

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

_____)	
IN THE MATTER OF:)	
)	
RBC CAPITAL MARKETS, LLC –)	Settlement in Lieu of Civil
RETAIL MINIMUM COMMISSIONS)	Enforcement Action
)	
RESPONDENT.)	DFI Case No. S-251172 (LX)
)	
_____)	

I. PRELIMINARY STATEMENT

RBC Capital Markets, LLC (“RBC” or “Respondent”) submits this Settlement in Lieu of Civil Enforcement Action (the “Settlement”) with respect to the above captioned investigation by the Wisconsin Department of Financial Institutions, Division of Securities (the “Division”) into whether Respondent engaged in acts or practices that violated the Wisconsin Uniform Securities Law, Wis. Stats. Ch. 551 (the “Act”), and the regulations promulgated thereunder at the Wisconsin Administrative Code Chapter DFI-Sec 4 (the “Regulations”). 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 Division concluded that Respondent charged unreasonable commissions in excess of 5% of the principal amount on certain small principal equity transactions. Nationwide, Respondent charged commissions in excess of 5% of the principal amount on approximately 89,900 equity transactions over a five-year period totaling approximately \$3,400,000.

This Settlement 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 Division as

hereafter set forth. If this Settlement is not accepted by the Division, the Settlement is withdrawn and shall not be used in or become part of any proceeding. If the Settlement is accepted, it will conclude the Division'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. This includes any investigations and any civil or administrative actions that could be commenced relating to the charging of minimum commissions in connection with trades in any security or product type, not limited to equity securities.

Respondent neither admits nor denies the facts set forth in Section V and the violations of law set forth in Section VI below, agrees to the representations and undertakings set forth below, and consents to the entry of the Settlement by the Division thereby settling the above-captioned matter with prejudice. This Settlement is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provision of the Act.

II. JURISDICTION

1. The Division has jurisdiction over matters relating to securities pursuant to the Wisconsin Uniform Securities Law, Chapter 551 and the rules and orders promulgated thereunder.
2. This Settlement is made in accordance with the Act and Regulations.
3. The acts and practices that are the subject of the Multi-State Group's investigation occurred while Respondent was registered as a broker-dealer in Wisconsin.

III. RELEVANT TIME PERIOD

4. 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").

IV. RESPONDENT

5. RBC Capital Markets, LLC is a broker-dealer registered in Wisconsin with a main address of 3 World Financial Center, 200 Vesey Street, New York, New York 10281. Respondent is identified by Financial Industry Regulatory Authority (“FINRA”) CRD No. 31194. As of March 3, 2026, Respondent maintains 12 branch offices in Wisconsin.

V. STATEMENT OF FACTS

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

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

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

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

9. Respondent generally charged a minimum commission of \$95 for equity buy and sell transactions (the “Minimum Equity Commission”).

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

11. 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.

12. 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.

13. The Act and Regulations prohibit Respondent from charging unreasonable commissions for services performed.

14. 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.

15. In Wisconsin, Respondent executed 2,652 equity transactions which included an unreasonable commission for services performed (i.e. in excess of 5% of the principal trade amount) totaling \$98,065.13.

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

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

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

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

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

20. Respondent’s surveillance system excluded transactions which applied the Minimum Equity Commission from reviews.

21. 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

22. 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.

23. 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. VIOLATIONS OF LAW

Count I – Failure to Supervise

24. The Wis. Admin. Code § DFI-Sec 4.05(2) requires that a broker dealer firm establish and maintain written supervisory procedures and a system for applying such procedures to prevent and detect any violations of the Act and Regulations thereunder.

