

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
CLG050091

TO: Department of Market Regulation
NASD

RE: CIBC World Markets, Respondent
Broker-Dealer
CRD No. 630

Pursuant to Rule 9216 of the NASD Code of Procedure, the undersigned submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described in Part II below. This AWC is submitted on the condition that, if accepted, NASD will not bring any future actions against CIBC World Markets (the "firm" or "CIBC") alleging violations based on the same factual findings.

The firm understands that:

1. *Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by NASD's Department of Market Regulation, and the National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs, pursuant to NASD Rule 9216;*
2. *If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm; and*
3. *If accepted:*
 - a. *this AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by the NASD against the firm;*
 - b. *this AWC will be made available through NASD's public disclosure program in response to public inquiries about the firm's disciplinary record;*
 - c. *NASD may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-2; and*

- d. the firm 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 allegation in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects the firm's testimonial obligations or right to take legal positions in litigation in which the NASD is not a party.

The firm also understands that the firm's experience in the securities industry and the firm's disciplinary history may be factors that will be considered in deciding whether to accept this AWC. That experience and history are as follows:

The firm has been a member of NASD since March 14, 1950, and its registration remains in effect. CIBC has a relevant prior disciplinary history.

- On July 2, 2003, CIBC was fined \$7,500 and censured for a pattern or practice of late trade reporting in CQS securities during the period January 2, 2002 through April 30, 2002 in violation of NASD Conduct Rule 2110.
- On May 17, 2004, CIBC was fined \$4,000 and censured for a pattern or practice of late trade reporting in OTC Equity securities and for failing to designate last sale reports as late during the period May 1, 2002 through August 31, 2002 in violation of NASD Rule 2110 and 6620(a).
- On May 17, 2004, CIBC was fined \$12,000 and censured for a pattern or practice of late trade reporting in OTC Equity securities and for failing to designate last sale reports as late during the period May 1, 2003 through August 31, 2003 in violation of NASD Rules 2110 and 6620(a).

I.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under the NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against the firm;
- B. To be notified of the Formal 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, the firm specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, 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.

The firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of 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.

II.

ACCEPTANCE AND CONSENT

This matter arose from the four following reviews conducted by the staff of NASD's Market Regulation Department:

20042000051 (formerly MRD200339349), a review of CIBC's compliance with NASD trade reporting rules relating to CQS securities during the period September 1, 2002 through December 31, 2002;

20042000212 (formerly MRD200444707), a review of CIBC's compliance with NASD trade reporting rules relating to CQS securities for the period September 1, 2003 through December 31, 2003;

20042000245 (formerly MRD200445218), a review of CIBC's compliance with NASD Conduct Rule 2320 during the period October 1, 2003 through December 31, 2003; and

20042000250 (formerly MRD200445517), the 2004 Trading and Market Making Surveillance Examination of CIBC, which included a review of the following items:¹

- 24 customer sale transactions for compliance with NASD Rules 3110 and 3370 and SEC Rule 10a-1;
- 21 proprietary sale transactions for compliance with NASD Rule 3370 and SEC Rule 10a-1,

¹ Unless stated otherwise, samples were derived from trade dates February 17 and 18, 2004.

