ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:	)	
	)	
RBC Capital Markets, LLC	)	**CONSENT ORDER**
(CRD #31194),	)	**Matter No. 20252029**
	)	
Respondent.	)	
	)	

I. PRELIMINARY STATEMENT

WHEREAS, pursuant to the authority granted to the Securities Commissioner of South Carolina (the "Securities Commissioner") under the South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101, et seq., and the regulations and rules promulgated thereunder (collectively, the "Act"), and delegated to the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division") by the Securities Commissioner, the Division conducted an investigation into the securities-related activities of RBC Capital Markets, LLC (the "Respondent");

WHEREAS, as a result of a coordinated investigation led by seven jurisdictions—Massachusetts, Montana, Missouri, Alabama, Washington, Texas, and Iowa (the "Multi-State Group")—the Division concluded that Respondent charged unreasonable commissions in excess of 5% of the principal amount on certain small principal equity transactions. Nationwide, Respondent charged unreasonable commissions on approximately 89,900 equity transactions from May 16, 2020, to May 16, 2025, which totaled approximately $3,400,000;

WHEREAS, this order (the "Consent Order") is submitted solely for the purpose of settlement and with the understanding that it will not be used in any proceeding unless it is accepted by the Securities Commissioner as hereafter set forth. If this Consent Order is not accepted by the

Securities Commissioner, the Consent Order is withdrawn and shall not be used in or become part of any proceeding;

WHEREAS, if the Consent Order is accepted, it will conclude the Securities Commissioner's investigation and any civil or administrative action that could be commenced pursuant to the Act for the specific violations resolved herein, solely as it relates to Respondent;

WHEREAS, because Respondent is a registered broker-dealer in the State of South Carolina, it admits to the jurisdiction of the Securities Commissioner over Respondent and the subject matter of this proceeding;

WHEREAS, Respondent, without admitting or denying the Findings of Fact or Conclusions of Law set forth herein, consents to the entry of this Consent Order, thereby settling the above-captioned matter with prejudice;

WHEREAS, the Division finds that there is good cause, and it is in the public interest to enter into this Consent Order with Respondent; and

WHEREAS, Respondent elects to waive permanently any right to a hearing, judicial review, or appeal under the S.C. Code. Ann. § 35-1-609, with respect to this Consent Order.

NOW, THEREFORE, the Securities Commissioner, as administrator of the Act, hereby enters this Consent Order.

II. JURISDICTION

1. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code. Ann. § 35-1-601(a).

III. RELEVANT PERIOD

2. Except as otherwise expressly stated, the conduct described herein occurred during the time period of May 16, 2020, through May 16, 2025 (the "Relevant Period").

IV. RESPONDENT

3. Respondent is a registered broker-dealer with a principal place of business at 3 World Financial Center, 200 Vesey Street, New York, New York 10281. Respondent is identified by the Financial Industry Regulatory Authority ("FINRA") Central Registration Depository ("CRD") number 31194. Respondent has been registered with the Division as a broker-dealer since April 6, 1993.

V. FINDINGS OF FACT

A. Respondent's Minimum Commission Practices for Equity Transactions Failed to Ensure Transactions Were Executed at a Fair and Reasonable Price

4. During the Relevant Period, Respondent charged unreasonable commissions in excess of 5% of the principal amount to retail brokerage customers on certain equity transactions.

5. Respondent charged a minimum fixed commission on exchange traded equity transactions.

6. For all equity transactions executed during the Relevant Period, Respondent generally charged retail brokerage customers between 0.5% to 4.0% of the principal amount of the trade.

7. Respondent generally charged a minimum commission of $95 for equity buy and sell transactions (the "Minimum Equity Commission").

8. Certain small equity sell transactions resulted in a minimum commission below $95.

9. Respondent's policies and procedures note that its commission schedule was designed so that the majority of equity transactions would result in a commission of less than 5% of the principal amount of the transaction.

10. However, Respondent's policies and procedures exempted transactions where the commission exceeded 5% of the principal amount if the commission charged was less than the Minimum Equity Commission.

11. The Act prohibits Respondent from charging unreasonable commissions for services performed.

12. FINRA Rule 2121 Supplementary Material .01 (Rule 2121.01) provides a guideline of five percent for determining whether a commission is unfair or unreasonable. However, the "5% Policy" is a guide, not a rule. A commission pattern of five percent or even less may be considered unfair or unreasonable.

13. In South Carolina, Respondent executed 860 equity transactions, which included an unreasonable commission for services performed (i.e., in excess of 5% of the principal trade amount), totaling $33,622.33.

14. Numerous equity transactions executed by Respondent included a commission well in excess of 5% of the principal value of the transaction.

B. <u>Respondent Did Not Reasonably Supervise Transactions Which Applied the Minimum Equity Commission</u>

15. Respondent did not reasonably supervise certain transactions, which included a Minimum Equity Commission charge, to ensure that Respondent charged its customers a reasonable commission.

