

**THE NASDAQ STOCK MARKET LLC
NOTICE OF ACCEPTANCE OF AWC**

Certified, Return Receipt Requested

**TO: RBC Capital Markets, LLC
Ryan Taylor
Managing Director, Head of US
Capital Markets Compliance
3 World Financial Center
200 Vesey St.
New York, NY 10281**

**FROM: The NASDAQ Stock Market LLC (“Nasdaq” or “Exchange”)
Nasdaq Enforcement Department
805 King Farm Blvd
Rockville, MD 20850**

DATE: October 29, 2019

RE: Notice of Acceptance of Letter of Acceptance, Waiver and Consent No. 2019.04.0041

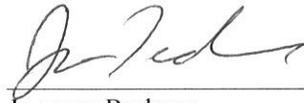
Please be advised that your above-referenced Letter of Acceptance, Waiver and Consent (“AWC”) has been accepted on **October 28, 2019** by the Nasdaq Exchange Review Council's Review Subcommittee, or by the Office of Disciplinary Affairs on behalf of the Nasdaq Exchange Review Council, pursuant to Nasdaq Rule 9216. A copy of the AWC is enclosed herewith.

If applicable, you are again reminded of your obligation, if currently registered, immediately to update your Uniform Application for Broker-Dealer Registration (“Form BD”) to reflect the conclusion of this disciplinary action. Additionally, you must also notify Nasdaq in writing of any change of address or other changes required to be made to your Form BD.

You will be notified by the Registration and Disclosure Department regarding sanctions if a suspension has been imposed. If a fine or disgorgement has been imposed, payment will be handled in accordance with your Payment Information Form.

RBC Capital Markets, LLC
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If you have any questions concerning this matter, please contact me at (301) 978-8196.



Joanne Pedone
Senior Enforcement Counsel
Nasdaq Enforcement Department

Enclosure

THE NASDAQ STOCK MARKET LLC
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2019.04.0041

TO: The NASDAQ Stock Market LLC
NASDAQ Enforcement Department

RE: RBC Capital Markets, LLC, Respondent
Member Firm
CRD No. 31194

Pursuant to Rule 9216 of The NASDAQ Stock Market LLC (“Nasdaq” or the “Exchange”) Code of Procedure, RBC Capital Markets, LLC (the “Firm,” “RBCCM,” 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, Nasdaq will not bring any future actions against the Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The Firm 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 Nasdaq, or to which Nasdaq 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 Nasdaq:

BACKGROUND AND RELEVANT DISCIPLINARY HISTORY

RBCCM became a Nasdaq member on July 12, 2006, and its registration remains in effect. RBCCM, headquartered in New York, New York, engages in a general securities business. It employs approximately 5,788 registered representatives and approximately 4,633 non-registered fingerprint persons. RBCCM maintains 278 branch offices nationwide. The Firm has no relevant disciplinary history.

SUMMARY

During the period February 14, 2017 through December 31, 2017 (the “Review Period”), the Firm violated Nasdaq Rules 4613(a), 3010 and 2010A, as set forth below.

FACTS AND VIOLATIVE CONDUCT

Market Maker Quoting Obligations

1. Pursuant to Nasdaq Rule 4613(a), for each National Market System (“NMS”) security in which a Nasdaq member is registered as a market maker, the member is required to maintain a continuous two-sided trading interest, during regular market hours, at prices within certain parameters expressed as a percentage referenced from the National Best Bid or Offer (“NBBO”).
2. During the Review Period, the Firm in 320 instances¹ failed to maintain a continuous two-sided trading interest during regular market hours at prices within certain percentages away from the NBBO. In all 320 instances, the Firm failed to maintain a quote for the entire market hours. The violations occurred because the Firm failed to configure its system to quote in the appropriate securities and the Firm experienced an unexpected system outage that caused it not to quote in the appropriate securities. The conduct described in this paragraph constitutes separate and distinct violations of Nasdaq Rule 4613(a).