- 397 sales in NNM securities for compliance with NASD Rule 6130;
- 22 short sales in NNM securities for compliance with NASD Rule 3350;
- 1 short sales in CQS securities for compliance with SEC Rule 10a-1;
- 50 limit orders in market making securities for compliance with NASD Rules 2110, IM-2110-2, 6440 and 2320 and SEC Rule 11Ac1-4;
- 25 marketable orders received while holding “non-displayed” limit orders in the same security for compliance with NASD Rule 2320;
- 10 market orders executed as principal for compliance with NASD Rule 2320;
- 50 limit and market orders executed in a principal or riskless principal capacity for compliance with capacity reporting under NASD trade reporting and ACT rules;
- 29 principal trades reported as riskless principal for the period January 2004 for compliance with Exchange Act Section 28(e) safe harbor on soft dollar compensation;
- 25 trades reported in market making securities for compliance with SEC Rule 11Ac1-5;
- data published on the firm’s February 2004 monthly execution report for compliance with SEC Rule 11Ac1-5;
- data published on the firm’s 4th Quarter 2003 order routing report for compliance with SEC Rule 11Ac1-6;
- 10 customer transactions in OTCBB and/or OTC equity securities for compliance with NASD Rules 3110(b) and 2320;
- 232 order/trade records prepared and maintained for the above samples for compliance with NASD Rule 3110 and SEC Rules 17a-3 and 17a-4;
- 589 trades reported to ACT for compliance with NASD trade reporting and ACT rules;
- 17 trades reported to ACT for compliance with NASD trade reporting and ACT rules;
- 21 persons engaged in the firm’s trading and market making activities during the period February 2004 for compliance with NASD Registration rules; and
- the firm’s establishment and implementation of “regular and rigorous” reviews of the execution quality of orders sent to other market centers for execution, based on the firm’s written supervisory procedures in effect during May 2004, for compliance with NASD Rules 2320 and 3010;
- the firm’s establishment and implementation of a supervisory system and written supervisory procedures, based on the firm’s written supervisory procedures during the period February 2004, for compliance with NASD Rule 3010.

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

MRD 200339349 (*Trade Reporting Sweep Sept. 1, 2002 through Dec. 31, 2002*)

1. CIBC failed, within 90 seconds after execution, to transmit through ACT 96 last sale reports of transactions in Consolidated Quotation Service ("CQS") securities. These transactions constitute 5.42 per cent of all eligible transactions in CQS securities that CIBC was required to report to ACT during the review period.
2. The conduct described in paragraph one constitutes a pattern or practice of late reporting without exceptional circumstances in violation of NASD Rule 2110.
3. Of the 96 transactions cited in paragraph one, CIBC failed, within 90 seconds after execution, to transmit through ACT 13 last sale reports of transactions in CQS securities and failed to designate through ACT such last sale reports as late.
4. The conduct described in paragraph three constitutes separate and distinct violations of NASD Marketplace Rule 6420(a).

MRD 200444707 (*Trade Reporting Sweep Sept. 1, 2003 through Dec. 31, 2003*)

5. CIBC failed, within 90 seconds after execution, to transmit through ACT 110 last sale reports of transactions in CQS securities. These transactions constitute 5.20 per cent of all eligible transactions in CQS securities that CIBC was required to report to ACT during the review period.
6. The conduct described in paragraph five constitutes a pattern or practice of late reporting without exceptional circumstances in violation of NASD Rule 2110.
7. Of the 110 transactions cited in paragraph five, CIBC failed to designated through ACT five last sale reports of transactions in CQS securities and failed to designate through ACT such last sale reports as late.
8. The conduct described in paragraph seven constitutes separate and distinct violations of NASD Marketplace Rule 6420(a).

MRD 200445218 (*Best Execution Sweep 4th Quarter 2003*)

9. In 49 instances CIBC failed to execute orders fully and promptly as reflected on Exhibit A, which is attached hereto and incorporated herein by reference. In 33 of these transactions, CIBC 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 on Exhibit A.
10. The conduct described in paragraph nine constitutes separate and distinct violations of NASD Conduct Rules 2110 and 2320.

MRD200445517 (*2004 TMMS Exam*)

11. During the period February 17, 2004 through February 18, 2004, CIBC executed 33 sale transactions and failed to correctly mark the order memorandum for each such order as long or short.
12. The conduct described in paragraph 11 constitutes separate and distinct violations of NASD Conduct Rules 2110 and 3110(b).
13. During the review period, CIBC failed to preserve for a period of not less than three years, the first two in an accessible place, records documenting its supervisory reviews relating to OATS, 1 per cent Rule, and Books and Records.
14. The conduct described in paragraph 13 constitutes separate and distinct violations of NASD Conduct Rules 2110 and 3110(a).
15. 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 NASD, concerning SEC Rule 11Ac1-6, Best Execution, Anti-Intimidation/Coordination – Education, Trade Reporting and Short Sale Reporting. Specifically, the firm's supervisory system did not include written supervisory procedures providing for: (1) 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.

