BEFORE THE SECURITIES COMMISSIONER

STATE OF COLORADO

Order No. 14-L-01

STIPULATION FOR CONSENT ORDER

IN THE MATTER OF RBC CAPITAL MARKETS, LLC

Respondent.

The staff of the Division of Securities ("Division") and the Respondent, RBC Capital Markets, LLC ("RBC"), hereby enter into this Stipulation for Consent Order in this matter as follows:

RECITALS

WHEREAS, RBC is a broker-dealer licensed in the State of Colorado, with a Central Registration Depository ("CRD") number of 31194; and

State securities regulators have conducted coordinated investigations into the licensing of RBC Client Associates ("CAs") and RBC's supervisory system with respect to the licensing of CAs; and

RBC has cooperated with regulators conducting the investigations by responding to inquiries, providing documentary evidence and other materials, and providing regulators with access to facts relating to the investigations; and

RBC has advised regulators of its agreement to resolve the investigations pursuant to the terms specified in this Consent Order (the "Order"); and

RBC agrees to make certain changes in its supervisory system with respect to the licensing of CAs, and to make certain payments in accordance with the terms of this Order; and

Solely for the purpose of terminating the multi-state investigations, including the investigation by the staff of the Division ("Staff"), and in settlement of the issues contained in this Order, RBC, without admitting or denying the findings of fact or conclusions of law contained in this Order, consents to the entry of the Consent Order.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:

1. RBC admits the jurisdiction of the Division and the Securities Commissioner, neither admits nor denies the Findings of Fact and Conclusions of Law contained in the Consent Order, and consents to entry of the Consent Order by

the Securities Commissioner as settlement of the issues contained in the Consent Order.

2. By entering into this Stipulation, RBC has waived the right to a formal hearing pursuant to §11-51-606(1), C.R.S and §§24-4-104 and 105, C.R.S.; the right to be represented by counsel chosen and retained by it; the right to present a defense through oral or documentary evidence and to cross-examine witnesses at such hearing; and the right to seek judicial review of the terms, agreements and conditions in this Stipulation or the Consent Order as provided in §§11-51-607, C.R.S., and 24-4-106, C.R.S.

3. RBC agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal or local tax for any administrative monetary penalty that RBC shall pay pursuant to the Consent Order.

4. RBC states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.

5. Daniel Lee Torbenson represents that s/he is General Counsel of RBC and that, as such, has been authorized by RBC to enter into this Order for and on behalf of RBC.

Dated this 21 day of June, 2013.

RBC Capital Markets, LLC

By: [signature]

Name: Daniel L. Torbenson

Title: General Counsel

State of Minnesota)
) ss.
County of Hennepin)

SUBSCRIBED AND SWORN TO before me this 21st day of June 2013.

Helen Ann Morrell
Notary Public

Helen Ann Morrell
NOTARY PUBLIC
State of Minneasota
My Commission Expires 1-31-2018

My commission expires:
1-31-2018

Dated this 8th day of July, 2013

Colorado Division of Securities

By: [signature]
Gerald Rome
Deputy Securities Commissioner

BEFORE THE SECURITIES COMMISSIONER

STATE OF COLORADO

Order No. 14-L-01

CONSENT ORDER

IN THE MATTER OF RBC CAPITAL MARKETS, LLC

Respondent.

THIS MATTER is before Fred J. Joseph, Securities Commissioner for the State of Colorado ("Securities Commissioner"), on the Stipulation for Consent Order between the Staff of the Colorado Division of Securities ("Division") and Respondent RBC Capital Markets, LLC ("RBC"). After reviewing the Stipulation, grounds therein, and further being advised in the premises, the Securities Commissioner makes the following Findings of Fact and Conclusions of Law as follows:

I.

FINDINGS OF FACTS

1. RBC admits the jurisdiction of the Colorado Securities Commissioner in this matter.

Background on Client Associates

2. The CAs function as sales assistants and typically provide administrative and sales support to one or more of RBC's licensed representatives ("RRs"). There are different CA positions, including Registered Client Associate and Registered Senior Client Associate.

3. The primary job duties vary depending on the specific CA position. In varying degrees the "Major Job Accountabilities" of a CA include:

a. Handling client requests;
b. Resolving client inquiries;
c. Determining if client issues require escalation to the RR or the branch management team; and
d. Processing of operational documents such as letters of authorization and client check requests.

4. In addition to the responsibilities described above, and of particular significance to this Order, some CAs are permitted to accept unsolicited orders from clients; others are permitted, with the assistance of a RR, to prospect for new clients, open new accounts, gather assets and select

investments to recommend to clients. As discussed below, RBC's written policies and procedures require that any CAs accepting client orders first obtain the necessary licenses and registrations.

