



DISCIPLINARY DECISION

Cboe Exchange, Inc.

Star No. 20160509336/File No. USRI-7935

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, 4.22 – Communications to the Exchange or the Clearing Corporation, 4.24 – Supervision, 6.51 – Reporting Duties 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 total monetary fine in the amount of \$100,000, of which \$36,592 is payable to Cboe.¹

Acceptance Date

August 28, 2019

/s/ Greg Hoogasian

Greg Hoogasian, CRO, SVP

Effective Date

October 2, 2019

¹ The balance of the total monetary fine shall be paid to the other exchanges involved in this matter, reflected on page 3 of the attached Letter of Consent.

CBOE EXCHANGE, INC.

In the Matter of:)	
)	
)	
RBC Capital Markets, LLC)	
3 World Financial Center)	
200 Vesey Street)	STAR No. 20160509336
New York, New York 10281)	
)	
)	
Subject)	
)	

LETTER OF CONSENT

In order to resolve these proceedings pursuant to Cboe Exchange, Inc. (the “Exchange” or “Cboe”) Rule 17.3 – Expedited Proceeding, 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 Exchange Rules 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, RBC was an Exchange Trading Permit Holder registered to conduct business on Cboe as a Clearing Trading Permit Holder and Floor Broker.
2. During all relevant periods, RBC was acting as a registered Broker-Dealer.
3. During all relevant periods, Exchange Rules 4.2 – Adherence to Law, 4.22 – Communications to the Exchange or the Clearing Corporation, 4.24 – Supervision, 6.51 – Reporting Duties, and 15.1 – Maintenance, Retention and Furnishing of Books, Records and Other Information; and Section 17(a) of the Securities Exchange Act of 1934, as amended (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. During all relevant periods,, Interpretation and Policy .02 to Exchange Rule 6.51 required each Trading Permit Holder, when entering orders on the Exchange, “to submit trade information in such form as may be prescribed by the Exchange in order to allow the Exchange to properly prioritize and route orders pursuant to the rules of the Exchange and report resulting transactions to the Clearing Corporation.”

5. During all relevant periods, Exchange Rule 4.22 provided, in relevant part: “No Trading Permit Holder, person associated with a Trading Permit Holder or applicant to be a Trading Permit Holder shall make any misrepresentation or omission in any application, report or other communication to the Exchange, or to the Clearing Corporation with respect to the reporting or clearance of any Exchange transaction”
6. From on or about February 4, 2016 through on or about April 18, 2016, RBC submitted orders with the incorrect origin code of “C” (instead of “F”) to the Clearing Corporation, resulting in the execution of approximately 39,756 contracts on Cboe with an incorrect origin code.
7. From on or about February 4, 2016 through on or about April 18, 2016, RBC, by submitting orders with incorrect order origin codes resulting in the execution of approximately 39,756 contracts on Cboe with an incorrect origin code, failed to make and maintain accurate books and records.
8. From on or about February 4, 2016 through on or about April 18, 2016, RBC failed to enforce its Written Supervisory Procedures related to origin code marking and execution, in that RBC failed to detect the conduct described above in a timely manner, notwithstanding the supervisory reports and processes that the Firm had established. In addition, RBC failed to enforce its written supervisory procedures, in that RBC failed conduct its monthly supervisory reviews in a timely manner in eleven out of twelve months in 2018.¹
9. From on or about February 4, 2016 through on or about April 18, 2016, RBC failed supervise its Associated Persons to assure compliance with Cboe Rules 4.2, 4.22, 6.51 and 15.1; and Section 17(a) of the Exchange Act and Rule 17a-3 thereunder, in conjunction with the conduct described above.
10. The acts, practices and conduct described in Paragraph 6 constitute a violation of Exchange Rules 4.22 and 6.51 by RBC, in that RBC submitted orders with the incorrect origin code of “C” (instead of “F”) to the Clearing Corporation, resulting in the execution of approximately 39,756 contracts on Cboe with an incorrect origin code.
11. The acts, practices, and conduct described in Paragraph 7 above constitute violations of Exchange Rules 4.2 and 15.1; and Section 17(a) of the Exchange Act and Rule 17a-3 thereunder by RBC, in that RBC, by submitting orders with incorrect order origin codes resulting in the execution of approximately 39,756 contracts on Cboe with an incorrect origin code, failed to make and maintain accurate books and records.
12. The acts, practices, and conduct described in Paragraph 8 above constitute violations of Exchange Rule 4.24 by RBC, in that RBC failed to enforce its written supervisory procedures, related to origin code marking and execution.
13. The acts, practices, and conduct described in Paragraph 9 above constitute violations of Exchange Rule 4.2 by RBC, in that RBC failed supervise its Associated Persons to assure

¹ RBC’s reviews were conducted between five to 53 days after the deadline for completion of the review.

compliance with Cboe Rules 4.2, 4.22, 6.51 and 15.1; and Section 17(a) of the Exchange Act and Rule 17a-3 thereunder, as such rules relate to origin code marking and execution.


Sanction: A censure and a total fine in the amount of \$100,000, of which \$36,592 is payable to Cboe.²

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.

08/22/19
Date


RBC Capital Markets, LLC
CARIS WAINSBLEY
Print Name
MANAGING DIRECTOR &
Title
SENIOR COUNSEL

² The balance of the fine shall be paid to Cboe BZX Exchange, Inc., Cboe C2 Exchange, Inc., Nasdaq ISE LLC, Nasdaq Options Market, LLC, Nasdaq PHLX LLC, NYSE American LLC, and NYSE Arca, Inc. Acceptance of this Letter of Consent is conditioned upon acceptance of similar settlement agreements in related matters between RBC and each of these self-regulatory organizations.