THE NASDAQ STOCK MARKET LLC
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015045017001

TO: The Nasdaq Stock Market LLC
c/o Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: RBC Capital Markets, LLC, Respondent
Broker-Dealer
CRD No. 31194

Pursuant to Rule 9216 of The Nasdaq Stock Market LLC ("Nasdaq") Code of Procedure, RBC Capital Markets, LLC (the "Firm") 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 Firm 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

The Firm has been a FINRA member since March 19, 1993 and a Nasdaq member since July 12, 2006, and its registrations remains in effect. The Firm has no relevant disciplinary history.

SUMMARY

On November 3, 2010, the Securities and Exchange Commission adopted Rule 15c3-5 ("Rule 15c3-5" or the "Market Access Rule") to address risk management controls and supervisory procedures for brokers or dealers with market access. FINRA, on behalf of Nasdaq, reviewed the Firm's compliance with Rule 15c3-5 and related supervisory requirements with respect to the Firm's financial and regulatory risk management controls and supervisory system, including supervisory procedures, during the period March 25, 2015 through March 3, 2020 (the "review period"), unless otherwise noted below.

The review was prompted by the Firm's entry of eight erroneous orders over a five year period on Nasdaq on the following seven trade dates: March 25, 2015, February 12, 2016, November 21, 2016, December 19, 2016, October 1, 2018, December 21, 2018, and March 3, 2020. Based on the foregoing review, the Department of Enforcement found that the Firm's market access risk management controls and supervisory procedures were not reasonably designed to manage the financial and regulatory risks of the Firm's market access business on Nasdaq, in violation of Rule 15c3-5(b), (c)(1), and (c)(2) and Nasdaq Rules 3010 and 2010A.[1]

FACTS AND VIOLATIVE CONDUCT

Rule 15c3-5

1. Rule 15c3-5 is designed to manage the risks faced by a broker or dealer, as well as the markets and the financial system as a whole, as a result of various market access arrangements, by requiring financial and regulatory risk management controls reasonably designed to limit financial exposure and ensure compliance with applicable regulatory requirements to be implemented on a market-wide basis.
2. Rule 15c3-5(b) states that "a broker-dealer with market access, or that provides a customer or any other person with access to an exchange or alternative trading system through use of its market participant identifier or otherwise, shall establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to manage the financial, regulatory, and other risks of this business activity."
3. Rule 15c3-5(c)(1) requires that such risk management controls and supervisory procedures be "reasonably designed to systematically limit the financial exposure of the broker or dealer that could arise as a result of market access, including being reasonably designed to: (i) Prevent the entry of orders that exceed appropriate pre-set credit or capital thresholds in the aggregate for each customer and the broker or dealer and, where appropriate, more finely-tuned by sector, security, or otherwise by rejecting orders if such orders would exceed the applicable credit or capital thresholds; and (ii) Prevent the entry of erroneous orders, by rejecting orders that exceed appropriate price or size parameters, on an order-by-order basis or over a short period of time, or that indicate duplicative orders."[2]

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[1] Related disciplinary actions on behalf of Cboe BYX Exchange, Inc. ("BYX"), Cboe BZX Exchange, Inc. ("BZX"), Cboe EDGA Exchange, Inc. ("EDGA"), and Cboe EDGX Exchange, Inc. ("EDGX") are being taken concurrently in conjunction with this matter.

[2] The SEC's Rule 15c3-5 Adopting Release stated with respect to preventing erroneous and duplicative orders, "the Commission believes broker-dealers should take into account the type of customer as well as the customer's trading patterns and order entry history in determining how to set such parameters." *Risk Management Controls for Brokers or Dealers with Market Access*, Exchange Act Release No. 63241, 75 Fed. Reg. 69792, 69801 (Nov. 15, 2010) (hereinafter, "Rule 15c3-5 Adopting Release").