16. The conduct described in paragraph 15 constitutes a violation of NASD Conduct Rules 2110 and 3010.

B. The firm also consents to the imposition, at a maximum, of the following sanctions:

A censure;

A fine of \$60,000 (consisting of a \$7,500 fine for late trade reporting September 1, 2002 through December 31, 2002; \$12,500 for late trade reporting September 1, 2003 through December 31, 2003; \$30,000 for violations of NASD Rule 2320 (best execution), \$5,000 for violations of Rule 3110 (recordkeeping); and \$5,000 for violations of Rule 3010 (deficient written supervisory procedures));

Restitution by CIBC to the accountholders associated with the transactions listed on Exhibit A hereto in the total amount of \$1,235.17, 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 Letter of Acceptance, Waiver and Consent is accepted by the National Adjudicatory Council. A registered principal of the firm shall submit satisfactory proof of payment of the restitution, or of reasonable and documented efforts undertaken to effect restitution, to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850 no later than 120 days after acceptance of this Letter of Acceptance, Waiver and Consent. If for any reason, Respondent cannot locate any customer after reasonable and documented efforts within such period, or such additional period agreed to by the staff, 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 last resided; and

An undertaking to revise the firm's written supervisory procedures with respect to the areas described in this AWC. Within 30 business days of acceptance of this AWC by the 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, 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 this AWC, (3) the date the revised procedures were implemented.

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

III.

OTHER MATTERS

- A. The firm understands that it may attach a Corrective Action Statement to this AWC, which is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent 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 NASD, nor does it reflect the views of NASD or its staff.
- B. The firm agrees to pay any monetary sanctions imposed on it upon notice that this AWC has been accepted and that such payments are due and payable, and has attached the Election of Payment form showing the method by which the firm proposes to pay any fine imposed.
- C. The firm specifically and voluntarily waives any right to claim that WWPC is unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

CIBC World Markets certifies that the firm has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce the firm to submit it.

Respondent,
CIBC World Markets

5-11-05
Date

By: Jeffrey Thibeault
Name Jeffrey Thibeault
Title Chief Compliance Officer

[Signature]
Counsel for Respondent

Accepted by NASD

7/6/05
Date

Thomas R. Gira
Thomas R. Gira
Executive Vice President
Department of Market Regulation

