

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20130379323-01**

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

RE: Canaccord Genuity Inc., Respondent
Broker-Dealer
CRD No. 1020

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Canaccord Genuity Inc. (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 Respondent 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

The firm has been a member of FINRA since April 3, 1946. Its registration remains in effect. The firm has no prior relevant disciplinary history.

SUMMARY

In Matter No. 20130379323, the Customer Issues team of FINRA's Department of Market Regulation (the "staff") conducted a review of the firm's compliance with FINRA rules pertaining to the execution of held market orders for the period of April 1, 2013 through June 30, 2013. As a result of its review, the Department of Market Regulation found the following violations of FINRA Rules 2010 and 5310.

FACTS AND VIOLATIVE CONDUCT

- 1) During the Review Period, the firm failed to execute 29 customer market orders fully and promptly. For 15 of the 29 orders, the firm failed to use reasonable diligence to ascertain the best inter-dealer market and failed to buy or sell in such market so that the resultant price to its customer was as favorable as possible under prevailing market conditions, as reflected in Exhibit A which is attached. The conduct described

in this paragraph constitutes separate and distinct violations of FINRA Rules 2010 and 5310.

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

Censure and a fine of \$7,500.¹

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.

¹ The firm has already made restitution to affected customers voluntarily in the amounts set forth on Exhibit A.

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 accordance with FINRA Rule 8313;
 - 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. 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 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.

9/25/15
Date

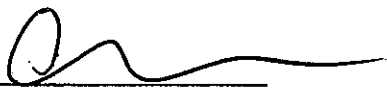
Respondent
Canaccord Genuity Inc.

By: Howard Green

Name: Howard Green

Title: SMD

Reviewed by:


Andrew Viles
Counsel for Respondent
Senior Managing Director | U.S General Counsel
Canaccord Genuity Inc.
99 High Street
Boston, MA, 02110
T: 617-371-3715

Accepted by FINRA:

October 5, 2015
Date

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


James J. Nixon
Chief Litigation Counsel
FINRA Department of Market Regulation

Part I: Trade Details															Part II: Order Memoranda		Part III: Analysis		
Exception #	Order Receipt Date	Event Type	Firm MPID	Order Received Time	Desk Received Time	Buy / Sell	Quantity	Issue Sym	Market Class	Firm Order ID	Special Handling Codes	Reporting Exception Code	Execution Time	Routing Firm MPID	Last principal fill	Execution Price	Duration	MOT Violation	Restitution
1	4/1/2013	NW	CSTI	9:37:53		B	200	TAYCO	NNM	0002071363ORCT1-001			09:39:21	DEAN	9:39:21	\$26.15	0:01:28	yes	n/a
2	4/2/2013	OE	CSTI	10:11:03		B	1,000	TROX	CQS	0002075272ORCT1-001			10:11:49	SWIM	n/a	\$20.24	0:00:46	yes	n/a
3	4/2/2013	OE	CSTI	11:02:58		B	150	ORMP	SC	0002075525ORCT1-001			11:32:15	SSIC	11:32:15	\$8.68	0:29:17	yes	n/a
4	4/3/2013	NW	CSTI	9:34:01		SL	1,000	TROX	CQS	0002078953ORCT1-001			09:42:31	SWIM	9:42:31	\$20.17	0:08:30	yes	\$80.00
5	4/3/2013	OE	CSTI	9:44:34		SL	1,000	TROX	CQS	00020790462ORCT1-001			09:46:30	SWIM	n/a	\$20.22	0:01:56	yes	n/a
6	4/3/2013	NW	CSTI	10:06:12		SL	1,000	TROX	CQS	00020791745ORCT1-001			10:07:26	SWIM	10:07:26	578 @ \$20.12 200 @ \$20.13 222 @ \$20.14	0:01:14	yes	\$23.56
7	4/3/2013	OE	CSTI	10:57:49		B	700	TROX	CQS	00020794423ORCT1-001			10:58:55	SWIM	n/a	\$19.84	0:01:06	yes	\$14.00
8	4/4/2013	OE	CSTI	9:37:47		SL	100	TROX	CQS	00020828058ORCT1-001			09:39:15	SWIM	n/a	\$19.54	0:01:28	yes	\$2.00
9	4/4/2013	OE	CSTI	12:18:04		B	400	TROX	CQS	00020834299ORCT1-001			12:18:41	SWIM	n/a	\$19.37	0:00:37	yes	n/a
10	4/8/2013	OE	CSTI	9:41:11		B	270	TROX	CQS	00020905215ORCT1-001			09:42:45	SWIM	n/a	\$19.08	0:01:34	yes	\$8.10
11	4/11/2013	NW	CSTI	14:38:44		B	1,000	SBRAP	NNM	00021032693ORCT1-001			14:39:40	DEAN	14:39:40	\$25.70	0:00:56	yes	n/a
12	4/18/2013	OE	CSTI	11:33:49		B	400	SBRAP	NNM	00021217755ORCT1-001			11:35:27	DEAN	n/a	\$25.70	0:01:38	yes	n/a
13	4/22/2013	OE	CSTI	13:49:16		SL	400	RYAAY	NNM	00021293847ORCT1-001			13:49:58	STFL	n/a	\$44.03	0:00:42	yes	n/a
14	4/22/2013	OE	CSTI	15:50:07		B	1,000	TRQ	CQS	00021296889ORCT1-001			15:51:31	CHAS	n/a	\$5.57	0:01:24	yes	n/a
15	4/23/2013	OE	CSTI	9:54:06		SL	600	TRQ	CQS	00021324261ORCT1-001			09:55:05	CHAS	n/a	\$5.53	0:00:59	yes	\$6.00
16	4/25/2013	OE	ADAM	10:14:49		B	300	SBRAP	NNM	00021400962ORCT1-001			10:15:28	DEAN	n/a	\$25.69	0:00:39	yes	n/a
17	4/25/2013	NW	ADAM	11:11:25		B	300	SBRAP	NNM	00021403006ORCT1-001			11:12:31	DEAN	11:12:31	100 @ \$25.58 100 @ \$25.59 100 @ \$25.60	0:01:06	yes	n/a
18	4/25/2013	OE	ADAM	14:40:35		B	600	SBRAP	NNM	00021408471ORCT1-001			14:41:08	DEAN	n/a	\$25.65	0:00:33	yes	n/a
19	5/1/2013	NW	ADAM	9:25:23		SL	440	INTC	NNM	00001128949ORAH1-001			09:32:27		9:32:27	\$23.84	0:02:27	yes	\$17.60
20	5/1/2013	OE	ADAM	9:27:29		SL	200	INTC	NNM	00001128956ORAH1-001			09:32:27		9:32:28	\$23.84	0:02:28	yes	\$8.00
21	5/1/2013	NW	ADAM	9:28:02		SL	450	INTC	NNM	00001128959ORAH1-001			09:32:28		9:32:28	\$23.84	0:02:28	yes	\$18.00
22	5/1/2013	OE	CSTI	9:28:35		SL	400	INTC	NNM	00001128962ORAH1-001			09:32:28		9:32:28	\$23.84	0:02:28	yes	\$16.00
23	5/1/2013	NW	CSTI	9:28:53		SL	250	INTC	NNM	00001128965ORAH1-001			09:32:28		9:32:28	\$23.84	0:02:28	yes	\$10.00
24	5/1/2013	OE	CSTI	12:19:35		B	300	AMBC	NNM	00021560771ORCT1-001			12:20:34	RAJA	12:20:34	\$20.50	0:00:59	yes	n/a
25	5/8/2013	NW	CSTI	11:36:20		B	850	TCBIL	NNM	00021748061ORCT1-001			11:37:44	DEAN	11:37:44	400 @ \$25.79 450 @ \$25.8	0:01:24	yes	\$9.00
26	5/14/2013	NW	CSTI	12:16:58		B	1,000	CLV	CQS	00021912480ORCT1-001			12:19:07	HRBF	12:19:07	100 @ \$21.415 100 @ \$21.46 800 @ \$21.44	0:02:09	yes	\$20.00
27	5/20/2013	OE	CSTI	10:55:58		B	100	TROX	CQS	00022083509ORCT1-001			10:56:48	SWIM	n/a	\$22.48	0:00:50	yes	n/a
28	5/24/2013	OE	CSTI	13:31:21		SL	280	RYAAY	NNM	00022264036ORCT1-001			13:32:18	STFL	n/a	\$48.13	0:00:57	yes	\$2.80
29	6/4/2013	OE	CSTI	14:32:47		SL	350	TROX	CQS	00022564555ORCT1-001			14:33:20	SWIM	n/a	\$21.39	0:00:33	yes	n/a
																		Total MOT Violations: 29	
																		Total Restitution: \$235.06	