOARD"), EXECUTED A "STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER," DATED APRIL 13, 2011 ("STIPULATION AND CONSENT"). BY THIS STIPULATION AND CONSENT, THE BANK HAS CONSENTED TO THE ISSUANCE OF THE CONSENT CEASE AND DESIST ORDER ("ORDER") BY THE COMPTROLLER. THE BANK COMMITTED TO TAKING ALL NECESSARY AND APPROPRIATE STEPS TO REMEDY THE DEFICIENCIES AND UNSAFE OR UNSOUND PRACTICES IDENTIFIED BY THE OCC, AND TO ENHANCE THE BANK'S RESIDENTIAL MORTGAGE SERVICING AND FORECLOSURE PROCESSES. ON JANUARY 9, 2017, THE OFFICE OF THE COMPTROLLER OF THE CURRENCY ("OCC") ANNOUNCED THAT IT HAD TERMINATED ITS RESIDENTIAL MORTGAGE SERVICING RELATED CONSENT ORDER AGAINST HSBC BANK USA, N.A. (THE "BANK"), A SUBSIDIARY OF HSBC USA INC. THE OCC TERMINATED THE CONSENT ORDER HAVING FOUND THAT THE BANK HAD SATISFIED ALL OF THE REQUIREMENTS OF THE OCC'S ORIGINALLY ISSUED APRIL 2011 CONSENT ORDER, AND THE FEBRUARY 2013 AND JUNE 2015 AMENDMENTS THERETO. WITH TERMINATION OF THE CONSENT ORDER, THE BUSINESS RESTRICTIONS IMPOSED BY THE OCC ON THE BANK PURSUANT TO THE JUNE 2015 AMENDMENT TO THE CONSENT ORDER ARE ALSO TERMINATED. THE BANK PAID \$32.5 MILLION CIVIL MONEY PENALTY TO THE U.S. TREASURY FOR DEFICIENCIES IN TIMELY COMPLIANCE WITH THE CONSENT ORDER, INCLUDING IDENTIFIED DEFICIENCIES ON APPROXIMATELY 1,700 MORTGAGE LOAN ACCOUNTS RELATIVE TO PAYMENT CHANGE NOTIFICATIONS REQUIRED UNDER APPLICABLE BANKRUPTCY RULES. THE ORDER WAS TERMINATED IN JANUARY OF 2017.
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

01/09/2017 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 32,500,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

PURSUANT TO THE FRB AND OCC AMENDED CONSENT ORDERS DATED FEBRUARY 28, 2013, HSBC WILL MAKE CASH PAYMENTS TOTALLING \$249,901,413. SUCH PAYMENTS WILL BE APPLIED TO A SETTLEMENT FUND AND ALSO BE USED TO PROVIDE OTHER ASSISTANCE TO HELP MORTGAGE BORROWERS. - HSBC BANK USA N.A. IN ACCORDANCE WITH THE SETTLEMENT PAID THE FINE IN THE AMOUNT OF \$32,500,000 AND THE ORDER WAS TERMINATED IN JANUARY OF 2017.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

THE APRIL 2011 OCC AND FRB CONSENT ORDERS WERE AMENDED, REQUIRING HNAH, HBIO AND HSBC BANK TO PAY \$96,540,359 INTO A QUALIFIED SETTLEMENT FUND, ESTABLISHED PURSUANT TO THE AMENDMENT, FROM WHICH PAYMENTS WILL BE MADE ACCORDING TO A DISTRIBUTION PLAN DEVELOPED BY THE FRB AND THE OCC. HNAH, HBIO AND HSBC BANK SHALL ALSO PROVIDE LOSS MITIGATION AND FORECLOSURE PREVENTION TOTALLING \$153,361,054. WITHOUT ADMITTING OR DENYING THE VIOLATIONS HSBC BANK USA N.A. IN ACCORDANCE WITH THE SETTLEMENT PAID A FINE IN THE AMOUNT OF \$32,500,000 AND THE ORDER WAS TERMINATED IN JANUARY OF 2017.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☒ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered:

☐ Yes ☒ No

Name:

HSBC BANK USA, N.A.  
(For individuals, Last, First, Middle)

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.  
☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  
☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
OFFICE OF THE COMPTROLLER OF THE CURRENCY ("OCC")
2. Principal Sanction:  
Cease and Desist  
Other Sanctions:
3. Date Initiated (MM/DD/YYYY):  
04/13/2011 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
4. Docket/Case Number:  
AA-EC-11-14
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
Other  
Other Product Types:  
MORTGAGE SERVICING AND FORECLOSURE PRACTICES
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
THE OCC ALLEGES THAT HSBC ENGAGED IN UNSAFE OR UNSOUND BANKING PRACTICES IN CONNECTION WITH ITS MORTGAGE LOAN SERVICING AND FORECLOSURE PRACTICES.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Consent
11. Resolution Date (MM/DD/YYYY):  
04/13/2011 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:  
A. Were any of the following Sanctions *Ordered* (check all appropriate items)?  

☐ Monetary/Fine Amount: \$  
☐ Revocation/Expulsion/Denial  
☐ Censure  
☐ Bar

☐ Disgorgement/Restitution  
☒ Cease and Desist/Injunction  
☐ Suspension
- B. Other Sanctions *Ordered*:

HSBC WAS ORDERED TO REMEDIATE ITS MORTGAGE AND FORECLOSURE PRACTICES.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

HSBC AGREED TO ENTER INTO CEASE AND DESIST ORDERS WITH THE FEDERAL RESERVE BOARD AND OFFICE OF THE COMPTROLLER OF THE CURRENCY ON APRIL 13, 2011, TO REMEDIATE ITS MORTGAGE AND FORECLOSURE PRACTICES.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

IN BRIEF, THE OCC CONSENT ORDER REQUIRES THE FOLLOWING: THE HSBC BOARD OF DIRECTORS MAINTAIN A COMPLIANCE COMMITTEE WHICH SHALL SUBMIT A PROGRESS REPORT TO THE BOARD DETAILING ACTIONS TAKEN TO COMPLY WITH THIS ORDER, AND THE RESULTS AND STATUS OF THOSE ACTIONS. WITHIN SIXTY DAYS, THE BANK SHALL SUBMIT TO THE DEPUTY COMPTROLLER AND THE EXAMINER-IN-CHARGE A PLAN DESCRIBING THE ACTIONS NECESSARY AND APPROPRIATE TO ACHIEVE COMPLIANCE WITH THIS ORDER. WITHIN SIXTY DAYS, THE BANK SHALL SUBMIT TO THE DEPUTY COMPTROLLER AND THE EXAMINER-IN-CHARGE A COMPLIANCE PROGRAM TO ENSURE THAT THE MORTGAGE SERVICING AND FORECLOSURE OPERATIONS COMPLY WITH ALL APPLICABLE LEGAL REQUIREMENTS, OCC SUPERVISORY GUIDANCE, AND THE REQUIREMENTS OF THIS ORDER AND ARE CONDUCTED IN A SAFE AND SOUND MANNER. WITHIN SIXTY DAYS, THE BANK SHALL SUBMIT TO THE DEPUTY COMPTROLLER AND THE EXAMINER-IN-CHARGE POLICIES AND PROCEDURES FOR OUTSOURCING FORECLOSURE OR RELATED FUNCTIONS AND PROPERTY MANAGEMENT FUNCTIONS FOR RESIDENTIAL REAL ESTATE ACQUIRED THROUGH OR IN LIEU OF FORECLOSURE, TO ANY AGENT, INDEPENDENT CONTRACTOR, CONSULTING FIRM, LAW FIRM, PROPERTY MANAGEMENT FIRM, OR OTHER THIRD-PARTY. WITHIN SIXTY DAYS, THE BANK SHALL SUBMIT TO THE DEPUTY COMPTROLLER AND THE EXAMINER-IN-CHARGE A PLAN TO ENSURE APPROPRIATE CONTROLS AND OVERSIGHT OF THE BANK'S ACTIVITIES WITH RESPECT TO THE MORTGAGE ELECTRONIC REGISTRATION SYSTEM AND COMPLIANCE WITH MERSCORP'S MEMBERSHIP RULES, TERMS, AND CONDITIONS. WITHIN FORTY-FIVE DAYS, THE BANK SHALL RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT AN INDEPENDENT REVIEW OF CERTAIN RESIDENTIAL FORECLOSURE ACTIONS REGARDING INDIVIDUAL BORROWERS WITH RESPECT TO THE BANK'S MORTGAGE SERVICING PORTFOLIO. THE INDEPENDENT CONSULTANT SHALL PREPARE A REPORT DETAILING THE FINDINGS OF THE FORECLOSURE REVIEW, WHICH SHALL BE COMPLETED WITHIN THIRTY DAYS OF COMPLETION OF THE FORECLOSURE REVIEW. WITHIN FORTY-FIVE DAYS OF SUBMISSION OF THE FORECLOSURE REPORT TO THE DEPUTY COMPTROLLER, EXAMINER-IN-CHARGE, AND THE BOARD, THE BANK SHALL SUBMIT TO THE DEPUTY COMPTROLLER AND THE EXAMINER-IN-CHARGE A PLAN, ACCEPTABLE TO THE OCC, TO REMEDIATE ALL FINANCIAL INJURY TO BORROWERS CAUSED BY ANY ERRORS, MISREPRESENTATIONS, OR OTHER DEFICIENCIES IDENTIFIED IN THE FORECLOSURE REPORT. WITHIN SIXTY DAYS AFTER THE OCC PROVIDES SUPERVISORY NON-OBJECTION TO THE PLAN, THE BANK SHALL MAKE ALL PAYMENTS AND PROVIDE ALL CREDITS REQUIRED BY SUCH PLAN, AND PROVIDE THE OCC WITH A REPORT DETAILING SUCH PAYMENTS AND CREDITS. WITHIN SIXTY DAYS, THE BANK SHALL SUBMIT TO THE DEPUTY COMPTROLLER AND THE EXAMINER-IN-CHARGE AN ACCEPTABLE PLAN FOR OPERATION OF ITS MANAGEMENT INFORMATION SYSTEMS ("MIS") FOR FORECLOSURE AND LOSS MITIGATION OR LOAN MODIFICATION ACTIVITIES TO ENSURE THE TIMELY DELIVERY OF COMPLETE AND ACCURATE INFORMATION TO PERMIT EFFECTIVE DECISION-MAKING. WITHIN SIXTY DAYS, THE BANK SHALL SUBMIT TO THE DEPUTY COMPTROLLER AND THE EXAMINER-IN-CHARGE A PLAN, ALONG WITH A TIMELINE FOR ENSURING EFFECTIVE COORDINATION OF COMMUNICATIONS WITH BORROWERS, RELATED TO LOSS MITIGATION OR LOAN MODIFICATION AND FORECLOSURE ACTIVITIES. WITHIN NINETY DAYS, THE BANK SHALL CONDUCT A COMPREHENSIVE ASSESSMENT OF THE BANK'S RISKS IN MORTGAGE SERVICING OPERATIONS. THE BANK SHALL SUBMIT THE PLANS, PROGRAMS, POLICIES, AND PROCEDURES REQUIRED BY THIS ORDER FOR REVIEW AND DETERMINATION OF NO SUPERVISORY OBJECTION TO THE DEPUTY COMPTROLLER AND THE EXAMINER-IN-CHARGE WITHIN THE APPLICABLE TIME PERIODS. THE BANK SHALL ADOPT THE PLANS, PROGRAMS, POLICIES, AND PROCEDURES REQUIRED BY THIS ORDER UPON SUBMISSION TO THE OCC, AND SHALL IMMEDIATELY MAKE ANY REVISIONS REQUESTED BY THE DEPUTY COMPTROLLER OR THE EXAMINER-IN-CHARGE. WITHIN THIRTY DAYS AFTER THE END OF EACH CALENDAR QUARTER FOLLOWING THE DATE OF THIS ORDER, THE BANK SHALL SUBMIT TO THE OCC A WRITTEN PROGRESS REPORT DETAILING THE FORM AND MANNER OF ALL ACTIONS TAKEN TO SECURE COMPLIANCE WITH THE PROVISIONS OF THIS ORDER AND THE RESULTS THEREOF.

**GENERAL INSTRUCTIONS**

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| Regulatory Action                 |                                             |                                  |                                  |                                  |
|-----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Check item(s) being responded to: |                                             |                                  |                                  |                                  |
| <input type="checkbox"/> 11.C(1)  | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1)  | <input checked="" type="checkbox"/> 11.D(2) | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1)  | <input type="checkbox"/> 11.E(2)            | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.    | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

**PART I**

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

|                                                                                                                                                                                                                                                                                                                     |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| ADV DRP - ADVISORY AFFILIATE                                                                                                                                                                                                                                                                                        |  |
| <div><div><div>CRD</div><div>Number:</div><div>Registered: <input type="radio"/> Yes <input checked="" type="radio"/> No</div><div>Name: HSBC BANK NORTH AMERICA HOLDINGS</div></div><div>This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual</div></div> |  |

PLC  
(For individuals, Last, First, Middle)

CRD Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC BANK FINANCE CORP  
(For individuals, Last, First, Middle)

- ☐ This *DRP* should be removed from the *ADV* record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This *DRP* should be removed from the *ADV* record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the *IARD* system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the *IARD* or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.

- ☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its *IARD* or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM ("FRB")
2. Principal Sanction:

Cease and Desist

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

04/13/2011 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

11-022-B-HC 11-022-B-DEO
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Other

Other Product Types:

MORTGAGE SERVICING AND FORECLOSURE PRACTICES
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE FRB ALLEGES THAT HSBC ENGAGED IN UNSAFE OR UNSOUND BANKING PRACTICES IN CONNECTION WITH ITS MORTGAGE LOAN SERVICING AND FORECLOSURE PRACTICES.
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Consent
11. Resolution Date (MM/DD/YYYY):

04/13/2011 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☒ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

HSBC WAS ORDERED TO REMEDIATE ITS MORTGAGE AND FORECLOSURE PRACTICES.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

HSBC AGREED TO ENTER INTO CEASE AND DESIST ORDERS WITH THE FEDERAL RESERVE BOARD AND OFFICE OF THE COMPTROLLER OF THE CURRENCY ON APRIL 13, 2011, TO REMEDIATE ITS MORTGAGE AND FORECLOSURE PRACTICES

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

IN BRIEF, THE FRB CONSENT ORDER REQUIRES THE FOLLOWING: THE BOARD OF DIRECTORS OF HNAH SHALL UTILIZE HNAH'S FINANCIAL AND MANAGERIAL RESOURCES TO SERVE AS A SOURCE OF STRENGTH TO THE BANK TO ENSURE THAT THE BANK COMPLIES WITH THE CONSENT ORDER ISSUED BY THE OCC. WITHIN 60 DAYS, THE BOARDS OF DIRECTORS OF HNAH AND HBIO SHALL SUBMIT A PLAN TO STRENGTHEN THE BOARDS' OVERSIGHT OF THE MORTGAGE SERVICING COMPANIES. WITHIN 45 DAYS, HNAH AND HBIO SHALL RETAIN INDEPENDENT CONSULTANT(S) TO CONDUCT A REVIEW OF CERTAIN RESIDENTIAL MORTGAGE FORECLOSURE ACTIONS REGARDING INDIVIDUAL BORROWERS. WITHIN 60 DAYS, HBIO SHALL SUBMIT A PLAN, ALONG WITH A TIMELINE, FOR STRENGTHENING COORDINATION OF COMMUNICATIONS BETWEEN THE MORTGAGE SERVICING COMPANIES AND BORROWERS RELATED TO LOSS MITIGATION AND FORECLOSURE ACTIVITIES. WITHIN 60 DAYS, HBIO SHALL SUBMIT POLICIES AND PROCEDURES FOR THE OUTSOURCING OF ANY RESIDENTIAL MORTGAGE LOAN SERVICING, LOSS MITIGATION, OR FORECLOSURE FUNCTIONS, BY THE MORTGAGE SERVICING COMPANIES TO ANY THIRD PARTY. WITHIN 60 DAYS, HNAH SHALL SUBMIT A PLAN TO ENHANCE ITS ENTERPRISE-WIDE COMPLIANCE PROGRAM WITH RESPECT TO ITS OVERSIGHT OF RESIDENTIAL MORTGAGE LOAN SERVICING, LOSS MITIGATION, AND FORECLOSURE ACTIVITIES AND OPERATIONS. WITHIN 60 DAYS, HBIO SHALL SUBMIT A COMPLIANCE PROGRAM AND TIMELINE TO ENSURE THAT THE OPERATIONS OF THE MORTGAGE SERVICING COMPANIES COMPLY WITH THE LEGAL REQUIREMENTS, AS WELL AS THE MORTGAGE SERVICING COMPANIES' INTERNAL POLICIES, PROCEDURES, AND PROCESSES AND ARE CONDUCTED IN A SAFE AND SOUND MANNER. WITHIN 60 DAYS, HBIO SHALL SUBMIT A PLAN TO ENSURE APPROPRIATE CONTROLS AND OVERSIGHT OF THE MORTGAGE SERVICING COMPANIES' ACTIVITIES WITH RESPECT TO MERS AND COMPLIANCE WITH MERS' MEMBERSHIP RULES, TERMS, AND CONDITIONS. WITHIN 60 DAYS, HBIO SHALL SUBMIT A PLAN AND TIMELINE FOR THE REVIEW AND REMEDIATION OF THE MORTGAGE SERVICING COMPANIES' MANAGEMENT INFORMATION SYSTEMS. WITHIN 60 DAYS, HBIO SHALL SUBMIT A PLAN AND TIMELINE TO IMPROVE THE TRAINING OF ALL APPROPRIATE OFFICERS AND STAFF OF THE MORTGAGE SERVICING COMPANIES REGARDING THE LEGAL REQUIREMENTS, SUPERVISORY GUIDANCE OF THE BOARD OF GOVERNORS, AND THE MORTGAGE SERVICING COMPANIES' INTERNAL POLICIES AND PROCEDURES REGARDING RESIDENTIAL MORTGAGE LOAN SERVICING, LOSS MITIGATION, AND FORECLOSURE. WITHIN 10 DAYS, HNAH AND HBIO SHALL RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT AN ASSESSMENT OF THE MORTGAGE SERVICING COMPANIES' RISKS. THE INDEPENDENT CONSULTANT SHALL PREPARE A RISK ASSESSMENT AND PROVIDE IT TO HNAH AND HBIO WITHIN 90 DAYS, AND HNAH AND HBIO SHALL PROVIDE IT TO THE RESERVE BANK AT THE SAME TIME THAT IT IS PROVIDED TO HNAH AND HBIO. WITHIN 60 DAYS OF SUBMISSION OF THE RISK ASSESSMENT, HNAH SHALL SUBMIT A PLAN TO ENHANCE ITS ERM PROGRAM. WITHIN 60 DAYS OF SUBMISSION OF THE RISK ASSESSMENT, HNAH AND HBIO SHALL JOINTLY SUBMIT A RISK MANAGEMENT PROGRAM FOR THE MORTGAGE SERVICING COMPANIES. WITHIN 60 DAYS, HNAH SHALL SUBMIT A PLAN TO ENHANCE THE INTERNAL AUDIT PROGRAM WITH RESPECT TO RESIDENTIAL MORTGAGE LOAN SERVICING, LOSS MITIGATION, AND FORECLOSURE ACTIVITIES AND OPERATIONS. WITHIN 60 DAYS, HBIO SHALL SUBMIT AN ENHANCED WRITTEN INTERNAL AUDIT PROGRAM TO PERIODICALLY REVIEW COMPLIANCE WITH APPLICABLE THE LEGAL REQUIREMENTS AND SUPERVISORY GUIDANCE OF THE BOARD OF GOVERNORS AT THE MORTGAGE SERVICING COMPANIES. WITHIN 10 DAYS OF APPROVAL BY THE RESERVE BANK, HNAH AND HBIO, AS APPLICABLE, SHALL ADOPT THE APPROVED PLANS, PROGRAMS, POLICIES, AND PROCEDURES. WITHIN 30 DAYS AFTER THE END OF EACH CALENDAR QUARTER, HNAH'S AND HBIO'S BOARDS OF DIRECTORS SHALL JOINTLY SUBMIT PROGRESS REPORTS DETAILING THE FORM AND MANNER OF ALL ACTIONS TAKEN TO SECURE COMPLIANCE THIS ORDER AND THE RESULTS THEREOF. WITHIN 15 MONTHS AFTER THE DATE OF THIS ORDER, HNAH AND HBIO SHALL SUBMIT A VALIDATION REPORT PREPARED BY AN INDEPENDENT THIRD-PARTY CONSULTANT WITH RESPECT TO COMPLIANCE WITH THE ORDER DURING THE FIRST YEAR AFTER THE ORDER BECOMES EFFECTIVE.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☒ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC BANK FINANCE CORP  
(For individuals, Last, First, Middle)

CRD Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC BANK NORTH AMERICA HOLDINGS PLC  
(For individuals, Last, First, Middle)

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  
☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM ("FRB")
2. Principal Sanction:  
Cease and Desist  
Other Sanctions:
3. Date Initiated (MM/DD/YYYY):  
04/13/2011 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
4. Docket/Case Number:  
11-022-B-HC 11-002-B-DEO
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
Other  
Other Product Types:  
MORTGAGE SERVICING AND FORECLOSURE PRACTICES
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
THE FRB ALLEGES THAT HSBC ENGAGED IN UNSAFE OR UNSOUND BANKING PRACTICES IN CONNECTION WITH ITS MORTGAGE LOAN SERVICING AND FORECLOSURE PRACTICES.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Consent

11. Resolution Date (MM/DD/YYYY):

02/28/2013 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 249,901,413.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
PURSUANT TO THE FRB AND OCC AMENDED CONSENT ORDERS DATED FEBRUARY 28, 2013, HSBC WILL MAKE CASH PAYMENTS TOTALLING \$249,901,413. SUCH PAYMENTS WILL BE APPLIED TO A SETTLEMENT FUND AND ALSO BE USED TO PROVIDE OTHER ASSISTANCE TO HELP MORTGAGE BORROWERS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

THE APRIL 2011 OCC AND FRB CONSENT ORDERS WERE AMENDED, REQUIRING HNAH, HBIO AND HSBC BANK TO PAY \$96,540,359 INTO A QUALIFIED SETTLEMENT FUND, ESTABLISHED PURSUANT TO THE AMENDMENT, FROM WHICH PAYMENTS WILL BE MADE ACCORDING TO A DISTRIBUTION PLAN DEVELOPED BY THE FRB AND THE OCC. HNAH, HBIO AND HSBC BANK SHALL ALSO PROVIDE LOSS MITIGATION AND FORECLOSURE PREVENTION TOTALLING \$153,361,054.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☒ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This *DRP* should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:
- B.

If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.

☐ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1.

Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☒ State

☐ *SRO*

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

STATE OF WASHINGTON OFFICE OF INSURANCE COMMISSIONER
2.

Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:
3.

Date Initiated (MM/DD/YYYY):

07/27/2011

☒ Exact

☐ Explanation

If not exact, provide explanation:
4.

Docket/Case Number:

11-0152
5.

*Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6.

Principal Product Type:

Insurance

Other Product Types:
7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE STATE OF WASHINGTON OFFICE OF INSURANCE COMMISSION ("OIC")ALLEGED THAT HSBC SECURITIES (USA) INC. ("HSBC") VIOLATED RCW48.17.597(1) BY FAILING TO REPORT ADMINISTRATIVE ACTIONS TAKEN AGAINST IT BY ITS PRIMARY REGULATOR WITH THIRTY DAYS. THE OIC ALSO ALLEGED THAT HSBC VIOLATED RCW 48.17.530 BY REPRESENTING IN ITS INITIAL APPLICATION THAT IT HAD NOT BEEN NAMED IN ANY FINRA VIOLATIONS AND REPORTABLE ACTIONS. THE OIC ALLEGED THAT HSBC PROVIDED AN INCORRECT CRD NUMBER ON IT APPLICATION.
8.

