

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20120317576-01**

TO: Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: RBC Capital Markets, LLC, Respondent
Broker-Dealer
CRD No. 31194

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, RBC Capital Markets, LLC (the "firm" or "Respondent") 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 the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA 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 FINRA:

BACKGROUND

Respondent has been a FINRA member since March 19, 1993, and its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

Respondent has no prior relevant disciplinary history.

SUMMARY

In connection with Review No. 20120317576, the Customer Issues Group of the Department of Market Regulation (the "staff") reviewed the firm's compliance with NASD IM-2110-2 and FINRA Rule 5320 during the period July 1, 2011 through September 30, 2011 (the "review period").¹

¹ During the review period, on September 12, 2011, FINRA Rule 5320 became effective and superseded NASD IM-2110-2.

FACTS AND VIOLATIVE CONDUCT

In 38 instances during the review period, the firm failed to contemporaneously or partially execute 27 customer limit orders in 15 OTC securities after it traded each subject security for its own market-making account at a price that would have satisfied each customer's limit order. The instances are reflected on Exhibit A. The conduct described in this paragraph constitutes separate and distinct violations of NASD IM-2110-2 for conduct prior to September 12, 2011, and separate and distinct violations of FINRA Rule 5320 for conduct on or after September 12, 2011. This conduct also constitutes separate and distinct violations of FINRA Rule 2010.

B. The firm also consents to the imposition of the following sanctions:

A fine of \$5,000.

Restitution is ordered to be paid to the customer(s) listed on Exhibit A hereto in the amount of \$1,605.95, plus interest at the rate set forth in Section 6621(a) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from the date of the violative conduct until the date this AWC is accepted by the National Adjudicatory Council.

A registered principal on behalf of the Respondent shall submit satisfactory proof of payment of the restitution, or of reasonable and documented efforts undertaken to effect restitution. Such proof shall be submitted to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850, either by letter that identifies the Respondent and case number, or by email from a work-related account of the registered principal of the firm to MarketRegulationComp@finra.org. This proof shall be provided to FINRA no later than 120 days after acceptance of this AWC.

If for any reason, Respondent cannot locate any customer identified in Exhibit A after reasonable and documented efforts within 120 days from the date the AWC is accepted, or such additional period agreed to by FINRA staff in writing, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed-property or abandoned-property fund for the state in which the customer is known to have last resided. Respondent shall provide satisfactory proof of such action to FINRA in the manner described above, within 14 days of forwarding the undistributed restitution and interest to the appropriate state authority.

The imposition of a restitution order or any other monetary sanction herein, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies.

Respondent agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. It 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 that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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

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 the firm;
- 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 acceptance or rejection of this AWC.

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 the firm's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the firm;
 - 2. This AWC will be made available through FINRA's public disclosure program in response to public inquiries about the firm's disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof 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. The firm 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 the firm's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Respondent may attach a Corrective Action Statement to this AWC that 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 FINRA, nor does it reflect the views of FINRA or its staff.

The undersigned, on behalf of the firm, certifies that a person duly authorized to act on its 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 it 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 herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

8/28/14
Date

Respondent
RBC Capital Markets, LLC

By: Richard T. Chase
Name: Richard T. Chase
Managing Director &
General Counsel
Title: _____

Reviewed by:

Attorney Name
Counsel for Respondent

Accepted by FINRA:

9/16/14
Date

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

Gerard P. Finn
Gerard P. Finn
Chief Counsel
Department of Market Regulation

RBC Capital Markets, LLC ("RBCM")
3rd Quarter 2011 Limit Order Protection Review - OTC

