

UBS Agrees To Pay \$10M To Settle Bonds Sale Violation Charges With SEC

“A unit of UBS Group AG is paying \$10 million to settle charges with the United States Securities and Exchange Commission that it broke rules concerning giving priority to small investors in the purchase of municipal bonds,” reports Shivdeep Dhaliwal in ***Benzinga***.

“The SEC said Monday it found that UBS Financial Services Inc. allocated municipal bonds meant for retail investors to so-called ‘flippers,’ who then immediately resold the bonds to other broker-dealers for gain between 2012 to 2016.”

“This practice allowed the Swiss bank to obtain bonds for its own inventory in an improper way that violated rules concerning the priority of orders.”

“The federal agency has imposed a \$1.7 million penalty, \$6.74 million in disgorgement of ill-gotten gains, and \$1.5 million in prejudgement interest along with a censure on UBS.”

Read the article.