Current Status?

☐ Pending

☐ On Appeal

☒ Final
9.

If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:
- If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.
10.

How was matter resolved:

Consent
11.

Resolution Date (MM/DD/YYYY):

08/01/2011

☒ Exact

☐ Explanation

If not exact, provide explanation:
12.

Resolution Detail:

A.

Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 7,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ You (the advisory firm)

☒ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD  
Number:

Registered: ☐ Yes ☒ No

Name: HSBC BANK USA NATIONAL ASSOCIATION  
("HSBC")  
(For individuals, Last, First, Middle)

This *advisory affiliate* is ☒ a Firm ☐ an Individual

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes

☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

THE BUSINESS CONDUCT COMMITTEE OF THE NEW YORK MERCANTILE EXCHANGE, INC.

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

DISGOEGEMENT

3. Date Initiated (MM/DD/YYYY):  

08/24/2011 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:  
11-08131-BC

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):  
HSBC BANK USA NATIONAL ASSOCIATION ("HSBC")

6. Principal Product Type:  
Futures - Commodity  
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
THE NEW YORK MERCANTILE EXCHANGE, INC. ALLEGED THAT ON JANUARY 31, 2011, A DATE SUBJECT TO A SPOT MONTH SPECULATIVE POSITION LIMIT FOR THE FEBRUARY 2011 GOLD FUTURES CONTRACT, HSBC INADVERTENTLY MAINTAINED A LONG GOLD FUTURES POSITION THAT EXCEEDED THE APPROVED EXPIRATION MONTH HEDGE EXEMPTION OF 5,000 CONTRACTS GRANTED BY THE EXCHANGE ON AUGUST 11, 2010, BY 153 CONTRACTS (3%). UPON BEING INFORMED OF THE EXCESSIVE POSITION, THE NEW YORK MERCANTILE EXCHANGE, INC. ALLEGED THAT HSBC IMMEDIATELY LIQUIDATED ITS OVERAGE POSITION RESULTING IN PROFITS OF \$7,250. THE PANEL FOUND THAT IN SO DOING, HSBC VIOLATED COMEX RULE 562.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Decision & Order of Offer of Settlement

11. Resolution Date (MM/DD/YYYY):  

08/26/2011 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 17,250.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☒ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
IN ACCORDANCE WITH THE SETTLEMENT OFFER AND IT FINDINGS, THE BCC PANEL ORDERED HSBC TO PAY THE EXCHANGE IN THE AMOUNT OF \$10,000 AND DISGORGE \$7,250 IN PROFITS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
WITHOUT ADMITTING OR DENYING ANY VIOLATION, HSBC ACCEPTED AN OFFER OF SETTLEMENT FOR \$17,250.00.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☒ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

|                |                                                                                                               |
|----------------|---------------------------------------------------------------------------------------------------------------|
| CRD<br>Number: | This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual |
| Registered:    | <input type="radio"/> Yes <input checked="" type="radio"/> No                                                 |
| Name:          | HSBC BANK USA, NATIONAL<br>ASSOCIATION<br>(For individuals, Last, First, Middle)                              |

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

US DEPARTMENT OF THE TREASURY, OFFICE OF FOREIGN ASSET CONTROL ("OFAC")
2. Principal Sanction:

Other

Other Sanctions:

HSBC BANK USA, N.A.(HBUS) SETTLED POTENTIAL CIVIL LIABILITY FOR THREE APPARENT VIOLATIONS OF THE GLOBAL TERRORISM SANCTIONS REGULATIONS, 31 C.F.R. PART 594
3. Date Initiated (MM/DD/YYYY):

02/01/2011 ☐ Exact ☒ Explanation

If not exact, provide explanation:

THIS IS THE DATE OF THE ADMINISTRATIVE SUBPOENA TO HBUS INITIATED BY OFAC IN RELATION TO THE REGULATORY ACTION BEING REPORTED.
4. Docket/Case Number:

SDGT-548003
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

HSBC BANK (USA), N.A.
6. Principal Product Type:

Other

Other Product Types:

HBUS IS A FINANCIAL INSTITUTION INCORPORATED UNDER THE LAWS OF THE UNITED STATES AND IS REGULATED BY THE DEPARTMENT OF THE TREASURY'S OFFICE OF THE COMPTROLLER OF THE CURRENCY.

7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):  
HBUS ALLEGEDLY PROCESSED 3 FUNDS TRANSFERS FOR THE ECONOMIC BENEFIT OF PARTIES DESIGNATED AS SPECIALLY DESIGNATED GLOBAL TERRORISTS (SDGTS). THE AGGRAVATING FACTORS IDENTIFIED BY OFAC WERE: (1) HBUS DID NOT SCREEN TRANSACTION INSTRUCTIONS APPROPRIATELY AT THE TIME OF THE FIRST APPARENT VIOLATION. (2) HBUS COMPLIANCE MANAGERS FOR OFAC WERE AWARE OF THE FIRST VIOLATION AND SHOULD HAVE BEEN AWARE OF THE SECOND AND THIRD APPARENT VIOLATIONS. (3) HBUS INITIALLY PROVIDED AN INCOMPLETE RESPONSE TO AN ADMINISTRATIVE SUBPOENA.

8.

Current Status? ☐ Pending ☐ On Appeal ☒ Final

9.

If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:  
HBUS SETTLED WITH OFAC ALL POTENTIAL CIVIL LIABILITY FOR THE APPARENT VIOLATIONS OF THE GLOBAL TERRORISM SANCTIONS REGULATIONS EFFECTIVE ON DECEMBER 12, 2013. THE DATE WHEN OFAC SIGNED THE SETTLEMENT AGREEMENT.

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.

How was matter resolved:  
Settled

11.

Resolution Date (MM/DD/YYYY):  
12/12/2013 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12.

Resolution Detail:

A.

Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 32,400.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
DISPOSITION OF THE MATTER RESULTED IN A FINE OF \$32400. THE WHOLE FINE WAS LEVIED ON HBUS. PAYMENT OF THE FINE WAS TMADE TIMELY, WITHIN 30 DAYS FROM DECEMBER 12, 2013.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A.

The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

|             |                                                                                                               |
|-------------|---------------------------------------------------------------------------------------------------------------|
| CRD Number: | This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual |
| Registered: | <input type="radio"/> Yes <input checked="" type="radio"/> No                                                 |
| Name:       | HSBC BANK USA N.A.<br>(For individuals, Last, First, Middle)                                                  |

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  
☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
COMMODITY EXCHANGE BUSINESS CONDUCT COMMITTEE ("BCC")
2. Principal Sanction:  
Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:
3. Date Initiated (MM/DD/YYYY):  
01/28/2013 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
4. Docket/Case Number:  
COMEX 13-9300-BC
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):  
HSBC BANK USA N.A.
6. Principal Product Type:  
Other  
Other Product Types:  
EFRP TRANSACTIONS.
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
COMMODITY EXCHANGE BUSINESS CONDUCT COMMITTEE ("BCC") FOUND THAT ON JANUARY 28, 2013 HSBC BANK USA N.A. ("HSBC") ENTERED INTO TWO EFRP TRANSACTIONS AND ON MAY 30, 2012, HSBC ENTERED INTO ONE EFRP TRANSACTION, IN WHICH HSBC WAS ON BOTH SIDES OF THE TRANSACTIONS. THE PANEL FOUND THAT THE TRANSACTIONS DID NOT CONTAIN DOCUMENTATION OF THE CORRESPONDING CASH POSITIONS AND, THUS, WERE NOT BONA FIDE EFRP TRANSACTIONS. THE PANEL FOUND THAT HSBC VIOLATED NYMEX RULE 538.H AND 534.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Settled

11. Resolution Date (MM/DD/YYYY):  

03/20/2014 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:  

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 40,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
HSBC BANK USA N.A. IN ACCORDANCE WITH THE SETTLEMENT PAID A FINE IN THE AMOUNT OF \$40,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, HSBC BANK USA N.A. IN ACCORDANCE WITH THE SETTLEMENT PAID A FINE IN THE AMOUNT OF \$40,000.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate *DRP* for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one *DRP*. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one *DRP* to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate *DRP*.

PART I

A. The *person(s)* or entity(ies) for whom this *DRP* is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this *DRP* is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV *DRP* - ADVISORY AFFILIATE

No Information Filed

☐ This *DRP* should be removed from the *ADV* record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This *DRP* should be removed from the *ADV* record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

CHICAGO BOARD OF TRADE BUSINESS CONDUCT COMMITTEE ("PANEL")
2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

07/25/2011 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

CBOT 11-8572-BC
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Other

Other Product Types:

FIVE-YEAR US TREASURY NOTE FUTURES CONTRACTS
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ON MARCH 25, 2014,A PANEL OF THE CHICAGO BOARD OF TRADE BUSINESS CONDUCT COMMITTEE ("PANEL") FOUND THAT ON JUNE 3, 2011, HSBC EXECUTED A BLOCK TRADE IN THE SEPTEMBER 2011 FIVE-YEAR US TREASURY NOTE FUTURES CONTRACTS, AND FAILED TO REPORT THE TRADE TO THE EXCHANGE WITHIN FIVE MINUTES. THE PANEL CONCLUDED THAT HSBC THEREBY VIOLATED CBOT RULE 526.F.
8. Current Status?

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:
- If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.
10. How was matter resolved:

Settled
11. Resolution Date (MM/DD/YYYY):

03/27/2014 ☒ Exact ☐ Explanation

If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 25,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

HSBC SECURITIES (USA) INC. IN ACCORDANCE WITH THE SETTLEMENT PAID A FINE IN THE AMOUNT OF \$25,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, HSBC SECURITIES (USA) INC. IN ACCORDANCE WITH THE SETTLEMENT PAID A FINE IN THE AMOUNT OF \$25,000.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |                                           |                                  |                                  |                                  |
|----------------------------------|-------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)          | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)          | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input type="checkbox"/> 11.E(2)          | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input checked="" type="checkbox"/> 11.G. |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☒ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

|             |                                                                                                               |
|-------------|---------------------------------------------------------------------------------------------------------------|
| CRD         | This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual |
| Number:     |                                                                                                               |
| Registered: | <input type="radio"/> Yes <input checked="" type="radio"/> No                                                 |
| Name:       | HSBC BANK USA, NATIONAL ASSOCIATION<br>(For individuals, Last, First, Middle)                                 |

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC ☐ Other Federal ☐ State ☐ SRO ☒ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

EUROPEAN COMMISSION, THE DIRECTOR-GENERAL COMPETITION

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

DISGORGEMENT/CEASE AND DESIST

3. Date Initiated (MM/DD/YYYY):  
07/01/2013 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:  
CASE AT.39745

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):  
HSBC BANK USA, N.A.

6. Principal Product Type:  
Other  
Other Product Types:  
CREDIT DEFAULT SWAPS AND CREDIT DERIVATIVES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
THE STATEMENT OF OBJECTIONS IS ADDRESSED TO BANK OF AMERICA MERRILL LYNCH, BARCLAYS, BEAR STEARNS, BNP PARIBAS, CITIGROUP, CREDIT SUISSE, DEUTSCHE BANK, GOLDMAN SACHS, HSBC, JP MORGAN, MORGAN STANLEY, ROYAL BANK OF SCOTLAND, UBS AS WELL AS THE INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION (ISDA) AND DATA SERVICE PROVIDER MARKIT. THE COMMISSION ALLEGES THAT BETWEEN 2006 AND 2009, DEUTSCHE BÖRSE AND THE CHICAGO MERCANTILE EXCHANGE TRIED TO ENTER THE CREDIT DERIVATIVES BUSINESS. THE EXCHANGES ALLEGEDLY TURNED TO ISDA AND MARKIT TO OBTAIN NECESSARY LICENSES FOR DATA AND INDEX BENCHMARKS, BUT, ACCORDING TO THE PRELIMINARY FINDINGS OF THE COMMISSION, THE BANKS CONTROLLING THESE BODIES INSTRUCTED THEM TO LICENSE ONLY FOR "OVER-THE-COUNTER" (OTC) TRADING PURPOSES AND NOT FOR EXCHANGE TRADING. ALLEGEDLY, SEVERAL OF THE INVESTMENT BANKS ALSO SOUGHT TO SHUT OUT EXCHANGES IN OTHER WAYS, FOR EXAMPLE BY COORDINATING THE CHOICE OF THEIR PREFERRED CLEARING HOUSE. THE STATEMENT OF OBJECTIONS SEEKS FINES IN AN AMOUNT TO BE DETERMINED BY THE COMMISSION AS WELL AS IMPOSITION OF A CEASE AND DESIST ORDER.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Dismissed

11. Resolution Date (MM/DD/YYYY):  
12/04/2015 ☒ Exact ☐ Explanation  
If not exact, provide explanation:  
HSBC RECEIVED NOTIFICATION THAT THE EUROPEAN COMMISSION CLOSED ITS INVESTIGATION WITH NO FINDINGS.

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$  
☐ Revocation/Expulsion/Denial  
☐ Censure  
☐ Bar

☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

B. Other Sanctions *Ordered*:  
NONE  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
NONE

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
ON DECEMBER 04, 2015, THE EUROPEAN COMMISSION CLOSED ITS INVESTIGATION OF 13 INVESTMENT BANKS, INCLUDING HSBC, WITH REGARD TO ALLEGED ANTI-TRUST ACTIVITY IN THE CREDIT DEFAULT SWAPS MARKET, WITHOUT ANY FINDINGS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

|                                  |                                             |                                  |                                             |                                             |
|----------------------------------|---------------------------------------------|----------------------------------|---------------------------------------------|---------------------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4)            | <input type="checkbox"/> 11.C(5)            |
| <input type="checkbox"/> 11.D(1) | <input checked="" type="checkbox"/> 11.D(2) | <input type="checkbox"/> 11.D(3) | <input checked="" type="checkbox"/> 11.D(4) | <input checked="" type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input type="checkbox"/> 11.E(2)            | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4)            |                                             |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                             |                                             |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

|                                                                                                                                                                                                          |                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <i>CRD</i><br>Number:<br>Registered: <input type="radio"/> Yes <input checked="" type="radio"/> No<br>Name: REPUBLIC NEW YORK SECURITIES CORPORATION ("RNYSC")<br>(For individuals, Last, First, Middle) | This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

UNITED STATES ATTORNEY FOR THE SOUTHERN DISTRICT OF NEW YORK

2. Principal Sanction:

Revocation

Other Sanctions:

IN JANUARY, 2002,THE COURT ENTERED A JUDGEMENT AND SENTENCED RNYSC TO AN ORDER OF RESTITUTION TO VARIOUS INVESTORS TOTALING \$606 MILLION.

3. Date Initiated (MM/DD/YYYY):

08/01/1999 ☐ Exact ☒ Explanation

If not exact, provide explanation:

DATE INITIATED IS AN APPROXIMATE DATE.

4. Docket/Case Number:

FILE NO. 3-10653

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6.

Principal Product Type:  
Futures - Financial  
Other Product Types:  
SECURITIES
7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):  
  
PURSUANT TO A PLEA AGREEMENT ENTERED INTO WITH THE UNITED STATES ATTORNEY'S OFFICE FOR THE SOUTHERN DISTRICT OF NEW YORK, REPUBLIC NEW YORK SECURITIES CORPORATION ("RNYSC") PLEADED GUILTY IN DECEMBER, 2001 TO A TWO-COUNT FELONY INFORMATION CHARGING ONE COUNT OF CONSPIRACY TO VIOLATE THE FEDERAL SECURITIES AND COMMODITIES LAWS AND ONE COUNT OF VIOLATION OF THE SECURITIES LAWS.

8.

Current Status? ☐ Pending ☐ On Appeal ☒ Final

9.

If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.

How was matter resolved:  
  
Settled

11.

Resolution Date (MM/DD/YYYY):  
  
12/17/2001 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12.

Resolution Detail:

A.

Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☒ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions *Ordered*:  
"RNYSC" AGREED TO PAY \$606 MILLION IN RESTITUTION.  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
IN CONJUNCTION WITH ITS GUILTY PLEA, "RNYSC" ALSO ENTERED INTO AGREEMENTS WITH EACH OF THE SECURITIES AND EXCHANGE COMMISSION AND THE COMMODITIES FUTURES TRADING COMMISSION UNDER WHICH THOSE AGENCIES ISSUED ADMINISTRATIVE ORDERS REVOKING THE LICENSES THEY HAD PREVIOUSLY GRANTED TO "RNYSC",AND IN THE CASE OF THE CFTC IMPOSING A CIVIL MONETARY PENALTY. SEPARATELY, THE COMMISSION ISSUED A TEMPORARY ORDER EXEMPTING "RNYSC'S" NEW PARENT HSBC, AS WELL AS HSBC ASSET MANAGEMENT FROM THE PROVISIONS OF SECTION 9(A) OF THE INVESTMENT COMPANY ACT. "RNYSC" IS A DORMANT COMPANY AND NO LONGER CONDUCTS ACTIVITIES.

13.

Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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| Regulatory Action                 |                                             |                                  |                                  |                                  |
|-----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Check item(s) being responded to: |                                             |                                  |                                  |                                  |
| <input type="checkbox"/> 11.C(1)  | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1)  | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1)  | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.    | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A.

The *person(s)* or entity(ies) for whom this DRP is being filed is (are):  
  
☒ You (the advisory firm)

- ☒ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

CHICAGO MERCANTILE EXCHANGE
2. Principal Sanction:

Other

Other Sanctions:

MONETARY FINE
3. Date Initiated (MM/DD/YYYY):

03/04/2014

☒ Exact

☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

14-7876
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Futures - Commodity

Other Product Types:

FUTURES - FINANCIAL
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

HSBC ASSIGNED INCORRECT CUSTOMER TYPE INDICATOR CODES TO FUTURES ACCOUNTS FOR THE PERIOD 12/1/2013 TO 12/31/2013. THIS WAS A VIOLATION OF CME RULE 536.
8. Current Status?

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 5,000.00
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

HSBC ASSIGNED INCORRECT CUSTOMER TYPE INDICATOR CODES TO FUTURES ACCOUNTS FOR THE PERIOD 12/1 TO 12/31/2013. THIS IS A VIOLATION OF CME RULE 536. AS A RESULT, THE CME IMPOSED A FINE OF \$5,000 ON HSBC ON 3/4/2014. HSBC MADE ADJUSTMENTS TO ITS INTERNAL SYSTEM TO CORRECT THE DISCREPANCIES. HSBC PAID THE FINE ON 5/19/2014.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

HSBC ASSIGNED INCORRECT CUSTOMER TYPE INDICATOR CODES TO FUTURES ACCOUNTS FOR THE PERIOD 12/1 TO 12/31/2013. THIS IS A VIOLATION OF CME RULE 536. AS A RESULT, THE CME IMPOSED A FINE OF \$5,000 ON HSBC ON 3/4/2014. HSBC MADE ADJUSTMENTS TO ITS INTERNAL SYSTEM TO CORRECT THE DISCREPANCIES. HSBC PAID THE FINE ON 5/19/2014.

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2. Principal Sanction:

Other

Other Sanctions:

MONETARY/FINE/CENSURE

3. Date Initiated (MM/DD/YYYY):

04/22/2014 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

2012033087701

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

No Product

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FINRA ALLEGED THAT HSBC VIOLATED FINRA RULE 7450 AND SEC RULE 10B-10. WITHOUT ADMITTING OR DENYING THE FINDINGS, HSBC CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT TRANSMITTED REPORTABLE ORDER EVENTS (ROES) THAT WERE REJECTED AND REPAIRABLE. AS A RESULT, HSBC FAILED TO REPAIR ROES DURING A REVIEW PERIOD THAT WERE REJECTED BY THE ORDER AUDIT TRAIL SYSTEM (OATS) FOR CONTEXT OR SYNTAX ERRORS AND WERE REPAIRABLE; FAILED TO REPAIR A PORTION OF THE REJECTED ROES WITHIN THE REQUIRED FIVE BUSINESS DAYS; AND FAILED TO POPULATE THE CORRECT REJECTED ROE ID. THE FINDINGS STATED THAT HSBC TRANSMITTED TO OATS ROUTE OR COMBINED ORDER/ROUTE REPORTS THAT THE OATS SYSTEM WAS UNABLE TO LINK TO THE CORRESPONDING NEW ORDER TRANSMITTED BY THE DESTINATION MEMBER FIRM DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA. HSBC FAILED TO TIMELY REPORT ROES TO OATS; SUBMITTED EXECUTION OR COMBINED ORDER/EXECUTION REPORTS WHICH OATS WAS UNABLE TO LINK TO THE EXECUTION REPORTS TO THE RELATED TRADE REPORTS DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED INFORMATION; SUBMITTED EXECUTION OR COMBINED ORDER/EXECUTION REPORTS THAT IT WAS NOT REQUIRED TO REPORT; SUBMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS WHICH OATS WAS UNABLE TO LINK TO THE RELATED ORDER IN THE NEW YORK STOCK EXCHANGE DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA; SUBMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS WITH INCORRECT DESTINATION CODES; SUBMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS WHICH OATS WAS UNABLE TO MATCH WITH THE IDENTIFIED RECEIVING FIRM'S RELATED NEW ORDER REPORT; FAILED TO PROPERLY APPEND THE SPECIAL HANDLING CODE OF "CNH" (CASH NOT HELD) TO ORDERS; AND FAILED TO SUBMIT FOR ORDERS A REQUIRED COMBINED ORDER/EXECUTION REPORT TO OATS FOR ORDERS INVOLVING ERROR CORRECTIONS. THE HSBC ALSO FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN THE TRANSACTION.

8. Current Status?

☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

06/03/2014 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 22,500.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

FINRA ALLEGED THAT HSBC VIOLATED FINRA RULE 7450 AND SEC RULE 10B-10. WITHOUT ADMITTING OR DENYING THE FINDINGS, HSBC CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT TRANSMITTED REPORTABLE ORDER EVENTS (ROES) THAT WERE REJECTED AND REPAIRABLE. AS A RESULT, HSBC FAILED TO REPAIR ROES DURING A REVIEW PERIOD THAT WERE REJECTED BY THE ORDER AUDIT TRAIL SYSTEM (OATS) FOR CONTEXT OR SYNTAX ERRORS AND WERE REPAIRABLE; FAILED TO REPAIR A PORTION OF THE REJECTED ROES WITHIN THE REQUIRED FIVE BUSINESS DAYS; AND FAILED TO POPULATE THE CORRECT REJECTED ROE ID. THE FINDINGS STATED THAT HSBC TRANSMITTED TO OATS ROUTE OR COMBINED ORDER/ROUTE REPORTS THAT THE OATS SYSTEM WAS UNABLE TO LINK TO THE CORRESPONDING NEW ORDER TRANSMITTED BY THE DESTINATION MEMBER FIRM DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA. HSBC FAILED TO TIMELY REPORT ROES TO OATS; SUBMITTED EXECUTION OR COMBINED ORDER/EXECUTION REPORTS WHICH OATS WAS UNABLE TO LINK TO THE EXECUTION REPORTS TO THE RELATED TRADE REPORTS DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED INFORMATION; SUBMITTED EXECUTION OR COMBINED ORDER/EXECUTION REPORTS THAT IT WAS NOT REQUIRED TO REPORT; SUBMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS WHICH OATS WAS UNABLE TO LINK TO THE RELATED ORDER IN THE NEW YORK STOCK EXCHANGE DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA; SUBMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS WITH INCORRECT DESTINATION CODES; SUBMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS WHICH OATS WAS UNABLE TO MATCH WITH THE IDENTIFIED RECEIVING FIRM'S RELATED NEW ORDER REPORT; FAILED TO PROPERLY APPEND THE SPECIAL HANDLING CODE OF "CNH" (CASH NOT HELD) TO ORDERS; AND FAILED TO SUBMIT FOR ORDERS A REQUIRED COMBINED ORDER/EXECUTION REPORT TO OATS FOR ORDERS INVOLVING ERROR CORRECTIONS. THE HSBC ALSO FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN THE TRANSACTION.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided). WITHOUT ADMITTING OR DENYING THE FINDINGS, HSBC WAS CENSURE AND FINED \$22,500(COMPRISED OF \$20,000 FOR OATS VIOLATIONS AND \$2,500 FOR THE SEC RULE 10B-10 VIOLATIONS).