4. Rule 15c3-5(c)(2) further requires that such risk management controls and supervisory procedures "be reasonably designed to ensure compliance with all regulatory requirements, including being reasonably designed to:
   (i) Prevent the entry of orders unless there has been compliance with all regulatory requirements that must be satisfied on a pre-order entry basis;
   (ii) Prevent the entry of orders for securities for a broker or dealer, customer, or other person if such person is restricted from trading those securities;
   (iii) Restrict access to trading systems and technology that provide market access to persons and accounts pre-approved and authorized by the broker or dealer; and
   (iv) Assure that appropriate surveillance personnel receive immediate post-trade execution reports that result from market access."

5. The Firm had direct market access and provided such access to its customers. The erroneous orders in question were routed to the market by four separate desks at the Firm: the Convertibles Desk, the Cash Desk, the Electronic Sales and Trading ("EST") Desk, and the Exchange-Traded Fund Lead Market Making ("ETF LMM") Desk.

6. From June 2013 through March 3, 2020, the Firm failed to implement market access controls to the Convertibles Desk's order flow routed to the market. Therefore, the Firm's financial and regulatory risk management controls and supervisory procedures for the Convertibles Desk were not reasonably designed to address the risks presented by the desk's market access business activity, in violation of Rule 15c3-5(b), (c)(1), and (c)(2) and Nasdaq Rules 3010 and 2010A.

7. The Cash, EST, and ETF LMM Desks each implemented single-order controls intended to prevent the entry of erroneous and/or duplicative orders, as well as controls intended to prevent the entry of erroneous and/or duplicative orders over a short period of time. However, as discussed below for each desk, certain erroneous or duplicative order control thresholds were not reasonably designed to prevent the entry of erroneous or duplicative orders. For other such controls, the Firm was unable to demonstrate that the control thresholds were reasonable. Accordingly, during the review period, the Firm's financial risk management controls and supervisory procedures for the Cash, EST, and ETF LMM Desks were not reasonably designed to prevent the entry of erroneous orders, by rejecting orders that exceed appropriate price or size parameters, on an order-by-order basis or over a short period of time, or that indicate duplicative orders. This conduct violated Rule 15c3-5(b) and (c)(1)(ii), and Nasdaq Rules 3010 and 2010A.

RBC Failed to Implement Market Access Controls for Convertibles Desk Orders

8. On March 3, 2020, a trader on the Convertibles Desk intended to send an order to sell 190,000 shares of a security to the Firm's Cash Desk. Instead, the trader erroneously sent the order as a market order to a Firm algorithm, which routed it to the market. The order was executed immediately, with a total of 88,087 of the shares executed at a price of $42.24 at 15:16:45 and 15:16:46 on Nasdaq.

9. The Convertibles Desk's proprietary order management system ("OMS A") did not provide market access and therefore did not have any market access controls in place.[3] When traders on the Convertibles Desk wanted to send an order to the market, they used another Firm OMS ("OMS B"), which had market access, to do so. The Firm inadvertently programmed OMS B to bypass OMS B's market access controls for Convertibles Desk orders because the Firm mistakenly identified OMS A as applying market access controls to orders prior to sending those orders to OMS B. This structure was in place from June 13, 2013 through March 3, 2020. Consequently, during this period, Convertibles Desk orders were not subject to any market access controls prior to being routed to the market. The Firm discovered this issue as a result of erroneous order event on March 3, 2020.[4]

10. The Convertibles Desk's financial and regulatory risk management controls and supervisory procedures were therefore not reasonably designed to address the risks presented by the Firm's market access business activity. Accordingly, the Firm violated Rule 15c3-5(b), (c)(1), and (c)(2).

RBC's Cash Desk Erroneous and Duplicative Order Control Thresholds were Unreasonable, and Failed to Prevent the Entry of Three Erroneous Orders

11. On March 25, 2015, the Firm sent an 8,000-share order to buy the security at 16:07:10. The proprietary order was entered manually on the Firm's Cash Desk and the trader inadvertently inserted a limit price of $117.95 when the trader intended to enter a limit price of $107.95. The order executed at prices ranging from $109.05 to $117.95.[5] The Firm's 8,000-share order made up 0.46% of the average-daily volume ("ADV") in the security for the month of March 2015 (1,749,976 shares/day avg.). The erroneous limit price was approximately eight percent higher than the security's closing price on this date.

