

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20150442305-01**

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

On December 12, 2012, FINRA accepted an AWC in which the firm was censured and fined a total of \$62,500, including \$20,000 for violations of FINRA Rule 7450 stemming from two separate Order Audit Trail System ("OATS") reviews: a \$10,000 fine for OATS reporting violations identified in a 3Q2009 Reject Repair review; and a \$10,000 fine for OATS reporting violations identified during the firm's 2010 Trading and Financial Compliance Examinations ("TFCE") review.

On April 24, 2013, FINRA accepted an AWC in which the firm was censured and fined \$10,000 for violations of FINRA Rule 7450 identified in the firm's 2011 TFCE review, which was conducted for trade date September 8, 2011.

On June 27, 2014, FINRA accepted an AWC in which the firm was censured and fined \$12,500 for transmitting to OATS 174 reports for which it did not have an OATS reporting responsibility on review date April 17, 2013.

SUMMARY

In connection with Review No. 20150442305, TFCE staff of the Department of Market Regulation conducted the 2015 TFCE review of the firm primarily for the period April 1, 2015 through June 30, 2015.

Based on the foregoing review, the Department of Market Regulation found that the firm violated NASD Rule 6955(a) (for conduct prior to December 15, 2008), FINRA Rule 7450(a) (for conduct on or after December 15, 2008), NASD Rule 3010 (for conduct prior to December 1, 2014), FINRA Rule 3110 (for conduct on or after December 1, 2014), NASD Rule 2110 (for conduct after December 15, 2008), and FINRA Rule 2010 (for conduct on or after December 15, 2008).

FACTS AND VIOLATIVE CONDUCT

1. From April 2008 through April 2016, the firm failed to transmit 79,773 Reportable Order Events ("ROEs") to the OATS. These 79,733 ROEs represented less than one percent of all ROEs that the firm was required to transmit to OATS during this period, and were limited to transactions with a single counterparty that occurred outside of the firm's usual order management system ("OMS"). The conduct described in this paragraph constitutes separate and distinct violations of NASD Rule 6955(a) (for conduct prior to December 15, 2008) and FINRA Rule 7450(a) (for conduct on or after December 15, 2008).
2. From April 2008 through April 2016, the Firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and the Rules of FINRA, concerning transmitting orders that took place outside of the firm's OMSs to OATS. Specifically, the Firm's supervisory system did not include written supervisory procedures providing for: (1) the identification of the person(s) responsible for supervision with respect to the applicable rules; (2) a statement of the supervisory step(s) to be taken by the identified person(s); (3) a statement as to how often such person(s) should take such step(s); and (4) a statement as to how the completion of the step(s) included in the written supervisory procedures should be documented. The conduct described in this paragraph constitutes a violation of NASD Rule 3010 (for conduct prior to December 1, 2014), FINRA Rule 3110 (for conduct on or after December 1, 2014), NASD Rule 2110 (for conduct after December 15, 2008), and FINRA Rule 2010 (for conduct on or after December 15, 2008).

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

A censure and a fine of \$22,500 (consisting of \$17,500 for the OATS reporting violations and \$5,000 for the supervision violations) and an undertaking to revise the firm's written supervisory procedures with respect to the areas described in paragraph I.A.2 above. Within 30 business days of acceptance of this AWC by the National Adjudicatory Council ("NAC"), a registered principal of the Respondent shall submit to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850, a signed, dated letter, or an e-mail from a work-related account of the registered principal to MarketRegulationComp@finra.org, providing the following information: (1) a reference to this matter; (2) a representation that the firm has revised its written supervisory procedures to address the deficiencies described in paragraph I.A.2; and (3) the date the revised procedures were implemented.

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 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. 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.

10/7/2016
Date

Respondent
RBC Capital Markets, LLC

By: [Signature]

Name: Maria Douves

Title: Managing Director &
Assistant General Counsel

Reviewed by:

Attorney Name
Counsel for Respondent

Accepted by FINRA:

10/17/16
Date

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

[Signature]
Gerard P. Finn
Chief Counsel
Department of Market Regulation