Attachments:
Standard Election of Payment Form

Order Information										Trade Information												
Item	Form Item	Date	Issue	Order to B/S	Quantity	Time Received	Inside Bid at Receipt	Inside Ask at Receipt	Order ID	MPID	Capacity	B/S/X	Execution Quantity	Price	Reported Time	Execution Time	Duration	Inside Bid at Execution	Inside Ask at Execution	Contra	MP BSeq	Restitution Amount
1	1	10/1/2003	LUME	B	1000	8:10:36	1.3	1.35		CIBC	P	B	300	1.35	9:34:33	9:34:33	0:04:33	1.25	1.35		TA30571	0.00
2	4	10/9/2003	ECIL	S	340	8:36:22	3.98	4		CIBC	P	B	360	3.97	9:36:51	9:36:51	0:06:51	3.97	3.99		TA34366	3.00
3	5	10/9/2003	BCTX	B	600	7:34:32	6.2	6.3		CIBC	P	B	500	6.29	9:35:34	9:35:34	0:05:34	6.23	6.29		TA34275	0.00
4	9	10/15/2003	ECIL	S	1000	11:49:36	4.35	4.37		CIBC	P	B	700	4.35	11:55:10	11:55:10	0:05:44	4.35	4.38		TA37955	0.00
5	10	10/14/2003	MERQ	S	300	8:50:07	50.66	50.87		CIBC	P	B	300	50.64	9:32:48	9:32:48	0:02:48	50.58	50.67		TA38734	45.00
6	11	10/15/2003	CRNT	B	1000	12:35:57	6.09	6.25		CIBC	P	B	500	6.11	12:43:22	12:43:22	0:07:25	6.11	6.2		TA40494	30.00
7	12	10/15/2003	MERQ	B	250	8:36:57	51.18	51.19		CIBC	P	B	250	51.15	9:32:05	9:32:05	0:02:05	51.15	51.19		TA39919	0.00
8	13a	10/16/2003	MRVL	S	432	11:19:14	43.49	43.52		CIBC	R	B	200	43.48	11:21:41	11:21:41	0:02:27	43.47	43.51		TA0027	4.00
	13b	10/16/2003	MRVL	S	432	11:19:14	43.49	43.52		CIBC	R	B	232	43.48	11:21:42	11:21:42	0:02:28	43.47	43.51		TA0027	8.64
9	14	10/17/2003	PARS	B	1000	12:03:52	4.2	4.21		CIBC	P	B	550	4.21	12:06:18	12:06:18	0:02:26	4.21	4.23		TA42328	0.00
10	15	10/23/2003	CSCO	B	650	10:56:37	20.87	20.88		CIBC	P	B	650	20.87	11:00:10	11:00:10	0:03:33	20.87	20.88		TA46715	6.30
11	23	10/27/2003	FLSH	B	275	8:31:45	19	19.1		CIBC	P	B	275	19.2	9:35:43	9:35:43	0:05:43	19.1	19.2		TA49996	36.30
12	24	10/27/2003	ORCT	B	900	13:22:02	13.01	13.05		CIBC	P	B	900	13.05	13:25:09	13:25:09	0:03:07	13.01	13.05		TA50337	0.00
13	26	10/29/2003	QILTF	B	1000	11:28:43	4.69	4.75		CIBC	P	B	1000	4.71	11:31:04	11:31:04	0:02:21	4.64	4.71		TA52340	0.00
14	27	10/30/2003	ALVR	B	720	7:33:57	7.77	7.79		CIBC	P	B	220	7.83	9:33:32	9:33:31	0:03:31	7.77	7.84		TA52995	11.00
15	28	10/30/2003	QILTF	B	288	9:23:52	4.75	4.95		CIBC	P	B	288	4.97	9:33:34	9:33:34	0:03:34	4.93	4.97		TA53117	11.52
16	29a	10/31/2003	QILTF	B	1000	7:03:57	4.74	4.81		CIBC	R	B	200	4.84	9:32:55	9:32:55	0:02:55	4.77	4.84		TA54089	0.00
	29b	10/31/2003	QILTF	B	1000	7:03:57	4.74	4.81		CIBC	R	B	500	4.84	9:32:55	9:32:55	0:02:55	4.77	4.84		TA54089	0.00
	29c	10/31/2003	QILTF	B	1000	7:03:57	4.74	4.81		CIBC	R	B	200	4.85	9:32:55	9:32:55	0:02:55	4.77	4.85		TA54089	2.00
17	30	11/3/2003	IGLD	B	322	7:41:08	3.8	3.82		CIBC	R	B	222	3.88	9:32:56	9:32:56	0:02:56	3.8	3.88		TA55030	6.66
18	32	11/4/2003	QILTF	B	880	7:06:14	5.23	5.25		CIBC	P	B	780	5.2	9:33:22	9:33:22	0:03:22	5.13	5.2		TA56664	0.00
19	34	11/6/2003	CRNT	B	192	7:21:48	5.3	5.46		CIBC	P	B	192	5.4	9:33:34	9:33:34	0:03:34	5.3	5.4		TA59745	19.20
20	35	11/6/2003	CYMI	S	750	9:18:16	47.53	47.54		CIBC	P	B	550	47.84	9:39:56	9:39:56	0:09:56	47.84	47.93		BWF310	132.00
21	36	11/6/2003	IACI	S	750	9:17:54	33.9	33.96		CIBC	P	B	250	32.95	9:39:50	9:39:50	0:09:50	32.92	32.96		BWF307	237.30
22	37	11/7/2003	NURM	B	850	11:00:23	2.28	2.3		CIBC	P	B	850	2.3	11:07:29	11:07:29	0:07:06	2.28	2.3		TA61681	0.00
23	41	11/10/2003	QILTF	B	559	9:11:50	4.95	4.97		CIBC	P	B	259	4.99	9:38:32	9:38:32	0:08:32	4.9	4.99		TA62547	12.95
24	43	11/10/2003	BYNT	S	1000	9:23:06	4.95	5.02		CIBC	P	B	1000	4.97	9:33:22	9:33:22	0:03:22	4.95	5		TA62579	15.00