12. On November 21, 2016, the Firm routed to the market a 109,476-share market order to buy the security at 10:05:57. The order was erroneously entered as a "held" market order, instead of a "not held" limit order, as intended. The order was routed to the Firm's Cash Desk, where it was automatically (without human interaction) entered into the market. This 109,476-share order made up approximately 81% of the ADV across 21

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[3] Overall, the Convertibles Desk routed a relatively low number of orders to the market. In 2018, the Convertibles Desk routed 579 orders totaling 3,752,969 shares; in 2019, the Convertibles Desk routed 888 orders totaling 7,573,605 shares. In addition, the Convertibles Desk routed primarily proprietary orders: between 2013 and August 2020, it routed 12 client orders to the market.

[4] On March 4, 2020, the Firm implemented market access controls for all Convertibles Desk orders routed to the market.

[5] The Firm filed a clearly erroneous petition with Nasdaq, and Nasdaq canceled all trades in the security on Nasdaq between 16:07 and 16:08 executed at or above $114.96.

days in November 2016 (135,876 share/day avg.). The market price of the security increased \$3.78 or approximately 12% as a result of the order.[6]

13. On December 21, 2018, a Cash Desk trader inadvertently included a 45,851-share order while selecting multiple orders from another client to route to one of the Firm's aggressive algorithmic trading strategies. The 45,851-share order, which was intended to be worked over the course of the day, made up 10% of the ADV in the security during the 20 days prior to the review date (460,790 shares/day avg.). The notional value of the order was approximately \$3,760,000. The market moved by \$4.01 or approximately five percent as a result of the order.[7]

14. The Cash Desk had the following pre-trade, single-order (*i.e.*, order-by-order) controls in place for the subject symbols on the review dates discussed above: (1) maximum quantity; (2) maximum notional value; (3) maximum ADV; and (4) limit price away from prior market price.

15. During the review period, the Cash Desk's single-order maximum quantity control threshold was set at a level too high to be reasonably designed to prevent orders with erroneous quantities from being entered into the market. Nasdaq's systems had a maximum allowable quantity that was less than the Cash Desk's maximum quantity control threshold. Therefore, the Cash Desk's single-order maximum quantity control was not reasonably designed to prevent the entry of erroneous orders that exceeded appropriate size parameters on an order-by-order basis.

16. The Firm could not demonstrate that the Cash Desk's single-order maximum notional value and percent of ADV control thresholds were set at levels reasonably designed to prevent the entry of erroneous orders and that it conducted any analysis, such as the desk's trading patterns or order entry history in setting the single-order maximum notional value and percent of ADV thresholds.[8]

17. From March 25, 2015 through October 2017, the Cash Desk's price limit control threshold was set at a level too high to be reasonably designed to prevent the entry of orders with erroneous prices.[9] In addition, the price limit threshold did not vary based on the price of the security (except for Pink Sheet stocks). Therefore, the Cash Desk's single-order price limit control was not reasonably designed to prevent the entry of erroneous orders that exceeded appropriate price parameters on an order-by-order basis.

18. The Firm had written supervisory procedures listing factors that Firm supervisors were required to consider when implementing or amending the Cash Desk's erroneous order control thresholds described in paragraph 14. Those controls, however, could be temporarily amended or removed upon request. When a Cash Desk order encountered an

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[6] The Firm filed a clearly erroneous petition with Nasdaq, and Nasdaq canceled all trades in the security on Nasdaq between 10:05 and 10:07 executed at or above \$32.64.

[7] The Firm filed a clearly erroneous petition with Nasdaq, and Nasdaq canceled all trades in the security on Nasdaq between 10:25 and 10:26 executed at or above \$84.73.

[8] The Firm lowered the Cash Desk's ADV limit control threshold for all securities following the erroneous order on November 21, 2016.