16. Respondent's trade review system was not set to flag transactions where the commission exceeded 5% of the principal amount if the commission that was charged was less than the Minimum Equity Commission.

17. Respondent did not have sufficient surveillance in place to supervise small principal equity transactions where the Minimum Equity Commission was in excess of 5%.

18. Respondent's surveillance system therefore excluded from review transactions that applied the Minimum Equity Commission.

19. As a result, Respondent failed to adequately supervise small principal equity transactions where the Minimum Equity Commission was in excess of 5%.

C. **Respondent Self-Reported to FINRA and Remediated Its Systems**

20. On March 23, 2023, Respondent filed a Form 4530 disclosure with FINRA, voluntarily reporting that it had identified certain equity transactions where the Minimum Equity Commission had been charged resulting in commissions that exceeded 5% of the principal amount.

21. Respondent updated its commission schedule and adjusted the parameters of its trade review system to flag any commissions that exceed 5% of the principal amount. Respondent has also updated its policies and procedures accordingly.

VI. CONCLUSIONS OF LAW

22. Paragraphs 1 through 21 are incorporated here by reference as if fully set forth herein.

23. Pursuant to S.C. Code Ann. § 35-1-412(d)(9), Respondent is required to establish and maintain a system to supervise the activities of its broker-dealer agents that is reasonably designed to achieve compliance with the Act and all applicable securities laws and regulations, including the establishment and maintenance of written procedures.

24. During the Relevant Period, Respondent did not have reasonably designed procedures with respect to its activities as a broker-dealer that would have detected the conduct described herein relating to charging customers Minimum Equity Commissions in excess of 5% for small principal equity transactions.

25. Respondent's failure during the Relevant Period to establish and maintain reasonably designed procedures relating to the foregoing constitutes a violation of S.C. Code Ann. § 35-1-412(d)(9).

26. The foregoing violation of the Act set forth above provides the basis for this Consent Order and assessment against Respondent pursuant to S.C. Code Ann. § 35-1-412(c).

27. This Consent Order is appropriate and in the public interest, pursuant to the Act.

VII. ORDER

Respondent in full settlement of this matter neither admits nor denies the Findings of Fact as set forth in Section V, and neither admits nor denies the Conclusions of Law set out in Section VI, makes the following representations, and agrees to the undertakings herein as part of the Order.

IT IS HEREBY ORDERED:

A. Respondent agrees to permanently **CEASE AND DESIST** from conduct described herein in violation of the Act;

B. Respondent is **CENSURED** by the Securities Commissioner pursuant to S.C. Code Ann. § 35-1-412(c);

C. Respondent shall provide restitution in an amount of no less than $33,622.33, the amount of the commission on certain small principal equity transactions that exceeded five percent 5% of the principal trade amount during the Relevant Period to the affected South Carolina customers[1] plus interest in the amount of 6% compounded annually from the date of each transaction to the end of the Relevant Period;

[1] Respondent has provided to the Division a confidential list of affected South Carolina customers identified in the multistate investigation.

i. Respondent agrees that restitution shall be in the form of a dollar credit to current customer accounts, or a bank check for all former customers or current customers who are entitled to restitution as a result of transactions involving an individual retirement account;

ii. Respondent agrees to provide a notice of restitution to customers (the "Notice Letter") on terms not unacceptable to the Multi-State Group for use by all participating jurisdictions. The Notice Letter shall be sent prior to or with the distribution of any restitution. Within forty-five (45) days of the date of this Order, Respondent shall provide the Division with a list of all the affected South Carolina customers who received the restitution payment and those who did not receive the restitution payment because the restitution payment was returned to sender or otherwise was undeliverable. To the extent the Division has access to different address information for any of the affected South Carolina customers, Respondent shall mail the payment and a second Notice Letter to each of these affected South Carolina customers within thirty (30) days of the Division's providing the alternative address;

iii. Within forty-five (45) days of the date of this Order, Respondent shall prepare and submit to the Division a report detailing the restitution paid pursuant to this Consent Order, which shall include:

    1. Identification of all accepted and verified restitution payments; and

2. Dates, amounts, and methods of the transfer of funds for all restitution payments.

D. Respondent agrees to pay an administrative fine in the amount of $20,000.00 to the Division within fifteen (15) days following the date of entry of this Consent Order. Payment shall be made by check;

E. Respondent agrees that a person not unacceptable to the Multi-State Group has certified in writing to the Division that Respondent has undertaken the following:

i. Updated its commission schedule to reflect that commissions on equity transactions do not exceed 5% of the principal trade amount;

ii. Adjusted the parameters of its trading system and corresponding controls to flag any commissions that exceed 5% of the principal amount; and

iii. Amended its policies and procedures to reflect and incorporate these changes;