Part I: Triggering Transactions													Part II: Order Details													
No.	Trade Report Date	Trade Report Time	Execution Time	MPID	Capacity	Side	Trade Vol	Issue Symbol	Trade Price	Counter party MPID	Counter party Capacity	Market Center	Order #	Order Received Date	Order Received Time	Desk Received Time	Order to Buy/Sell	Quantity	Issue Symbol	Order Type	Order Price	Firm Order ID	TIF	LOP Violation	Restoration Amount	
1	7/5/2011	15:46:28	15:46:27	RBCM	P	B	10,000	PTXOF	0.51	SBSH	A	u	1-1	7/5/2011	10:35:37			B	10,000	PTXOF	L	0.53	000091515510RNY1-01	DAY	Yes	\$153.60
2	7/11/2011	10:06:32	10:06:31	RBCM	P	B	2,500	GBAMF	1.17	NITE	A	u	3-1	7/11/2011	09:16:50	09:16:50	B	30,000	GBAMF	L	1.20	000091791130RNY1-01	GTD	Yes	\$50.00	
3	7/12/2011	15:32:37	15:32:27	RBCM	P	S	10,000	AUNFF	0.78			u												Yes		
4	7/12/2011	15:32:41	15:32:40	RBCM	P	S	10,000	AUNFF	0.78			u	5-1	7/7/2011	11:40:43		SL	25,640	AUNFF	L	0.78	000091699730RNY1-01	GTC	Yes	N/A	
5	7/12/2011	15:32:57	15:32:56	RBCM	P	S	5,000	AUNFF	0.78			u												Yes		
6	7/12/2011	15:52:19	15:52:18	RBCM	P	S	9,000	AUNFF	0.785			u												Yes		
7	7/25/2011	14:56:07	14:56:06	RBCM	P	S	7,035	XPLT	0.131	ETRF	P	u	7-1	7/19/2011	10:52:41	10:52:42	SL	47,300	XPLT	L	0.055	000092200060RNY1-01	GTC	Yes	\$22.80	
8	7/27/2011	11:55:00	11:55:00	RBCM	P	B	2,223	SHDXF	1.51	NITE	A	u												Yes		
9	7/27/2011	12:02:35	12:02:34	RBCM	P	B	10,000	SHDXF	1.515	BDST	A	u	8-1	7/27/2011	11:29:07		B	10,000	SHDXF	L	1.52	000092670190RNY1-01	DAY	Yes	N/A	
10	7/27/2011	12:05:28	12:05:28	RBCM	P	B	5,000	SHDXF	1.514	NITE	A	u												Yes		
11	7/27/2011	12:19:43	12:19:42	RBCM	P	B	2,500	SHDXF	1.51	NITE	A	u												Yes		
12	7/28/2011	13:06:47	13:06:46	RBCM	P	S	10,000	RYXCF	1.591	OPCO	A	u	9-1	6/27/2011	13:25:49		SL	25,000	RYXCF	L	1.50	000091240110RNY1-01	GTC	Yes	\$640.00	
13	7/28/2011	11:22:05	11:22:04	RBCM	P	B	4,000	SHDXF	1.50	NITE	A	u	10-1	7/26/2011	14:31:18	14:31:19	B	5,000	SHDXF	L	1.50	000092622530RNY1-01	GTC	Yes	N/A	
14	7/28/2011	13:27:26	13:27:25	RBCM	P	B	6,000	SHDXF	1.50	NITE	A	u												Yes		
15	8/5/2011	12:02:33	12:02:32	RBCM	P	B	6,000	SHDXF	1.3837	NITE	A	u	11-1	8/4/2011	14:29:26		B	6,000	SHDXF	L	1.40	000093280270RNY1-01	GTC	Yes	\$97.80	
16	8/8/2011	11:15:50	11:15:50	RBCM	P	B	12,500	CPNFF	0.49	SBSH	A	u	12-1	7/13/2011	15:38:25	15:38:26	B	3,000	CPNFF	L	0.50	000091986080RNY1-01	GTC	Yes	\$3.00	
17	8/9/2011	14:59:06	14:59:05	RBCM	P	B	8,000	SHDXF	1.3704	NITE	A	u	16-1	8/4/2011	14:29:26		B	6,000	SHDXF	L	1.40	000093280270RNY1-01	GTC	Yes	N/A	
												u	16-2	7/11/2011	10:24:26	10:24:26	B	1,000	SHDXF	L	1.38	000091801650RNY1-01	GTC	Yes	N/A	
												u	17-1	7/11/2011	10:24:26	10:24:26	B	1,000	SHDXF	L	1.38	000091801650RNY1-01	GTC	Yes	N/A	
18	8/9/2011	15:19:29	15:19:27	RBCM	P	B	3,000	SHDXF	1.3782	NITE	A	u	17-2	8/4/2011	14:29:26		B	6,000	SHDXF	L	1.40	000093280270RNY1-01	GTC	Yes	N/A	
												u	18-1	8/4/2011	14:29:26		B	6,000	SHDXF	L	1.40	000093280270RNY1-01	GTC	Yes	N/A	
19	8/9/2011	15:43:38	15:43:36	RBCM	P	B	7,500	SHDXF	1.3705	NITE	A	u	18-2	7/11/2011	10:24:26	10:24:26	B	1,000	SHDXF	L	1.38	000091801650RNY1-01	GTC	Yes	N/A	
