

STATE OF NEBRASKA
Department of Banking & Finance

IN THE MATTER OF:	)	
	)	
RBC Capital Markets, LLC	)	FINDINGS OF FACT
3 World Financial Center	)	CONCLUSIONS OF LAW
200 Vessey Street	)	AND
New York, New York	)	CONSENT ORDER
	)	
CRD # 31194	)	

THIS MATTER comes before the Nebraska Department of Banking and Finance (“Department”), by and through its Director, pursuant to its authority under the Securities Act of Nebraska, Neb. Rev. Stat. §§ 8-1101 to 8-1123 (Reissue 2022; Cum. Supp. 2024; LB 251, 2025) (“Act”). A coordinated investigation led by seven jurisdictions, including Massachusetts, Washington, Montana, Missouri, Alabama, Texas, and Iowa (the “Multi-State Group”), concluded that RBC Capital Markets, LLC, 3 World Financial Center, 200 Vessey Street, New York, New York, CRD #31194 (“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. Respondent, in full settlement of these matters, neither admits nor denies the Findings of Fact and Conclusions of Law below, agrees to the representations and undertakings set forth below, and consents to the entry of this Consent Order (the “Order”) by the Department thereby settling the above-captioned matter with prejudice.

FINDINGS OF FACT

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

identified by Financial Industry Regulatory Authority (“FINRA”) CRD No. 31194. Respondent maintains two branch offices in Nebraska.

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

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

3. 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.

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

5. 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.

6. Respondent generally charged a minimum commission of \$95.00 for equity buy and sell transactions (the “Minimum Equity Commission”).

7. Certain small equity sell transactions resulted in a minimum commission below \$95.00.

8. 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.

9. 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.

10. The Act and rules thereunder prohibit Respondent from charging unreasonable commissions for services performed.

11. 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.

12. In Nebraska, Respondent executed 829 equity transactions which included an unreasonable commission for services performed (i.e. in excess of 5% of the principal trade amount) totaling \$32,323.35.

13. 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

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

15. 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.

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

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

18. 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

19. 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.

20. 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.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to the Act.
2. Neb. Rev. Stat. § 8-1103(9)(a)(xi) (Reissue 2022) requires that each broker-dealer establish and maintain a system to supervise the activities of its broker-dealer agents that is reasonably designed to achieve compliance with the Act.
3. Respondent's acts and practices, as described in the above Findings of Fact, constitute a violation of Section 8-1103(9)(a)(xi) of the Act.
4. The foregoing violations of the Act constitute the basis for the assessment of a fine, costs, and settlement against Respondent pursuant to Neb. Rev. Stat. § 8-1108.01 (Reissue 2022).
5. Under the Act's statutory framework, the Director has legal and equitable authority to fashion significant protective remedies.
6. It is in the best interest of Respondent, and in the public's best interest, for Respondent and the Director to resolve the issues included herein.

STIPULATIONS

In connection with this Order, Respondent and the Director stipulate to the following:

1. The Department has jurisdiction as to all matters herein.
2. An Order should be entered in this matter, which shall be in lieu of other proceedings by the Department against Respondent regarding the facts contained in the Findings of Fact above, including any further investigations and any civil or administrative actions that could be commenced related to such matters except as specifically referenced in this Order.

Respondent further represents as follows:

1. Respondent hereby acknowledges that it has been served with a copy of this Order, has read the foregoing Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.
2. Respondent admits the jurisdiction of the Department, neither admits nor denies the Findings of Facts and Conclusions of Law contained in this Order, and consents to entry of this Order by the Department as settlement of the issues contained in this Order.
3. Respondent 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 or settlement amounts that Respondent shall pay pursuant to this Order.
4. Respondent 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.

ORDER

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

IT IS THEREFORE ORDERED:

1. Respondent shall permanently cease and desist from conduct described herein in violation of Neb. Rev. Stat. § 8-1103(9)(a)(xi) (Reissue 2022).
2. Respondent is censured by the Department.
3. Respondent shall provide restitution in an amount of no less than \$32,323.35 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 Nebraska 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. Respondent agrees to provide restitution within one hundred twenty days of the effective date of this Order.
4. 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.
5. Respondent shall provide a notice of restitution to customers on terms not unacceptable to the "Multi-State Group" ("Notice"). The Notice shall be sent prior to or with the distribution of any restitution. Within forty-five days of the mailing of the Notice, Respondent shall provide the Department with a list of all Nebraska residents for whom Respondent receives a restitution payment as returned to sender. To the extent the Department has access to different address information, Respondent shall mail the payment and a second Notice to each Nebraska resident within thirty days of the Department providing such different address.

6. Respondent shall, within forty-five days of the date of this Order, submit to the Department, a report detailing the restitution paid pursuant to the Order, which shall include:

- a. Identification of all restitution payments; and
- b. Dates, amounts, and methods of the transfer of funds for all restitution payments.

7. Respondent is hereby ORDERED to pay an administrative fine to the Department in the amount of Two Thousand Dollars (\$2,000.00); the Department's costs of investigation in the amount of Three Thousand Dollars (\$3,000.00); and the sum of Fifteen Thousand Dollars (\$15,000.00) as a settlement to the Department of Banking and Finance Settlement Cash Fund pursuant to Neb. Rev. Stat. § 81-302 (LB 264, 2025).

8. The total amount of the fines, investigation costs, and settlement in the amount of Twenty Thousand Dollars shall be paid by one check payable to the Department within fifteen days after the effective date of this Consent Order. At its option, Respondent may transmit payment electronically to the Department, which will provide ACH transfer instructions upon request.

9. A representative of Respondent not unacceptable to the Multi-State Group has certified in writing to the Department that Respondent has undertaken the following:

- a. Updated its commission schedule to reflect that commissions on equity transactions do not exceed 5% of the principal trade amount;
- b. Adjusted the parameters of its trading system and corresponding controls to flag any commissions that exceed 5% of the principal amount; and
- c. Amended its policies and procedures to reflect and incorporate these changes.

10. Respondent 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 fine or settlement amounts that Respondents shall pay pursuant to this Order.

11. Respondent shall not 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.

12. 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 days of the entry of this Order, Respondent shall provide written notice to the Department within five days of the date of the petition.

13. Any fine, penalty, and/or money that Respondent shall pay in accordance with this Order is intended by Respondent and the Department 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).

14. If Respondent fails to comply with any of the terms set forth in this Order, the Department 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 Department may move to have this Order declared null and void, in whole or in part, and institute a proceeding against Respondents.

15. For good cause shown, the Department may extend any of the procedural dates set forth above. The Respondent shall make any request for extensions of the procedural dates set forth above in writing to the Department.

16. This Order waives any disqualification in the Act 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 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 Department 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.

17. The effective date of this Order is the date of the Director's signature.

DATED this 20 day of February 2026.

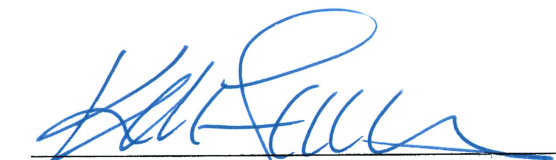
RBC CAPITAL MARKETS, LLC

By: 

Title: Managing Director, RBC USWM CCO

DATED this 20th day of February, 2026.

**STATE OF NEBRASKA
DEPARTMENT OF BANKING AND FINANCE**

By: 

Kelly Lammers, Director
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