

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2022074570601**

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

RE: Cash App Investing LLC (Respondent)
Member Firm
CRD No. 144076

Pursuant to FINRA Rule 9216, Respondent Cash App Investing LLC 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

Cash App Investing has been a FINRA member since October 2007. The firm, which is headquartered in Portland, Oregon, employs approximately 30 registered representatives at one branch office. Since approximately October 2019, the firm has offered self-directed trading to retail investors through its mobile application.¹

OVERVIEW

Between October 2019 and March 2022, Cash App Investing failed to establish and maintain a supervisory system reasonably designed to safeguard customer information. During that period, the firm failed to disable a former employee's access to a data storage location, allowing the former employee to download reports that contained nonpublic personal information of the firm's customers. As a result, the firm violated Rule 30(a) of Regulation S-P of the Securities Exchange Act of 1934, and FINRA Rules 3110 and 2010. For these violations, Cash App Investing is censured and fined \$375,000.

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

FACTS AND VIOLATIVE CONDUCT

This matter originated from FINRA's review of a self-report by Cash App Investing to FINRA.

Rule 30(a) of Regulation S-P requires broker-dealers to "adopt written policies and procedures that address administrative, technical, and physical safeguards for the protection of customer records and information."² Such policies and procedures must be reasonably designed, among other things, to ensure the security and confidentiality of customer information and to protect against unauthorized access to or use of customer information that could result in substantial harm or inconvenience to any customer.

FINRA Rule 3110(a) requires each 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 each 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.

A violation of Regulation S-P and FINRA Rule 3110 also violates FINRA Rule 2010, which requires FINRA members to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business.

Between October 2019 and March 2022, Cash App Investing failed to establish and maintain a supervisory system reasonably designed to safeguard customer information. In or around November 2019, Representative A designed and built the firm's trade reconciliation database, which was maintained in a web-based account that was located outside of the firm's data security network. The database contained customers' nonpublic personal information, including names, account numbers, account values, and account holdings. The database was subject to separate data security protections, including multi-factor authentication, and required separate access credentials. Representative A was the only individual who regularly accessed the database from October 2019 until he resigned from the firm in October 2021.

During the relevant period, the firm had a cybersecurity policy and written supervisory procedures that required the firm to immediately disable former employees' access and monitor for unauthorized access of the firm's databases and network. However, the firm's supervisory system for disabling access credentials for departing employees did not account for the firm's use of the trade reconciliation database. In addition, the firm did not monitor the trade reconciliation database for unauthorized access. When Representative A left Cash App Investing, the firm did not terminate his access to the trade reconciliation system, although it terminated his access to other firm systems.

² Rule 30 was subsequently amended in May 2024.

Beginning in October 2021, the firm began to move the trade reconciliation system into the firm's data security infrastructure. However, in December 2021, before the transition was complete, Representative A³ accessed the trade reconciliation system and downloaded six reports that contained the names and account numbers for the firm's approximately 8.2 million customers; the reports also contained account value and account holdings for approximately 3.4 million customers. The reports accessed by Representative A did not include customers' social security numbers, dates of birth, addresses, bank account information, payment card information, or information sufficient to log in to customers' Cash App Investing accounts, such as usernames or passwords.

Cash App Investing did not detect Representative A's unauthorized access of the trade reconciliation system until March 2022. The firm thereafter immediately terminated Representative A's access to the system, followed its cybersecurity incident response policy, promptly notified affected customers and regulators, including FINRA, and took steps to enhance its cybersecurity controls and procedures.

By failing to establish a supervisory system reasonably designed to safeguard customer records and information as described above, Cash App Investing violated Rule 30(a) of Regulation S-P, and FINRA Rules 3110(a), 3110(b), and 2010.

SANCTIONS CONSIDERATIONS

In determining the appropriate sanctions in this matter, FINRA considered, among other factors, that Cash App Investing promptly self-reported the unauthorized access of customer data to FINRA and other regulators and proactively enhanced the firm's supervisory systems, including migrating the trade reconciliation database to within the firm's primary data security perimeter.

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

- a censure and
- a \$375,000 fine.

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.

³ FINRA barred Representative A in February 2023 for violating FINRA Rules 8210 and 2010.

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.

9/24/2025
Date


Cash App Investing LLC
Respondent

Print Name: Logan Kolar

Title: President + CEO

Reviewed by:



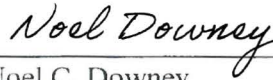
Andrew Michaelson, Esq.
Counsel for Respondent
King & Spalding LLP
1185 Avenue of the Americas, 34th Floor
New York, N.Y. 10036

Accepted by FINRA:

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

10.01.2025

Date



Noel C. Downey
Senior Counsel
FINRA
Department of Enforcement
581 Main St., Suite 710
Woodbridge, NJ 07095