

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. S-25-0018
ORDER NO. S-25-0018-26-OR01**

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RECD - AR SECURITIES

IN THE MATTER OF:

RBC CAPITAL MARKETS, LLC

RESPONDENT

CONSENT ORDER

This Consent Order ("Order") is entered pursuant to the Arkansas Securities Act ("Act"), codified at Ark. Code Ann. §§ 23-42-101 through 23-42-509, the Rules of the Arkansas Securities Commissioner ("Rules") promulgated pursuant to the Act and codified at 23 CAR §§ 300-101 through 300-609, and the Arkansas Administrative Procedures Act, codified at §§ 25-25-201 through 25-15-221, in accordance with an agreement between the staff of the Arkansas Securities Department ("Staff") and Respondent, RBC Capital Markets, LLC ("RBC" or "Respondent") (CRD No. 31194).

This 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 Arkansas Securities Commissioner ("Commissioner") as hereafter set forth. If this Order is not accepted by the Commissioner, the Order is withdrawn and shall not be used in or become part of any proceeding. If the Order is accepted, it will conclude the Staff's investigation and any civil or administrative action that could be commenced pursuant to the Act and Rules for the specific violations resolved herein, solely as it relates to Respondent.

Pursuant to the authority granted to the Commissioner under the Act and after investigation, careful review, and due consideration of the facts and statutory provisions set forth below, the Commissioner hereby finds that there is good cause, and it is in the public interest to enter into this

Order with Respondent, which hereby agrees to resolve any and all issues in controversy regarding the specific conduct described herein on the terms set forth in this Order.

JURISDICTION

1. The Commissioner has jurisdiction pursuant to Ark. Code Ann. § 23-42-201(a)(1).
2. This Order is entered in accordance with Ark. Code Ann. § 23-42-308(h).
3. The acts and practices that are subject of this Order occurred while Respondent was registered as a broker-dealer in Arkansas.

4. Respondent admits the jurisdiction of the Act and the Commissioner, waives its right to a formal hearing and appeal, consents to the entry of this Order, neither admits nor denies the Findings of Fact, and neither admits nor denies the Conclusions of Law, and agrees to abide by its terms.

RESPONDENT

5. RBC Capital Markets, LLC is a broker-dealer registered in Arkansas with a main address of 3 World Financial Center, 200 Vesey Street, New York, New York 10281.

FINDINGS OF FACTS

Relevant Time Period

6. Except as otherwise expressly stated, the conduct described herein occurred during the time period of May 16, 2020 to May 16, 2025 (the “Relevant Time Period”).

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

7. As the result of a coordinated investigation led by seven jurisdictions, including Massachusetts, Montana, Missouri, Alabama, Washington, Texas, and Iowa (the “Multi-State Group”), the Staff concluded that during the Relevant Time Period Respondent charged unreasonable commissions in excess of five percent (5%) of the principal amount to retail

brokerage customers on certain equity transactions. Nationwide, Respondent charged commissions in excess of five percent (5%) of the principal amount on approximately 89,900 equity transactions over a five-year period totaling \$3,400,000.

8. During the Relevant Time Period, Respondent charged unreasonable commissions in excess of five percent (5%) of the principal amount to retail brokerage customers on certain equity transactions.

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

10. For all equity transactions executed during the Relevant Time Period, Respondent generally charged retail brokerage customers between one half of a percent (0.5%) and four (4.0%) of the principal amount of the trade.

11. Respondent generally charged a minimum commission of ninety-five dollars (\$95) for equity buy and sell transactions (the "Minimum Equity Commission").

12. Certain small equity sell transactions resulted in a minimum commission below ninety-five dollars (\$95).

13. 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 five percent (5%) of the principal amount of the transaction.

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

15. The Act and Rules prohibit Respondent from charging unreasonable commissions for services performed.

16. FINRA Rule 2121 Supplementary Material .01 (Rule 2121.01) provides a guideline of five percent (5%) 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 (5%) or even less may be considered unfair or unreasonable.

17. In Arkansas, Respondent executed 78 equity transactions, which included an unreasonable commission for services performed (i.e., in excess of 5% of the principal trade amount) totaling \$2,923.30.

18. Numerous equity transactions executed by Respondent included a commission well in excess of five percent (5%) of the principal value of the transaction.

Respondent Did Not Reasonably Supervise Transactions Which Applied the Minimum Equity Commission

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

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

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

22. Respondent's surveillance system excluded transactions which applied the Minimum Equity Commission from reviews.

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

Respondent Self-Reported to FINRA and Remediated Its Systems

24. 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 five percent (5%) of the principal amount.

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

CONCLUSIONS OF LAW

26. Section 23-42-301(f)(1) of the Act provides: “[a] broker-dealer shall establish, maintain, and enforce a system to supervise the activities of its agents and employees that is reasonably designed to achieve compliance with [the Act], the [Rules] and orders of the commissioner, all other applicable state and federal securities laws, and the rules of self-regulatory organizations.” Ark. Code Ann. § 23-42-301(f)(1).