25	44	11/10/2003	TREM	B	1000	7:16:37	7.34	7.46		CIBC	R	B	300	7.3	9:38:57	9:38:57	0:08:57	7.43	7.3		TA62235	12.00
26	45	11/11/2003	CAMT	S	300	13:04:59	2.47	2.63		CIBC	P	B	400	2.47	13:10:19	13:10:19	3:40:19	2.47	2.62		TA64928	0.00
27	46	11/11/2003	CRNT	B	1000	7:06:45	5.86	5.95		CIBC	P	B	500	5.97	9:32:01	9:32:01	0:02:01	5.95	5.97		TA64058	0.00
28	48	11/12/2003	ECIL	S	729	8:18:17	5.95	6.02		CIBC	P	B	229	5.91	9:33:34	9:33:34	0:03:34	5.91	5.94		TA65413	20.41
29	53	11/17/2003	ALDN	S	700	9:23:44	8.51	8.63		CIBC	P	B	700	8.51	9:32:12	9:32:12	0:02:12	8.51	8.59		BWF292	7.00
30	54	11/17/2003	CRNT	B	700	11:09:34	6.1	6.15		CIBC	P	B	600	6.1	11:11:49	11:11:49	0:02:15	6.1	6.15		BWF303	0.00
31	55	11/17/2003	ORCT	S	500	14:19:06	20.37	20.84		CIBC	P	B	100	20.32	14:22:44	14:22:44	0:03:36	20.32	20.5		BWF1497	22.00
32	58	11/24/2003	ALVR	S	195	7:08:28	9.4	9.47		CIBC	P	B	195	9.4	9:33:20	9:33:20	0:03:20	9.4	9.49		BWF359	0.00
33	64	11/24/2003	LUME	B	1000	7:08:38	1.85	1.89		CIBC	P	B	1000	1.89	9:32:47	9:32:47	0:02:47	1.85	1.93		BWF107	3.00
34	69	11/25/2003	ECIL	S	378	72:22:23	5.98	5.99		CIBC	P	B	378	5.9	12:34:42	12:34:42	0:12:19	5.89	5.92		BWF1104	7.36
35	70	11/26/2003	CRNT	B	393	7:05:24	6	6.13		CIBC	P	B	293	6.13	9:32:14	9:32:13	0:02:13	6.08	6.13		BWF135	2.93
36	71a	11/26/2003	LNOP	S	300	7:03:26	9.08	9.3		CIBC	R	B	300	8.9	9:33:46	9:33:46	0:03:46	8.9	9.24		BWF7	114.00
	71b	11/26/2003	LNOP	S	300	7:03:26	9.08	9.3		CIBC	R	B	200	8.9	9:33:47	9:33:47	0:03:47	8.9	9.24		BWF7	
37	72a	11/26/2003	LNOP	S	300	7:03:26	9.08	9.3		CIBC	R	B	100	9.08	9:33:30	9:33:30	0:03:30	9.08	9.24		BWF3	64.00
	72b	11/26/2003	LNOP	S	300	7:03:26	9.08	9.3		CIBC	R	B	400	8.95	9:33:42	9:33:42	0:03:42	8.95	9.24		BWF3	
38	73a	11/26/2003	LNOP	S	300	7:03:26	9.08	9.3		CIBC	R	B	200	8.91	9:33:46	9:33:46	0:03:46	8.9	9.24		BWF6	
	73b	11/26/2003	LNOP	S	300	7:03:26	9.08	9.3		CIBC	R	B	200	8.91	9:33:46	9:33:46	0:03:46	8.9	9.24		BWF6	109.00
	73c	11/26/2003	LNOP	S	300	7:03:26	9.08	9.3		CIBC	R	B	100	8.91	9:33:46	9:33:46	0:03:46	8.9	9.24		BWF6	
39	74	11/28/2003	LNOP	S	1000	7:02:30	9.06	9.3		CIBC	R	B	300	9.02	9:33:01	9:33:01	0:03:01	9.02	9.26		BWF39	15.00
40	76	12/2/2003	CRNT	B	300	7:37:36	7.1	7.12		CIBC	P	B	300	7.11	9:39:48	9:39:48	0:09:48	7.1	7.12		BWF112	5.00
41	77	12/3/2003	CRNT	B	370	7:19:25	7.13	7.15		CIBC	P	B	270	7.15	9:33:11	9:33:11	0:03:11	7.12	7.15		BWF124	0.00
42	78	12/3/2003	CRNT	B	555	7:39:17	7.13	7.15		CIBC	P	B	755	7.15	9:33:11	9:33:11	0:03:11	7.12	7.15		BWF149	0.00
43	91a	12/11/2003	BCTX	B	800	7:02:04	5.15	5.18		CIBC	R	B	310	5.29	9:32:08	9:32:08	0:02:08	5.19	5.3		BWF11	
	91b	12/11/2003	BCTX	B	800	7:02:04	5.15	5.18		CIBC	R	B	300	5.29	9:32:09	9:32:09	0:02:09	5.19	5.33		BWF12	72.00
	91c	12/11/2003	BCTX	B	800	7:02:04	5.15	5.18		CIBC	R	B	100	5.29	9:32:48	9:32:48	0:02:48	5.28	5.38		BWF12	
44	94	12/15/2003	CRNT	S	1000	10:59:06	6.82	6.9		CIBC	P	B	900	6.79	11:02:25	11:02:25	0:03:19	6.77	6.9		BWF356	21.00
45	97	12/17/2003	TEVA	B	1000	9:42:51	57.84	57.97		CIBC	P	B	100	57.9	9:45:19	9:45:19	0:02:28	57.8	57.92		BWF258	5.00
46	101	12/26/2003	FLSH	S	440	8:16:31	17.63	17.8		CIBC	R	B	240	17.6	9:35:40	9:35:40	0:05:40	17.5	17.66		BWF48	0.00
47	103a	12/29/2003	LNOP	S	1000	8:51:32	9.49	9.5		CIBC	R	B	400	9.4	9:32:08	9:32:08	0:02:08	9.4	9.5		BWF189	150.00
	103b	12/29/2003	LNOP	S	1000	8:51:32	9.49	9.5		CIBC	R	B	600	9.3	9:32:14	9:32:14	0:02:14	9.3	9.5		BWF189	
48	104	12/29/2003	LNOP	S	1000	8:51:31	9.49	9.5		CIBC	R	B	100	9.4	9:32:08	9:32:08	0:02:08	9.4	9.5		BWF188	9.00

