

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2024084047901**

TO: Department of Enforcement
Financial Industry Regulatory Authority (FINRA)

RE: PNC Investments LLC (Respondent)
Member Firm
CRD No. 129052

Pursuant to FINRA Rule 9216, Respondent PNC Investments LLC (PNCI) submits this Letter of Acceptance, Waiver, and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

PNCI is a broker-dealer headquartered in Pittsburgh, Pennsylvania, and has been a member of FINRA since December 2003. The firm conducts a general securities business and offers investment products and services, including variable annuities, to retail customers. The firm has approximately 1,500 branch offices and approximately 1,200 registered representatives.¹

OVERVIEW

From at least June 2021 to the present, PNCI failed to establish and maintain a reasonably designed supervisory system, including written supervisory procedures (WSPs), for the surveillance of rates of deferred variable annuity (VA) exchanges. The firm's supervisory system did not require the firm to determine if its associated persons had rates of effecting VA exchanges that raised for review whether such rates evidenced conduct inconsistent with FINRA rules or the federal securities laws as required by FINRA Rule 2330(d), and did not provide guidance as to how to make that determination. Nor did the firm's systems require tracking or further review of representatives with potentially inappropriate rates of exchanges. Accordingly, PNCI violated FINRA Rules 3110, 2330, and 2010.

¹ For more information about the firm, including prior regulatory events, visit BrokerCheck® at www.finra.org/brokercheck.

For these violations, PNCI is censured, fined \$200,000, and agrees to an undertaking.

FACTS AND VIOLATIVE CONDUCT

This matter originated from an investigation by FINRA's Department of Enforcement.

FINRA Rule 3110(a) requires a member firm to establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules. FINRA Rule 3110(b) requires a member firm to establish, maintain, and enforce written procedures to supervise the types of business in which it engages and the activities of its associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules.

VAs are complex investments containing securities and insurance features that permit investors to choose among a variety of contract features and options. Due in part to the complexity of these products, FINRA requires that firms provide more comprehensive and targeted protection to investors who purchase or exchange variable annuities.

FINRA Rule 2330(d) in relevant part provides that, in addition to the general supervisory requirements of FINRA Rule 3110, a member must implement surveillance procedures to determine if any of the member's associated persons have rates of effecting deferred variable annuity exchanges that raise for review whether such rates of exchanges evidence conduct inconsistent with applicable FINRA rules or the federal securities laws.

A violation of FINRA Rules 3110 or 2330 also constitutes a violation of FINRA Rule 2010, which requires members, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade.

From at least June 2021 to the present, PNCI failed to establish and maintain a supervisory system, including WSPs, reasonably designed to monitor rates of deferred VA exchanges. The firm's supervisory system did not require the firm to assess its representatives' rates of exchanges. Instead, when supervising VA exchanges, the firm relied on transaction-by-transaction supervisory approvals, along with a data-visualization dashboard—not addressed by the firm's WSPs—that regional supervisors could use on an ad-hoc basis to calculate rates of exchange. Furthermore, the firm's supervisory system did not require supervisors to track or perform any further review of representatives with exchange rates that raised for review whether their conduct was inconsistent with applicable FINRA rules or the federal securities laws, nor did the firm do so despite several representatives having such rates of exchanges during this period. The firm also did not provide guidance to assist supervisors in evaluating whether representatives' exchange rates warranted further review or for them to otherwise assess representatives' aggregate exchange activity.

Therefore, Respondent violated FINRA Rules 3110, 2330, and 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a censure;
- a \$200,000 fine; and
- an undertaking that, within 90 days of the date of the notice of acceptance of this AWC, a member of Respondent's senior management who is a registered principal of the firm shall certify in writing that, as of the date of the certification, the firm has remediated the issues identified in this AWC and implemented a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with FINRA Rule 2330 regarding the issues identified in this AWC. The certification shall include a narrative description and supporting exhibits sufficient to demonstrate Respondent's remediation and implementation. FINRA staff may request further evidence of Respondent's remediation and implementation, and Respondent agrees to provide such evidence. Respondent shall submit the certification to Jonathan Ossip, Principal Counsel, Department of Enforcement, at 1700 K Street NW, Washington, DC 20006, or by email to jonathan.ossip@finra.org, with a copy to EnforcementNotice@finra.org. Upon written request showing good cause, FINRA staff may extend this deadline.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against it;
- B. To be notified of the complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council (NAC) and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

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

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

III.

OTHER MATTERS

Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
 - 3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and
 - 4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.
- D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this statement. This statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA.

The undersigned, on behalf of Respondent, certifies that a person duly authorized to act on Respondent's behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has agreed to the AWC's

provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce Respondent to submit this AWC.

May 30, 2025

Date

Kimberly Weidner

PNC Investments LLC
Respondent

kimberly weidner
Print Name: _____

Chief Risk Officer
Title: _____

Accepted by FINRA:

Signed on behalf of the
Director of ODA, by delegated authority

June 16, 2025

Date

Jonathan J. Ossip

Jonathan J. Ossip
Principal Counsel
FINRA
Department of Enforcement
1700 K Street NW
Washington, DC 20006