5. Notably, RRs might have a "primary CA" and a "secondary CA", or a "primary CA team" and a "secondary CA team". As suggested by the designation, the customary practice is that the primary CA or team would handle the RR's administrative matters and client orders. However, if the primary CA or team was unavailable, the secondary CA or team would step in to handle the RR's administrative matters and client orders.

6. During the period from 2005 to 2009, RBC employed an average of approximately 672 CAs per year.

Licensing Required

7. Pursuant to §11-51-401, C.R.S., a person shall not transact business in this state as a sales representative unless licensed or exempt from licensing.

8. Pursuant to the general prohibition under §11-51-401, C.R.S., a person cannot accept unsolicited orders in or from Colorado without being licensed or exempt from licensing.

9. Pursuant to §11-51-410, C.R.S., the Securities Commissioner may suspend, revoke, censure, limit or impose conditions on the securities activities that a licensed person may conduct in this state who has willfully violated or failed to comply with any provision of the Act.

RBC Requires Licensing of Client Associates

10. In order for a CA to accept client orders, RBC generally required each CA to pass the series 7 and 63 qualification exams and to register in the appropriate jurisdictions.

11. At all times relevant to this Order, RBC's policies and procedures specified that each CA maintain licensing in the same jurisdictions as his or her FA, or broadly required that each CA maintain licenses in all necessary jurisdictions.

Regulatory Investigations and Findings

12. During late 2009, RBC received regulatory inquiries regarding CA licensing.

13. The Staff's investigation focused on systemic issues with RBC CA licenses and related supervisory structure. Specifically:

a. After accepting an order from a client, CAs accessed the electronic order entry system to place the order;

b. The order entry system automatically recorded the identity of the person entering the order using the user's login information. If the order was received from the client by someone other than the person entering the order, the person entering the order was required to identify the person who accepted the order from the client by typing the name or initials in a text box;

c. RBC's trading system checked the licensing of the RR assigned to the account, but did not check the licensing status of the person accepting the order, if different from the RR, (the "who accepted" field) to ensure that the person was licensed in the appropriate jurisdiction.

14. The Staff's investigation identified instances in which CAs supported RRs licensed in Colorado when the CAs were not licensed in Colorado as agents of RBC. This difference in licensing status increased the possibility that CAs would accept orders which they did not solicit from customers without proper licensure.

15. The Staff's investigation determined that it was highly likely that certain RBC CAs accepted orders which they did not solicit in Colorado at times when the CAs were not appropriately licensed in Colorado.

16. As a result of the inquiries by the Staff, RBC conducted a review of its CA licensing practices.

17. RBC's review found that as of November 2008, the firm had 692 licensed CAs. While CAs were licensed in approximately 7 states, at that time RRs were licensed, on average, in 17 states. Approximately 454, almost 66%, of those licensed CAs were only licensed in their home state or their home state and one additional state.

18. Many RBC CAs were not licensed in the same jurisdictions as their respective RRs. RBC's review identified incidences where CAs who were not properly state licensed accepted orders they had not solicited.

19. Beginning in 2010, RBC took steps to enhance its policies and procedures regarding CAs' state licensing, and added a substantial number of CA state licenses.

a. In January 2010, RBC amended its licensing policy to require that each CA license in the same states as the RRs whom they support. RBC alerted the field to this policy.

b. In November 2010 Supervisors in RBC's branches and complexes reviewed the current CA licenses to ensure the CAs were properly licensed prior to the annual renewals.

c. RBC updated its training to include additional information on licensing requirements and on the firm's policies on CA licensing. RBC also, as part of the annual licensing renewal process, added to the annual renewal notice information regarding the CA licensing policy.

d. RBC modified its procedures regarding the manner in which it grants electronic order entry access to client accounts. The required forms were revised to identify supporting CAs and the forms are provided to the Licensing and Registration department to verify that proper registrations are in place for RRs and CAs when access is granted.

e. RBC conducted Compliance Training sessions for CAs covering information on order entry procedures and licensing requirements.

f. RBC revised its licensing forms to identify assigned CAs on RRs' licensing forms and assigned RRs on CAs' licensing forms. This allows the registration and licensing group to submit registrations for the CAs that mirror those held by the RRs whom they support.

