

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

NO. 20150465585-01

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 connection with Matter No. 20150465585, the Department of Market Regulation reviewed the firm's compliance with FINRA rules pertaining to the execution of held market orders for the period of April 1, 2015 through June 30, 2015 (the "review period"). During the review period, the firm violated FINRA Rules 2010 and 5310, as discussed further below.

FACTS AND VIOLATIVE CONDUCT

1. During the Review Period, the firm failed to execute 50 customer market orders fully and promptly. For 18 of the 50 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;

A fine of \$12,500; and

Restitution is ordered to be paid to the customer(s) listed on Exhibit A hereto in the amount of \$889.84, 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 ("NAC"). A registered principal on behalf of the Respondent firm 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 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:

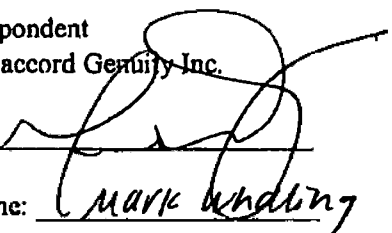
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will 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. 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.

9/20/16
Date

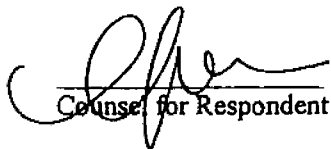
Respondent
Canaccord Genuity Inc.

By: 

Name: Mark Whaling

Title: Head of Sales and Trading

Reviewed by:


Counsel for Respondent

Accepted by FINRA:

September 22, 2016
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: OATS Order Details										Order Memoranda Data			Part II: Staff's Analysis			
Exception #	Order Received Date	Event Type	Firm MPID	Order Received Time	Buy / Sell	Quantity	Issue Symbol	Execution Time	Routing Firm MPID	Execution Price	Order Receipt Time	Time of Last Principal FB	MOT Duration	PBO Better Price	MOT Violation	Restitution
1	4/24/2015	OE	CSTI	10:24:28	SL	300	TAHO	10:25:35	CHAS	\$11.62	10:24:28	10:25:35	00:01:07	No	Yes	N/A
2	4/27/2015	OE	CSTI	12:07:51	SL	337	TAHO	12:09:27	CHAS	\$12.40	12:07:51	12:09:27	00:01:36	No	Yes	N/A
3	4/28/2015	NW	CSTI	11:32:43	SL	5,000	TAHO	11:33:55	CHAS	1100 @ \$12.82 1790 @ \$12.81 2110 @ \$12.80	11:32:43	11:33:55	00:01:12	\$12.82	Yes	\$40.10
4	4/29/2015	OE	CSTI	09:32:35	B	200	QVVO	09:33:38	CHAS	\$67.34	09:32:35	09:33:38	00:01:03	\$67.31	Yes	\$6.00
5	4/29/2015	NW	CSTI	11:15:52	SL	400	TAHO	11:17:35	CHAS	\$13.72	11:15:52	11:17:35	00:01:43	\$13.23	Yes	\$4.00
6	4/29/2015	NW	CSTI	12:15:32	B	400	TAHO	12:17:43	CHAS	\$13.38	12:15:32	12:17:43	00:02:11	\$13.36	Yes	\$4.00
7	4/29/2015	NW	CSTI	12:32:12	SL	234	TAHO	12:38:31	CHAS	200 @ \$13.46 34 @ \$13.44	12:32:12	12:38:31	00:06:19	\$13.50	Yes	\$10.04
8	4/29/2015	OE	CSTI	14:25:17	SL	500	TAHO	14:27:21	CHAS	\$13.14	14:25:17	14:27:21	00:02:04	\$13.15	Yes	\$5.00
9	4/30/2015	OE	CSTI	10:30:21	B	10	ATNI	10:30:52	CHAS	\$66.44	10:30:21	10:30:52	00:00:31	No	Yes	N/A
10	4/30/2015	OE	CSTI	15:38:53	B	498	TAHO	15:39:37	CHAS	\$13.99	15:38:53	15:39:37	00:00:44	No	Yes	N/A
11	4/30/2015	OE	CSTI	15:46:35	SL	40	SNY	15:47:25	CHAS	\$50.63	15:46:35	15:47:25	00:00:50	\$50.67	Yes	\$1.60
12	5/4/2015	OE	CSTI	08:15:09	B	12	ATNI	09:10:40	CHAS	\$87.09	08:15:09	09:10:40	00:00:40	No	Yes	N/A
13	5/4/2015	NW	CSTI	09:35:26	SL	5,000	ONCE	09:36:59	CHAS	800 @ \$47.885 10 @ \$47.78 75 @ \$47.76 100 @ \$47.71 1400 @ \$47.70 100 @ \$47.90 100 @ \$47.80 100 @ \$47.94 2305 @ \$47.60	09:35:26	09:36:59	00:01:33	\$47.80	Yes	\$551.00
14	5/6/2015	NW	CSTI	09:45:03	B	304	ATNI	09:45:35	CHAS	100 @ \$66.43 100 @ \$66.50 5 @ \$65.52 99 @ \$66.54	09:45:03	09:45:35	00:00:32	No	Yes	N/A
15	5/6/2015	OE	CSTI	11:26:12	B	1,000	PTBI	11:26:51	CHAS	\$9.94	11:26:12	11:26:51	00:00:39	No	Yes	N/A
16	5/8/2015	OE	CSTI	13:24:37	B	500	ATNI	13:25:16	CHAS	\$65.93	13:24:37	13:25:16	00:00:39	No	Yes	N/A
17	5/11/2015	OE	CSTI	08:15:16	B	20	ATNI	09:30:55	CHAS	\$65.67	08:15:16	09:30:55	00:00:55	No	Yes	N/A
18	5/13/2015	OE	CSTI	11:31:16	B	17	ATNI	11:32:16	CHAS	\$65.66	11:31:16	11:32:16	00:01:00	No	Yes	N/A
19	5/14/2015	NW	CSTI	10:01:28	SL	800	TAHO	10:02:41	CHAS	100 @ \$14.765 100 @ \$14.7609 600 @ \$14.75	10:01:28	10:02:41	00:01:13	\$14.76	Yes	\$6.00
20	5/14/2015	NW	CSTI	13:13:47	B	688	TAHO	13:14:37	CHAS	\$14.90	13:13:47	13:14:37	00:00:50	No	Yes	N/A
21	5/14/2015	OE	CSTI	14:21:46	B	500	ATNI	14:22:20	CHAS	\$67.475	14:21:46	14:22:20	00:00:44	No	Yes	N/A
22	5/14/2015	NW	CSTI	15:47:31	B	5,000	TAHO	15:49:26	CHAS	4400 @ \$14.66 600 @ \$14.67	15:47:31	15:49:26	00:01:55	\$14.66	Yes	\$8.00
23	5/18/2015	OE	CSTI	08:15:16	B	10	ATNI	09:31:02	CHAS	\$68.34	08:15:16	09:31:02	00:01:01	No	Yes	N/A
