

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015043279401**

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

RE: Dundee Securities, Inc., Respondent
Member Firm
CRD No. 39759

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Dundee Securities, Inc. ("Dundee" or the "Firm") 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. Dundee 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

Dundee has been a FINRA member firm since August 1996, and is headquartered in Toronto, Ontario. In March 2016, the Firm was comprised of approximately 40 registered persons and operated from its main office in Toronto and five branch locations across Canada. Dundee primarily engages in the purchase and sale of Canadian equities in the secondary market for U.S. institutional investors. Currently, Dundee has five registered individuals in its Toronto office.

RELEVANT DISCIPLINARY HISTORY

The Firm has no relevant disciplinary history.

OVERVIEW

Between August 2012 and August 2015 (the "Relevant Period"), Dundee failed to establish and maintain a reasonable supervisory system for the review of electronic communications in violation of NASD Rule 3010 (for conduct prior to

December 1, 2014) and FINRA Rules 3110 (for conduct on and after December 1, 2014) and 2010.

During the Relevant Period, Dundee failed to review and retain messages for six AOL instant messaging accounts utilized by the registered representatives to conduct securities related business. Through this conduct, Dundee violated SEC Rule 17a-4, and FINRA Rules 4511 and 2010.

FACTS AND VIOLATIVE CONDUCT

Failure to Maintain a Reasonable Supervisory System for the Review of Electronic Communications

During the Relevant Period, the Firm reviewed a random sampling of electronic communications as well as communications containing default keywords provided by the third-party vendor of the email review and retention system utilized by the Firm. The messages flagged for review were not based on risks related to the Firm's business. Moreover, the Firm failed to review all of the flagged emails in some manner.

Additionally the Firm's registered representatives regularly sent and received internal electronic communications in French, but Dundee failed to utilize French key words to review electronic communications. The Firm also failed to perform any review of French language messages sent and received through any domain utilized for business purposes by Firm personnel.

As described in more detail below, Dundee further failed to review business-related AOL instant messages ("IMs") for six registered representatives between August 2012 and March 2016. Due to various technical difficulties, the Firm was unable to capture those IMs and, subsequently, did not review them.

The Firm's written supervisory procedures ("WSPs") for the review of electronic communications were inadequate because they failed to articulate the steps taken by the Firm to address flagged emails. Additionally, the WSPs did not contain the Firm's processes for reviewing electronic communications in French.

Therefore, during the Relevant Period, Dundee failed to establish and maintain a reasonable supervisory system for the review of electronic communications in violation of NASD Rule 3010 (for conduct prior to December 1, 2014) and FINRA Rules 3110 (for conduct on and after December 1, 2014) and 2010.

Failure to Retain AOL Instant Messages Used for Business Purposes

During the Relevant Period, Dundee failed to retain business-related IMs for AOL instant messaging accounts utilized by six registered representatives to conduct securities related business.

The Firm was unable to estimate the number of AOL IMs it failed to retain in the Relevant Period because the messages were only intermittently captured. Additionally, the representatives who used AOL instant messenger are either no longer associated with the Firm or have no access (or very limited access) to their AOL accounts. As such, those users are unable to access their historical IMs for the Relevant Period.

Dundee's failure to retain business related IMs from six AOL instant messaging accounts during the Relevant Period, violated SEC Rule 17a-4, and FINRA Rules 4511, and 2010.

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

1. A censure; and
2. A fine of \$32,500.

Dundee agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Dundee has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Dundee specifically and voluntarily waives any right to claim that it is unable to pay, now or any time hereafter, the monetary sanction imposed in this matter.

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

II.

WAIVER OF PROCEDURAL RIGHTS

Dundee 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, Dundee 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.

Dundee 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

Dundee 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 the Firm; and
- C. If accepted:
 - 1. this AWC will become part of Dundee'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. Dundee 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. Dundee 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. Dundee may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Dundee 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 the Firm has agreed to its 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.

Respondent Dundee Securities, Inc.

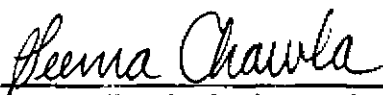
Feb 28, 2017
Date (mm/dd/yyyy)


By: Gary Boyd
Title: Chief Compliance Officer

Accepted by FINRA:

March 8, 2017
Date

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


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