GENERAL INSTRUCTIONS

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| Regulatory Action                 |                                             |                                  |                                  |                                  |
|-----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Check item(s) being responded to: |                                             |                                  |                                  |                                  |
| <input type="checkbox"/> 11.C(1)  | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1)  | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1)  | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.    | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

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One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1.

Regulatory Action initiated by:

☐

SEC

☐

Other Federal

☐

State

☒

SRO

☐

Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2.

Principal Sanction:

Other

Other Sanctions:

TRACE-ELIGIBLE SECURITIES

3.

Date Initiated (MM/DD/YYYY):

02/26/2014

☒

Exact

☐

Explanation

If not exact, provide explanation:

4.

Docket/Case Number:

2012033847501

5.

*Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6.

Principal Product Type:

Other

Other Product Types:

TRACE-ELIGIBLE SECURITIES

7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):

FINRA ALLEGED THAT HSBC VIOLATED FINRA RULE 6730(B)(2) AND FINRA RULE 2010. WITHOUT ADMITTING OR DENYING THE FINDINGS, HSBC CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) LARGE BLOCK S1 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION, FAILED TO REPORT TO TRACE S1 CUSTOMER TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES THAT IT WAS REQUIRED TO REPORT, AND FAILED TO REPORT TO TRACE INTERDEALER TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES THAT IT WAS REQUIRED TO REPORT.

8.

Current Status?

☐

Pending

☐

On Appeal

☒

Final

9.

If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.

How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11.

Resolution Date (MM/DD/YYYY):

06/03/2014

☒

Exact

☐

Explanation

If not exact, provide explanation:

12.

Resolution Detail:

A.

Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒

Monetary/Fine Amount: \$ 37,500.00

☐

Revocation/Expulsion/Denial

☒

Censure

☐

Bar

☐

Disgorgement/Restitution

☐

Cease and Desist/Injunction

☐

Suspension

B.

Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

FINRA ALLEGED THAT HSBC VIOLATED FINRA RULE 6730(B)(2) AND FINRA RULE 2010. WITHOUT ADMITTING OR DENYING THE FINDINGS, HSBC CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) LARGE BLOCK S1 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION, FAILED TO REPORT TO TRACE S1 CUSTOMER TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES THAT IT WAS REQUIRED TO REPORT, AND FAILED TO REPORT TO TRACE INTERDEALER TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES THAT IT WAS REQUIRED TO REPORT.

13.

Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |                                             |                                  |                                  |                                  |
|----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
FINRA

2. Principal Sanction:

Other Sanctions:  
MONETARY/FINE

3. Date Initiated (MM/DD/YYYY):

01/20/2012 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:

20120315951

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
Other  
Other Product Types:  
EQUITY DERIVATIVES
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
  
FINRA ALLEGED THAT HSBC VIOLATED NYSE AMEX RULE 980(C) AND NYSE AMEX RULE 320(E). MARKET REGULATION'S REVIEW REVEALED THAT IN VIOLATION OF NYSE AMEX RULE 980(C) HSBC ACCEPTED AND PROCEDDED AN EED TO EXERCISE 750 AT-THE-MONEY BRCM JANUARY 35 CALLS ON EXPIRATION SATURDAY, JANUARY 21, 2012, AFTER THE 5:30 P.M. ET CUTOFF ON FRIDAY JANUARY 20, 2012. FURTHERMORE, A REVIEW OF HSBC'S WRITTEN SUPERVISORY PROCEDURES ("WSPS") FOUND THAT HSBC DID NOT HAVE ADEQUATE PROCESS OR PROCEDURES IN PLACE FOR COMPLIANCE WITH NYSE AMEX RULE 980.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Consent
11. Resolution Date (MM/DD/YYYY):  
  
08/07/2012 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
12. Resolution Detail:  

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?  

☒ Monetary/Fine Amount: \$ 4,500.00  
☐ Revocation/Expulsion/Denial  
☐ Censure  
☐ Bar

☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

B. Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
IN VIOLATION OF THE NYSE AMEX RULE 980(C) HSBC ACCEPTED AND PROCESSED CONTRARY EXERCISE INSTRUCTIONS TO EXERCISE 750 AT-THE-MONEY BRCM JANUARY 35 CALLS ON EXPIRATION SATURADAY, JANUARY 21, 2012, RECEIVED AFTER THE 5:30 P.M. ET CUTOFF ON FRIDAY JANUARY 20, 2012. HSBC CONSENT TO PAY A FINE OF \$1,000. IN VIOLATION OF THE NYSE AMEX RULE 320(E) A REVIEW OF HSBC'S WRITTEN SUPERVISORY PROCEDURES ("WSP") FOUND THAT HSBC DID NOT HAVE ADEQUATE PROCESS OR PROCEDURES IN PLACE FOR COMPLIANCE WITH NYSE AMEX RULE 980.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
IN VIEW OF THE FOREGOING MARKET REGULATION, HSBC WAS ISSUED A FINE FOR MINOR VIOLATION OF RULES DATED AUGUST 7, 2012 IN THE TOTAL AMOUNT OF \$4,500 PURSUANT TO NYSE MKT RULE 476A (IMPOSITION OF FINES FOR MINOR VIOLATION OF RULES) \$1,000 FOR HSBC'S VIOLATION OF NYSE AMEX OPTIONS RULE 980(C) AND #3,500 FOR VIOLATING NYSE AMEX RULE 320(E).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:  

☐ 11.C(1)☐ 11.D(1)☐ 11.E(1)☐ 11.F.

☐ 11.C(2)☐ 11.D(2)☒ 11.E(2)☐ 11.G.

☐ 11.C(3)☐ 11.D(3)☐ 11.E(3)

☐ 11.C(4)☐ 11.D(4)☐ 11.E(4)

☐ 11.C(5)☐ 11.D(5)

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to

actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☒ SRO
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
FINRA

2. Principal Sanction:

Other  
Other Sanctions:  
MONETARY/FINE

3. Date Initiated (MM/DD/YYYY):

02/26/2014 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:

2011027541201

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Equity Listed (Common & Preferred Stock)  
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FINRA ALLEGED THAT HSBC VIOLATED FINRA RULES 5210 AND 2010, NASD RULES 2110 AND 3010. FINRA ALLEGED THAT HSBC ERRONEOUSLY DESIGNATED TWO ACCOUNTS LOCATED IN THE FIRM'S LONDON AFFILIATE TO AUTOMATICALLY TRANSMIT TRADE VOLUME IN U.S.-LISTED SECURITIES TO BLOOMBERG CAUSING HSBC TO OVERSTATE ITS EXECUTED TRADE VOLUME. THE FINDINGS STATED THAT THE HSBC'S SUPERVISORY SYSTEM WITH RESPECT TO THE ADVERTISING OF TRADE VOLUME TO PRIVATE SERVICE PROVIDERS DID NOT PROVIDE FOR SUPERVISION DESIGNED TO ACHIEVE COMPLIANCE WITH CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR FINRA/NASD RULES.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
06/10/2014 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:  
A. Were any of the following Sanctions *Ordered* (check all appropriate items)?  
☒ Monetary/Fine Amount: \$ 150,000.00  
☐ Revocation/Expulsion/Denial  
☒ Censure  
☐ Bar  
B. Other Sanctions *Ordered*:

☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
FINRA ALLEGED THAT HSBC VIOLATED FINRA RULES 5210 AND 2010, NASD RULES 2110 AND 3010. FINRA ALLEGED THAT HSBC ERRONEOUSLY DESIGNATED TWO ACCOUNTS LOCATED IN THE FIRM'S LONDON AFFILIATE TO AUTOMATICALLY TRANSMIT TRADE VOLUME IN U.S.-LISTED SECURITIES TO BLOOMBERG CAUSING HSBC TO OVERSTATE ITS EXECUTED TRADE VOLUME. THE FINDINGS STATED THAT THE HSBC'S SUPERVISORY SYSTEM WITH RESPECT TO THE ADVERTISING OF TRADE VOLUME TO PRIVATE SERVICE PROVIDERS DID NOT PROVIDE FOR SUPERVISION DESIGNED TO ACHIEVE COMPLIANCE WITH CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR FINRA/NASD RULES.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
WITHOUT ADMITTING OR DENYING THE FINDINGS HSBC CONSENTED TO THE DESCRIBED SANCTIONS AND TO ENTRY OF FINDINGS. HSBC WAS CENSURED AND FINED \$150,000.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:  
☐ 11.C(1) ☐ 11.C(2) ☐ 11.C(3) ☐ 11.C(4) ☐ 11.C(5)  
☐ 11.D(1) ☐ 11.D(2) ☐ 11.D(3) ☐ 11.D(4) ☐ 11.D(5)  
☐ 11.E(1) ☒ 11.E(2) ☐ 11.E(3) ☐ 11.E(4)  
☐ 11.F. ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.  
One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):  
☒ You (the advisory firm)  
☐ You and one or more of your *advisory affiliates*  
☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.  
☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the *IARD* system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the *IARD* or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.

☐ Yes    ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its *IARD* or *CRD* records.

PART II

1. Regulatory Action initiated by:  
☐ SEC    ☐ Other Federal    ☐ State    ☒ SRO    ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
CHICAGO MERCANTILE EXCHANGE AND CHICAGO BOARD OF TRADE
2. Principal Sanction:  
Other  
Other Sanctions:  
MONTERY FINE
3. Date Initiated (MM/DD/YYYY):  
05/08/2014    ☒ Exact    ☐ Explanation  
If not exact, provide explanation:
4. Docket/Case Number:  
CASE NUMBER 13-7817
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
Other  
Other Product Types:  
RECORDKEEPING
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
DURING THE PERIOD OF NOVEMBER 1, 2013 THROUGH JANUARY 31, 2014, HSBC SECUITIES (USA) INC. ("HSBC") VIOLATED RULE 576 BY FAILING TO MAINTAIN ACCURATE AND CURRENT REGISTRATION IN THE EXCHANGE FEE SYSTEM ("EFS"), SUBMITTING ERRONEOUS TAG 50 IDS WITH ORDER MESSAGES, AND SUBMITTING TEST MESSAGES INTO PRODUCTION CME GLOBEX. HSBC ALSO VIOLATED RULE 512 ("REPORTING INFRACTIONS").
8. Current Status?    ☐ Pending    ☐ On Appeal    ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Settled
11. Resolution Date (MM/DD/YYYY):  
05/23/2014    ☒ Exact    ☐ Explanation  
If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 5,000.00  
☐ Revocation/Expulsion/Denial  
☐ Censure  
☐ Bar  
☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

B. Other Sanctions *Ordered*:

WITHOUT ADMITTING OR DENYING THE FINDINGS, HSBC PAID \$5,000 FINE. THE ALLOCATION OF THE FINE ACROSS BOTH CHICAGO MERCANTILE EXCHANGE AND CHICAGO BOARD OF TRADE IS BASED UPON THE SAME ACTIVITY OCCURRING AT EACH DESIGNATED CONTACT MARKET. (COMPRISED OF \$2,500 FOR FAILING TO MAINTAIN ACCURATE AND CURRENT REGISTRATION IN THE EXCHANGE FEE SYSTEM (EFS) AND \$2,500 FOR REPORTING INFRACTIONS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

|                                  |                                             |                                  |                                  |                                  |
|----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or CRD records.

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or SRO)

CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED

- Censure

Other Sanctions:

MONETARY FINE

3.    Date Initiated (MM/DD/YYYY):  

05/27/2014   ☒ Exact   ☐ Explanation  
If not exact, provide explanation:

4.    Docket/Case Number:  
FILE NO. 14-0095/ICT#101942

5.    *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6.    Principal Product Type:  
No Product  
Other Product Types:

7.    Describe the allegations related to this regulatory action (your response must fit within the space provided):  
THE CHICAGO BOARD OPTIONS EXCHANGE, INC.("CBOE") ALLEGED THAT HSBC SECURITIES (USA) INC.("HSI") VIOLATED EXCHANGE RULE 3.6A, BY FAILING TO REGISTER ITS CHIEF COMPLIANCE OFFICER AS A PROPRIETARY TRADER COMPLIANCE OFFICER; FAILED TO REGISTER ONE ASSOCIATED PERSON AS A PROPRIETARY TRADING PRINCIPAL AND FAILED TO REGISTER FOUR ASSOCIATED PERSONS AS PROPRIETARY TRADERS.

8.    Current Status?        ☐ Pending    ☐ On Appeal    ☒ Final

9.    If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.   How was matter resolved:  
Stipulation and Consent

11.   Resolution Date (MM/DD/YYYY):  

09/08/2014   ☒ Exact   ☐ Explanation  
If not exact, provide explanation:

12.   Resolution Detail:  

A.    Were any of the following Sanctions *Ordered* (check all appropriate items)?  

☒ Monetary/Fine Amount: \$ 17,500.00  
☐ Revocation/Expulsion/Denial  
☒ Censure  
☐ Bar

☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

B.    Other Sanctions *Ordered*:  

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING THE FINDINGS HSBC CONSENTED TO THE DESCRIBED SANCTIONS AND TO ENTRY OF FINDINGS. HSBC WAS CENSURED AND FINED \$17,500.

13.   Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)  
☐ 11.D(1)  
☐ 11.E(1)  
☐ 11.F.

☐ 11.C(2)  
☐ 11.D(2)  
☒ 11.E(2)  
☐ 11.G.

☐ 11.C(3)  
☐ 11.D(3)  
☐ 11.E(3)

☐ 11.C(4)  
☐ 11.D(4)  
☐ 11.E(4)

☐ 11.C(5)  
☐ 11.D(5)

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☒ SRO
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2. Principal Sanction:

Other

Other Sanctions:

FINED.

3. Date Initiated (MM/DD/YYYY):

08/26/2014 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

FINRA MATTER ID:20130359431

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

NYSE MKT RULE 320. OFFICES - APPROVAL, SUPERVISION AND CONTROL.

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

HSBC SECURITIES (USA) INC. FAILED TO (I) PROPERLY MONITOR AND RECONCILE DISCREPANCIES WITH ITS CUSTOMER OPTIONS POSITIONS ON FILE AT THE OPTIONS CLEARING CORPORATION ("OCC"), WHICH CAUSED INACCURATE OPEN INTEREST RECORDS FOR 183 BUSINESS DAYS BETWEEN FEBRUARY 24, 2012 AND NOVEMBER 9, 2012, IN ONE INSTANCE, AND FOR 303 BUSINESS DAYS BETWEEN OCTOBER 6, 2011 AND DECEMBER 14, 2012, IN THE SECOND INSTANCE, UNTIL HSBC WAS INSTRUCTED TO EXERCISE THE SUBJECT POSITIONS AND (III) MAINATIN ADEQUATE WRITTEN SUPERVISORY PROCEDURES RELATED TO OCC ADJUSTMENTS AND RECONCILATION PROCESSES.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Consent

11. Resolution Date (MM/DD/YYYY):

09/22/2014 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 3,500.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

WITHOUT ADMITTING OR DENYING ANY VIOLATION, HSBC WAS FINED \$3,500.00.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

- |                                  |                                  |                                  |                                             |                                  |
|----------------------------------|----------------------------------|----------------------------------|---------------------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2) | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4)            | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2) | <input type="checkbox"/> 11.D(3) | <input checked="" type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4)            |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.   |                                  |                                             |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

*CRD* Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC BANK PLC  
(For individuals, Last, First, Middle)

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration

with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  
☐ SEC ☐ Other Federal ☐ State ☐ SRO ☒ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
U.K. FINANCIAL CONDUCT AUTHORITY ("FCA")

2. Principal Sanction:  
Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):  
11/11/2014 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:  
FIRM REFERENCE 114216

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
Other  
Other Product Types:  
CURRENCY - OTC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
THE U.K. FINANCIAL CONDUCT AUTHORITY ("FCA") ALLEGED FAILINGS IN HSBC BANK PLC'S ("HSBC") SYSTEMS AND CONTROLS IN ITS LONDON G10 SPOT FX VOICE TRADING BUSINESS. IN PARTICULAR, IT ALLEGED THAT HSBC DID NOT EXERCISE ADEQUATE AND EFFECTIVE CONTROL FROM JANUARY 1, 2008 TO OCTOBER 15, 2013 OVER RISKS ASSOCIATED WITH CONFIDENTIALITY, CONFLICTS OF INTEREST AND TRADING CONDUCT ARISING FROM THIS BUSINESS.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Settled

11. Resolution Date (MM/DD/YYYY):  
11/11/2014 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

|                                                                             |                                                      |
|-----------------------------------------------------------------------------|------------------------------------------------------|
| <input checked="" type="checkbox"/> Monetary/Fine Amount: \$ 344,428,259.70 | <input type="checkbox"/> Disgorgement/Restitution    |
| <input type="checkbox"/> Revocation/Expulsion/Denial                        | <input type="checkbox"/> Cease and Desist/Injunction |
| <input type="checkbox"/> Censure                                            | <input type="checkbox"/> Suspension                  |
| <input type="checkbox"/> Bar                                                |                                                      |

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
ON NOVEMBER 11, 2014, THE FCA REACHED A SETTLEMENT WITH HSBC BANK PLC ("HSBC") IN CONNECTION WITH ITS INVESTIGATION INTO THE G10 SPOT FX VOICE TRADING BUSINESS. THE FCA ISSUED A FINAL NOTICE, FIRM REFERENCE NUMBER 114216, FINDING THAT HSBC'S SYSTEM AND CONTROL FAILINGS CONSTITUTED A BREACH OF PRINCIPLE 3 OF THE FCA'S PRINCIPLES FOR BUSINESSES, AND ACCORDINGLY IMPOSED A FINANCIAL PENALTY OF £216,363,000 (£58,863,000 OF WHICH IS ATTRIBUTABLE TO THE BREACH OF PRINCIPLE 3, AND £157,500,000 OF WHICH IS FOR THE PURPOSES OF "CREDIBLE DETERRENCE"). ON NOVEMBER 11, 2014, THE BLOOMBERG EXCHANGE RATE, GBP HISTORICAL PRICE WAS 1.5919, WHICH CONVERTS THE £216,363,000 FINE TO APPROXIMATELY \$344,428,259.70.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
ON NOVEMBER 11, 2014, THE FCA REACHED A SETTLEMENT WITH HSBC BANK PLC ("HSBC") IN CONNECTION WITH ITS INVESTIGATION INTO THE G10 SPOT FX VOICE TRADING BUSINESS. THE FCA ISSUED A FINAL NOTICE, FIRM REFERENCE NUMBER 114216, FINDING THAT HSBC'S SYSTEM AND CONTROL FAILINGS CONSTITUTED A BREACH OF PRINCIPLE 3 OF THE FCA'S PRINCIPLES FOR BUSINESSES, AND ACCORDINGLY IMPOSED A FINANCIAL PENALTY OF £216,363,000 (£58,863,000 OF WHICH IS ATTRIBUTABLE TO THE BREACH OF PRINCIPLE 3, AND £157,500,000 OF WHICH IS FOR THE PURPOSES OF "CREDIBLE DETERRENCE"). ON NOVEMBER 11, 2014, THE BLOOMBERG EXCHANGE RATE, GBP HISTORICAL PRICE WAS 1.5919, WHICH CONVERTS THE £216,363,000 FINE TO APPROXIMATELY \$344,428,259.70.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:  

|                                  |                                  |                                  |                                             |                                  |
|----------------------------------|----------------------------------|----------------------------------|---------------------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2) | <input type="checkbox"/> 11.C(3) | <input checked="" type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2) | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4)            | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4)            |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.   |                                  |                                             |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):  

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC BANK PLC  
(For individuals, Last, First, Middle)

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.  

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☐ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

U.S. COMMODITY FUTURES TRADING COMMISSION ("CFTC")

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

CEASE AND DESIST; UNDERTAKING

3. Date Initiated (MM/DD/YYYY):

11/11/2014

☒ Exact

☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

NO. 15-07 ("CFTC ORDER")

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

CURRENCY - OTC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE U.S. COMMODITY FUTURES TRADING COMMISSION ("CFTC") ALLEGED THAT HSBC BANK PLC ("HSBC"), PRINCIPALLY THROUGH TRADERS IN ITS LONDON G10 SPOT FX VOICE TRADING BUSINESS, ATTEMPTED TO MANIPULATE AND/OR AIDED TRADERS AT OTHER BANKS IN ATTEMPTING TO MANIPULATE CERTAIN FX BENCHMARKS, INCLUDING THE WM/REUTERS 4 P.M. LONDON FIX RATE, BETWEEN 2009 AND MID-2012.

8. Current Status?

☐ Pending

☐ On Appeal

☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

11/11/2014

☒ Exact

☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 275,000,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☒ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

UNDERTAKING

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

ON NOVEMBER 11, 2014, THE CFTC REACHED A SETTLEMENT WITH HSBC BANK PLC ("HSBC") IN WHICH HSBC, WITHOUT ADMITTING OR DENYING THE FINDINGS OR CONCLUSIONS THEREIN, CONSENTED TO THE ENTRY OF AN ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTIONS 6(C)(4)(A) AND 6(D) OF THE COMMODITY EXCHANGE ACT, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS, CFTC DOCKET NO. 15-07 ("CFTC ORDER"). THE CFTC ORDER IMPOSED A MONETARY PENALTY OF \$275 MILLION ON HSBC AND ORDERED HSBC TO CEASE AND DESIST FROM VIOLATING SECTIONS 6(C)(3) AND 9(A)(2) OF THE COMMODITIES EXCHANGE ACT, 7 U.S.C. §§ 9(3) AND 13(A)(2) (2012), AND 17 C.F.R. § 180.2 (2014). IN ADDITION TO REMEDIAL ACTIONS IT HAS ALREADY TAKEN, HSBC IS REQUIRED BY THE CFTC ORDER TO UNDERTAKE CERTAIN REMEDIAL ACTIONS OUTLINED THEREIN AND TO REPORT TO THE CFTC WITHIN 120 AND 365 DAYS OF THE CFTC ORDER ON THE STEPS IT HAS TAKEN TOWARDS UNDERTAKING SUCH REMEDIAL ACTION.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

ON NOVEMBER 11, 2014, THE CFTC REACHED A SETTLEMENT WITH HSBC BANK PLC ("HSBC") IN WHICH HSBC, WITHOUT ADMITTING OR DENYING THE FINDINGS OR CONCLUSIONS THEREIN, CONSENTED TO THE ENTRY OF AN ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTIONS 6(C)(4)(A) AND 6(D) OF THE COMMODITY EXCHANGE ACT, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS, CFTC DOCKET NO. 15-07 ("CFTC ORDER"). THE CFTC ORDER IMPOSED A MONETARY PENALTY OF \$275 MILLION ON HSBC AND ORDERED HSBC TO CEASE AND DESIST FROM VIOLATING SECTIONS 6(C)(3) AND 9(A)(2) OF THE COMMODITIES EXCHANGE ACT, 7 U.S.C. §§ 9(3) AND 13(A)(2) (2012), AND 17 C.F.R. § 180.2 (2014). IN ADDITION TO REMEDIAL ACTIONS IT HAS ALREADY TAKEN, HSBC IS REQUIRED BY THE CFTC ORDER TO UNDERTAKE CERTAIN REMEDIAL ACTIONS OUTLINED THEREIN AND TO REPORT TO THE CFTC WITHIN 120 AND 365 DAYS OF THE CFTC ORDER ON THE STEPS IT HAS TAKEN TOWARDS UNDERTAKING SUCH REMEDIAL ACTION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |                                             |                                  |                                             |                                             |
|----------------------------------|---------------------------------------------|----------------------------------|---------------------------------------------|---------------------------------------------|
| <input type="checkbox"/> 11.C(1) | <input checked="" type="checkbox"/> 11.C(2) | <input type="checkbox"/> 11.C(3) | <input checked="" type="checkbox"/> 11.C(4) | <input checked="" type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4)            | <input type="checkbox"/> 11.D(5)            |
| <input type="checkbox"/> 11.E(1) | <input type="checkbox"/> 11.E(2)            | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4)            |                                             |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                             |                                             |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

|             |                                                                                                               |
|-------------|---------------------------------------------------------------------------------------------------------------|
| CRD Number: | This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual |
| Registered: | <input type="radio"/> Yes <input checked="" type="radio"/> No                                                 |
| Name:       | HSBC PRIVATE BANK (SUISSE), SA<br>(For individuals, Last, First, Middle)                                      |

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☒ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

SECURITIES AND EXCHANGE COMMISSION

2. Principal Sanction:

Cease and Desist

Other Sanctions:

CENSURE, DISGORGEMENT, PREJUDGMENT INTEREST AND CIVIL MONEY PENALTY.

