

# SULLIVAN & CROMWELL LLP

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## **Broker-Dealer**

Sullivan & Cromwell's clients include some of the largest U.S. broker-dealers and major non-U.S. broker-dealers and their U.S. subsidiaries. The Firm also serves small and midsize firms and affiliates of insurance, commercial banking and other financial services companies.

S&C lawyers who advise on broker-dealer matters work closely with colleagues in the Firm's other related practice groups. Together they provide broker-dealer clients with a full range of regulatory, corporate, securities, mergers and acquisitions, tax and other advice.

The Firm advises clients on the applicability of broker-dealer registration requirements, particularly regarding non-U.S. entities that wish to participate in the U.S. markets. S&C also represents unregistered affiliates of registered broker-dealers that wish to engage in securities-related activities.

In addition, the Firm advises a large number of broker-dealers that are affiliated with bank holding companies on the U.S. banking law requirements that apply to their securities activities.

Lawyers in the Broker-Dealer Group deal with all aspects of the business conducted by U.S. and non-U.S. broker-dealers.

### **Broker-Dealer Regulation**

Sullivan & Cromwell offers advice on all regulatory, compliance and securities law matters, including:

- registration,
- trading,
- derivatives,
- research,
- margin,
- net capital,
- customer protection,
- supervisory and reporting requirements,
- clearance and settlement,
- SEC regulations, and
- Financial Industry Regulatory Authority (FINRA) and other self-regulatory organization rules.

The broker-dealer regulation practice also monitors developments in regulatory and compliance matters, including SEC and FINRA rule proposals.

The Firm represents broker-dealer clients in litigation, arbitration and regulatory enforcement proceedings. The Firm also advises broker-dealer clients in connection with regulatory inquiries and internal compliance reviews.

### **Broker-Dealer Mergers & Acquisitions**

Sullivan & Cromwell advises clients in the acquisition or sale of broker-dealers. In this context, the Firm's work includes assisting clients with the regulatory approval process and the conduct of a regulatory "due diligence" review. S&C has also provided extensive advice to broker-dealers seeking to develop and conduct business over the Internet,

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## PRACTICES & CAPABILITIES

### **General Practice**

### **Financial Services**

- Bank Regulatory
- Broker-Dealer
- Commodities, Futures & Derivatives
- Corporate Governance
- Economic Sanctions and Financial Crime
- Exchange/Alternate Trading Systems
- Financial Services Capital Markets
- Financial Services Investigations & Litigation
- Financial Services Mergers & Acquisitions
- FinTech
- Insurance
- Investment Management
- Payments

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## PRACTICE CONTACTS

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### **Broker-Dealer Capital Markets**

Sullivan & Cromwell has advised clients on many of the highest-profile capital markets transactions within the broker-dealer industry.

In addition to advising on transaction structure and implementation, the Firm provides extensive advice on regulatory and compliance aspects, including approvals for changes in control and business activities; "due diligence" reviews of legal matters; and syndicate trading, sales and research practices.

### **SELECTED REPRESENTATIONS**

Sullivan & Cromwell's recent broker-dealer regulation experience includes representations of:

- **a boutique broker-dealer**, in a merger with another boutique broker-dealer that resulted in a change in ownership and successor filing and a significant expansion of business activities under SEC and Financial Industry Regulatory Authority (FINRA) rules.
- **a foreign bank's affiliated U.S. broker-dealer**, in expanding from a small advisory and private-placement business with about 25 registered representatives to include sales, trading and research activities and about 75 registered representatives.
- **CICC US Securities, Davy Securities, Mediobanca Securities USA National Australia Capital Markets, Prescient Markets and The Municenter**, regarding SEC and FINRA registration.
- **Barclays Capital, CICC US Securities, Mitsubishi UFJ Securities (USA), Nomura Securities, RBC Capital Markets and UBS Securities**, in ongoing compliance advice.

S&C's recent broker-dealer capital markets experience includes representations of:

- **Merrill Lynch**, in its \$6.6 billion private placement of mandatorily convertible securities and its \$6.2 billion private placement of common stock.
- **China Investment Corporation** (China), in its \$5.6 billion investment in Morgan Stanley through the purchase of mandatorily convertible securities.
- **Thomas Weisel Partners Group**, in its \$103.5 million IPO.
- **Partners Group Holdings** (Switzerland), in its \$424 million IPO.
- **underwriters**, in the \$227.7 million IPO of Options Xpress Holdings.
- **underwriters**, in the \$100.6 million IPO of Greenhill & Co. and its \$156.4 million and \$285.8 million follow-on stock offerings.
- **broker-dealers or their affiliates**, in securities offerings, including SEC-registered, Rule 144A/Reg. S, Reg. D and other private offerings of debt and equity, in the United States, Europe and Asia.

S&C's recent broker-dealer M&A experience includes representations of:

- **ING Groep**, in the acquisition of ShareBuilder by ING DIRECT.
- **Fox-Pitt, Kelton**, in its acquisition of Cochran Caronia Waller Securities.
- **Citadel Investment Group**, in its acquisition of a 25 percent stake in Direct Edge Holding.
- **Archipelago Holdings**, in its \$10.5 billion merger with the NYSE.  
  
This merger was the largest-ever merger among securities exchanges.
- **Sumitomo Mitsui Financial Group**, in its \$1.6 billion acquisition of SMBC Friend Securities.
- **Piper Jaffray Companies**, in the \$815 million sale of its Private Client Branch Network to UBS.
- **UBS**, in its \$624 million acquisition of Caisse Centrale de Réescompte.
- **RBC Capital Markets**, in its acquisition of the broker-dealer business and other assets of Carlin Financial Group.