F. Respondent agrees not to claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal or local tax for any administrative fine amounts that Respondent shall pay pursuant to this Consent Order;

G. Respondent agrees not to seek or accept, directly or indirectly, reimbursement or indemnification, including, but not limited to, any payments made pursuant to any insurance policy, with regard to any amount that Respondent shall pay pursuant to this Consent Order;

H. If Respondent is the subject of either a voluntary or involuntary bankruptcy petition under Title 11 of the United States Code within three hundred sixty-five (365) days of the entry of this Consent Order, Respondent agrees to provide written notice to the Division within five (5) days of the date of the petition;

I. Respondent agrees that any fine, penalty, and/or money that Respondent shall pay in accordance with this Consent Order is intended by Respondent and the Division to be a contemporaneous exchange for new value given to Respondent pursuant to 11 U.S.C. § 547(c)(1)(A) and is, in fact, a substantially contemporaneous exchange pursuant to 11 U.S.C. § 547(c)(1)(B);

J. If Respondent fails to comply with the terms set forth in this Consent Order, then pursuant to S.C. Code Ann. § 35-1-604(g), the Division may petition in the Richland County South Carolina Court of Common Pleas to enforce this Consent Order and further to impose an additional civil penalty for contempt in an amount not less than five hundred dollars but not greater than five thousand dollars for each violation, and for any other relief the Court determines is just and proper in the circumstances after service and opportunity for a hearing; and

K. For good cause shown, the Division may extend any of the procedural dates set forth above. Respondent shall make any requests for extensions of the procedural dates set forth above in writing to the Division.

CONSTRUCTION AND DEFAULT

This Consent Order shall not (a) form the basis for any disqualifications of Respondent from registration as a broker-dealer, investment adviser, or issuer under the laws, rules, and regulations of any state, or for any disqualification from relying upon the securities registration exemptions or safe harbor provisions to which Respondent or any of its affiliates may be subject under the laws, rules, and regulations of the settling states; (b) form the basis for any disqualifications under the laws of any state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands; under the rules or regulations of any securities or commodities regulator or self-regulatory organizations; or under the federal securities laws, including but not limited to, § 3(a)(39) of the Securities Exchange Act of 1934, Rule 262 of Regulation A and Rules 504 and 506 of Regulation D under the Securities Act of 1933 and Rule 503 of Regulation CF; or (c) form the basis for disqualification under the FINRA rules prohibiting continuance in membership absent the filing of a MC 400A application or disqualification under other SRO rules prohibiting continuance in membership. This Order is not intended to form a basis of a disqualification under 204(a)(2) of the Uniform Securities Act of 1956 or Section 412(d) of the Uniform Securities Act of 2002. This Order is not intended to be a final order based upon violations of the Act that prohibit fraudulent, manipulative, or deceptive conduct.

Except in an action by the Securities Commissioner to enforce the obligations in this Consent Order, this Consent Order may not be deemed or used as (a) an admission of, or evidence of, the validity of any alleged wrongdoing, liability, or lack of any wrongdoing or liability; or (b) an admission of, or evidence of, any such alleged fault or omission of Respondent in any civil, criminal, arbitration, or administrative proceeding in any court, administrative agency, or other tribunal. Nothing in this Consent Order affects Respondent's testimonial obligations or right to take legal positions in litigation in which the Securities Commissioner is not a party. Evidence of any compromise offers and negotiations of the parties related to this Consent Order, including this Consent Order and its terms and any conduct or statements made during compromise negotiations, should not be used as evidence against any party in any proceeding to prove or disprove the validity or amount of a disputed claim except in an action or proceeding to interpret or enforce this Consent Order.

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

This Consent Order and any dispute related thereto shall be construed and enforced in accordance with, and governed by, the laws of South Carolina without regard to any choice of law principles.

This Consent Order is not intended to state or imply willful, reckless, or fraudulent conduct or breach of any fiduciary duty by Respondent, or its affiliates, directors, officers, employees, associated persons, or agents.

Respondent, through its execution of this Consent Order, voluntarily waives its right to a hearing on this matter and to judicial review of this Consent Order under S.C. Code Ann. § 35-1-609.

Respondent enters this Consent Order voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Division or any member, officer, employee, agent, or representative of the Division to induce Respondent to enter this Consent Order.

ENTERED, this the **14** day of **September**, 2026.

Alan Wilson

ALAN WILSON
Securities Commissioner
State of South Carolina

Respondent RBC Capital Markets, LLC consents to the terms of the above Consent Order:

Sean O'Connor
Chief Compliance Officer – USWM
Respondent RBC Capital Markets, LLC

Date: September 9, 2026

The Securities Division of the Office of the South Carolina Attorney General consents to the above Consent Order:

By: JB. Williams
Jonathan B. Williams
Assistant Deputy Attorney General

Date: 9/11, 2026