3.   Date Initiated (MM/DD/YYYY):  

11/25/2014   ☒ Exact   ☐ Explanation  
If not exact, provide explanation:

4.   Docket/Case Number:  
ADMINISTRATIVE PROCEEDING FILE NO. 3-16288

5.   *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6.   Principal Product Type:  
No Product  
Other Product Types:

7.   Describe the allegations related to this regulatory action (your response must fit within the space provided):  
ON NOVEMBER 25, 2014, HSBC PRIVATE BANK (SUISSE), SA ("PBRS") ENTERED INTO A SETTLEMENT WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") RESULTING IN THE SEC ISSUING AN ORDER. PBRS CONSENTED TO THE ENTRY OF THE ORDER THAT FINDS THAT PBRS WILLFULLY VIOLATED SECTIONS 15(A) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AND SECTION 203(A) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") IN CONNECTION WITH PBRS, THROUGH ACTIONS OF CERTAIN RELATIONSHIP MANAGERS, PROVIDING CROSS-BORDER BROKERAGE AND INVESTMENT ADVISORY SERVICES TO U.S. CLIENTS WITHOUT REGISTERING WITH THE SEC AS A BROKER-DEALER AND INVESTMENT ADVISER FROM AT LEAST 2003 UNTIL 2011. ("ORDER").

8.   Current Status?       ☐ Pending   ☐ On Appeal   ☒ Final

9.   If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Settled

11. Resolution Date (MM/DD/YYYY):  

11/25/2014   ☒ Exact   ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A.   Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 2,600,000.00  
☐ Revocation/Expulsion/Denial  
☒ Censure  
☐ Bar

☒ Disgorgement/Restitution  
☒ Cease and Desist/Injunction  
☐ Suspension

B.   Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE ORDER REQUIRES PBRS TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF EXCHANGE ACT SECTION 15(A) OR ADVISERS ACT SECTION 203(A); CENSURES PBRS, AND REQUIRES PBRS TO PAY DISGORGEMENT OF \$5,723,193, PREJUDGMENT INTEREST OF \$4,215,543, AND A CIVIL MONETARY PENALTY OF \$2,600,000, WHICH PBRS PAID ON DECEMBER 18, 2014.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
SOLELY FOR THE PURPOSE OF SETTLING THESE PROCEEDINGS, PBRS CONSENTED TO THE ORDER ADMITTING THE FACTS SET FORTH IN THE ORDER, ACKNOWLEDGING THAT ITS CONDUCT VIOLATED THE FEDERAL SECURITIES LAWS, AND ADMITTING THE SEC'S JURISDICTION OVER IT AND THE SUBJECT MATTER. THE ALLEGATIONS, DISPOSITIONS, FINDINGS AND SANCTIONS OF THE ORDER ARE DESCRIBED ABOVE IN ITEMS 7 AND 12.

- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2. Principal Sanction:

Censure

Other Sanctions:

MONETARY/FINE

3. Date Initiated (MM/DD/YYYY):

11/11/2014

☒ Exact

☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

2013035963401

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

AGENCY DEBT SECURITIES CORPORATE DEBT SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

WITHOUT ADMITTING OR DENYING THE FINDINGS, HSBC SECURITIES (USA)INC. ("HSBC")CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT P1

TRANSACTIONS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE CORPORATE DEBT SECURITIES TO TRACE WITHIN THE TIME PRESCRIBED BY FINRA RULES AND FAILED TO REPORT S1 TRANSACTIONS IN TRACE-ELIGIBLE AGENCY DEBT SECURITIES TO TRACE WITHIN 15 MINUTES OF THE TIME OF EXECUTION. THE FINDINGS STATED THAT HSBC'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR FINRA/NASD RULES.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
03/18/2015 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:  
A. Were any of the following Sanctions *Ordered* (check all appropriate items)?  
☒ Monetary/Fine Amount: \$ 80,000.00  
☐ Revocation/Expulsion/Denial  
☒ Censure  
☐ Bar  
☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

B. Other Sanctions *Ordered*:  
UNDERTAKING: HSBC SECURITIES (USA) INC. WILL REVISE ITS WRITTEN SUPERVISORY PROCEDURES.  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
HSBC SECURITIES (USA) INC. WAS CENSURED, FINED \$80,000 AND WILL BE REVISING ITS WRITTEN SUPERVISORY PROCEDURES.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |                                  |                                  |                                             |                                  |
|----------------------------------|----------------------------------|----------------------------------|---------------------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2) | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4)            | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2) | <input type="checkbox"/> 11.D(3) | <input checked="" type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4)            |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.   |                                  |                                             |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):  
☐ You (the advisory firm)  
☐ You and one or more of your *advisory affiliates*  
☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a CRD number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

CRD Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC FINANCE CORPORATION  
(For individuals, Last, First, Middle)

CRD Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC BANK USA N.A.  
(For individuals, Last, First, Middle)

CRD Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC MORTGAGE SERVICES INC.  
(For individuals, Last, First, Middle)

CRD Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC NORTH AMERICA HOLDINGS  
(For individuals, Last, First, Middle)

- ☐ This *DRP* should be removed from the *ADV* record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This *DRP* should be removed from the *ADV* record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the *IARD* system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the *IARD* or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.
- ☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its *IARD* or *CRD* records.

PART II

1. Regulatory Action initiated by:  
☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
US DOJ, US HUD, CFPB, OTHER FEDERAL AGENCIES AND STATE ATTORNEYS GENERAL.
2. Principal Sanction:  
Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:
3. Date Initiated (MM/DD/YYYY):  
02/05/2016 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
4. Docket/Case Number:  
CIVIL ACTION NO.: 16-0199
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):  
HSBC FINANCE CORPORATION, HSBC BANK USA, HSBC MORTGAGE SERVICES INC. AND HSBC NORTH AMERICA HOLDINGS
6. Principal Product Type:  
Other  
Other Product Types:  
RESIDENTIAL MORTGAGE LOAN ORIGINATION AND SERVICING.
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
CERTAIN CIVIL ALLEGATIONS RELATED TO PAST RESIDENTIAL MORTGAGE ORIGINATION, SERVICING AND FORECLOSURE PRACTICES.

8. Current Status?

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Consent

11. Resolution Date (MM/DD/YYYY):

02/05/2016ExactExplanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions Ordered (check all appropriate items)?

Monetary/Fine Amount: \$ 100,000,000.00

Revocation/Expulsion/Denial

Censure

Bar

Disgorgement/Restitution

Cease and Desist/Injunction

Suspension

B. Other Sanctions Ordered:

Sanction detail: if suspended, enjoined or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an advisory affiliate, date paid and if any portion of penalty was waived:

TERMS: \$100 MILLION TO BE ALLOCATED AMONG PARTICIPATING FEDERAL AND STATEPARTIES, AND \$370 MILLION IN CONSUMER RELIEF.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

IN FEBRUARY 2016, HSBC FINANCE CORPORATION, HSBC BANK USA, HSBC MORTGAGE SERVICES INC. AND HSBC NORTH AMERICA HOLDINGS ENTERED INTO AN AGREEMENT WITH THE U.S. DEPARTMENT OF JUSTICE,THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, THE CONSUMER FINANCIAL PROTECTION BUREAU, OTHER FEDERAL AGENCIES ("FEDERAL PARTIES") AND THE STATE ATTORNEYS GENERAL OF 49 STATES AND THE DISTRICT OF COLUMBIA ("STATE PARTIES") TO RESOLVE CIVIL CLAIMS RELATED TO PAST RESIDENTIAL MORTGAGE LOAN ORIGINATION AND SERVICING PRACTICES. THE SETTLEMENT IS SIMILAR TO PRIOR NATIONAL MORTGAGE SETTLEMENTS REACHED WITH OTHER US MORTGAGE SERVICERS AND INCLUDES THE FOLLOWING TERMS: \$100 MILLION TO BE ALLOCATED AMONG PARTICIPATING FEDERAL AND STATEPARTIES, AND \$370 MILLION IN CONSUMER RELIEF. IN ADDITION, THE SETTLEMENT AGREEMENT SETS FOR THE NATIONAL MORTGAGE SERVICING STANDARDS TO WHICH HSBC U.S. AFFILIATES WILL ADHERE.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an INITIALOR AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

11.C(1)

11.D(1)

11.E(1)

11.F.

11.C(2)

11.D(2)

11.E(2)

11.G.

11.C(3)

11.D(3)

11.E(3)

11.C(4)

11.D(4)

11.E(4)

11.C(5)

11.D(5)

Use a separate DRP for each event or proceeding . The same event or proceeding may be reported for more than one person or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The person(s) or entity(ies) for whom this DRP is being filed is (are):

You (the advisory firm)

You and one or more of your advisory affiliates

One or more of your advisory affiliates

If this DRP is being filed for an advisory affiliate, give the full name of the advisory affiliate below (for individuals, Last name, First name, Middle name). If the advisory affiliate has a CRD number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

- ☐
- This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐
- This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐
- This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA
2. Principal Sanction:

Censure

Other Sanctions:

MONETARY / FINE
3. Date Initiated (MM/DD/YYYY):

06/30/2017

☒ Exact

☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

2017053137201
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

APPLICANT
6. Principal Product Type:

Other

Other Product Types:

EXCHANGE TRADED FUNDS, EQUITIES AND FIXED INCOME PRODUCTS
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO MAINTAIN ELECTRONIC BROKERAGE RECORDS IN NON-ERASABLE AND NON-REWRITABLE FORMAT KNOWN AS THE "WRITE ONCE, READ MANY" (WORM) FORMAT, THAT IS INTENDED TO PREVENT THE ALTERATION OR DESTRUCTION OF BROKER-DEALER RECORDS STORED ELECTRONICALLY. THE FINDINGS STATED THAT THESE REQUIREMENTS ARE AN ESSENTIAL PART OF THE INVESTOR PROTECTION FUNCTION BECAUSE PRESERVATION OF THESE RECORDS IS THE PRIMARY MEANS OF MONITORING COMPLIANCE WITH APPLICABLE SECURITIES LAWS, INCLUDING ANTIFRAUD PROVISIONS AND FINANCIAL RESPONSIBILITY STANDARDS. THE FIRM FAILED TO RETAIN IN WORM FORMAT BROKERAGE ORDER MEMORANDA RECORDS RELATING TO APPROXIMATELY 12.36 MILLION TRANSACTIONS IN PREFERRED EXCHANGE-TRADED FUNDS, EQUITIES, AND FIXED INCOME PRODUCTS. OTHER AFFECTED RECORDS INCLUDED A LIMITED NUMBER OF THE FIRM'S GENERAL LEDGER, CERTAIN INTERNAL AUDIT RECORDS, RISK MANAGEMENT CONTROL RECORDS, UNUSUAL ACTIVITY REPORTS AND CERTAIN POLICY MANUALS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO PROVIDE THE REQUIRED 90-DAY NOTICE TO ITS DESIGNATED EXAMINING AUTHORITY (FINRA), PRIOR TO RETAINING A VENDOR TO PROVIDE ELECTRONIC STORAGE. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO IMPLEMENT AN AUDIT SYSTEM AS REQUIRED FOR THOSE RECORDS IT FAILED TO MAINTAIN IN WORM FORMAT. FINRA FOUND THAT IN CERTAIN INSTANCES, THE FIRM FAILED TO OBTAIN AN ATTESTATION FROM ITS THIRD-PARTY VENDOR THAT IT WILL SUPPLY ELECTRONICALLY STORED RECORDS TO REGULATORY AUTHORITIES IN THE EVENT THE FIRM IS UNABLE TO PROVIDE THE ELECTRONICALLY STORED RECORDS. FINRA ALSO FOUND THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES (WSPS) REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SEC RULE FOR RECORD RETENTION REQUIREMENTS. THE FIRM'S WSPS FAILED TO SPECIFY HOW THE FIRM WOULD SUPERVISE ITS COMPLIANCE WITH RECORD RETENTION REQUIREMENTS UNDER THE RULE.
8. Current Status?

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

NOT APPLICABLE

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  

06/30/2017 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:  

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?  

☒ Monetary/Fine Amount: \$ 1,500,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
UNDERTAKING  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE FIRM WAS CENSURED, FINED \$1,500,000 AND REQUIRED TO SUBMIT TO FINRA A WRITTEN PLAN OF HOW IT WILL UNDERTAKE TO CONDUCT A COMPREHENSIVE REVIEW OF THE ADEQUACY OF THE RELEVANT POLICIES AND PROCEDURES (WRITTEN AND OTHERWISE), INCLUDING A DESCRIPTION OF REMEDIAL MEASURES LEADING TO FULL COMPLIANCE, RELATING TO THE CONDUCT ADDRESSED IN THE AWC. THEN IF ACCEPTABLE TO FINRA THE FIRM WILL PROMPTLY IMPLEMENT ITS COMPREHENSIVE REVIEW AND CERTIFY IN WRITING TO FINRA THAT IT HAS ADOPTED AND IMPLEMENTED POLICIES AND PROCEDURES DESIGNED TO ENSURE COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND FINRA RULES ADDRESSED IN THE AWC.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
HSBC SECURITIES (USA) INC. MADE PAYMENT OF \$1,500,000 ON JULY 14, 2017.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:  

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☒ 11.D(2)

☐ 11.D(3)

☒ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):  

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC HOLDINGS PLC  
(For individuals, Last, First, Middle)

CRD Number:

This *advisory affiliate* is ☐ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name:

HSBC NORTH AMERICA HOLDINGS INC.  
(For individuals, Last, First, Middle)

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes

☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☐ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
2. Principal Sanction:

Cease and Desist

Other Sanctions:

ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY
3. Date Initiated (MM/DD/YYYY):

09/29/2017 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

17-010-B-FB, 17-010-B-HC, 17-010-CMP-FB, 17-010-CMP-HC
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Other

Other Product Types:

FOREIGN EXCHANGE (FX) TRADING BUSINESS
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (THE "FEDERAL RESERVE") HAS CONDUCTED AN INVESTIGATION INTO CERTAIN FOREIGN EXCHANGE ("FX") PRACTICES OF HSBC HOLDINGS PLC ("HOLDINGS"), HSBC NORTH AMERICA HOLDINGS INC. ("HNAH") AND CERTAIN AFFILIATES, COLLECTIVELY REFERRED TO AS "HSBC." THE FEDERAL RESERVE'S REVIEW IDENTIFIED CERTAIN DEFICIENCIES IN HSBC'S HISTORIC OVERSIGHT OF AND CONTROL OVER ITS FX BUSINESS.
8. Current Status?

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Consent
11. Resolution Date (MM/DD/YYYY):

09/29/2017 ☒ Exact ☐ Explanation

If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 175,000,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☒ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

PURSUANT TO THE FEDERAL DEPOSIT INSURANCE ACT, THE FEDERAL RESERVE ISSUED A CONSENT ORDER TO CEASE AND DESIST AND ASSESSMENT OF A CIVIL MONEY PENALTY (THE "ORDER"). ACCORDINGLY, HSBC SHALL CEASE AND DESIST WITH RESPECT TO THE DEFICIENCIES DOCUMENTED IN THE ORDER AND TAKE AFFIRMATIVE ACTION RELATING TO INTERNAL CONTROLS AND COMPLIANCE OVERSIGHT OVER CERTAIN MARKETS ACTIVITY. ON SEPTEMBER 29, 2017, HSBC PAID A CIVIL MONEY PENALTY IN THE AMOUNT OF \$175,296,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

THE FEDERAL RESERVE REVIEWED AND ASSESSED THE EFFECTIVENESS OF HSBC'S FX PRACTICES DURING THE PERIOD OCTOBER 2008 THROUGH OCTOBER 2013 AND FOUND CERTAIN DEFICIENCIES IN ITS CONTROL AND OVERSIGHT OVER ITS FX BUSINESS. THE FEDERAL RESERVE FOUND, AMONGST OTHER THINGS, THAT HSBC FAILED TO DETECT AND ADDRESS ITS TRADERS MISUSE OF CONFIDENTIAL CUSTOMER INFORMATION, AS WELL AS USE OF ELECTRONIC CHATROOMS TO COMMUNICATE WITH COMPETITORS ABOUT TRADING POSITIONS. THE FEDERAL RESERVE'S ORDER REQUIRES HSBC TO PAY A PENALTY IN THE AMOUNT OF \$175,296,000 AND FURTHER IMPROVE ITS CONTROL AND COMPLIANCE RISK MANAGEMENT CONCERNING CERTAIN MARKETS ACTIVITIES. THIS INCLUDES: -THE SUBMISSION WITHIN 90 DAYS OF THE ORDER OF AN ENHANCED INTERNAL CONTROLS AND COMPLIANCE PROGRAM AND COMPLIANCE RISK MANAGEMENT PROGRAM FOR DESIGNATED MARKETS ACTIVITIES; -AN ANNUAL REVIEW OF COMPLIANCE PROGRAMS AND PROCEDURES FOR HSBC'S DESIGNATED MARKETS ACTIVITIES, THE RESULTS OF WHICH WILL NEED TO BE SUBMITTED TO THE FEDERAL RESERVE WITHIN NINETY DAYS OF THE CORRESPONDING ANNIVERSARY DATE OF THE ORDER; AND THE SUBMISSION WITHIN 90 DAYS OF THE ORDER OF AN ENHANCED WRITTEN INTERNAL AUDIT PROGRAM WITH RESPECT TO HSBC'S COMPLIANCE WITH APPLICABLE U.S. LAWS AND REGULATIONS AS WELL AS HSBC'S INTERNAL POLICIES AND PROCEDURES IN ITS DESIGNATED MARKETS ACTIVITIES.

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

- |                                             |                                             |                                  |                                  |                                  |
|---------------------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1)            | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input checked="" type="checkbox"/> 11.D(1) | <input checked="" type="checkbox"/> 11.D(2) | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1)            | <input type="checkbox"/> 11.E(2)            | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.              | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

*CRD* Number: \_\_\_\_\_ This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC HOLDINGS PLC  
(For individuals, Last, First, Middle)

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:
- B.

If the *advisory affiliate* is registered through the *IARD* system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the *IARD* or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.

☐ Yes

☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its *IARD* or *CRD* records.

PART II

1.

Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☐ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

U.S. DEPARTMENT OF JUSTICE (DOJ)
2.

Principal Sanction:

Disgorgement

Other Sanctions:

FINE AND HSBC HOLDINGS TO MONITOR ITS COMPLIANCE WITH THE AGREEMENT'S OBLIGATIONS AND PROVIDE ANNUAL REPORTS TO THE DOJ FOR THE TERM OF THE AGREEMENT. HSBC HOLDINGS ALSO AGREED TO FURTHER ENHANCE ITS COMPLIANCE PROGRAM AND INTERNAL CONTROLS IN THE GLOBAL MARKETS BUSINESS AND TO SELF-REPORT ANY POTENTIAL CRIMINAL MISCONDUCT.
3.

Date Initiated (MM/DD/YYYY):

01/17/2018

☒ Exact

☐ Explanation

If not exact, provide explanation:
4.

Docket/Case Number:

1:18-CR-00030 EDNY
5.

*Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

HSBC HOLDINGS PLC
6.

Principal Product Type:

Futures - Financial

Other Product Types:
7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):

ON JANUARY 18, 2018, THE U.S. DEPARTMENT OF JUSTICE (DOJ) ANNOUNCED THAT IT HAD ENTERED INTO A THREE-YEAR DEFERRED PROSECUTION AGREEMENT WITH HSBC HOLDINGS PLC TO RESOLVE THE DOJ'S INVESTIGATION INTO HSBC'S HISTORICAL FOREIGN EXCHANGE SALES AND TRADING ACTIVITIES WITHIN ITS GLOBAL MARKETS BUSINESS. THE AGREEMENT CONCERNS IMPROPER TRADING AND THE MISAPPROPRIATION OF CONFIDENTIAL CLIENT INFORMATION IN CONNECTION WITH TWO FOREIGN EXCHANGE TRANSACTIONS IN 2010 AND 2011.
8.

Current Status?

☐ Pending

☐ On Appeal

☒ Final
9.

If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:
- If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.
10.

How was matter resolved:

Consent
11.

Resolution Date (MM/DD/YYYY):

01/17/2018

☒ Exact

☐ Explanation

If not exact, provide explanation:
12.

Resolution Detail:

A.

Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 101,500,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☒ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions *Ordered*:

THE DEFERRED PROSECUTION AGREEMENT REQUIRES HSBC HOLDINGS TO PAY A TOTAL OF \$101.5 MILLION, INCLUDING A \$63.1 MILLION FINE AND \$38.4 MILLION IN

RESTITUTION. THE AGREEMENT, RECOGNIZING THAT HSBC HOLDINGS HAS ALREADY ENGAGED IN REMEDIAL MEASURES, REQUIRES HSBC HOLDINGS TO MONITOR ITS COMPLIANCE WITH THE AGREEMENT'S OBLIGATIONS AND PROVIDE ANNUAL REPORTS TO THE DOJ FOR THE TERM OF THE AGREEMENT. AMONG OTHER REQUIREMENTS, HSBC HOLDINGS ALSO AGREED TO FURTHER ENHANCE ITS COMPLIANCE PROGRAM AND INTERNAL CONTROLS IN THE GLOBAL MARKETS BUSINESS AND TO SELF-REPORT ANY POTENTIAL CRIMINAL MISCONDUCT.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

THE DEFERRED PROSECUTION AGREEMENT REQUIRES HSBC HOLDINGS TO PAY A TOTAL OF \$101.5 MILLION, INCLUDING A \$63.1 MILLION FINE AND \$38.4 MILLION IN RESTITUTION. HSBC HOLDINGS MADE THE \$63.1 MILLION FINE PAYMENT ON JANUARY 23, 2018, AND IS REQUIRED TO PAY THE RESTITUTION WITHIN 30 DAYS AFTER EXECUTION OF THE AGREEMENT.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

ON JANUARY 18, 2018, THE U.S. DEPARTMENT OF JUSTICE (DOJ) ANNOUNCED THAT IT HAD ENTERED INTO A THREE-YEAR DEFERRED PROSECUTION AGREEMENT WITH HSBC HOLDINGS PLC TO RESOLVE THE DOJ'S INVESTIGATION INTO HSBC'S HISTORICAL FOREIGN EXCHANGE SALES AND TRADING ACTIVITIES WITHIN ITS GLOBAL MARKETS BUSINESS. THE AGREEMENT CONCERNS IMPROPER TRADING AND THE MISAPPROPRIATION OF CONFIDENTIAL CLIENT INFORMATION IN CONNECTION WITH TWO FOREIGN EXCHANGE TRANSACTIONS IN 2010 AND 2011. THE DEFERRED PROSECUTION AGREEMENT REQUIRES HSBC HOLDINGS TO PAY A TOTAL OF \$101.5 MILLION, INCLUDING A \$63.1 MILLION FINE AND \$38.4 MILLION IN RESTITUTION. HSBC HOLDINGS MADE THE \$63.1 MILLION FINE PAYMENT ON JANUARY 23, 2018, AND IS REQUIRED TO PAY THE RESTITUTION WITHIN 30 DAYS AFTER EXECUTION OF THE AGREEMENT.THE AGREEMENT, RECOGNIZING THAT HSBC HOLDINGS HAS ALREADY ENGAGED IN REMEDIAL MEASURES, REQUIRES HSBC HOLDINGS TO MONITOR ITS COMPLIANCE WITH THE AGREEMENT'S OBLIGATIONS AND PROVIDE ANNUAL REPORTS TO THE DOJ FOR THE TERM OF THE AGREEMENT. AMONG OTHER REQUIREMENTS, HSBC HOLDINGS ALSO AGREED TO FURTHER ENHANCE ITS COMPLIANCE PROGRAM AND INTERNAL CONTROLS IN THE GLOBAL MARKETS BUSINESS AND TO SELF-REPORT ANY POTENTIAL CRIMINAL MISCONDUCT.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☒ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☒ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes

☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☐ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

US COMMODITY FUTURES TRADING COMMISSION (CFTC)

2. Principal Sanction:

Cease and Desist

Other Sanctions:

CIVIL MONETARY PENALTY

3. Date Initiated (MM/DD/YYYY):

01/29/2018

☒ Exact

☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

CFTC 18-08

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Futures - Commodity

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ON JANUARY 29, 2018, THE U.S. COMMODITY FUTURES TRADING COMMISSION (CFTC) ANNOUNCED A SETTLEMENT WITH HSBC SECURITIES (USA) INC. (HSI) TO RESOLVE THE CFTC'S INVESTIGATION INTO HSBC'S PRECIOUS METALS OPERATIONS AND TRADING. THE CFTC'S INVESTIGATION CONCLUDED THAT BETWEEN JULY 2011 THROUGH AUGUST 2014, A TRADER IN HSBC'S NEW YORK OFFICE ENGAGED IN THE DISRUPTIVE TRADING PRACTICE OF SPOOFING (BIDDING OR OFFERING WITH THE INTENT TO CANCEL THE BID OR OFFER BEFORE EXECUTION) WITH RESPECT TO CERTAIN PRODUCTS IN GOLD AND OTHER PRECIOUS METALS TRADED IN COMEX.

8. Current Status?

☐ Pending

☐ On Appeal

☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

01/29/2018

☒ Exact

☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 1,600,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☒ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

PURSUANT TO THE ORDER, HSI AGREED TO PAY A \$1.6 MILLION CIVIL MONETARY PENALTY AND AGREED TO CEASE AND DESIST FROM SPOOFING. HSI MADE THE PAYMENT ON FEBRUARY 12, 2018.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

ON JANUARY 29, 2018, THE U.S. COMMODITY FUTURES TRADING COMMISSION (CFTC) ANNOUNCED A SETTLEMENT WITH HSBC SECURITIES (USA) INC. (HSI) TO RESOLVE THE CFTC'S INVESTIGATION INTO HSBC'S PRECIOUS METALS OPERATIONS AND TRADING. THE CFTC'S INVESTIGATION CONCLUDED THAT BETWEEN JULY 2011 THROUGH AUGUST 2014, A TRADER IN HSBC'S NEW YORK OFFICE ENGAGED IN THE DISRUPTIVE TRADING PRACTICE OF SPOOFING (BIDDING OR OFFERING WITH THE INTENT TO CANCEL THE BID OR OFFER BEFORE EXECUTION) WITH RESPECT TO CERTAIN PRODUCTS IN GOLD AND OTHER PRECIOUS METALS TRADED IN COMEX. PURSUANT TO THE ORDER, HSI AGREED TO PAY A \$1.6 MILLION CIVIL

MONETARY PENALTY AND TO CEASE AND DESIST FROM SPOOFING. HSI MADE THE PAYMENT ON FEBRUARY 12,2018. HSI NEITHER ADMITTED NOR DENIED LIABILITY. THE CFTC'S ORDER NOTES THAT HSI AND ITS AFFILIATES CONDUCTED AN INTERNAL REVIEW INCLUDING ANALYZING THE TRADING ACTIVITY OF CERTAIN TRADERS FOR POTENTIAL SPOOFING MISCONDUCT AND SUBSTANTIALLY ASSISTED THE DIVISION'S INVESTIGATION, INCLUDING IDENTIFYING THE TRADER'S MISCONDUCT AND PROMPTLY REPORTING IT TO THE DIVISION. IN ADDITION, THE TRADER'S EMPLOYMENT WAS TERMINATED ONCE THE CONDUCT WAS IDENTIFIED. FURTHER, HSI HAS INITIATED AN OVERHAUL OF ITS SYSTEMS AND CONTROLS AND IMPLEMENTED A VARIETY OF ENHANCEMENTS TO DETECT AND DETER SIMILAR CONDUCT.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

| Regulatory Action                 |                                             |                                  |                                             |                                             |
|-----------------------------------|---------------------------------------------|----------------------------------|---------------------------------------------|---------------------------------------------|
| Check item(s) being responded to: |                                             |                                  |                                             |                                             |
| <input type="checkbox"/> 11.C(1)  | <input checked="" type="checkbox"/> 11.C(2) | <input type="checkbox"/> 11.C(3) | <input checked="" type="checkbox"/> 11.C(4) | <input checked="" type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1)  | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4)            | <input type="checkbox"/> 11.D(5)            |
| <input type="checkbox"/> 11.E(1)  | <input type="checkbox"/> 11.E(2)            | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4)            |                                             |
| <input type="checkbox"/> 11.F.    | <input type="checkbox"/> 11.G.              |                                  |                                             |                                             |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☒ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC")

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

CEASE AND DESIST AND CENSURE

3. Date Initiated (MM/DD/YYYY):

03/16/2020 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:  
FILE NO. 3-19730

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
No Product  
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
THE SEC ALLEGED THAT BETWEEN NOVEMBER 2015 AND AUGUST 2017, HSBC SECURITIES (USA) INC. ("HSI") MADE FALSE AND MISLEADING STATEMENTS TO CURRENT AND PROSPECTIVE ADVISORY CLIENTS AND FAILED TO DISCLOSE CONFLICTS OF INTEREST CONCERNING THE FACTORS HSI USED TO DETERMINE COMPENSATION FOR ITS INVESTMENT ADVISER REPRESENTATIVES ("IARS"). THE SEC ALLEGED THAT, CONTRARY TO STATEMENTS IN ITS FORM ADV BROCHURES, HSI CONSIDERED SEVERAL FINANCIAL FACTORS RELATED TO CLIENT ACCOUNTS TO DETERMINE ITS IARS' COMPENSATION, INCLUDING THE AMOUNT OF ADVISORY FEES CLIENTS PAID TO HSI. THE SEC ALSO ALLEGED THAT, HSI FAILED TO ADOPT AND IMPLEMENT WRITTEN POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT VIOLATIONS OF THE ADVISERS ACT AND THE RULES THERE UNDER IN CONNECTION WITH ITS REPRESENTATIONS ON IAR COMPENSATION.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Settled

11. Resolution Date (MM/DD/YYYY):  
03/16/2020 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 725,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☒ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
N/A  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
AS PART OF THE SETTLEMENT, THE SEC ORDERED THAT HSI (I) CEASE AND DESIST FROM VIOLATING SECTIONS 206(2) AND 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 THERE UNDER (II) BE CENSURED; AND (III) PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$725,000. THE CIVIL MONETARY PENALTY WAS PAID ON MARCH 23, 2020.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
ON MARCH 16, 2020, HSI ENTERED INTO A SETTLEMENT WITH THE SEC CONCERNING HSI'S DISCLOSURES TO ADVISORY CLIENTS AND PROSPECTIVE CLIENTS FROM NOVEMBER 2015 THROUGH AUGUST 2017 REGARDING HOW IT COMPENSATES ITS DUALY REGISTERED INVESTMENT ADVISER AND BROKER REPRESENTATIVES ("IARS"). THE SEC DETERMINED THAT HSI'S DISCLOSURES WERE FALSE AND MISLEADING BECAUSE THEY FAILED TO DISCLOSE CONFLICTS OF INTEREST ABOUT HOW IARS' COMPENSATION WAS DETERMINED. THE SEC'S ORDER RECOGNIZES THAT HSI DISCLOSED TO ALL BROKERAGE CUSTOMERS IN ITS CUSTOMER AGREEMENT THAT CONFLICTS OF INTEREST BETWEEN CUSTOMERS AND IARS MAY ARISE WITH RESPECT TO RECURRING INCOME HSI RECEIVES. BUT IN SEPARATE DISCLOSURES TO ADVISORY CUSTOMERS, HSI STATED THAT IARS WERE COMPENSATED BASED SOLELY ON NON-FINANCIAL FACTORS, AND NOT ON THE FEES PAID TO HSI. THE SEC FOUND THAT HSI DID CONSIDER FINANCIAL FACTORS IN SETTING IAR'S DISCRETIONARY BONUSES, INCLUDING THE AMOUNT OF QUARTERLY ADVISORY FEES SPECTRUM AND MANAGED PORTFOLIO ACCOUNT ("MPA") PROGRAM CLIENTS PAID TO HSI, WHICH GAVE IARS AN INCENTIVE TO GENERATE THOSE FEES. THE SEC FURTHER DETERMINED THAT HSI LACKED SUFFICIENT POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT VIOLATIONS PERTAINING TO ITS REPRESENTATIONS ABOUT IARS' COMPENSATION. ON MARCH 16, 2020, WITHOUT ADMITTING OR DENYING THE SEC'S FINDINGS, HSI AGREED TO CEASE AND DESIST VIOLATING THE STATUTES AND RULES THE SEC DETERMINED IT VIOLATED, A CENSURE AND TO PAY A FINE OF \$725,000. THE CIVIL MONETARY PENALTY WAS PAID ON MARCH 23, 2020.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

|                                  |                                             |                                  |                                  |                                  |
|----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)

2. Principal Sanction:

Censure  
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

02/02/2021 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:

2018059528401

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other  
Other Product Types:  
NO PRODUCT

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM OR WAS REASONABLY DESIGNED TO SCREEN NON-REGISTERED ASSOCIATED PERSONS FOR STATUTORY DISQUALIFICATION. THE FINDINGS STATED THAT THE FIRM'S WRITTEN PROCEDURES ONLY ADDRESSED FINGERPRINTING AND SCREENING FOR STATUTORY DISQUALIFICATION OF REGISTERED INDIVIDUALS OR THOSE REQUIRED TO BE REGISTERED. THE PROCEDURES DID NOT REQUIRE THAT NON-REGISTERED ASSOCIATED PERSONS BE FINGERPRINTED AND SCREENED FOR STATUTORY DISQUALIFICATION. THE FIRM ALSO FAILED TO ASSIGN PERSONNEL TO IDENTIFY AND SCREEN NON-REGISTERED ASSOCIATED PERSONS. AFTER IDENTIFYING THIS ISSUE, THE FIRM WAS ABLE TO FINGERPRINT AND SCREEN SOME OF THE NON-REGISTERED ASSOCIATED PERSONS. THROUGH THIS PROCESS THE FIRM DID NOT IDENTIFY ANY INDIVIDUALS WHO WERE SUBJECT TO STATUTORY DISQUALIFICATION. HOWEVER, THE FIRM WAS UNABLE TO FINGERPRINT AND SCREEN OTHER INDIVIDUALS BECAUSE THEY WERE NO LONGER ASSOCIATED WITH THE FIRM AND THUS COULD NOT DETERMINE WHETHER THOSE INDIVIDUALS WERE SUBJECT TO STATUTORY DISQUALIFICATION.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent (AWC)

11. Resolution Date (MM/DD/YYYY):  
02/02/2021 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:  
A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 650,000.00
- ☐ Revocation/Expulsion/Denial
- ☒ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:  
UNDERTAKING  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE FIRM WAS CENSURED, FINED \$650,000, AND IS REQUIRED TO REVIEW ITS SYSTEMS AND PROCEDURES REGARDING THE IDENTIFICATION, FINGERPRINTING, AND SCREENING OF NON-REGISTERED ASSOCIATED PERSONS TO ENSURE THAT CURRENT SYSTEMS AND PROCEDURES ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH GOVERNING SECURITIES LAWS AND REGULATIONS. THE MONETARY PENALTY WAS PAID ON FEBRUARY 25, 2021.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

- |                                  |                                             |                                  |                                  |                                  |
|----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input checked="" type="checkbox"/> 11.D(2) | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input type="checkbox"/> 11.E(2)            | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☒ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

STATE OF WASHINGTON OFFICE OF INSURANCE COMMISSIONER
2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

07/17/2020 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

21-0133
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Insurance

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE OFFICE OF THE INSURANCE COMMISSIONER FOR THE STATE OF WASHINGTON FOUND THAT THE FIRM VIOLATED WAC-284-17-473 BY NOT AFFILIATING 4 INSURANCE PRODUCERS WHO CONDUCTED BUSINESS WITHIN THE STATE. THE FIRM HAS SINCE AFFILIATED ALL AGENTS LICENSED TO SELL INSURANCE IN THE STATE. THE FIRM ENTERED INTO A CONSENT ORDER LEVYING A FINE AND THE IMPOSITION OF A \$10,000 FINE.
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Consent
11. Resolution Date (MM/DD/YYYY):

04/22/2021 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions Ordered (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 10,000.00
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions Ordered:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
TOTAL FINE- \$10,000.00. PORTION AGAINST APPLICANT -\$10,000.00 WAS PAID ON 4/22/21.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
CONSENT ORDER WAS AGREED TO BY APPLICANT ON 4/22/2021.

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

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One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

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B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes

☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
CBOE BZX EXCHANGE, INC.

3. Date Initiated (MM/DD/YYYY):  
04/16/2021 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

HSBC SECURITIES (USA) INC. VIOLATED RULES 15C3-5(B) AND (C)(1)(II), AND BZX RULES 3.2 AND 5.1 IN THAT THE FIRM'S FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES WERE NOT REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS, BY REJECTING ORDERS THAT EXCEED APPROPRIATE PRICE OR SIZE PARAMETERS, ON AN ORDER-BY-ORDER BASIS OR OVER A SHORT PERIOD OF TIME, OR THAT INDICATE DUPLICATIVE ORDERS.

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

11. Resolution Date (MM/DD/YYYY):  
04/20/2021 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

## 12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 9,000.00☐ Revocation/Expulsion/Denial☒ Censure

 Bar

 Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions Ordered:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$9,000. PORTION AGAINST APPLICANT \$9,000.00 WAS PAID ON MAY 6, 2021.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

## GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL *OR* ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

## Regulatory Action

Check item(s) being responded to:

|                                  |                                             |                                  |                                  |                                  |
|----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ☒ You (the advisory firm)
  - ☐ You and one or more of your *advisory affiliates*
  - ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  
☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
CBOE BYX EXCHANGE, INC.
2. Principal Sanction:  
Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:
3. Date Initiated (MM/DD/YYYY):  
04/16/2021 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
4. Docket/Case Number:  
STAR NO. 20180577360 / FILE NO. USRI-8018-06
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
Equity Listed (Common & Preferred Stock)  
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
HSBC SECURITIES (USA) INC. VIOLATED RULES 15C3-5(B) AND (C)(1)(II) AND BYX RULES 3.2 AND 5.1 IN THAT THE FIRM'S FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES WERE NOT REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS, BY REJECTING ORDERS THAT EXCEED APPROPRIATE PRICE OR SIZE PARAMETERS, ON

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Consent

11. Resolution Date (MM/DD/YYYY):  
04/20/2021 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 9,000.00  
☐ Revocation/Expulsion/Denial  
☒ Censure  
☐ Bar

☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$9,000. PORTION AGAINST APPLICANT \$9,000.00 WAS PAID ON MAY 6, 2021.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

|                                  |                                             |                                  |                                  |                                  |
|----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)  
☐ You and one or more of your *advisory affiliates*  
☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.
- If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.
- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:
- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  
☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
CBOE EDGX EXCHANGE, INC.
2. Principal Sanction:  
Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:
3. Date Initiated (MM/DD/YYYY):  
04/16/2021 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
4. Docket/Case Number:  
STAR NO. 20180577360 / FILE NO. USRI-8018-07
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
Equity Listed (Common & Preferred Stock)  
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
HSBC SECURITIES (USA) INC. VIOLATED RULES 15C3-5(B) AND (C)(1)(II), AND EDGX RULES 3.2 AND 5.1 IN THAT THE FIRM'S FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES WERE NOT REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS, BY REJECTING ORDERS THAT EXCEED APPROPRIATE PRICE OR SIZE PARAMETERS, ON AN ORDER-BY-ORDER BASIS OR OVER A SHORT PERIOD OF TIME, OR THAT INDICATE DUPLICATIVE ORDERS.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:
- If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.
10. How was matter resolved:  
Consent
11. Resolution Date (MM/DD/YYYY):  
04/20/2021 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 9,000.00  
☐ Revocation/Expulsion/Denial  
☒ Censure  
☐ Bar

☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$9,000. PORTION AGAINST APPLICANT \$9,000.00 WAS PAID ON MAY 6, 2021.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:  

☐ 11.C(1)☐ 11.C(2)☐ 11.C(3)☐ 11.C(4)☐ 11.C(5)

☐ 11.D(1)☐ 11.D(2)☐ 11.D(3)☐ 11.D(4)☐ 11.D(5)

☐ 11.E(1)☒ 11.E(2)☐ 11.E(3)☐ 11.E(4)

☐ 11.F.☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):  

☒ You (the advisory firm)  
☐ You and one or more of your *advisory affiliates*  
☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.  
☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

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B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  

☐ SEC☐ Other Federal☐ State☒ SRO☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
CBOE EDGA EXCHANGE, INC.

2. Principal Sanction:  
Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

04/16/2021

☒ Exact

☐ Explanation

If not exact, provide explanation:

4.

Docket/Case Number:  
STAR NO. 20180577360 / FILE NO. USRI-8018-08

5.

Advisory Affiliate Employing Firm when activity occurred which led to the regulatory action (if applicable):

6.

Principal Product Type:  
Equity Listed (Common & Preferred Stock)  
Other Product Types:

7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):  
HSBC SECURITIES (USA) INC. VIOLATED RULES 15C3-5(B) AND (C)(1)(II), AND EDGA RULES 3.2 AND 5.1 IN THAT THE FIRM'S FINANCIAL RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES WERE NOT REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS, BY REJECTING ORDERS THAT EXCEED APPROPRIATE PRICE OR SIZE PARAMETERS, ON AN ORDER-BY-ORDER BASIS OR OVER A SHORT PERIOD OF TIME, OR THAT INDICATE DUPLICATIVE ORDERS.

8.

Current Status? ☐ Pending ☐ On Appeal ☒ Final

9.

If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.

How was matter resolved:  
Consent

11.

Resolution Date (MM/DD/YYYY):  
04/20/2021 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12.

Resolution Detail:

A.

Were any of the following Sanctions Ordered (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 9,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions Ordered:  
  
Sanction detail: if suspended, enjoined or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an advisory affiliate, date paid and if any portion of penalty was waived:  
A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$9,000. PORTION AGAINST APPLICANT \$9,000.00 WAS PAID ON MAY 6, 2021.

13.

Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or proceeding . The same event or proceeding may be reported for more than one person or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

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B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☒ *SRO*
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
NASDAQ STOCK MARKET

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

- 04/28/2021
- ☒ Exact
- ☐ Explanation
- If not exact, provide explanation:

4. Docket/Case Number:

2018057736001

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

- Other
- Other Product Types:
- UNSPECIFIED SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT ENTERED ERRONEOUS ORDERS. THE FINDINGS STATED THAT ON MARCH 9, 2018, A FOREIGN BANK AFFILIATE SENT TO THE FIRM A MARKET ON CLOSE (MOC) ORDER, WHICH SHOULD NOT HAVE BEEN EXECUTED UNTIL THE CLOSE OF TRADING, TO BUY 37,000 SHARES OF AN EQUITY SECURITY. THE FIRM'S TRADER ENTERED THE ORDER INTO THE FIRM'S SMART ORDER ROUTER (SOR) USING AN AUTOMATED MOC "HOTKEY" FUNCTION IN THE FIRM'S ORDER ENTRY SYSTEM. HOWEVER, DUE TO FAULTY HOTKEY PROGRAMMING, THE ORDER WAS ENTERED AS A REGULAR MARKET ORDER. UPON RECEIPT OF THE ORDER, THE FIRM'S SOR IMMEDIATELY ROUTED CHILD ORDERS TO MARKET WITH LIMIT PRICES UP TO 27.9 PERCENT ABOVE THE NATIONAL BEST OFFER (NBO). AS A RESULT, A TOTAL OF 18,801 SHARES WERE EXECUTED WITHIN 0.3 SECONDS, REPRESENTING 84 PERCENT OF TOTAL SHARES PURCHASED IN THE SECURITY. THE FINDINGS ALSO STATED THAT THE FIRM 'S ERRONEOUS PRICE CONTROL FOR OUTBOUND ORDERS SENT FROM THE SOR WAS NOT REASONABLY DESIGNED AND THUS FAILED TO PREVENT ENTRY OF ERRONEOUS ORDERS. THE CONTROL WAS DESIGNED TO BLOCK ORDERS WITH LIMIT PRICES MORE THAN 10 PERCENT ABOVE THE NBO FOR A SECURITY AT THE TIME THE SOR RECEIVED THE PARENT ORDER. THE OUTBOUND PRICE CONTROL, HOWEVER, WAS NOT DESIGNED TO BLOCK ORDERS IN THE EVENT THE CONTROL WAS NOT ABLE TO CALCULATE A PRICE THRESHOLD. FOR EXAMPLE, ON MARCH 9, 2018, THIS CONTROL WAS NOT ABLE TO CALCULATE A PRICE THRESHOLD BECAUSE OF AN INTERRUPTION IN THE QUOTE DATA FEED. THEREFORE, THE CONTROL DID NOT BLOCK THE ERRONEOUS ORDERS. IN ADDITION, THE FIRM'S WRITTEN DESCRIPTION OF ITS CONTROLS DID NOT REFERENCE OR DESCRIBE THE SOR OUTBOUND PRICE CONTROL. THE FINDINGS ALSO INCLUDED THAT THE OTHER FIRM ERRONEOUS ORDER CONTROLS WERE NOT REASONABLY DESIGNED. THE FIRM MAINTAINED AN AVERAGE DAILY VOLUME (ADV) LIMIT