[9] The Firm lowered the Cash Desk's price limit control threshold for all securities in October 2017.

erroneous order control threshold that prevented entry of that order, desk personnel could request that the desk's technology staff temporarily amend or remove the control threshold so that the order could reach the market. The Firm's procedures, however, did not require that those with authority to temporarily amend or remove control thresholds consider any factors when making such decisions or review and document the reason for the requested change. The Firm's procedures allowing the temporary amendment or removal of erroneous order controls, therefore, were not reasonably designed. Furthermore, although supervisors reviewed all temporary changes to Cash Desk control thresholds on T+1, the review was not reasonable because it did not consider the rationale for changing the threshold for each order and whether it was consistent with factors documented in the Firm's procedures.[10]

19. The Cash Desk also had a control intended to prevent the entry of potentially erroneous or duplicative orders over a short period of time. The control utilized three of the single-order controls and threshold levels discussed above—maximum quantity, maximum notional value, and maximum ADV—and prevented additional orders in a symbol for 30 seconds on the same side, if an order or group of orders (in the aggregate) in that symbol entered into one market surpassed all three of these control thresholds within 30 seconds. However, as discussed above, during the review period, the threshold level for the maximum quantity control was unreasonably high, and the Firm could not demonstrate that the Cash Desk's maximum notional value and maximum ADV controls were reasonable. Therefore, the Cash Desk's control was not reasonably designed to prevent the entry of erroneous orders, by rejecting orders that exceed appropriate price or size parameters, over a short period of time, or that indicate duplicative orders.

20. The Cash Desk's single-order and short period of time controls did not prevent the entry of the erroneous orders discussed in paragraphs 11 through 13.

21. The Cash Desk's financial risk management controls and supervisory procedures were therefore not reasonably designed to prevent the entry of erroneous orders, by rejecting orders that exceed appropriate price or size parameters, on an order-by-order basis or over a short period of time, or that indicate duplicative orders. Accordingly, the Firm violated Rule 15c3-5(b) and (c)(1)(ii).

RBC's EST Desk Erroneous and Duplicative Order Control Thresholds were Unreasonable, and Failed to Prevent the Entry of Two Erroneous Orders

22. On February 12, 2016, the Firm routed to the market an 80,208-share market order to sell the security. The order was sent to the Firm's EST Desk, which utilized proprietary algorithms to route customer order flow to the market. The institutional customer that entered the order with the EST Desk mistakenly instructed the Firm to route the order using one of the Firm's aggressive algorithms, when the customer's intention was that the order be worked (using one of the Firm's more passive algorithms) throughout the day. This 80,208-share order made up approximately 14 percent of the ADV in the security

[10] A T+1 review on its own does not satisfy Rule 15c3-5 because it would not prevent the entry of erroneous orders.

for the month of February 2016 (562,489 shares/day avg.). The market price of the security increased $0.29 or approximately 13% as a result of the order.[11]

23. On December 19, 2016, the Firm's EST Desk received a 41,809-share market order from an institutional customer to buy the security at 13:44:41. Upon receipt, the Desk's proprietary OMS routed the order to one of the Firm's algorithmic trading strategies in accordance with the customer's order instructions. Within one second of receiving the order, 38,486 of 41,809 shares were executed. The order was erroneously sent to the EST Desk. The customer had intended to send the order to the Firm's Cash Desk for handling by a trader. This 41,809-share order made up 20% of the ADV across 21 days in December 2016 (207,295 shares/day avg.). The market price of the security increased $2.10 or approximately 11% as a result of the order.[12]

24. The EST Desk's single-order controls were configured based on the customer's overall assets under management ("AUM") and the level of aggressiveness of the algorithm selected to route the order to the market. For the erroneous orders discussed in paragraphs 22 and 23, the following pre-trade, single-order controls were in place for all symbols: (1) maximum quantity; (2) maximum notional value; (3) maximum ADV limit that varied based on order type/price; and (4) limit price away from prior market price.

25. The EST Desk's pre-trade, single-order maximum quantity and maximum notional value control thresholds were set at levels too high to be reasonably designed to prevent erroneous orders from being entered into the market. Regarding the quantity control, as discussed above, Nasdaq's own limit for order size quantity was lower than the Firm's limit. Therefore, the EST Desk's maximum quantity control was not reasonably designed to prevent the entry of erroneous orders that exceeded appropriate price or size parameters on an order-by-order basis.

26. Furthermore, the Firm could not demonstrate that the single-order maximum notional value and percent of ADV control thresholds were set at levels reasonably designed to prevent the entry of erroneous orders. The Firm considered a customer's AUM, but did not provide any evidence that it conducted any analysis, such as customer trading patterns or order entry history, in setting the single-order maximum notional value and percent of ADV thresholds for customer trading activity through the EST Desk.