27. Respondent’s acts and practices, as described above, constitute a violation of Ark. Code Ann. § 23-42-301(f)(1).

REPRESENTATIONS AND UNDERTAKINGS

28. Respondent in full settlement of these matters neither admits nor denies the Findings of Fact, neither admits nor denies the Conclusions of Law, makes the follow representations, and agrees to the undertakings herein as part of the Order:

- a. Respondent agrees to permanently cease and desist from conduct described herein in violation of the Act and Rules in Arkansas;
- b. Respondent agrees to be censured by the Commissioner;

- c. Respondent agrees to provide restitution in an amount of no less than \$2,923.30 providing the amount of the commission on certain small principal equity transactions that exceeded five percent (5%) of the principal trade amount during the Relevant Time Period to the affected Arkansas customers identified in the multistate investigation, plus interest in the amount of six percent (6%) compounded annually from the date of the transaction to the end of the Relevant Time Period. Respondent agrees to provide restitution within one hundred and twenty (120) days of execution of the order;
- d. 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;
- e. Respondent agrees to provide a notice of restitution ("Notice") to customers on terms not unacceptable to the Multi-State Group. The Notice 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 Commissioner with a list of all Arkansas residents for whom Respondent receives a restitution payment as returned to sender ("Undeliverable Arkansas Residents"). To the extent the Commissioner has access to different address information, Respondent shall mail the payment and a second Notice to the Undeliverable Arkansas Residents within thirty (30) days of the Commissioner providing such different address; and

- f. Respondent agrees to, within forty-five (45) days of the date of this Order submit to the Commissioner, a report detailing the restitution paid pursuant to the Order, which shall include:
 - i. Identification of all restitution payments; and
 - ii. Dates, amounts, and methods of the transfer of funds for all restitution payments.
- g. Respondent agrees to pay an administrative fine in the amount of \$20,000.00 to the Arkansas Securities Department within fifteen (15) days following the date of entry of this Order;
- h. Respondent agrees that it has provided the Commissioner with a certification, from a person not unacceptable to the Multi-State Group, 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.
- i. RBC 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 fine amounts that RBC shall pay pursuant to this Order;
- j. 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 Order;

- k. If Respondent is the subject of 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 Order, Respondent agrees to provide written notice to the Commissioner within five (5) days of the date of the petition;
- l. Respondent agrees that any fine, penalty, and/or money that Respondent shall pay in accordance with this Order is intended by Respondent and the Commissioner 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);
- m. Respondent agrees that, upon the issuance of this Order by the Commissioner with the terms as set forth above, that if Respondent fails to comply with any of the terms set forth in the Order, the Staff may institute an action to have this Order declared null and void. Additionally, after a fair hearing and the issuance of an order finding that Respondent has not complied with the Order, the Staff may move to have the Order declared null and void, in whole or in part, and re-institute the associated proceeding that had been brought against Respondent; and
- n. For good cause shown, the Commissioner may extend any of the procedural dates set forth in this Order. Respondent shall make any requests for extensions of the procedural dates set forth above in writing to the Commissioner.

WAIVER

29. Respondent hereby waives all rights to contest an Order entered by the Commissioner pursuant to this Order, including, but not limited to: (A) the right to contest whether the Order is fair, reasonable, and/or in the public interest, (B) the right to contest the Order's findings of fact, and (C) the right to contest the Order's conclusions of law. Respondent further waives the procedural due process right to a hearing, all procedural rights provided under the Act, the Rules, and the Arkansas Administrative Procedures Act.


NO DISQUALIFICATION

30. A signed Order issued pursuant to this Order waives any disqualification under the laws of Arkansas, or rules or regulations thereunder, including any disqualification from relying upon the registration exemptions or safe harbor provisions to which Respondent may be subject. This Order is not intended to be a final order based upon violations of the Act and Rules that prohibit fraudulent, manipulative, or deceptive conduct. This Order is not intended to form the basis of any disqualifications under Section 3(a)(39) of the Securities Exchange Act of 1934; or Rules 504(b)(3) and 506(d)(1) of Regulation D, Rule 262(a) of Regulation A and Rule 503(a) of Regulation CF under the Securities Act of 1933. This Order is not intended to form the basis of disqualification under the FINRA rules prohibiting continuance in membership absent the filing of a MC-400A application or disqualification under 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. Except in an action by the Staff to enforce the obligations of this Order, any acts performed or documents executed in furtherance of this Order: (a) may not be deemed or used as an admission of, or evidence of, the validity of any alleged wrongdoing, liability, or lack of any wrongdoing or

liability; or (b) may not be deemed or used as 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 tribunal.

WITNESS MY HAND this the 5th day of February, 2026.

SUSANNAH T. MARSHALL
ARKANSAS SECURITIES COMMISSIONER

By: 
J. Campbell McLaurin
Deputy Commissioner
Arkansas Securities Department
1 Commerce Way, Suite 402
Little Rock, Arkansas 72202

RBC Capital Markets, LLC, hereby agrees to the entry of this Consent Order, and consents to all terms, conditions, and orders contained therein, and waives any right to an appeal from this Order.

RBC Capital Markets, LLC by:


Signature: _____

Print Name: Sean O'Connor

Title: Managing Director, Chief Compliance Officer, RBC Wealth Management

Dated: 2/3/2026

Approved as to Form and Content:



Christina Redmann
Staff Attorney
Arkansas Securities Department

2/5/2026

Date