CONTROL. FOR TRADER-MANAGED ORDERS SUCH AS THE MARCH 9, 2018 ORDER, WHICH WERE REVIEWED AND HANDLED BY A FIRM TRADER RATHER THAN THROUGH ENTIRELY AUTOMATED MEANS, THE ADV LIMIT APPLIED WAS 50 PERCENT OF THE SECURITY'S ADV. THE LIMIT WAS NOT REASONABLY DESIGNED FOR THE FIRM'S BUSINESS MODEL. THE 50 PERCENT LIMIT WAS IMPLEMENTED WHEN TRADER-MANAGED CLIENT ORDERS FREQUENTLY INVOLVED ILLIQUID SECURITIES AND ROUTED EXCLUSIVELY TO OTHER BROKER DEALERS, NOT DIRECTLY TO EXCHANGES. SINCE THEN, TRADER-MANAGED ORDERS INCREASINGLY INVOLVED LIQUID SECURITIES AND ROUTING DIRECTLY TO EXCHANGES. FURTHER, ACCORDING TO THE FIRM'S PROCEDURES, IT SHOULD HAVE APPLIED AN ADV LIMIT OF 25 PERCENT TO THE MARCH 9, 2018 ORDER. THE FIRM SELECTED A LOWER ADV LIMIT OF 25 PERCENT IN LATE 2017, AND UPDATED ITS WRITTEN PROCEDURES ACCORDINGLY, BUT THE THRESHOLD WAS NOT UPDATED IN THE FIRM'S SYSTEMS UNTIL APRIL 2018. AS SUCH, THE FIRM'S WRITTEN DESCRIPTION OF ITS ADV CONTROL AND LIMIT WAS INACCURATE. THE FIRM ALSO DID NOT DOCUMENT ITS RATIONALE FOR SETTING THE TRADER-MANAGED ORDER ADV THRESHOLD AT 50 PERCENT. IN ADDITION, THE FIRM COULD OVERRIDE CERTAIN CONTROL TRIGGERS ON A CASE-BY-CASE BASIS BUT THE FIRM'S WRITTEN POLICIES AND PROCEDURES DID NOT PROVIDE GUIDANCE CONCERNING THE REVIEW PROCESS OR CRITERIA FOR SUCH OVERRIDES. FURTHERMORE, THE FIRM'S WSPS DID NOT ACCURATELY REFLECT POST-TRADE REVIEWS OF OVERRIDES. THE FIRM ALSO HAD A NOTIONAL ORDER SIZE CONTROL FOR TRADER-MANAGED CLIENT ORDERS, WHICH APPLIED A UNIQUE THRESHOLD FOR EACH CLIENT. AS OF MARCH 9, 2018, HOWEVER, THE FIRM HAD NOT CONFIGURED THIS CONTROL TO APPLY TO TRADER-MANAGED ORDERS OF THE AFFILIATE CLIENT THAT SENT THE MOC ORDER. NASDAQ FOUND THAT THE FIRM DID NOT HAVE REASONABLE SUPERVISORY PROCEDURES, INCLUDING WSPS, FOR TECHNOLOGY CHANGE MANAGEMENT RELATING TO THE FIRM'S ORDER ENTRY SYSTEM. SPECIFICALLY, THE FIRM DID NOT HAVE REASONABLE SUPERVISORY PROCEDURES CONCERNING HOTKEYS USED FOR PROCESSING ORDERS. AS A RESULT, THE FIRM FAILED TO IDENTIFY THE PROGRAMMING FLAW THAT RESULTED IN THE MOC ORDER BEING ENTERED INTO THE SOR AS A MARKET ORDER.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
04/28/2021 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 9,000.00
- ☐ Revocation/Expulsion/Denial
- ☒ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

UNDERTAKING

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

THE FIRM WAS CENSURED, FINED A TOTAL OF \$45,000, OF WHICH \$9,000 IS ALLOCATED TO NASDAQ, WITH THE REMAINDER ALLOCATED TO OTHER REGULATORS, AND REQUIRED TO REVISE ITS WRITTEN DESCRIPTION OF ITS RISK MANAGEMENT CONTROLS WITH RESPECT TO ITS PRICE CONTROL FOR OUTBOUND ORDERS SENT FROM THE SMART ORDER ROUTER, AND WRITTEN PROCEDURES WITH RESPECT TO THE FIRM'S ABILITY TO OVERRIDE CERTAIN CONTROL TRIGGERS ON A CASE-BY-CASE BASIS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
WITHOUT ADMITTING OR DENYING THE FINDINGS HSBC CONSENTED TO THE SANCTIONS TO ENTRY OF FINDINGS THAT IT ENTERED ERRONEOUS ORDERS. HSBC WAS CENSURED AND FINED \$9,000.00.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |                                             |                                  |                                  |                                  |
|----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input checked="" type="checkbox"/> 11.D(2) | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input type="checkbox"/> 11.E(2)            | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input checked="" type="checkbox"/> 11.G.   |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

|             |                                                                                                               |
|-------------|---------------------------------------------------------------------------------------------------------------|
| CRD Number: | This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual |
| Registered: | <input type="radio"/> Yes <input checked="" type="radio"/> No                                                 |
| Name:       | HSBC HOLDINGS PLC<br>(For individuals, Last, First, Middle)                                                   |

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☐ *SRO*
- ☒ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
THE EUROPEAN COMMISSION "THE COMMISSION"

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

- 12/07/2016 ☒ Exact
- ☐ Explanation
- If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):  
HSBC HOLDINGS PLC

6. Principal Product Type:

Other  
Other Product Types:  
EURO INTEREST RATE DERIVATIVE PRICING

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

IN DECEMBER 2016, THE EUROPEAN COMMISSION ("THE COMMISSION") ISSUED A DECISION THAT IN EARLY 2007 HSBC, AMONG OTHER BANKS, COLLUDED ON EURO INTEREST RATE DERIVATIVE PRICING ELEMENTS, AND EXCHANGED RELATED SENSITIVE INFORMATION, IN BREACH OF EU ANTITRUST RULES. THE COMMISSION DETERMINED THAT THE DURATION OF HSBC'S INFRINGEMENT WAS 1 MONTH AND FINED HSBC 33,606,000 EUROS. AN APPEALWAS MADE TO THE GENERAL COURT OF THE EUROPEAN UNION, RESULTED IN THE FINE BEING ANNULLED. BOTH HSBC AND THE COMMISSION ARE APPEALING TO THE COURT OF JUSTICE OF THE EUROPEAN UNION. IN JANUARY 2023 THE EU COURT OF JUSTICE UPHELD THE LIABILITY FINDINGS OF THE GENERAL COURT. HSBC HAS APPEALED TO THE GENERAL COURT CHALLENGING THE FINE IMPOSED BY THE COMMISSION. THAT APPEAL REMAINS PENDING.

8. Current Status? ☐ Pending ☒ On Appeal ☐ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

THE EU GENERAL COURT, IN A JUDGEMENT OF 24 SEPTEMBER 2019, ANNULLED HSBC'S FINE FOR INSUFFICIENT REASONING BUT LARGELY UPHELD THE COMMISSION'S FINDINGS OF LIABILITY. IN Q4 2019 HSBC AND THE EUROPEAN COMMISSION APPEALED THE GENERAL COURT'S RULING TO THE COURT OF JUSTICE OF THE EUROPEAN UNION. IN JANUARY 2023 THE EU COURT OF JUSTICE UPHELD THE LIABILITY FINDINGS OFTHE GENERAL COURT AND NO FURTHER LIABILITY CHALLENGE IS POSSIBLE. HSBC MAINTAINS AN APPEAL TO THE GENERAL COURT CHALLENGING THE FINE IMPOSED BY THE COMMISSION.

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

01/12/2023 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 35,958,420.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

HSBC HOLDINGS PLC. IN ACCORDANCE WITH THE SETTLEMENT WILL PAY A FINE IN THE AMOUNT OF 31,739,000, EUROS. HSBC MAINTAINS AN APPEAL BEFORE THE EU GENERAL COURT AGAINST THE FINE. SEE INFORMATION ABOVE REGARDING THE APPEALS BY THE COMMISSION AND HSBC OF THE GENERAL COURT'S SEPTEMBER 2019 JUDGMENT.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

THE ORIGINAL FINE ASSESSED AGAINST HSBC WAS ANNULLED. IN JANUARY 2023 THE EUROPEAN COMMISSION RE-IMPOSED A FINE OF 31,739,000 EUROS TO BE PAID BY HSBC, REPLACING THE PRIOR FINE OF 33,606,000 EUROS. HSBC MAINTAINS AN APPEAL BEFORE THE EU GENERAL COURT AGAINST THE FINE.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

| Regulatory Action                 |                                             |                                  |                                  |                                  |
|-----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Check item(s) being responded to: |                                             |                                  |                                  |                                  |
| <input type="checkbox"/> 11.C(1)  | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1)  | <input checked="" type="checkbox"/> 11.D(2) | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1)  | <input type="checkbox"/> 11.E(2)            | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.    | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

CRD Number:

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☐ Yes ☒ No

Name: HSBC HOLDINGS PLC  
(For individuals, Last, First, Middle)

- ☐ This *DRP* should be removed from the *ADV* record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This *DRP* should be removed from the *ADV* record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the *IARD* system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the *IARD* or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.
- ☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its *IARD* or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☐ SRO ☒ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

THE EUROPEAN COMMISSION ("THE COMMISSION")
2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

12/02/2021 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

HSBC HOLDINGS PLC
6. Principal Product Type:

Other

Other Product Types:

FOREIGN EXCHANGE (FOREX) SPOT TRADING
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE EUROPEAN COMMISSION RECENTLY COMPLETED A CARTEL INVESTIGATION INTO THE FOREIGN EXCHANGE ('FOREX') SPOT TRADING MARKET BY IMPOSING FINES ON FIVE FINANCIAL INSTITUTIONS, INCLUDING HSBC HOLDINGS PLC. THE COMMISSION'S INVESTIGATION FOCUSED ON THE TRADING OF THE G10 CURRENCIES. THE COMMISSION'S INVESTIGATION REVEALED THAT SOME TRADERS IN CHARGE OF THE FOREX SPOT TRADING OF G10 CURRENCIES, ACTING ON BEHALF OF THE FINED BANKS, EXCHANGED SENSITIVE INFORMATION AND TRADING PLANS, AND OCCASIONALLY COORDINATED THEIR TRADING STRATEGIES THROUGH AN ONLINE PROFESSIONAL CHATROOM. THE COMMISSION FOUND THAT THESE INFORMATION EXCHANGES ENABLED THE TRADERS TO MAKE INFORMED MARKET DECISIONS ON WHETHER AND WHEN TO SELL OR BUY THE CURRENCIES THEY HAD IN THEIR PORTFOLIOS, AS OPPOSED TO A SITUATION WHERE TRADERS ACTING INDEPENDENTLY FROM EACH OTHER TAKE AN INHERENT RISK IN TAKING THESE DECISIONS. OCCASIONALLY, THESE INFORMATION EXCHANGES ALSO ALLOWED THE TRADERS TO IDENTIFY OPPORTUNITIES FOR COORDINATION, FOR EXAMPLE THROUGH A PRACTICE CALLED "STANDING DOWN", WHEREBY SOME OF THEM WOULD TEMPORARILY REFRAIN FROM TRADING TO AVOID INTERFERING WITH ANOTHER TRADER. HSBC COOPERATED WITH THE INVESTIGATION AND HAS PROVISIONED FOR THE FINE NOTED IN SECTION RESOLUTION DETAIL.
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:
- If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.
10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):  
12/02/2021 ☒ Exact ☐ Explanation  
If not exact, provide explanation:  
FINE ANNOUNCED BY COMMISSION ON 12/2/21. HSBC HOLDINGS PLC INTENDS TO CAUSE THE FINE TO BE PAID WITHIN IN THE TIMEFRAME DIRECTED BY THE COMMISSION.

12. Resolution Detail:  
A. Were any of the following Sanctions *Ordered* (check all appropriate items)?  

☒ Monetary/Fine Amount: \$ 196,954,958.00  
☐ Revocation/Expulsion/Denial  
☐ Censure  
☐ Bar

☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

  
B. Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
FINE ANNOUNCED BY THE COMMISSION ON 12/2/21.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
HSBC HOLDINGS PLC INTENDS TO CAUSE THE FINE TO BE PAID WITHIN IN THE TIMEFRAME DIRECTED BY THE COMMISSION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:  

☐ 11.C(1)  
☐ 11.D(1)  
☐ 11.E(1)  
☐ 11.F.

☐ 11.C(2)  
☐ 11.D(2)  
☒ 11.E(2)  
☐ 11.G.

☐ 11.C(3)  
☐ 11.D(3)  
☐ 11.E(3)

☐ 11.C(4)  
☐ 11.D(4)  
☐ 11.E(4)

☐ 11.C(5)  
☐ 11.D(5)

Use a separate *DRP* for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one *DRP*. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one *DRP* to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate *DRP*.

PART I

A. The *person(s)* or entity(ies) for whom this *DRP* is being filed is (are):  

☒ You (the advisory firm)  
☐ You and one or more of your *advisory affiliates*  
☐ One or more of your *advisory affiliates*

  
If this *DRP* is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV *DRP* - ADVISORY AFFILIATE

No Information Filed

☐ This *DRP* should be removed from the *ADV* record because the *advisory affiliate(s)* is no longer associated with the adviser.  
☐ This *DRP* should be removed from the *ADV* record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.  

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1.

Regulatory Action initiated by:

☐

SEC

☐

Other Federal

☐

State

☒

SRO

☐

Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

CBOE EDGX EXCHANGE, INC.

2.

Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

N/A

3.

Date Initiated (MM/DD/YYYY):

06/08/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4.

Docket/Case Number:

FILE NO. USRI-8669-07/URE-10-07/STAR NO. 20190634320-03

5.

*Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6.

Principal Product Type:

Equity Listed (Common & Preferred Stock)

Other Product Types:

7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):

HSBC SECURITIES (USA) INC. VIOLATED EDGX RULES 3.2 AND 11.8(C); RULE 611(C) IN THAT THE FIRM FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT THE ISOS IT ROUTED MET THE REQUIREMENTS SET FORTH IN RULES 600(B)(3) AND 600(B)(31). THE FIRM'S VENDOR RESOLVED THESE TECHNICAL ISSUES IN SEPTEMBER 2020. THE FIRM ALSO VIOLATED EDGX RULE 5.1 IN THAT THE FIRM'S SUPERVISORY SYSTEM, INCLUDING ITS WSPS, WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RULE 611(C).

8.

Current Status?

☐ Pending

☐ On Appeal

☒ Final

9.

If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.

How was matter resolved:

Consent

11.

Resolution Date (MM/DD/YYYY):

06/09/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12.

Resolution Detail:

A.

Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 13,250.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$13,250.

13.

Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

HSBC SECURITIES (USA) INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN IN THE TIMEFRAME DIRECTED BY THE SRO.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)☐ 11.D(1)☐ 11.E(1)☐ 11.F.

☐ 11.C(2)☐ 11.D(2)☒ 11.E(2)☐ 11.G.

☐ 11.C(3)☐ 11.D(3)☐ 11.E(3)

☐ 11.C(4)☐ 11.D(4)☐ 11.E(4)

☐ 11.C(5)☐ 11.D(5)

Use a separate **DRP** for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one **DRP**. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one **DRP** to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate **DRP**.

PART I

A. The *person(s)* or entity(ies) for whom this **DRP** is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this **DRP** is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV **DRP** - ADVISORY AFFILIATE

No Information Filed

☐ This **DRP** should be removed from the **ADV** record because the *advisory affiliate(s)* is no longer associated with the adviser.  
☐ This **DRP** should be removed from the **ADV** record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a **DRP** for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a **DRP** for any event listed in Item 11 that occurred more than ten years ago.

☐ This **DRP** should be removed from the **ADV** record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a **DRP** (with Form **ADV**, **BD** or **U-4**) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this **DRP** must be provided.

☐ Yes

☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC☐ Other Federal☐ State☒ SRO☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
CBOE EDGA EXCHANGE, INC.

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

06/08/2022☒ Exact☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:

FILE NO. USRI-8669-08/URE-10-08/STAR NO. 20190634320-08

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
Equity Listed (Common & Preferred Stock)  
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
HSBC SECURITIES (USA), INC. VIOLATED EDGA RULES 3.2 AND 11.8(C); AND RULE 611(C) IN THAT THE FIRM FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT THE ISOS IT ROUTED MET THE REQUIREMENTS SET FORTH IN RULES 600(B)(30) AND 600(B)(31). THE FIRM'S VENDOR RESOLVED THESE TECHNICAL ISSUES IN SEPTEMBER 2020. THE FIRM ALSO VIOLATED EDGA RULE 5.1 IN THAT THE FIRM'S SUPERVISORY SYSTEM, INCLUDING ITS WSPS, WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RULE 611(C).

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Consent

11. Resolution Date (MM/DD/YYYY):  
06/09/2022 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:  
A. Were any of the following Sanctions *Ordered* (check all appropriate items)?  

☒ Monetary/Fine Amount: \$ 6,500.00  
☐ Revocation/Expulsion/Denial  
☒ Censure  
☐ Bar

☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

  
B. Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$6,500.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
HSBC SECURITIES (USA) INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN IN THE TIMEFRAME DIRECTED BY THE SRO.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:  

☐ 11.C(1)  
☐ 11.D(1)  
☐ 11.E(1)  
☐ 11.F.

☐ 11.C(2)  
☐ 11.D(2)  
☒ 11.E(2)  
☐ 11.G.

☐ 11.C(3)  
☐ 11.D(3)  
☐ 11.E(3)

☐ 11.C(4)  
☐ 11.D(4)  
☐ 11.E(4)

☐ 11.C(5)  
☐ 11.D(5)

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):  

☒ You (the advisory firm)  
☐ You and one or more of your *advisory affiliates*  
☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

CBOE BYX EXCHANGE, INC.
2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

N/A
3. Date Initiated (MM/DD/YYYY):

06/08/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

FILE NO. USRI-8669-06/URE-10-06 / STAR NO. 20190634320-07
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Equity Listed (Common & Preferred Stock)

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

HSBC SECURITIES (USA) INC. VIOLATED BYX RULES 3.2 AND 11.9(D); AND RULE 611(C) IN THAT THE FIRM FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT THE ISOS IT ROUTED MET THE REQUIREMENTS SET FORTH IN RULES 600(B)(30) AND 600(B)(31). THE FIRM'S VENDOR RESOLVED THESE TECHNICAL ISSUES IN SEPTEMBER 2020. HSBC ALSO VIOLATED BYX RULE 5.1 IN THAT THE FIRM'S SUPERVISORY SYSTEM, INCLUDING ITS WSPS, WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RULE 611(C).
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Consent

11. Resolution Date (MM/DD/YYYY):

06/09/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 9,750.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$9,750.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
HSBC SECURITIES (USA) INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN IN THE TIMEFRAME DIRECTED BY THE SRO.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes

☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NEW YORK STOCK EXCHANGE

2. Principal Sanction:

Other

Other Sanctions:

N/A

3. Date Initiated (MM/DD/YYYY):

06/16/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

2019063432005

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

INTERMARKET SWEEP ORDERS

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO TAKE REASONABLE STEPS TO ENSURE THAT INTERMARKET SWEEP ORDERS (ISOS) IT ROUTED TO CERTAIN MARKET CENTERS MET THE REQUIREMENTS SET FORTH IN RULES 600(B)(30) AND 600(B)(31) OF REGULATION NATIONAL MARKET SYSTEM (NMS) OF THE SECURITIES EXCHANGE ACT OF 1934. THE FINDINGS STATED THAT WHEN THE FIRM ROUTED ORDERS TO VARIOUS EXCHANGES THAT IT MARKED AS ISOS, THREE TECHNICAL ISSUES WITH ITS VENDOR'S SMART ORDER ROUTER RESULTED IN THE FIRM NOT RECOGNIZING, AND THEN ROUTING ADDITIONAL ISOS NECESSARY TO EXECUTE AGAINST, PROTECTED QUOTES DISPLAYED BY CERTAIN MARKET CENTERS. AS A RESULT, THE FIRM SENT A TOTAL OF 10,265 ISO ORDERS, INCLUDING 1,393 ORDERS TO NYSE, THAT WERE PRICED THROUGH OTHER MARKET CENTERS' PROTECTED LIQUIDITY BECAUSE THE FIRM DID NOT ROUTE THE ADDITIONAL ISOS NECESSARY TO EXECUTE AGAINST THOSE PROTECTED QUOTES. THE FIRM DID NOT IDENTIFY THESE ISSUES AND DID NOT CONDUCT A REVIEW DESIGNED TO VERIFY THAT IT ROUTED ALL NECESSARY ISOS TO EXECUTE AGAINST PROTECTED QUOTATIONS. THE FIRM'S VENDOR HAS SINCE RESOLVED THE TECHNICAL ISSUES IN ITS SMART ORDER ROUTER SYSTEM. AS A RESULT, THE FIRM VIOLATED RULE 611(C) OF REGULATION NMS AND NYSE RULE 7.31(E)(3). THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN SUPERVISORY PROCEDURES (WSPS), REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RULE 611(C) OF REGULATION NMS AND NYSE RULE 7.31(E)(3). THE FIRM HAD NO REVIEWS OR PROCEDURES TO ESTABLISH THAT ISOS IT ROUTED TO COMPLY WITH RULES 600(B)(30) AND 600(B)(31) BY EXECUTING AGAINST PROTECTED QUOTATIONS WERE SENT AND RECEIVED BY ALL NECESSARY VENUES, ON A TIMELY BASIS, FOR THE CORRECT SIZE AND PRICE, IN COMPLIANCE WITH RULE 611(C) AND NYSE RULE 7.31(E)(3), AND, ACCORDINGLY, ITS WSPS DID NOT DESCRIBE ANY SUCH REVIEWS OR PROCEDURES. GIVEN THAT THE FIRM CONTINUOUSLY ROUTED VIOLATIVE ISOS, THIS WAS UNREASONABLE. BECAUSE OF THESE SUPERVISORY DEFICIENCIES, THE FIRM FAILED TO DETECT AND TIMELY REMEDIATE THE THREE TECHNICAL ISSUES WITH ITS VENDOR'S SMART ORDER ROUTER THAT CAUSED THE FIRM TO ROUTE ISOS THAT WERE PRICED THROUGH MARKET CENTERS' PROTECTED QUOTATIONS. THE FIRM HAS SINCE REMEDIATED THESE DEFICIENCIES. AS A RESULT, THE FIRM VIOLATED NYSE RULES 3110(A) AND (B).

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

06/16/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 17,389.00
- ☐ Revocation/Expulsion/Denial
- ☒ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been

satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE FIRM WAS CENSURED AND FINED \$17,389, RESOLVED SIMULTANEOUSLY WITH SIMILAR MATTERS FOR A TOTAL FINE OF \$125,000. THOSE MATTERS WERE BROUGHT BY CBOE BYX EXCHANGE, INC. (BYX); CBOE BZX EXCHANGE, INC. (BZX); CBOE EDGA EXCHANGE, INC. (EDGA); CBOE EDGX EXCHANGE, INC. (EDGX); INVESTORS EXCHANGE, LLC (IEX); NYSE AMERICAN LLC (NYSE AMERICAN) NYSE ARCA, INC. (ARCA); NYSE CHICAGO, INC. (CHX) (COLLECTIVELY, THE EXCHANGES), AND FINRA.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
HSBC SECURITIES (USA) INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN IN THE TIMEFRAME DIRECTED BY THE SRO.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)☐ 11.C(2)☐ 11.C(3)☐ 11.C(4)☐ 11.C(5)

☐ 11.D(1)☐ 11.D(2)☐ 11.D(3)☐ 11.D(4)☐ 11.D(5)

☐ 11.E(1)☒ 11.E(2)☐ 11.E(3)☐ 11.E(4)

☐ 11.F.☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):  

☒ You (the advisory firm)  
☐ You and one or more of your *advisory affiliates*  
☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.  
☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.  

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
CBOE BZX EXCHANGE, INC.

2. Principal Sanction:  
Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

06/08/2022☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

FILE NO. USRI-8669-05/URE-10-05/STAR NO. 20190634320-02

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Equity Listed (Common & Preferred Stock)

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

HSBC SECURITIES (USA) INC. VIOLATED BZX RULES 3.2 AND 11.9(D); AND RULE 611(C) IN THAT THE FIRM FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT THE ISOS IT ROUTED MET THE REQUIREMENTS SET FORTH IN RULES 600(B)(30) AND 600(B)(31). THE FIRM'S VENDOR RESOLVED THESE TECHNICAL ISSUES IN SEPTEMBER 2020. THE FIRM ALSO VIOLATED BZX RULE 5.1 IN THAT THE FIRM'S SUPERVISORY SYSTEM, INCLUDING ITS WSPS, WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RULE 611(C).

