



DISCIPLINARY DECISION

Cboe Exchange, Inc.

Star No. 20160487713/File No. USE-1710

RBC Capital Markets, LLC

Pursuant to Exchange Rule 17.3, attached to and incorporated as part of this Decision is a Letter of Consent.

Applicable Rule(s)

- Cboe Rules 4.2 – Adherence to Law, 4.24 – Supervision, and 15.1 – Maintenance, Retention and Furnishing of Books, Records and Other Information
- Section 17(a) of the Securities Exchange Act of 1934, as amended and Rule 17a-3 – Records to be Made by Certain Exchange Members, Brokers and Dealers, thereunder

Sanction

A censure and a monetary fine in the amount of \$27,000

Effective Date

October 18, 2019

/s/ Greg Hoogasian

Greg Hoogasian, CRO, SVP

CBOE EXCHANGE, INC.

In the Matter of:)	
)	
RBC Capital Markets, LLC)	
3 World Financial Center)	
200 Vesey Street)	STAR No. 20160487713
New York, NY 10281)	
)	
Subject)	
)	

LETTER OF CONSENT

In order to resolve these proceedings pursuant to Cboe Exchange, Inc. ("Cboe" or the "Exchange") Rule 17.3 – Expedited Proceedings, the Subject, RBC Capital Markets, LLC ("RBC" or the "Firm"), hereby submits this Letter of Consent in the above captioned matter. Only for purposes of this proceeding, and without admitting or denying that a violation of Cboe Rules and/or the Securities Exchange Act of 1934, as amended ("Exchange Act") has been committed, RBC consents to the Stipulation of Facts and Findings and Sanction set forth below.

Stipulation of Facts and Findings

1. During all relevant periods herein, RBC was an Exchange Trading Permit Holder registered to conduct business as a Clearing Trading Permit Holder and a Proprietary Trading Permit Holder. In addition, RBC was approved to transact business with the public.
2. During all relevant periods herein, RBC was acting as a registered Broker-Dealer.
3. During all relevant periods herein, Exchange Rules 4.2 – Adherence to Law, 4.24 – Supervision, and 15.1 – Maintenance, Retention and Furnishing of Books, Records and Other Information; and Section 17(a) of the Exchange Act and Rule 17a-3 – Records to be Made by Certain Exchange Members, Brokers and Dealers thereunder, were in full force and effect.
4. From on or about April 11, 2016 through on or about April 15, 2016 (the "2016 Review Period"), RBC handled approximately 310 manual options orders that were routed to several options exchanges (including Cboe) for execution. Staff reviewed sixty-six (66) manual customer orders routed to options exchanges for time-stamp accuracy. During the 2016 Review Period, twenty (20) of the manual customer options orders reviewed were routed to Cboe for execution.

5. During the 2016 Review Period, RBC failed to record accurate order receipt times for ten (10) of the twenty (20) sampled manual customer options orders reviewed that were routed to and executed on Cboe.
6. During the 2016 Review Period, RBC failed to record accurate order transmission times for eight (8) of the twenty (20) sampled manual customer options orders reviewed that were routed to and executed on Cboe.
7. From on or about February 12, 2018 through on or about February 16, 2018 (the "2018 Review Period"), RBC handled approximately 330 manual customer options orders that were routed to several options exchanges (including Cboe) for execution. Staff reviewed a sample of fifty-five (55) manual customer options orders for time-stamp accuracy. During the 2018 Review Period, twenty-one (21) of the manual customer options orders were executed (or partially executed) on Cboe.
8. During the 2018 Review Period, RBC failed to record an accurate order receipt time for one (1) of twenty-one (21) sampled manual customer options orders that were routed to and executed (or partially executed) on Cboe.
9. As of approximately April 2016 through in or about September 2019, RBC failed to establish, maintain and enforce Written Supervisory Procedures, and a system for applying such procedures, reasonably designed to prevent and detect violations of Cboe Rule 15.1; and Section 17(a) of the Exchange Act and Rule 17a-3 thereunder, in conjunction with the conduct described in Paragraphs 5 and 6 above.¹
10. The acts, practices and conduct described in Paragraph 5 constitute a violation of Cboe Rules 4.2 and 15.1; and Section 17(a) of the Exchange Act and Rule 17a-3 thereunder by RBC, in that RBC failed to record accurate order receipt times for ten (10) of the twenty (20) sampled manual customer options orders reviewed that were routed to and executed on Cboe.
11. The acts, practices and conduct described in Paragraph 6 constitute a violation of Cboe Rules 4.2 and 15.1; and Section 17(a) of the Exchange Act and Rule 17a-3 thereunder by RBC, in that RBC failed to record accurate order transmission times for eight (8) of the twenty (20) sampled manual customer options orders reviewed that were routed to and executed on Cboe.
12. The acts, practices and conduct described in Paragraph 8 constitute a violation of Cboe Rules 4.2 and 15.1; and Section 17(a) of the Exchange Act and Rule 17a-3 thereunder by RBC, in that RBC failed to record an accurate order receipt time for one (1) of twenty-one (21) sampled manual customer options orders that were routed to and executed on Cboe.

¹ RBC submitted revised Written Supervisory Procedures applicable to its Wealth Management Desk on or about June 28, 2019. In addition, RBC submitted revised Written Supervisory Procedures applicable to its GELP Desk on or about September 13, 2019.

13. The acts, practices and conduct described in Paragraph 9, above, constitute a violation of Cboe Rule 4.24 by RBC, in that RBC failed to establish, maintain and enforce Written Supervisory Procedures, and a system for applying such procedures, reasonably designed to prevent and detect violations of Cboe Rule 15.1; and Section 17(a) of the Exchange Act and Rule 17a-3 thereunder, in conjunction with the conduct described in Paragraphs 5 and 6 above.

Sanction: A \$27,000 fine and censure.

Subject acknowledges that it has read the foregoing Letter of Consent, that no promise or inducement of any kind has been made to it by the Exchange or its staff, and that this Letter of Consent is voluntary on its part.

Subject understands and acknowledges that the Exchange's decision in this matter will become part of its disciplinary record and may be considered in any future Exchange proceeding.

Subject also acknowledges that the Chief Regulatory Officer's decision to accept or reject this Letter of Consent is final, and that it may not seek review thereof in accordance with Exchange Rule 17.3.

10/16/19
Date


RBC Capital Markets, LLC

Ryan Taylor
Print Name

Chief Compliance Officer
Title