25. Respondent's acts and practices, as described above, constitute a violation of Wis. Admin. Code § DFI-Sec 4.05(2).

VII. REPRESENTATIONS AND UNDERTAKINGS

Respondent in full settlement of these matters neither admits nor denies the Statement of Facts as set forth in Section V, and neither admits nor denies the Violations of Law set out in Section VI, makes the following representations, and agrees to the undertakings herein as part of the Settlement:

- A. Respondent agrees to permanently cease and desist from conduct described herein in violation of the Act and Regulations in Wisconsin;

- B. Respondent agrees to be censured by the Division;
- C. Respondent agrees to provide restitution in an amount of no less than \$98,065.13 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 Wisconsin customers identified in the multistate investigation, plus interest in the amount of 6% compounded annually from the date of the transaction to the end of the Relevant Time Period:
- 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 on terms not unacceptable to Massachusetts, Montana, Missouri, Alabama, Washington, Texas, and Iowa (the "Multi-State Group") ("Notice"). The Notice shall be sent prior to or with the distribution of any restitution. Within forty-five (45) days of the date of the Settlement, Respondent shall provide the Division with a list of all Wisconsin residents for whom Respondent receives a restitution payment as returned to sender. To the extent the Division has access to different address information, Respondent shall mail the payment and a second Notice to each Wisconsin resident within thirty (30) days of the Division providing such different address; and
 - iii. Respondent agrees to, within forty-five (45) days of the date of the Settlement submit to the Division a report detailing the restitution paid pursuant to the Settlement, which shall include:

- i. Identification of all restitution payments; and
 - ii. Dates, amounts, and methods of the transfer of funds for all restitution payments.
- D. In lieu of commencing civil enforcement actions under Wis. Stat. § 551.603 relating to the matters set forth in this Settlement, the Division agrees to accept and Respondent undertakes and agrees to pay \$20,000 to Wisconsin within fifteen (15) days following the date of entry of this Settlement. Payment shall be made by check made payable to the Wisconsin Department of Financial Institutions with a cover letter identifying the Respondent, including its tax identification number, as well as the file number of these proceedings, sent to Kip Zellmer, Budget & Policy Manager, Division of Administrative Services & Technology at the Wisconsin Department of Financial Institutions, and Leslie Van Buskirk, Administrator of the Division of Securities at the following email addresses: kip.zellmer1@dfi.wisconsin.gov and Leslie.vanbuskirk@dfi.wisconsin.gov;
- 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 fine or penalty amounts that Respondent shall pay pursuant to this Settlement;

- 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 Settlement;
- H. 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 Settlement, Respondent agrees to provide written notice to the Division within five (5) days of the date of the petition;
- I. Respondent agrees that any money that Respondent shall pay in accordance with this Settlement 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. Respondent agrees that, upon the issuance of a Settlement by the Division that contains the terms as set forth above, if Respondent fails to comply with any of the terms set forth in the Settlement, the Division may institute an action to have this Settlement declared null and void. Additionally, after a fair hearing and the issuance of an order finding that Respondent has not complied with the Settlement, the Division may move to have the Settlement declared null and void, in whole or in part, and re-institute the associated proceeding that had been brought against Respondent; 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.

VIII. WAIVER

Respondent hereby waives all rights to contest a Settlement entered by the Division pursuant to this Settlement, including, but not limited to, (A) the right to contest whether the Settlement is fair, reasonable, and/or in the public interest, (B) the right to contest the Settlement's findings of fact, and (C) the right to contest the Settlement's conclusions of law. Respondent further waives the procedural due process right to a hearing, all procedural rights provided by Section 551.603 of the Act, and the right to seek judicial review of the Settlement under Section 551.609 of the Act or other applicable law.

IX. NO DISQUALIFICATION

An executed Settlement waives any disqualification in the laws of Wisconsin, 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 Settlement is not intended to be a final order based upon violations of the Act that prohibit fraudulent, manipulative, or deceptive conduct. This Settlement 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 Settlement 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 Settlement is not intended to form a basis of a disqualification under Section 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 Division to enforce the obligations of this Settlement, any acts performed or documents executed in furtherance of this Settlement: (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.

RBC CAPITAL MARKETS, LLC by:

Signature: _____



Print Name: Sean O'Connor

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

Dated: 04/17/2026

EXECUTED at Madison, Wisconsin, this 23rd day of April, 2026.

(SEAL)



Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin, Department of Financial Institutions
4822 Madison Yards Way, 4th Floor
Madison, Wisconsin 53705