8. Current Status?

☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Consent

11. Resolution Date (MM/DD/YYYY):

06/09/2022☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 13,250.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$13,250.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

HSBC SECURITIES (USA) INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN IN THE TIMEFRAME DIRECTED BY THE SRO.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to

actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☒ *SRO*
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)

2. Principal Sanction:

Other  
Other Sanctions:  
N/A

3. Date Initiated (MM/DD/YYYY):

06/09/2022 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:

2019063432006

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other  
Other Product Types:  
INTERMARKET SWEEP ORDERS

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO TAKE REASONABLE STEPS TO ENSURE THAT INTERMARKET SWEEP ORDERS (ISOS) IT ROUTED TO CERTAIN MARKET CENTERS MET THE REQUIREMENTS SET FORTH IN RULES 600(B)(30) AND 600(B)(31) OF REGULATION NATIONAL MARKET SYSTEM (NMS) OF THE SECURITIES EXCHANGE ACT OF 1934. THE FINDINGS STATED THAT WHEN THE FIRM ROUTED ORDERS TO VARIOUS EXCHANGES THAT IT MARKED AS ISOS DURING THIS PERIOD, THREE TECHNICAL ISSUES WITH ITS VENDOR'S SMART ORDER ROUTER RESULTED IN THE FIRM NOT RECOGNIZING, AND THEN ROUTING ADDITIONAL ISOS NECESSARY TO EXECUTE AGAINST, PROTECTED QUOTES DISPLAYED BY CERTAIN MARKET CENTERS. AS A RESULT, THE FIRM SENT A TOTAL OF 10,265 ISO ORDERS THAT WERE PRICED THROUGH OTHER MARKET CENTERS' PROTECTED LIQUIDITY BECAUSE THE FIRM DID NOT ROUTE THE ADDITIONAL ISOS NECESSARY TO EXECUTE AGAINST THOSE PROTECTED QUOTES. THE FIRM'S VENDOR LATER RESOLVED THE TECHNICAL ISSUES IN ITS SMART ORDER ROUTER SYSTEM. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM WAS NOT REASONABLY DESIGNED TO COMPLY WITH RULE 611 OF REGULATION NMS. THE FIRM HAD NO REVIEWS OR PROCEDURES TO ESTABLISH THAT ISOS IT ROUTED TO COMPLY WITH RULES 600(B)(30) AND 600(B)(31) BY EXECUTING AGAINST PROTECTED QUOTATIONS WERE SENT AND RECEIVED BY ALL NECESSARY VENUES, ON A TIMELY BASIS, FOR THE CORRECT SIZE AND PRICE. BECAUSE OF THESE SUPERVISORY DEFICIENCIES, THE FIRM FAILED TO DETECT AND TIMELY REMEDIATE THE THREE TECHNICAL ISSUES WITH ITS VENDOR'S SMART ORDER ROUTER

THAT CAUSED THE FIRM TO ROUTE ISOS THAT WERE PRICED THROUGHMARKET CENTERS' PROTECTED QUOTATIONS. THE FIRM HAS SINCE REMEDIATED THESE DEFICIENCIES.

8. Current Status?

☐ Pending

☐ On Appeal

☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

06/10/2022☒ Exact☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 19,197.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE FIRM WAS CENSURED AND FINED \$19,197. RELATED DISCIPLINARY ACTION ON BEHALF OF CBOE BYXEXCHANGE, INC.; CBOE BZX EXCHANGE, INC.; CBOE EDGA EXCHANGE, INC.; CBOE EDGX EXCHANGE,INC.; INVESTORS EXCHANGE, LLC; THE NEW YORK STOCK EXCHANGE LLC; NYSE AMERICAN LLC; NYSECHICAGO, INC., AND NYSE ARCA, INC. FOR SIMILAR VIOLATIONS IS BEING TAKEN CONCURRENTLY INCONJUNCTION WITH THIS MATTER.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

HSBC SECURITIES (USA) INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN IN THE TIMEFRAME DIRECTED BY THE SRO.

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NYSE ARCA, INC.
2. Principal Sanction:

Other

Other Sanctions:

N/A
3. Date Initiated (MM/DD/YYYY):

06/16/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

2019063432001
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Other

Other Product Types:

INTERMARKET SWEEP ORDERS
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO TAKE REASONABLE STEPS TO ENSURE THAT INTERMARKET SWEEP ORDERS (ISOS) IT ROUTED TO CERTAIN MARKET CENTERS MET THE REQUIREMENTS SET FORTH IN RULES 600(B)(30) AND 600(B)(31) OF REGULATION NATIONAL MARKET SYSTEM (NMS) OF THE SECURITIES EXCHANGE ACT OF 1934. THE FINDINGS STATED THAT WHEN THE FIRM ROUTED ORDERS TO VARIOUS EXCHANGES THAT IT MARKED AS ISOS, THREE TECHNICAL ISSUES WITH ITS VENDOR'S SMART ORDER ROUTER RESULTED IN THE FIRM NOT RECOGNIZING, AND THEN ROUTING ADDITIONAL ISOS NECESSARY TO EXECUTE AGAINST, PROTECTED QUOTES DISPLAYED BY CERTAIN MARKET CENTERS. AS A RESULT, THE FIRM SENT A TOTAL OF 10,265 ISO ORDERS, INCLUDING 2,107 ORDERS TO NYSE ARCA, THAT WERE PRICED THROUGH OTHER MARKET CENTERS' PROTECTED LIQUIDITY BECAUSE THE FIRM DID NOT ROUTE THE ADDITIONAL ISOS NECESSARY TO EXECUTE AGAINST THOSE PROTECTED QUOTES. THE FIRM DID NOT IDENTIFY THESE ISSUES AND DID NOT CONDUCT A REVIEW DESIGNED TO VERIFY THAT IT ROUTED ALL NECESSARY ISOS TO EXECUTE AGAINST PROTECTED QUOTATIONS. THE FIRM'S VENDOR HAS SINCE RESOLVED THE TECHNICAL ISSUES IN ITS SMART ORDER ROUTER SYSTEM. ACCORDINGLY, THE FIRM VIOLATED RULE 611(C) OF REGULATION NMS, NYSE ARCA EQUITIES RULE 7.31(E)(2) (PRIOR TO AUGUST 17, 2017), AND NYSE ARCA RULE 7.31-E(E)(3) (ON AND AFTER AUGUST 17, 2017). THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN SUPERVISORY PROCEDURES (WSPS), REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RULE 611(C) OF REGULATION NMS AND NYSE ARCA EQUITIES RULE 7.31(E)(2) (PRIOR TO AUGUST 17, 2017) AND NYSE ARCA RULE 7.31-E(E)(3) (ON AND AFTER AUGUST 17, 2017). THE FIRM HAD NO REVIEWS OR PROCEDURES TO ESTABLISH THAT ISOS IT ROUTED TO COMPLY WITH RULES 600(B)(30) AND 600(B)(31) BY EXECUTING AGAINST PROTECTED QUOTATIONS WERE SENT AND RECEIVED BY ALL NECESSARY VENUES, ON A TIMELY BASIS, FOR THE CORRECT SIZE AND PRICE, IN COMPLIANCE WITH RULE 611(C) AND NYSE ARCA EQUITIES RULE 7.31(E)(2) AND NYSE ARCA RULE 7.31-E(E)(3), AND, ACCORDINGLY, ITS WSPS DID NOT DESCRIBE ANY SUCH REVIEWS OR PROCEDURES. GIVEN THAT THE FIRM CONTINUOUSLY ROUTED VIOLATIVE ISOS, THIS WAS UNREASONABLE. BECAUSE OF THESE SUPERVISORY DEFICIENCIES, THE FIRM FAILED TO DETECT AND TIMELY REMEDIATE THE THREE TECHNICAL ISSUES WITH ITS VENDOR'S SMART ORDER ROUTER THAT CAUSED THE FIRM TO ROUTE ISOS THAT WERE PRICED THROUGH MARKET CENTERS' PROTECTED QUOTATIONS. THE FIRM HAS SINCE REMEDIATED THESE DEFICIENCIES. ACCORDINGLY, THE FIRM VIOLATED NYSE ARCA EQUITIES RULE 6.18 (PRIOR TO AUGUST 17, 2017) AND NYSE ARCA RULES 11.18(B) AND (C) (ON AND AFTER AUGUST 17, 2017).
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
06/16/2022 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:  
A. Were any of the following Sanctions *Ordered* (check all appropriate items)?  
☒ Monetary/Fine Amount: \$ 21,227.00  
☐ Revocation/Expulsion/Denial  
☒ Censure  
☐ Bar  
B. Other Sanctions *Ordered*:

☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE FIRM WAS CENSURED AND FINED \$21,227, RESOLVED SIMULTANEOUSLY WITH SIMILAR MATTERS FOR A TOTAL FINE OF \$125,000. THOSE MATTERS WERE BROUGHT BY CBOE BYX EXCHANGE, INC. (BYX); CBOE BZX EXCHANGE, INC. (BZX); CBOE EDGA EXCHANGE, INC. (EDGA); CBOE EDGX EXCHANGE, INC. (EDGX); INVESTORS EXCHANGE, LLC (IEX); NYSE AMERICAN LLC (NYSE AMERICAN); NEW YORK STOCK EXCHANGE LLC (NYSE); NYSE CHICAGO, INC. (CHX) (COLLECTIVELY, THE EXCHANGES), AND FINRA.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
HSBC SECURITIES (USA) INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN IN THE TIMEFRAME DIRECTED BY THE SRO.

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

|                                  |                                             |                                  |                                  |                                  |
|----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):  
☒ You (the advisory firm)  
☐ You and one or more of your *advisory affiliates*  
☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a CRD number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.  
☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred

more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

INVESTORS' EXCHANGE LLC

2. Principal Sanction:

Other

Other Sanctions:

N/A

3. Date Initiated (MM/DD/YYYY):

06/09/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

2019063432004

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

INTERMARKET SWEEP ORDERS

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THEENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, AND FAILED TOESTABLISH, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES (WSPS), REASONABLY DESIGNEDTO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS, AND IEX RULES,CONCERNING COMPLIANCE WITH RULE 611(C) OF REGULATION NATIONAL MARKET SYSTEM (NMS) OF THE SECURITIES EXCHANGE ACT OF 1934 AND IEX RULE 11.190(B)(12). THE FINDINGS STATED THAT THE FIRM HADNO REVIEWS OR PROCEDURES TO ESTABLISH THAT INTERMARKET SWEEP ORDERS (ISOS) IT ROUTED TOCOMPLY WITH RULES 600(B)(30) AND 600(B)(31) BY EXECUTING AGAINST PROTECTED QUOTATIONS WERESENT AND RECEIVED BY ALL NECESSARY VENUES, ON A TIMELY BASIS, FOR THE CORRECT SIZE AND PRICE, INCOMPLIANCE WITH RULE 611(C). BECAUSE OF THESE SUPERVISORY DEFICIENCIES, THE FIRM FAILED TODETECT AND TIMELY REMEDIATE THREE TECHNICAL ISSUES WITH ITS VENDOR'S SMART ORDER ROUTER THATCAUSED THE FIRM TO ROUTE ISOS THAT WERE PRICED THROUGH MARKET CENTERS' PROTECTED QUOTATIONS.THE FIRM HAS SINCE REMEDIATED THESE DEFICIENCIES. ACCORDINGLY, THE FIRM VIOLATED IEX RULES5.110(A), 5.110(B), AND 3.110

8. Current Status?

☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

06/09/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 4,569.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Bar

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE FIRM WAS CENSURED AND FINED \$4,569. RELATED DISCIPLINARY ACTION ON BEHALF OF CBOE BYXEXCHANGE, INC.; CBOE BZX EXCHANGE, INC.; CBOE EDGA EXCHANGE, INC.; CBOE EDGX EXCHANGE, INC.;FINRA; THE NEW YORK STOCK EXCHANGE LLC; NYSE AMERICAN LLC; NYSE CHICAGO, INC., AND NYSEARCA, INC. FOR SIMILAR VIOLATIONS IS BEING TAKEN CONCURRENTLY IN CONJUNCTION WITH THISMATTER.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
HSBC SECURITIES (USA) INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN IN THE TIMEFRAME DIRECTED BY THE SRO.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |                                             |                                  |                                  |                                  |
|----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
NYSE CHICAGO, INC.

2. Principal Sanction:  
Other  
Other Sanctions:  
N/A

3. Date Initiated (MM/DD/YYYY):  
06/16/2022 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:  
2019063432010

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
Other  
Other Product Types:  
INTERMARKET SWEEP ORDERS

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
NYSE CHICAGO, INC. ("NYSE CHICAGO" OR THE "EXCHANGE"), PURSUANT TO ARTICLE 12, RULE 1(D) OF THE RULES OF EXCHANGE, IN LIEU OF FILING CHARGES, HEREBY ENTERS THIS ORDER AGAINST RESPONDENT HSBC SECURITIES (USA) INC. ("HSBC," "RESPONDENT," OR THE "FIRM") INSTITUTING PROCEEDINGS, ACCEPTING AN OFFER OF SETTLEMENT, MAKING FINDINGS, AND IMPOSING SANCTIONS. NYSE CHICAGO FINDS THAT BETWEEN JULY 2017 AND SEPTEMBER 2020, HSBC FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT THE INTERMARKET SWEEP ORDERS (ISOS) IT ROUTED MET THE REQUIREMENTS SET FORTH IN RULES 600(B)(30) AND 600(B)(31) OF REGULATION NATIONAL MARKET SYSTEM (NMS) OF THE SECURITIES EXCHANGE ACT OF 1934. SPECIFICALLY, WHEN HSBC ROUTED ORDERS TO VARIOUS EXCHANGES THAT IT MARKED AS ISOS DURING THIS PERIOD, THREE TECHNICAL ISSUES WITH ITS VENDOR'S SMART ORDER ROUTER RESULTED IN THE FIRM NOT RECOGNIZING, AND THEN ROUTING ADDITIONAL ISOS NECESSARY TO EXECUTE AGAINST, PROTECTED QUOTES DISPLAYED BY CERTAIN MARKET CENTERS. AS A RESULT, HSBC SENT A TOTAL OF 10,265 ISO ORDERS, INCLUDING 17 ORDERS TO NYSE CHICAGO, THAT WERE PRICED THROUGH OTHER MARKET CENTERS' PROTECTED LIQUIDITY BECAUSE THE FIRM DID NOT ROUTE THE ADDITIONAL ISOS NECESSARY TO EXECUTE AGAINST THOSE PROTECTED QUOTES. HSBC DID NOT IDENTIFY THESE ISSUES AND DID NOT CONDUCT A REVIEW DESIGNED TO VERIFY THAT IT ROUTED ALL NECESSARY ISOS TO EXECUTE AGAINST PROTECTED QUOTATIONS. ACCORDINGLY, HSBC FAILED TO TAKE REASONABLE STEPS TO ESTABLISH THAT THE ISOS IT ROUTED MET THE REQUIREMENTS SET FORTH IN RULES 600(B)(30) AND 600(B)(31). THE FIRM'S VENDOR RESOLVED THE TECHNICAL ISSUES IN ITS SMART ORDER ROUTER SYSTEM IN SEPTEMBER 2020. ADDITIONALLY, PRIOR TO JULY 2017, HSBC ROUTED ISOS ONLY TO EXECUTING BROKERS. WHEN HSBC BEGAN ROUTING ISOS DIRECTLY TO EXCHANGES, THE FIRM DID NOT UPDATE ITS SUPERVISORY SYSTEMS TO INCLUDE A REVIEW OF ISOS FOR COMPLIANCE WITH RULE 611 OR RELATED EXCHANGE RULES. SPECIFICALLY, HSBC HAD NO REVIEWS OR PROCEDURES TO ESTABLISH THAT ISOS IT ROUTED TO COMPLY WITH RULES 600(B)(30) AND 600(B)(31) OF REGULATION NMS BY EXECUTING AGAINST PROTECTED QUOTATIONS WERE SENT AND RECEIVED BY ALL NECESSARY VENUES, ON A TIMELY BASIS, FOR THE CORRECT SIZE AND PRICE, IN COMPLIANCE WITH RULE 611(C) AND RELATED EXCHANGE RULES, AND, ACCORDINGLY, ITS WRITTEN SUPERVISORY PROCEDURES DID NOT DESCRIBE ANY SUCH REVIEWS OR PROCEDURES. GIVEN THAT HSBC CONTINUOUSLY ROUTED VIOLATIVE ISOS BETWEEN JULY 2017 AND SEPTEMBER 2020, THIS WAS UNREASONABLE. HSBC HAS SINCE REMEDIATED THESE DEFICIENCIES. AS A RESULT OF THE CONDUCT DESCRIBED HEREIN, HSBC VIOLATED RULE 611(C) OF REGULATION NMS, NYSE CHICAGO RULE 7.31(E)(3), AND NYSE CHICAGO ARTICLE 6, RULES 5(A) AND (C).

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Order

11. Resolution Date (MM/DD/YYYY):  
06/16/2022 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 9,804.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE FIRM WAS CENSURED AND FINED \$9,804.00, RESOLVED SIMULTANEOUSLY WITH SIMILAR MATTERS FOR A TOTAL FINE OF \$125,000. THOSE MATTERS WERE BROUGHT BY CBOE

BYX EXCHANGE, INC. (BYX); CBOE BZX EXCHANGE, INC. (BZX); CBOE EDGA EXCHANGE, INC. (EDGA); CBOE EDGX EXCHANGE, INC. (EDGX); INVESTORS EXCHANGE, LLC (IEX); NEW YORK STOCK EXCHANGE LLC (NYSE); NYSE ARCA, INC. (ARCA); NYSE AMERICAN LLC (NYSE AMERICAN) (COLLECTIVELY, THE EXCHANGES), AND FINRA.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT ("OFFER") TO NYSE CHICAGO, WHICH NYSE CHICAGO HAS DETERMINED TO ACCEPT. AS A RESULT OF THE CONDUCT DESCRIBED HEREIN, HSBC VIOLATED RULE 611(C) OF REGULATION NMS AND NYSE CHICAGO RULE 7.31(E)(3), AND NYSE CHICAGO ARTICLE 6, RULES 5(A) AND (C). IN VIEW OF THE FOREGOING, THE EXCHANGE DEEMS IT APPROPRIATE TO CENSURE AND FINE HSBC NINE THOUSAND EIGHT HUNDRED AND FOUR DOLLARS (\$9,804.00), RESOLVED SIMULTANEOUSLY WITH SIMILAR MATTERS FOR A TOTAL FINE OF \$125,000. HSBC SECURITIES (USA) INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN IN THE TIMEFRAME DIRECTED BY THE SRO.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:  

☐ 11.C(1)☐ 11.C(2)☐ 11.C(3)☐ 11.C(4)☐ 11.C(5)  
☐ 11.D(1)☐ 11.D(2)☐ 11.D(3)☐ 11.D(4)☐ 11.D(5)  
☐ 11.E(1)☒ 11.E(2)☐ 11.E(3)☐ 11.E(4)  
☐ 11.F.☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):  

☒ You (the advisory firm)  
☐ You and one or more of your *advisory affiliates*  
☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.  
☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.  
  
If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.  
  
☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.  

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
NYSE AMERICAN LLC

2. Principal Sanction:  
Other  
Other Sanctions:  
N/A

3. Date Initiated (MM/DD/YYYY):  

06/16/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:  
2019063432009

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
Other  
Other Product Types:  
INTERMARKET SWEEP ORDERS

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO TAKE REASONABLE STEPS TO ENSURE THAT INTERMARKET SWEEP ORDERS (ISOS) IT ROUTED TO CERTAIN MARKET CENTERS MET THE REQUIREMENTS SET FORTH IN RULES 600(B)(30) AND 600(B)(31) OF REGULATION NATIONAL MARKET SYSTEM (NMS) OF THE SECURITIES EXCHANGE ACT OF 1934. THE FINDINGS STATED THAT WHEN THE FIRM ROUTED ORDERS TO VARIOUS EXCHANGES THAT IT MARKED AS ISOS DURING THIS PERIOD, THREE TECHNICAL ISSUES WITH ITS VENDOR'S SMART ORDER ROUTER RESULTED IN THE FIRM NOT RECOGNIZING, AND THEN ROUTING ADDITIONAL ISOS NECESSARY TO EXECUTE AGAINST, PROTECTED QUOTES DISPLAYED BY CERTAIN MARKET CENTERS. AS A RESULT, THE FIRM SENT A TOTAL OF 10,265 ISO ORDERS, INCLUDING 47 ORDERS TO NYSE AMERICAN, THAT WERE PRICED THROUGH OTHER MARKET CENTERS' PROTECTED LIQUIDITY BECAUSE THE FIRM DID NOT ROUTE THE ADDITIONAL ISOS NECESSARY TO EXECUTE AGAINST THOSE PROTECTED QUOTES. THE FIRM DID NOT IDENTIFY THESE ISSUES AND DID NOT CONDUCT A REVIEW DESIGNED TO VERIFY THAT IT ROUTED ALL NECESSARY ISOS TO EXECUTE AGAINST PROTECTED QUOTATIONS. THE FIRM'S VENDOR HAS SINCE RESOLVED THE TECHNICAL ISSUES IN ITS SMART ORDER ROUTER SYSTEM. ACCORDINGLY, THE FIRM VIOLATED RULE 611(C) OF REGULATION NMS AND NYSE AMERICAN RULE 7.31E(E)(3). THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN SUPERVISORY PROCEDURES (WSPS), REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RULE 611(C) OF REGULATION NMS AND NYSE AMERICAN RULE 7.31E(E)(3). THE FIRM HAD NO REVIEWS OR PROCEDURES TO ESTABLISH THAT ISOS IT ROUTED TO COMPLY WITH RULES 600(B)(30) AND 600(B)(31) OF REGULATION NMS BY EXECUTING AGAINST PROTECTED QUOTATIONS WERE SENT AND RECEIVED BY ALL NECESSARY VENUES, ON A TIMELY BASIS, FOR THE CORRECT SIZE AND PRICE, IN COMPLIANCE WITH RULE 611(C) AND NYSE AMERICAN RULE 7.31E(E)(3), AND, ACCORDINGLY, ITS WSPS DID NOT DESCRIBE ANY SUCH REVIEWS OR PROCEDURES. GIVEN THAT THE FIRM CONTINUOUSLY ROUTED VIOLATIVE ISOS, THIS WAS UNREASONABLE. BECAUSE OF THESE SUPERVISORY DEFICIENCIES, THE FIRM FAILED TO DETECT AND TIMELY REMEDIATE THE THREE TECHNICAL ISSUES WITH ITS VENDOR'S SMART ORDER ROUTER THAT CAUSED THE FIRM TO ROUTE ISOS THAT WERE PRICED THROUGH MARKET CENTERS' PROTECTED QUOTATIONS. THE FIRM HAS SINCE REMEDIATED THESE DEFICIENCIES. ACCORDINGLY, THE FIRM VIOLATED NYSE MKT RULE 3110 (PRIOR TO JULY 24, 2017) AND NYSE AMERICAN RULES 3110(A) AND (B) (ON AND AFTER JULY 24, 2017).