27. Depending on the EST Desk algorithm in use, certain erroneous order controls on the EST Desk, if triggered, would cause an order to be moved into a "staged" environment, where an EST Desk sales trader could review the order and release it to the market by clicking a pop-up window. This process was not reasonable because sales traders did not document their rationale for releasing such orders to the market, and the Firm had no written supervisory procedures describing the factors be considered when releasing staged orders. In addition, although supervisors conducted T+1 reviews of all EST Desk staged orders released to the market, the review was not reasonable because it did not

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[11] The Firm filed a clearly erroneous petition with Nasdaq, and Nasdaq canceled all trades in the security on Nasdaq between 10:00 and 10:02 executed at or below $2.16.

[12] The Firm filed a clearly erroneous petition with Nasdaq, and Nasdaq cancelled all trades in the security on Nasdaq between 13:44 and 13:45 executed at or above $20.60.

consider the rationale for releasing each order and whether it was consistent with factors documented in the Firm's procedures.[13]

28. The EST Desk also implemented controls intended to prevent potentially erroneous or duplicative orders entered over a short period of time. However, the first control was not reasonably designed to prevent the entry of erroneous excessive or duplicative orders because it paused additional orders for a set time and then automatically restarted sending orders. The second control was a count of child orders entered in a one-second period without regard to the price or size of the orders, and therefore would not lead the EST Desk to identify orders with erroneous prices or quantities, or potentially duplicative orders, entered over a short period of time.

29. The EST Desk's single-order and short period of time controls did not prevent the entry of the erroneous orders discussed in paragraphs 22 and 23.

30. The EST Desk's financial risk management controls and supervisory procedures were therefore not reasonably designed to prevent the entry of erroneous orders, by rejecting orders that exceed appropriate price or size parameters, on an order-by-order basis or over a short period of time, or that indicate duplicative orders. Accordingly, the Firm violated Rule 15c3-5(b) and (c)(1)(ii).

RBC's ETF LMM Desk Erroneous and Duplicative Order Control Thresholds were Unreasonable, and Failed to Prevent the Entry of Two Erroneous Orders

31. Two erroneous orders on the Firm's ETF LMM Desk on October 1, 2018 occurred as a result of a pricing error within the desk's internal pricing model, which is used to determine the prices at which the desk will publish buy and sell quotations in the ETFs in which it is registered as a market maker. The pricing error caused the desk's OMS to reference inaccurate dividend prices. As a result, the desk routed an erroneous 6,000-share order in an ETF that made up 15 percent of the ETF's ADV across the 22 prior trading days (39,527 shares/day avg.). The notional value of the order was approximately $300,120. The market price increased $4.03 or approximately eight percent as a result of the order.[14] The desk also routed a second erroneous order for 1,100-shares in a second ETF, which made up approximately six percent of the ETF's ADV across the 22 prior trading days (19,281 shares/day avg.). The notional value of the order was approximately $82,962. The market price increased $2.24 or approximately three percent as a result of the order.

32. The ETF LMM Desk had the following pre-trade, single-order controls in place for the subject securities on October 1, 2018: (1) maximum quantity; (2) maximum notional value; (3) maximum ADV; and (4) limit price away from prior market price.

33. The ETF LMM Desk's single-order maximum quantity, maximum notional value, and price limit control thresholds during the review period were set at levels too high to be

[13] A T+1 review on its own does not satisfy Rule 15c3-5 because it would not prevent the entry of erroneous orders.

[14] The Firm filed a clearly erroneous petition with Nasdaq, and Nasdaq cancelled all trades in the security on Nasdaq between 13:15 and 13:16 executed at or above $52.53.

reasonably designed to prevent erroneous orders from being entered into the market. Therefore, the controls were not reasonably designed to prevent the entry of erroneous orders that exceeded appropriate price or size parameters on an order-by-order basis.

