

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
20050004892-01

RECEIVED
2001 MAY 29 A 11:11
REGISTRATION & DISCLOSURE

TO: Department of Market Regulation
NASD

RE: CIBC World Markets Corp., Respondent
Broker-Dealer No. 630

Pursuant to Rule 9216 of the NASD Code of Procedure, CIBC World Markets Corp. (the "firm") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described in Part II below. This AWC is submitted on the condition that, if accepted, NASD will not bring any future actions against the firm alleging violations based on the same factual findings.

The firm understands that:

1. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by NASD's Department of Market Regulation, and the National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs, pursuant to NASD Rule 9216;
2. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm; and
3. If accepted:
 - a. this AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by the NASD against the firm;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about the firm's disciplinary record;
 - c. NASD may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and

20050004892 (incl. 20050004992, 20050006909)(LD)
4.26.07

000093150 2007

- d. the firm 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 allegation in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects the firm's testimonial obligations or right to take legal positions in litigation in which the NASD is not a party.

The firm also understands that the firm's experience in the securities industry and the firm's disciplinary history may be factors that will be considered in deciding whether to accept this AWC. That experience and history are as follows:

The firm has been a member of NASD since March 14, 1950, and its registration remains in effect. The firm has relevant disciplinary history.

- On May 17, 2004, the firm was fined \$4,000 and censured for a pattern or practice of late trade reporting in OTC equity securities and for failing to designate last sale reports as late during the period May 1, 2002 through August 31, 2002 in violation of NASD Rule 2110 and 6620(a).
- On May 17, 2004, the firm was fined \$12,000 and censured for a pattern or practice of late trade reporting in OTC equity securities and for failing to designate last sale reports as late during the period May 1, 2003 through August 31, 2003 in violation of NASD Rules 2110 and 6620(a).

I.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under the NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against the firm;
- B. To be notified of the Formal 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 NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, 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 acceptance, or rejection of this AWC.

The firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of 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.

II.

ACCEPTANCE AND CONSENT

In connection with Market Regulation Department Review 20050004892, the staff conducted a review of the firm's compliance with NASD trade reporting rules relating to OTC securities during the period September 1, 2004 through December 31, 2004.

- A. The firm hereby accepts and consents, without admitting or denying the allegations or findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by NASD:
1. The firm failed, within 90 seconds after execution, to transmit to the OTC Reporting Facility 148 last sale reports of transactions in OTC Equity securities. These transactions constitute 28 percent of the transactions reviewed that the firm was required to report to the OTC Reporting Facility during the review period. The conduct described in this paragraph constitutes a pattern or practice of late reporting without exceptional circumstances in violation of NASD Conduct Rule 2110.
 2. Of the 148 transactions cited above, the firm failed, within 90 seconds after execution, to transmit to the OTC Reporting Facility 113 last sale reports of transactions in OTC Equity securities and failed to designate to the OTC Reporting Facility such last sale reports as late. The conduct described in this paragraph constitutes separate and distinct violations of NASD Marketplace Rule 6620(a).
 3. During the review period the firm failed to enforce its written supervisory procedures relating to trade reporting which specified that the Head of Facilitation Trading daily review trading data from the Equity Trading Compliance Group and document such reviews. The firm failed to maintain or produce any documentation evidencing that such reviews were completed during the review period. The

conduct described in this paragraph constitutes a violation of NASD Conduct Rules 2110 and 3010.

- B. The firm also consents to the imposition, at a maximum, of the following sanctions:

A censure; and

A fine of \$30,000 (consisting of a fine of \$20,000 for violations of NASD Marketplace Rule 6620(a) (late trade reporting in OTC equity securities) and NASD Conduct Rule 2110 (pattern and practice of late reporting), and a fine of \$10,000 for violation of NASD Conduct Rule 3010 (failing to enforce written supervisory procedures relating to trade reporting).

The sanctions imposed herein shall be effective on a date set by NASD staff.

III.

OTHER MATTERS

- A. The firm understands that it may attach a Corrective Action Statement to this AWC, which is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm 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 NASD, nor does it reflect the views of NASD or its staff.
- B. The firm agrees to pay any monetary sanctions imposed on it upon notice that this AWC has been accepted and that such payments are due and payable, and has attached the Election of Payment form showing the method by which the firm proposes to pay any fine imposed.
- C. The firm specifically and voluntarily waives any right to claim that the firm is unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

The firm certifies that the firm has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce the firm to submit it.

Respondent,
CIBC World Markets Corp.

5-3-07
Date

By: Jeffrey Thibeault
Name: Jeffrey Thibeault
Title: Chief Compliance Officer

[Signature]
Counsel for Respondent

Accepted by NASD

5/25/07
Date

Thomas R. Gira
Thomas R. Gira
Executive Vice President
Department of Market Regulation
Signed on behalf of the Director of the
Office of Disciplinary Affairs, by
delegated authority

Attachment: Election of Payment Form