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  

06/16/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 10,064.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE FIRM WAS CENSURED AND FINED \$10,064, RESOLVED SIMULTANEOUSLY WITH SIMILAR MATTERS FOR A TOTAL FINE OF \$125,000. THOSE MATTERS WERE BROUGHT BY CBOE BYX EXCHANGE, INC. (BYX); CBOE BZX EXCHANGE, INC. (BZX); CBOE EDGA EXCHANGE, INC. (EDGA); CBOE EDGX EXCHANGE, INC. (EDGX); INVESTORS EXCHANGE, LLC (IEX); NEW YORK STOCK EXCHANGE LLC (NYSE); NYSE ARCA, INC. (ARCA); NYSE CHICAGO, INC. (CHX) (COLLECTIVELY, THE EXCHANGES), AND FINRA.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
HSBC SECURITIES (USA) INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN IN THE TIMEFRAME DIRECTED BY THE SRO.

Regulatory Action

Check item(s) being responded to:

|                                  |                                             |                                  |                                  |                                  |
|----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate **DRP** for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one **DRP**. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one **DRP** to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate **DRP**.

PART I

A. The *person(s)* or entity(ies) for whom this **DRP** is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this **DRP** is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV **DRP** - *ADVISORY AFFILIATE*

No Information Filed

☐ This **DRP** should be removed from the **ADV** record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This **DRP** should be removed from the **ADV** record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a **DRP** for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a **DRP** for any event listed in Item 11 that occurred more than ten years ago.

☐ This **DRP** should be removed from the **ADV** record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a **DRP** (with Form **ADV**, **BD** or **U-4**) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this **DRP** must be provided.

☐ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ *SRO*

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

DEPOSITORY TRUST & CLEARING CORPORATION (DTC)

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

07/29/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other  
Other Product Types:  
FINE FOR FAILURE TO NOTIFY AND SUPPLY REQUIRED DATA AS TO A MATERIAL CHANGE BY HSBC SECURITIES (USA) INC. (DTC/NSCC#0816 AND GSD#9573)

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
HSBC SECURITIES (USA), INC. FAILED TO NOTIFY AND SUPPLY REQUIRED DATA AS TO A MATERIAL CHANGE (CHANGE IN THE COO) ON FEBRUARY 16, 2022. THEREFORE, PURSUANT TO THEIR RESPECTIVE RULES AND PROCEDURES, DTC, NSCC AND GSC (COLLECTIVELY THE "CLEARING AGENCIES) ARE IMPOSING A SINGLE FINE OF \$5000.00 FOR FAILURE TO NOTIFY AND SUPPLY REQUIRED DATA AS TO A MATERIAL CHANGE. THE FINE WAS ALLOCATED AMONGST THE CLEARING AGENCIES AS SET FORTH, DTC \$1,666.67, NSCC \$1,666.67 AND GSD \$1,666.66. HSBC SECURITIES (USA) INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN THE TIMEFRAME DIRECTED BY THE SRO.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Settled
11. Resolution Date (MM/DD/YYYY):  
07/29/2022 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:  
A. Were any of the following Sanctions *Ordered* (check all appropriate items)?  

☒ Monetary/Fine Amount: \$ 1,666.67  
☐ Revocation/Expulsion/Denial  
☐ Censure  
☐ Bar

☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

HSBC SECURITIES (USA), INC. FAILED TO NOTIFY AND SUPPLY REQUIRED DATA AS TO A MATERIAL CHANGE (CHANGE IN THE COO) ON FEBRUARY 16, 2022. THEREFORE, PURSUANT TO THEIR RESPECTIVE RULES AND PROCEDURES, DTC, NSCC AND GSC (COLLECTIVELY THE "CLEARING AGENCIES) ARE IMPOSING A SINGLE FINE OF \$5000.00 FOR FAILURE TO NOTIFY AND SUPPLY REQUIRED DATA AS TO A MATERIAL CHANGE. THE FINE WAS ALLOCATED AMONGST THE CLEARING AGENCIES AS SET FORTH, DTC \$1,666.67, NSCC \$1,666.67 AND GSD \$1,666.66. HSBC SECURITIES (USA) INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN THE TIMEFRAME DIRECTED BY THE SRO.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
HSBC SECURITIES (USA), INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN THE TIMEFRAME DIRECTED BY THE SRO.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

- Check item(s) being responded to:
- ☐ 11.C(1)  
☐ 11.D(1)  
☐ 11.E(1)  
☐ 11.F.

☐ 11.C(2)  
☐ 11.D(2)  
☒ 11.E(2)  
☐ 11.G.

☐ 11.C(3)  
☐ 11.D(3)  
☐ 11.E(3)

☐ 11.C(4)  
☐ 11.D(4)  
☐ 11.E(4)

☐ 11.C(5)  
☐ 11.D(5)

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

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PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):  
☒ You (the advisory firm)

- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

GOVERNMENT SECURITIES DIVISION (GSD)
2. Principal Sanction:

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

07/29/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Other

Other Product Types:

FINE FOR FAILURE TO NOTIFY AND SUPPLY REQUIRED DATA AS TO A MATERIAL CHANGE BY HSBC SECURITIES (USA) INC. (DTC/NSCC#0816 AND GSD#9573)
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

HSBC SECURITIES (USA), INC. FAILED TO NOTIFY AND SUPPLY REQUIRED DATA AS TO A MATERIAL CHANGE (CHANGE IN THE COO) ON FEBRUARY 16, 2022. THEREFORE, PURSUANT TO THEIR RESPECTIVE RULES AND PROCEDURES, DTC, NSCC AND GSC (COLLECTIVELY THE "CLEARING AGENCIES) ARE IMPOSING A SINGLE FINE OF \$5000.00 FOR FAILURE TO NOTIFY AND SUPPLY REQUIRED DATA AS TO A MATERIAL CHANGE. THE FINE WAS ALLOCATED AMONGST THE CLEARING AGENCIES AS SET FORTH, DTC \$1,666.67, NSCC \$1,666.67 AND GSD \$1,666.66. HSBC SECURITIES (USA) INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN THE TIMEFRAME DIRECTED BY THE SRO.
8. Current Status?

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

07/29/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 1,666.67
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

HSBC SECURITIES (USA), INC. FAILED TO NOTIFY AND SUPPLY REQUIRED DATA AS TO A MATERIAL CHANGE (CHANGE IN THE COO) ON FEBRUARY 16, 2022. THEREFORE, PURSUANT TO THEIR RESPECTIVE RULES AND PROCEDURES, DTC, NSCC AND GSC (COLLECTIVELY THE "CLEARING AGENCIES) ARE IMPOSING A SINGLE FINE OF \$5000.00 FOR FAILURE TO NOTIFY AND SUPPLY REQUIRED DATA AS TO A MATERIAL CHANGE. THE FINE WAS ALLOCATED AMONGST THE CLEARING AGENCIES AS SET FORTH, DTC \$1,666.67, NSCC \$1,666.67 AND GSD \$1,666.66. HSBC SECURITIES (USA) INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN THE TIMEFRAME DIRECTED BY THE SRO.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

HSBC SECURITIES (USA), INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN THE TIMEFRAME DIRECTED BY THE SRO.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NATIONAL SECURITIES CLEARING CORPORATION (NSCC)

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

07/29/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

FINE FOR FAILURE TO NOTIFY AND SUPPLY REQUIRED DATA AS TO A MATERIAL CHANGE BY HSBC SECURITIES (USA) INC. (DTC/NSCC#0816 AND GSD#9573)

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

HSBC SECURITIES (USA), INC. FAILED TO NOTIFY AND SUPPLY REQUIRED DATA AS TO A MATERIAL CHANGE (CHANGE IN THE COO) ON FEBRUARY 16, 2022. THEREFORE, PURSUANT TO THEIR RESPECTIVE RULES AND PROCEDURES, DTC, NSCC AND GSC (COLLECTIVELY THE "CLEARING AGENCIES) ARE IMPOSING A SINGLE FINE OF \$5000.00 FOR FAILURE TO NOTIFY AND SUPPLY REQUIRED DATA AS TO A MATERIAL CHANGE. THE FINE WAS ALLOCATED AMONGST THE CLEARING AGENCIES AS SET FORTH, DTC \$1,666.67, NSCC \$1,666.67 AND GSD \$1,666.66. HSBC SECURITIES (USA) INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN THE TIMEFRAME DIRECTED BY THE SRO.

8. Current Status?

☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

07/29/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 1,666.67

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

HSBC SECURITIES (USA), INC. FAILED TO NOTIFY AND SUPPLY REQUIRED DATA AS TO A MATERIAL CHANGE (CHANGE IN THE COO) ON FEBRUARY 16, 2022. THEREFORE, PURSUANT TO THEIR RESPECTIVE RULES AND PROCEDURES, DTC, NSCC AND GSC (COLLECTIVELY THE "CLEARING AGENCIES) ARE IMPOSING A SINGLE FINE OF \$5000.00 FOR FAILURE TO NOTIFY AND SUPPLY REQUIRED DATA AS TO A MATERIAL CHANGE. THE FINE WAS ALLOCATED AMONGST THE CLEARING AGENCIES AS SET FORTH, DTC \$1,666.67, NSCC \$1,666.67 AND GSD \$1,666.66. HSBC SECURITIES (USA) INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN THE TIMEFRAME DIRECTED BY THE SRO.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
HSBC SECURITIES (USA), INC. INTENDS TO CAUSE THE FINE TO BE PAID WITHIN THE TIMEFRAME DIRECTED BY THE SRO.

GENERAL INSTRUCTIONS  
This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

| Regulatory Action                 |                                             |                                  |                                  |                                             |
|-----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|---------------------------------------------|
| Check item(s) being responded to: |                                             |                                  |                                  |                                             |
| <input type="checkbox"/> 11.C(1)  | <input checked="" type="checkbox"/> 11.C(2) | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input checked="" type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1)  | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5)            |
| <input type="checkbox"/> 11.E(1)  | <input type="checkbox"/> 11.E(2)            | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                             |
| <input type="checkbox"/> 11.F.    | <input type="checkbox"/> 11.G.              |                                  |                                  |                                             |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)  
☐ You and one or more of your *advisory affiliates*  
☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.  
☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☒ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
SECURITIES AND EXCHANGE COMMISSION

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

05/11/2023 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:

3-21408

5.    *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6.    Principal Product Type:  
No Product  
Other Product Types:
7.    Describe the allegations related to this regulatory action (your response must fit within the space provided):  
  
THE COMMODITY FUTURES TRADING COMMISSION ("CFTC") AND SECURITIES AND EXCHANGE COMMISSION ("SEC") ISSUED ORDERS FINDING THAT CERTAIN MEMBERS OF THE HSBC GROUP VIOLATED RECORD-KEEPING RULES UNDER THE SECURITIES EXCHANGE ACT AND COMMODITIES EXCHANGE ACT BY FAILING TO PREVENT EMPLOYEES FROM USING UNAPPROVED COMMUNICATIONS CHANNELS (INCLUDING WHATSAAPP AND TEXT MESSAGING) THAT WERE NOT PRESERVED, SURVEILLED OR RETAINED. THE RESOLUTIONS, WHICH COLLECTIVELY INVOLVE HSBC SECURITIES (USA) INC., HSBC BANK USA, N.A. AND HSBC BANK PLC, FOLLOW SETTLEMENTS WITH MORE THAN A DOZEN OTHER FINANCIAL INSTITUTIONS FOLLOWING STREET-WIDE INVESTIGATION. THE FINDINGS, WHICH THE HSBC ENTITIES ADMITTED, WERE BASED ON FAILURE TO RETAIN REQUIRED RECORDS AND NOT ON ANY ALLEGATIONS OF MISCONDUCT BY ANY HSBC EMPLOYEE. THE CFTC ASSESSED A \$30 MILLION PENALTY ON THE HSBC ENTITIES COLLECTIVELY, AND THE SEC ASSESSED A PENALTY OF \$15 MILLION ON HSBC SECURITIES (USA) INC. EACH AGENCY ALSO REQUIRED VARIOUS ONGOING REMEDIAL UNDERTAKINGS.
8.    Current Status?    ☐ Pending    ☐ On Appeal    ☒ Final
9.    If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Settled
11. Resolution Date (MM/DD/YYYY):  
  
05/11/2023    ☒ Exact    ☐ Explanation  
If not exact, provide explanation:
12. Resolution Detail:  

A.    Were any of the following Sanctions *Ordered* (check all appropriate items)?  

☒ Monetary/Fine Amount: \$ 15,000,000.00  
☐ Revocation/Expulsion/Denial  
☒ Censure  
☐ Bar

☐ Disgorgement/Restitution  
☒ Cease and Desist/Injunction  
☐ Suspension

B.    Other Sanctions *Ordered*:  
UNDERTAKINGS  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE FIRM IS ORDERED TO CEASE AND DESIST; IS CENSURED, SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER, AND SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$15,000,000.00.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

| Regulatory Action                 |                                             |                                  |                                  |                                             |
|-----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|---------------------------------------------|
| Check item(s) being responded to: |                                             |                                  |                                  |                                             |
| <input type="checkbox"/> 11.C(1)  | <input checked="" type="checkbox"/> 11.C(2) | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input checked="" type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1)  | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5)            |
| <input type="checkbox"/> 11.E(1)  | <input type="checkbox"/> 11.E(2)            | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                             |
| <input type="checkbox"/> 11.F.    | <input type="checkbox"/> 11.G.              |                                  |                                  |                                             |

Use a separate *DRP* for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one *DRP*. File with a completed *Execution Page*.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one *DRP* to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate *DRP*.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☐ *SRO*
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
THE COMMODITY FUTURES TRADING COMMISSION

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

05/11/2023 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

No Product  
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE COMMODITY FUTURES TRADING COMMISSION ("CFTC") AND SECURITIES AND EXCHANGE COMMISSION ("SEC") ISSUED ORDERS FINDING THAT CERTAIN MEMBERS OF THE HSBC GROUP VIOLATED RECORD-KEEPING RULES UNDER THE SECURITIES EXCHANGE ACT AND COMMODITIES EXCHANGE ACT BY FAILING TO PREVENT EMPLOYEES FROM USING UNAPPROVED COMMUNICATIONS CHANNELS (INCLUDING WHATSAAPP AND TEXT MESSAGING) THAT WERE NOT PRESERVED, SURVEILLED OR RETAINED. THE RESOLUTIONS, WHICH COLLECTIVELY INVOLVE HSBC SECURITIES (USA) INC., HSBC BANK USA, N.A. AND HSBC BANK PLC, FOLLOW SETTLEMENTS WITH MORE THAN A DOZEN OTHER FINANCIAL INSTITUTIONS FOLLOWING STREET-WIDE INVESTIGATION. THE FINDINGS, WHICH THE HSBC ENTITIES ADMITTED, WERE BASED ON FAILURE TO RETAIN REQUIRED RECORDS AND NOT ON ANY ALLEGATIONS OF MISCONDUCT BY ANY HSBC EMPLOYEE. THE CFTC ASSESSED A \$30 MILLION PENALTY ON THE HSBC ENTITIES COLLECTIVELY, AND THE SEC ASSESSED A PENALTY OF \$15 MILLION ON HSBC SECURITIES (USA) INC. EACH AGENCY ALSO REQUIRED VARIOUS ONGOING REMEDIAL UNDERTAKINGS.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Settled

11. Resolution Date (MM/DD/YYYY):  

05/11/2023 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:  

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?  

☒ Monetary/Fine Amount: \$ 30,000,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☒ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
UNDERTAKINGS  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE FIRM IS ORDERED TO CEASE AND DESIST; IS CENSURED, SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER, AND SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$30,000,000.00.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:  

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☒ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):  

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.
- ☐ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ *SRO*

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA
2. Principal Sanction:

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

10/09/2023 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

2021073545201
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

No Product

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT PUBLISHED EQUITY AND DEBT RESEARCH REPORTS THAT CONTAINED INACCURATE DISCLOSURES ABOUT ITS CONFLICTS OF INTEREST. THE FINDINGS STATE THAT THE FIRM'S DISCLOSURE INACCURACIES COMPRISED OF BOTH FAILURES TO DISCLOSE CONFLICTS AS WELL AS DISCLOSURE OF CONFLICTS THAT DID EXIST, WITH MOST BEING OVER-DISCLOSURE. THE FIRM'S DISCLOSURE INACCURACIES STEMMED FROM SEVERAL ISSUES WITH THE DATA FEEDS IT USED TO GENERATE CONFLICTS DISCLOSURES IN RESEARCH REPORTS. THE FIRM ALSO APPLIED A DEFINITON OF INVESTMENT BANKING SERVICES THAT INCORRECTLY EXCLUDED SUCH SERVICE IN CONNECT WITH ASSET-BACKED SECURITIES, PRIVATE PLACEMENT BONDS, AND CERTAIN STRUCTURED PRODUCTS. AS A RESULT, THE FIRM DID NOT INCLUDE DATA FROM THOSE PRODUCTS IN ITS DATA FEEDS, CAUSING FAILURE TO DISCLOSE INVESTMENT BANKING RELATED CONFLICTS INVOLVING THOSE OFFERINGS AND PRODUCTS. IN ADDITION, THE FIRM BASED ITS DISCLOSURES OF INVESTMENT BANKING REVENUE ON TWO YEARS OF DATA EVEN THOUGH THE APPLICABLE RULES LIMIT THE SCOPE OF THE DATA TO ONE YEAR, RESULTING IN OVER DISCLOSURE. FURTHER, THE FIRM AT TIMES DID NOT TIMELY ADD NEW CLIENT RELATIONSHIPS TO THE DATA FEEDS OR USED INCONSISTENT NAMING CONVENTIONS FOR THE SAME CLIENT, RESULTING IN A LACK OF REQUIRED DISCLOSURES OR INACCURATE DISCLOSURES. THE FINDINGS ALSO STATED THAT THE FIRM DID NOT ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WSPS, THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE DISCLOSURE REQUIREMENTS OF FINRA RULES 2241(C) AND 2242(C) AND NASD RULE 2711(H). THE FIRM HAD NO PROCEDURES, TESTING, OR OTHER SYSTEM TO CONFIRM THAT THE INFORMATION IN THE DATA FEEDS WAS ACCURATE AND COMPLETE, NOR DID THE FIRM ASSIGN RESPONSIBILITY FOR CONFIRMING THE ACCURACY AND COMPLETENESS OF ITS DATA FEEDS TO ANY INDIVIDUALS OR GROUPS. CONSEQUENTLY, THE FIRM WAS UNABLE TO DETECT THE DATA FEED DEFICIENCIES, CAUSING THE DISCLOSURE INACCURACIES TO OCCUR OVER ALMOST NINE YEARS.
8. Current Status?

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:
- If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.
10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):

10/09/2023 ☒ Exact ☐ Explanation

If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 2,000,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Bar

☐ Suspension

B. Other Sanctions *Ordered*:

UNDERTAKING

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE FIRM WAS CENSURED, FINED \$2,000.000 AND REQUIRED TO REMEDIATE THE ISSUES IDENTIFIED IN THE AWC AND IMPLEMENT A SUPERVISORY SYSTEM, INCLUDING WSPS, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA RULES.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |                                             |                                  |                                  |                                  |
|----------------------------------|---------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).  
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
FINRA

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

10/29/2024 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

2021071423301

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Debt - Corporate

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THEENTRY OF FINDINGS THAT IT FAILED TO TIMELY REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLECORPORATE DEBT SECURITIES. THE FINDINGS STATED THAT THE FIRM'S LATE REPORTING WAS CAUSED BY,AMONG OTHER THINGS, DELAYS ASSOCIATED WITH THE MANUAL HANDLING OF ORDERS, SUCH AS FIRMEMPLOYEES ENTERING TRADES LATE AND MAKING UNTIMELY AMENDMENTS AND CORRECTIONS TOTRANSACTION TERMS, AND ISSUES RELATED TO THE MANUAL PROCESS REQUIRED TO REPORT TRANSACTIONS IN CERTAIN FOREIGN DEBT SECURITIES. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISHAND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WSPS, REASONABLY DESIGNED TO ACHIEVE COMPLIANCEWITH TRACE REPORTING REQUIREMENTS. SPECIFICALLY, THE FIRM'S WSPS LACKED REASONABLE GUIDANCEFOR SUPERVISORS TO ADDRESS TRADERS' REPEATED INSTANCES OF LATE REPORTING. THE FIRM IDENTIFIEDSPECIFIC TRADERS RESPONSIBLE FOR THE LATE REPORTING BUT FAILED TO EFFECTIVELY ADDRESS THEIRPATTERN OF LATE REPORTING. THE FIRM'S WSPS REQUIRED SUPERVISORS TO ADDRESS AND RESOLVE ISSUESWITH SUCH REPEAT OFFENDERS BUT PROVIDED NO GUIDANCE ON HOW TO DO SO.

8. Current Status?

☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

10/29/2024 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 125,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

UNDERTAKING

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

THE FIRM WAS CENSURED, FINED \$125,000, AND REQUIRED TO CERTIFY THAT IT HAS REMEDIATED THE ISSUES IDENTIFIED IN THE AWC AND IMPLEMENTED A REASONABLY DESIGNED SUPERVISORY SYSTEM,INCLUDING WSPS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

CIVIL JUDICIAL ACTION DISCLOSURE REPORTING PAGE (ADV)

No Information Filed

Exemption from brochure delivery requirements for SEC-registered advisers

SEC rules exempt SEC-registered advisers from delivering a firm brochure to some kinds of clients. If these exemptions excuse you from delivering a brochure to *all* of your advisory clients, you do not have to prepare a brochure.

Are you exempt from delivering a brochure to all of your clients under these rules?

Yes

No

If no, complete the ADV Part 2 filing below.

Amend, retire or file new brochures:

| Brochure ID | Brochure Name       | Brochure Type(s)                               |
|-------------|---------------------|------------------------------------------------|
| 414445      | HSBC PRISM ADVISORY | Individuals, High net worth individuals, Other |

Part 3

| CRS                      | Type(s) | Affiliate Info | Retire |
|--------------------------|---------|----------------|--------|
| <input type="checkbox"/> | Dual    |                |        |

Execution Pages

DOMESTIC INVESTMENT ADVISER EXECUTION PAGE

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint the Secretary of State or other legally designated officer, of the state in which you maintain your *principal office and place of business* and any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such *persons* may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding*, or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of the state in which you maintain your *principal office and place of business* or of any state in which you are submitting a *notice filing*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:

IAN G. SHAW

Printed Name:

IAN G. SHAW

Adviser *CRD* Number:

19585

Date: MM/DD/YYYY

07/13/2026

Title:

MANAGING DIRECTOR, HEAD OF US WPB COMPLIANCE AND CCO OF RIA

NON-RESIDENT INVESTMENT ADVISER EXECUTION PAGE

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

1. Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint each of the Secretary of the SEC, and the Secretary of State or other legally designated officer, of any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such persons may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding* or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of any state in which you are submitting a *notice filing*.

2. Appointment and Consent: Effect on Partnerships

If you are organized as a partnership, this irrevocable power of attorney and consent to service of process will continue in effect if any partner withdraws from or is admitted to the partnership, provided that the admission or withdrawal does not create a new partnership. If the partnership dissolves, this irrevocable power of attorney and consent shall be in effect for any action brought against you or any of your former partners.

3. *Non-Resident* Investment Adviser Undertaking Regarding Books and Records

By signing this Form ADV, you also agree to provide, at your own expense, to the U.S. Securities and Exchange Commission at its principal office in Washington D.C., at any Regional or District Office of the Commission, or at any one of its offices in the United States, as specified by the Commission, correct, current, and complete copies of any or all records that you are required to maintain under Rule 204-2 under the Investment Advisers Act of 1940. This undertaking shall be binding upon you, your heirs, successors and assigns, and any *person* subject to your written irrevocable consents or powers of attorney or any of your general partners and *managing agents*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the *non-resident* investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

|                            |                  |
|----------------------------|------------------|
| Signature:                 | Date: MM/DD/YYYY |
| Printed Name:              | Title:           |
| Adviser <i>CRD</i> Number: |                  |
| 19585                      |                  |