34. The Firm could not demonstrate that the ETF LMM Desk's single-order maximum quantity, maximum notional value, and maximum ADV control thresholds were set to levels reasonably designed to prevent the entry of erroneous orders. The Firm did not provide any evidence that it conducted any analysis, such as the desk's trading patterns or order entry history, in setting the single-order maximum quantity, maximum notional value, and maximum ADV control thresholds on the ETF LMM Desk.

35. The ETF LMM Desk's short period of time controls in place on the review date were focused on preventing a large number (or "burst") of orders from being entered in a short period of time. The desk's burst rate thresholds were not reasonably related to the desk's order entry activity, however. On the review date, the desk's maximum new order rate per symbol per second control, the maximum new order rate (overall) per second control, and the maximum duplicate order count per second controls were all set at levels much higher than the Firm's actual average order entry rate.

36. Furthermore, the ETF LMM Desk's burst rate controls did not reference the price or size of orders entered over a short period of time, or the impact to the market from such orders. For example, the Firm's single-order controls would prevent entry of a single large order, or a single order priced a certain percentage away from the previous execution price, but a group of orders entered over a short period of time that exceeded these limits in the aggregate would not have been blocked by the Firm's short period of time controls. Therefore, the Firm's short period of time controls were not reasonably designed to prevent the entry of erroneous or duplicative orders over a short period of time.

37. The ETF LMM Desk's single-order and short period of time controls did not prevent the entry of the erroneous orders discussed in paragraph 31.

38. The ETF LMM Desk's financial risk management controls and supervisory procedures were therefore not reasonably designed to prevent the entry of erroneous orders, by rejecting orders that exceed appropriate price or size parameters, on an order-by-order basis or over a short period of time, or that indicate duplicative orders. Accordingly, the Firm violated Rule 15c3-5(b) and (c)(1)(ii).

<u>Nasdaq Rules 3010 and 2010A</u>

RBC's Market Access Rule Supervisory System and Written Supervisory Procedures were Unreasonable

39. Nasdaq Rule 3010 requires a Nasdaq member to "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."

40. Nasdaq Rule 2010A requires a Nasdaq member, "in the conduct of its business, [to] observe high standards of commercial honor and just and equitable principles of trade."

41. As a result of the deficiencies described above, the Firm also violated Nasdaq Rules 3010 2010A.

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

- A censure;
- a total fine of $350,000 to be paid jointly to Nasdaq, BYX, BZX, EDGA, and EDGX, of which $145,000 is allocated to Nasdaq; and
- an undertaking to revise the Firm's system of risk management controls and supervisory procedures with respect to the areas described above. Within 90 business days of acceptance of this AWC by the Nasdaq Review Council, a registered principal of the Firm shall submit to the COMPLIANCE ASSISTANT, DEPARTMENT OF ENFORCEMENT, 15200 OMEGA DRIVE, SUITE 300, ROCKVILLE, MD 20850, a signed, dated letter, or an e-mail from a work-related account of the registered principal to MarketRegulationComp@finra.org, providing the following information: (1) a reference to this matter; (2) a representation that the Firm has revised its risk management controls and supervisory procedures to address the deficiencies described above; and (3) the date the revised controls and procedures were implemented.

Acceptance of this AWC is conditional upon acceptance of parallel settlement agreements in related matters between the Firm and BYX, BZX, EDGA, and EDGX.

The Firm 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 a Payment Information form showing the method by which it proposes to pay the fine imposed.

The Firm 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 Firm 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, the Firm 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.

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.

III.

OTHER MATTERS

The Firm 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 FINRA's Department of Enforcement 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 Firm; 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 Nasdaq or any other regulator against the Firm;

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. 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 finding in this AWC or create the impression that the AWC is without factual basis. The Firm 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 Firm's right to take legal or factual positions in litigation or other legal proceedings in which Nasdaq is not a party.

D. The Firm 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 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 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.

2/22/21
Date

RBC Capital Markets, LLC
Respondent

By: Ryan Taylor

Name: Ryan Taylor

Title: Chief Compliance Officer

Reviewed by:

Attorney Name
Counsel for Respondent

Accepted by Nasdaq:

March 5, 2021
Date

Gerald J. O'Hara

Gerald J. O'Hara
Senior Counsel
Department of Enforcement

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