Order Information										Trade Information												
Item	For user	Date	Issue	Order to B/S	Quantity	Time Received	Inside Bid at Receipt	Inside Ask at Receipt	Order ID	MPID	Capacity	B/S/X	Execution Quantity	Price	Reported Time	Execution Time	Duration	Inside Bid at Execution	Inside Ask at Execution	Contra	MP BSeq	Restitution Amount
49	105	12/31/2003	ATTU	B	400	8:20:06	2.05	2.08	000000	CIBC	P	B	400	2.1	9:32:02	9:32:02	0:02:02	2.05	2.1		BWF43	12.00

Total	\$1,335.17
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**CIBC World Markets Corp. ("CIBC")
Letter of Acceptance, Waiver & Consent**

Statement of Corrective Action

This Corrective Action Statement is submitted by the Respondent. It does not constitute factual or legal findings by NASD, nor does it reflect the views of NASD, or its staff.

Over the past two years, during the period in which NASD conducted the four respective reviews referenced in the AWC, CIBC has taken steps to improve its compliance with NASD Rules regarding trade reporting to ACT and best execution by issuing specific guidance to its traders on how to report CQS securities to ACT in a timely manner and by enhancing its supervisory and compliance procedures pertaining to each Rule. Although CIBC's objective has always been to be in complete compliance with NASD Rules in the aforementioned areas, it often faces challenges, which are largely attributable to a reliance on its order management system, BRASS, which is owned and maintained by a third party vendor. As a result of this dependency on BRASS to address certain regulatory requirements with automated functionality, CIBC may occasionally be susceptible to non-compliance with certain NASD Rules when this automation fails due to problems with the embedded programming within a particular software release. In an effort to eliminate these occasional problems, CIBC management has recently initiated a series of meetings with SunGard Data Systems, Inc. ("SunGard"), the owner of BRASS, so that both parties can better collaborate on ensuring that BRASS consistently and adequately addresses all relevant regulatory requirements in an effective and efficient manner.