Supervision

3. Nasdaq Rule 3010(a) provides, “Each member shall establish and maintain a system to supervise the activities of each registered representative and associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations and with applicable Nasdaq rules.”
4. Nasdaq Rule 2010A provides, “A member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.”
5. During the Review Period, the Firm’s supervisory system was not reasonably designed to achieve compliance with Nasdaq quoting obligations. Specifically, the Firm failed to configure its systems to enter quotes in applicable securities, and the Firm used deficient reports to conduct its supervisory reviews.² The conduct described in this paragraph constitutes a violation of Nasdaq Rules 2010A and 3010.

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

1. A censure;
2. A fine in the amount of \$37,500 (comprised of \$27,500 for the violations of Nasdaq Rule 4613(a) and \$10,000 for the violations of Nasdaq Rules 2010A and 3010).

Respondent agrees to pay the monetary sanction(s) in accordance with its executed Election of Payment Form.

Respondent specifically and voluntarily waives any right to claim that it is unable to pay,

¹ This is the number of validated violations based on four samples reviewed during the Review Period of 1Q17: 69 out of 69; 2Q17: 79 out of 100; 3Q17: 95 out of 100; 4Q17: 77 out of 92.

² Subsequent to the Review Period, the Firm updated its supervisory systems, including implementing a daily review for securities in which the Firm is registered as a market maker but is not issuing quotes. Therefore, the Nasdaq Enforcement Department is not recommending an undertaking.

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 Nasdaq Enforcement Department staff.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under Nasdaq'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 Nasdaq Review Council 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 Regulatory Officer, the Nasdaq Review Council, or any member of the Nasdaq Review Council, 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 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.

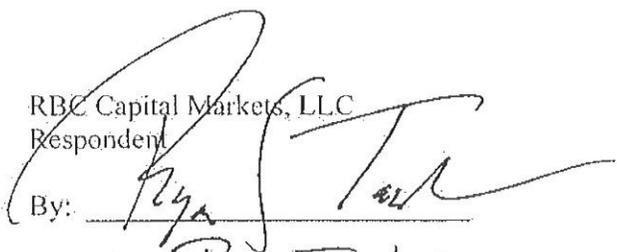
III.
OTHER MATTERS

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 Nasdaq Enforcement Department and the Nasdaq Review Council, the Review Subcommittee, or the Office of Disciplinary Affairs (“ODA”), pursuant to Nasdaq 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 Respondent; and
- C. If accepted:
 - 1. This AWC will become part of the Respondent’s permanent disciplinary record and may be considered in any future actions brought by Nasdaq or any other regulator against the Respondent;
 - 2. Nasdaq may release this AWC or make a public announcement concerning this agreement and the subject matter thereof in accordance with Nasdaq Rule 8310 and IM-8310-3; and
 - 3. 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 Nasdaq, or to which Nasdaq is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the Respondent’s right to take legal or factual positions in litigation or other legal proceedings in which Nasdaq 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. 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 Nasdaq, nor does it reflect the views of Nasdaq 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 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.

RBC Capital Markets, LLC
Respondent

By: 

Print Name: RYAN TAYLOR

Title: HEAD of U.S. CAPITAL MARKETS

10/24/19

Date

Accepted by Nasdaq:

10/29/2019

Date

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



Joanne Pedone
Senior Enforcement Counsel
Nasdaq Enforcement Department

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

PAYMENT INFORMATION

The fine amount will be reflected on an upcoming invoice and will be direct debited from the account for your firm that Nasdaq currently has on file. *Please DO NOT submit payment at this time.*

Please inform your finance or applicable department of this forthcoming debit.

If you need to arrange for an alternative method of payment, please contact Nasdaq at (301) 978-8310 by no later than the last business day of the month in which the Notice of Acceptance of the AWC was issued. *Otherwise, a direct debit will process from the account for your firm that Nasdaq currently has on file.*

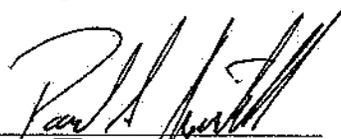
Respectfully submitted,

Respondent

RBC Capital Markets, LLC

10/24/19

Date:

By: 
Name: PAUL A. SCERIF
Title: SENIOR COUNSEL