												u	19-1	7/11/2011	10:24:26	10:24:26	B	1,000	SHDXF	L	1.38	000091801650RNY1-01	GTC	Yes	\$10.50	
20	8/9/2011	15:51:37	15:51:36	RBCM	P	B	25,000	SHDXF	1.3575	NITE	A	u	19-2	8/4/2011	14:29:26		B	6,000	SHDXF	L	1.40	000093280270RNY1-01	GTC	Yes	N/A	
21	8/17/2011	13:38:43	13:38:41	RBCM	P	S	4,000	ACERF	0.388	ETRF	P	u	21-1	8/17/2011	10:37:09	10:37:09	SL	250	ACERF	L	0.38	000093976090RNY1-01	DAY	Yes	\$3.25	
22	8/17/2011	11:45:25	11:45:24	RBCM	P	S	5,000	GGCRF	0.681			u	22-1	8/17/2011	10:39:48		SL	15,000	GGCRF	L	0.677	000093918020RNY1-02	GTC	Yes	\$30.00	
23	8/19/2011	14:34:44	14:34:43	RBCM	P	B	6,000	SHDXF	1.33	NITE	A	u	23-1	8/10/2011	15:35:08		B	40,000	SHDXF	L	1.34	000093685680RNY1-02	GTC	Yes	\$60.00	
24	9/15/2011	10:12:21	10:12:20	RBCM	P	S	2,600	SGHNF	0.22	NITE	A	u	24-1	9/12/2011	09:42:47		SL	12,500	SGHNF	L	0.21	000094463740RNY1-05	GTC	Yes	\$96.00	
25	9/15/2011	10:23:18	10:23:17	RBCM	P	S	10,000	SGHNF	0.217	SBSH	A	u	25-1	9/19/2011	12:23:07		B	25,000	CRYXF	L	0.13	000095453300RNY1-01	DAY	Yes	N/A	
26	9/19/2011	13:21:38	13:21:37	RBCM	P	B	4,000	CRYXF	0.116	ETRF	P	u	25-1	9/19/2011	12:23:07		B	25,000	CRYXF	L	0.13	000095453300RNY1-01	DAY	Yes	N/A	
27	9/19/2011	15:43:08	15:43:07	RBCM	P	B	41,700	GYDRF	2.7503	SBSH	A	u	26-1	9/19/2011	15:38:16		B	167,700	GYDRF	L	2.7578	SR09-CS-C9J3F9	DAY	Yes	N/A	
28	9/22/2011	09:56:49	9:56:49	RBCM	P	B	5,000	SHDXF	1.12	NITE	A	u	27-1	8/9/2011	07:03:10		B	3,000	SHDXF	L	1.15	000092551480RNY1-02	GTC	Yes	\$77.40	
29	9/22/2011	10:07:13	10:07:12	RBCM	P	B	1,500	SHDXF	1.072	NITE	A	u	28-1	6/13/2011	12:18:18	12:18:18	B	10,000	SHDXF	L	1.10	000090436180RNY1-01	GTC	Yes	\$86.44	
30	9/23/2011	09:30:50	9:30:50	RBCM	P	B	2,222	SHDXF	1.08	NITE	A	u												Yes		
31	9/26/2011	09:31:50	9:31:49	RBCM	P	S	1,000	SHDXF	1.0307	NITE	A	u	29-1	9/26/2011	09:31:42		SL	10,000	SHDXF	L	1.00	000095762620RNY1-01	DAY	Yes	\$2.70	
												u	31-1	9/26/2011	10:05:31	10:05:32	B	5,000	SHDXF	L	1.00	000095767620RNY1-01	DAY	Yes	\$20.40	
32	9/26/2011	10:07:09	10:07:09	RBCM	P	B	1,200	SHDXF	0.96	NITE	A	u	31-2	9/26/2011	10:05:57	10:05:58	B	5,000	SHDXF	L	1.00	000095767720RNY1-01	DAY	Yes	\$20.40	
												u	31-3	9/26/2011	10:06:31	10:06:32	B	6,000	SHDXF	L	1.00	000095767830RNY1-01	DAY	Yes	\$20.40	
33	9/27/2011	10:09:36	10:09:34	RBCM	P	S	30,000	EORUF	0.147			u	32-1	9/27/2011	10:07:39	10:07:39	SL	50,000	EORUF	L	0.145	000095827820RNY1-01	GTC	Yes	\$3.00	
34	9/27/2011	15:21:25	15:21:24	RBCM	P	S	10,000	EORUF	0.147	SBSH	A	u	33-1	9/27/2011	15:20:35	15:20:35	SL	25,000	EORUF	L	0.14	000095883350RNY1-01	DAY	Yes	\$70.00	
35	10/3/2011	09:58:18	9:58:18	RBCM	P	B	3,327	CLLZF	0.289	ETRF	P	u	35-1	10/3/2011	09:49:36		B	10,000	CLLZF	L	1.00	000096084270RNY1-01	DAY	Yes	\$19.96	
36	10/11/2011	15:46:28	15:46:28	RBCM	P	S	7,500	AABVF	0.709			u												Yes		
37	10/11/2011	15:59:47	15:59:47	RBCM	P	S	6,000	AABVF	0.7093			u	36-1	10/6/2011	14:50:46	14:50:46	SL	60,000	AABVF	L	0.70	000096417030RNY1-01	GTC	Yes	\$128.30	

RBC Capital Markets, LLC ("RBCM")
3rd Quarter 2011 Limit Order Protection Review - OTC[illegible]