24	5/18/2015	OE	CSTI	08:15:29	B	100	TAHO	09:32:28	CHAS	\$14.75	08:15:29	09:32:28	00:02:28	\$14.71	Yes	\$4.00
25	5/19/2015	OE	CSTI	10:23:55	SL	225	TAHO	10:24:36	CHAS	\$13.91	10:23:55	10:24:36	00:00:41	No	Yes	N/A
26	5/19/2015	OE	CSTI	12:34:16	B	61	GE	12:34:56	MERI	\$27.35	12:34:16	12:34:56	00:00:40	\$27.35	Yes	N/A*
27	5/19/2015	NW	CSTI	15:31:38	SL	2,000	TAHO	15:33:51	CHAS	100 @ \$13.882 840 @ \$13.83 800 @ \$13.821 260 @ \$13.82	15:31:38	15:33:51	00:02:13	\$13.86	Yes	\$66.80
28	5/27/2015	OE	CSTI	11:22:34	B	300	INTC	11:23:20	CHAS	\$33.465	11:22:34	11:23:20	00:00:46	No	Yes	N/A
29	5/28/2015	OE	CSTI	09:59:56	SL	900	OHGI	10:01:02	CHAS	\$5.19	09:59:56	10:01:02	00:01:06	No	Yes	N/A
30	5/28/2015	OE	CSTI	11:15:02	SL	3	GOOG	11:15:32	CHAS	\$538.28	11:15:02	11:15:32	00:00:30	\$538.43	Yes	N/A*
31	5/28/2015	NW	CSTI	11:32:49	B	168	OHGI	11:33:46	CHAS	\$5.78	11:32:49	11:33:46	00:00:57	No	Yes	N/A
32	5/28/2015	NW	CSTI	11:36:55	SL	1,000	OHGI	11:37:30	CHAS	300 @ \$5.51 700 @ \$5.50	11:36:55	11:37:30	00:00:35	\$5.51	Yes	\$7.00
33	5/28/2015	NW	CSTI	11:54:35	SL	500	OHGI	11:55:12	CHAS	\$5.05	11:54:35	11:55:12	00:00:37	No	Yes	N/A
34	5/28/2015	OE	CSTI	11:54:35	SL	100	OHGI	11:55:12	CHAS	\$5.05	11:54:35	11:55:12	00:00:37	No	Yes	N/A
35	5/29/2015	OE	CSTI	09:46:46	SL	500	OHGI	09:47:21	CHAS	\$2.96	09:46:46	09:47:21	00:00:35	No	Yes	N/A
36	5/29/2015	OE	CSTI	11:22:34	B	75	ATNI	11:23:06	CHAS	\$66.40	11:22:34	11:23:06	00:00:32	No	Yes	N/A
37	5/29/2015	OE	CSTI	13:52:53	B	100	OHGI	13:53:24	CHAS	\$3.57	13:52:53	13:53:24	00:00:31	No	Yes	N/A
38	6/3/2015	OE	CSTI	11:59:32	SL	433	OHGS	12:00:04	CHAS	\$5.95	11:59:32	12:00:04	00:00:32	No	Yes	N/A
39	6/12/2015	OE	CSTI	09:33:34	B	662	SNY	09:34:15	CHAS	\$30.43	09:33:34	09:34:15	00:00:41	No	Yes	N/A
40	6/12/2015	OE	CSTI	09:40:42	B	20	BUD	09:42:14	CHAS	\$120.82	09:40:42	09:42:14	00:01:32	\$120.76	Yes	\$1.20
41	6/12/2015	OE	CSTI	10:33:09	SL	40	QGEN	10:34:57	CHAS	\$24.57	10:33:09	10:34:57	00:01:48	\$24.63	Yes	\$2.40
42	6/12/2015	OE	CSTI	11:07:32	B	205	NOX	11:08:06	CHAS	\$7.15	11:07:32	11:08:06	00:00:36	No	Yes	N/A
43	6/12/2015	OE	CSTI	12:04:35	B	244	VALE	12:05:36	CHAS	\$6.78	12:04:35	12:05:36	00:01:03	No	Yes	N/A
44	6/12/2015	OE	CSTI	13:32:51	B	125	NOX	13:34:13	CHAS	\$7.16	13:32:51	13:34:13	00:01:22	No	Yes	N/A
45	6/18/2015	NW	CSTI	11:42:36	SL	2,000	RXDX	11:45:36	RAJA	200 @ \$16.98 400 @ \$16.95 546 @ \$16.95 654 @ \$16.90 200 @ \$16.91	11:42:36	11:45:36	00:03:00	\$17.01	Yes	\$150.70
46	6/18/2015	OE	CSTI	15:28:20	B	24	ARCP	15:29:50	DEAN	\$24.58	15:28:20	15:29:50	00:00:30	No	Yes	N/A
47	6/18/2015	OE	CSTI	15:28:20	B	92	CHSN	15:29:04	DEAN	\$25.27	15:28:20	15:29:04	00:00:44	No	Yes	N/A
48	6/19/2015	OE	CSTI	14:02:55	SL	1,000	ADMA	14:12:04	RAJA	\$8.35	14:02:55	14:12:04	00:04:09	No	Yes	N/A
49	6/19/2015	OE	CSTI	14:41:25	SL	35	CHSN	14:42:11	DEAN	\$26.31	14:41:25	14:42:11	00:02:46	No	Yes	N/A
50	6/23/2015	OE	CSTI	12:33:57	SL	290	UGCY	12:34:29	DEAN	\$30.33	12:33:57	12:34:29	00:00:32	No	Yes	N/A

*Although the staff found a better price during the life of the order, it is not requesting any restitution.

Total MOT Violations: 50
Total Restitution: \$889.84