20. RBC has also undertaken to implement enhancements to its order entry systems and to its supervision of the order entry procedures. The order entry systems will require the individual entering an order either to attest that he or she also accepted the order or to identify the person who accepted the order by entering that person's system ID. RBC policies and procedures prohibit RBC personnel from using any credentials but their own to log on to the order entry systems. RBC is developing an exception report to identify any trades entered in an account for which the person who accepted the order did not hold the necessary state licensing.

21. RBC provided timely responses and substantial cooperation in connection with the regulatory investigations into this issue.

II.

CONCLUSIONS OF LAW

1. The Securities Commissioner has jurisdiction over this matter pursuant to §11-51-701, C.R.S.

2. RBC's failure to establish an adequate system to monitor the licensing status of persons accepting client orders constitutes a violation of §11-51-410(1)(i), C.R.S.

3. RBC's failure to ensure its CAs were licensed in the appropriate jurisdictions constitutes a failure to enforce its established written procedures, and is a violation of §11-51-410(1)(i), C.R.S.

4. RBC's acceptance of orders in Colorado through CAs who were not properly licensed constitutes a violation of §11-51-401(2), C.R.S.

5. Pursuant to §11-51-410(1), C.R.S., the violations described above constitute bases for the imposition of sanctions against RBC.

6. The Securities Commissioner finds the following relief appropriate and in the public interest.

III.

UNDERTAKINGS

1. RBC hereby undertakes and agrees to establish and maintain policies, procedures and systems that reasonably supervise the trade process so that a person can only accept client orders that originate from jurisdictions where the person accepting the order is appropriately licensed.

IV.

ORDER

On the basis of the Findings of Facts, Conclusions of Law, and RBC's consent to the entry of this Order,

IT IS HEREBY ORDERED:

1. This Order concludes the investigation by the Colorado Division of Securities and any other action that the Colorado Division of Securities or Securities Commissioner could commence against RBC under applicable Colorado law as it relates to unlicensed activity in Colorado by RBC's CAs and RBC's supervision of CA licensing during the period from January 1, 2005 through the date of this Order.

2. This Order is entered into solely for the purpose of resolving the referenced multi-state investigation, and is not intended to be used for any other purpose. For any person or entity not a party to the Order, this Order does not limit or create any private rights or remedies against RBC, limit or create liability of RBC, or limit or create defenses of RBC, to any claims.

3. RBC is hereby ordered to pay THIRTY SEVEN THOUSAND THREE HUNDRED EIGHTY DOLLARS AND SEVENTEEN CENTS ($37,380.17) to the State of Colorado in back licensing fees and penalties within ten days of the date of this Order.

4. RBC shall pay up to a total of TWO MILLION EIGHT HUNDRED THOUSAND dollars ($2,800,000) to those states and territories that enter administrative or civil consent orders approving the terms of the NASAA settlement, in back licensing fees and penalties among the 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands pursuant to the calculations discussed with the multi-state working group.

5. However, if any state securities regulator determines not to accept RBC's settlement offer, the total amount of the payment to the State of Colorado shall not be affected, and shall remain at THIRTY SEVEN THOUSAND THREE HUNDRED EIGHTY DOLLARS AND 17 CENTS ($37,380.17).

6. Within 10 days from the date of this Order, RBC shall pay the sum of ONE HUNDRED THOUSAND DOLLARS ($100,000.00) to the State of Colorado for reimbursement of the State's costs associated with this administrative action.

7. Within 10 days from the date of this Order, RBC shall pay the sum of TEN THOUSAND DOLLARS ($10,000.00) to the North American Securities Administrators Association for reimbursement of its costs associated with this administrative action.

8. RBC is hereby ordered to comply with the Undertakings contained herein.

9. This order is not intended by the Colorado Division of Securities or the Securities Commissioner to subject any Covered Person to any disqualifications under the laws of the United States, any state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands including, without limitation, any disqualification from relying upon the state or federal registration exemptions or safe harbor provisions. "Covered Person," means RBC or any of its affiliates and their current or former officers or former officers, directors, employees, or other persons that would otherwise be disqualified as a result of the Orders (as defined below).

10. This Order and the order of any other State in related proceedings against RBC (collectively, the "Orders") shall not disqualify any Covered Person from any business that they otherwise are qualified, licensed or permitted to perform under applicable securities laws of the State of Colorado and any disqualifications from relying upon this state's licensing exemptions or safe harbor provisions that arise from the Orders are hereby waived.

11. This Order shall be binding upon RBC and its successors and assigns as well as to successors and assigns of relevant affiliates with respect to all conduct subject to the provisions above and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and conditions.

Dated this 9th day of July, 2013.

FRED J. JOSEPH
Securities Commissioner