

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

In the Matter of:

**RBC CAPITAL MARKETS, LLC –
RETAIL MINIMUM COMMISSIONS**

Respondent.

Docket No. SB-2025-107

**ADMINISTRATIVE CONSENT
ORDER**

Pursuant to the authority granted to the Director of the Idaho Department of Finance (the “Department”), under the Idaho Uniform Securities Act (2004), Idaho Code § 30-14-101 *et seq.* (the “Act”), and after investigation, careful review, and due consideration of the facts and statutory provisions set forth below, the Director hereby finds that there is good cause, and it is in the public interest to enter into a Consent Order (the “Order”) with RBC Capital Markets, LLC (“RBC”), which hereby agrees to resolve any and all issues in controversy regarding the conduct and violations described herein on the terms set forth in this Order. 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 Department concluded that Respondent charged unreasonable commissions to retail customers in excess of five percent (5%) of the principal amount on certain small principal equity transactions. Nationwide, Respondent charged unreasonable 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 Order has been entered for the purpose of settlement and concludes the Department's investigation and any civil or administrative actions that could be commenced pursuant to the Act for the specific violations resolved herein, solely as it relates to Respondent. Respondent in full settlement of these matters neither admits nor denies the Findings of Facts, neither admits nor denies the Conclusions of Law, and consents to the entry of this Order, thereby settling the above-captioned matter with prejudice.

JURISDICTION

1. The Department has jurisdiction over matters relating to securities under the Act.
2. This Order is made in accordance with Idaho Code § 30-14-604.
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 Idaho.

RELEVANT TIME PERIOD

4. Except as otherwise expressly stated, the conduct described herein occurred between May 16, 2020, to May 16, 2025 (the "Relevant Time Period").

RESPONDENT

5. RBC Capital Markets, LLC is a broker-dealer registered in Idaho 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. Respondent maintains two branch offices in Idaho.

FINDINGS OF FACTS

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 to have the majority of equity transactions 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. IDAPA 12.01.08.105.01 (Rule 105.01) requires every broker-dealer to exercise diligent supervision over the securities activities of all its agents and employees.

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 Idaho, Respondent executed 439 equity transactions which included an unreasonable commission for services performed (i.e. in excess of 5% of the principal trade amount) totaling \$17,173.19.

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

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

17. Idaho Code § 30-14-412(d)(9) provides that it is grounds for discipline if a broker-dealer fails to reasonably supervise.

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

19. 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.

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

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

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

Respondent Self-Reported to FINRA and Remediated Its Systems

23. 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.

24. 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

25. Respondent's acts and practices, as described above, constitute a violation of Rule 105.01 of the IUSA Rules.

26. Pursuant to Idaho Code § 30-14-412(c) and 30-14-412(d)(9), Respondent's violation of Rule 105.01 pursuant to the Act constitutes a basis for the issuance of an Order censuring Respondent.

27. Pursuant to Idaho Code § 30-14-412(c), Respondent's violations of Rule 105.01 also constitute a basis for the assessment of a penalty.

ORDER

Respondent in full settlement of these matters neither admits nor denies the Findings of Facts, and neither admits nor denies the Conclusions of Law, makes the following representations and agrees to the undertakings herein as part of the Order, IT IS HEREBY ORDERED and AGREED:

28. Respondent will permanently cease and desist from conduct described herein in

violation of the Act in the state of Idaho.

29. Respondent is censured by the Department.

30. Respondent will provide restitution in an amount of no less than \$17,173.19 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 Idaho customers plus interest in the amount of 6% compounded annually from the date of the transaction to the end of the Relevant Time Period.

31. Respondent agrees to provide restitution 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.

32. Respondent agrees to 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 (45) days of the date of this Order, Respondent shall provide the Department with a list of all Idaho residents for whom Respondent receives a restitution payment as returned to sender ("Undeliverable Idaho Resident"). To the extent the Department has access to different address information, Respondent shall mail the payment and a second Notice to each Undeliverable Idaho Resident within thirty (30) days of the Department providing such different address; and

33. Respondent agrees to, within forty-five (45) 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.

34. Respondent agrees to pay an administrative fine in the amount of \$20,000 to Idaho within fifteen (15) days following the date of entry of this Order. Payment shall be by secure ACH electronic delivery or by mailing a certified check/bank cashier's check or other secure instrument to the Idaho Department of Finance at 11341 W Chinden Blvd, Suite A300, Boise, Idaho 83714-1021.

35. Respondent agrees that a person 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.

36. 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.

37. 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 Department within five (5) days of the date of the petition.

38. Respondent agrees that any fine, penalty, and/or money that it 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).

39. Respondent agrees that, upon the issuance of an Order by the Department that contains the terms as set forth above, if Respondent fails to comply with any of the terms set forth in the 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 the Order declared null and void, in whole or in part, and re-institute the associated proceeding that had been brought against Respondent, and

40. For good cause shown, the Department 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 Department.

WAIVER

41. Respondent hereby waives all rights to contest the 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 by Section 30-14-604 of the Act, and the right to seek judicial review of the Order under Section 30-14-609 of the Act and under Section 67-5270 of the Idaho Administrative Procedure Act.

NO DISQUALIFICATION

42. 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.

43. This Order shall be binding upon Respondent 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.

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

AGREED TO and ACKNOWLEDGED.

RBC CAPITAL MARKETS, LLC by:

Signature:  _____

Print Name: Sean O'Connor

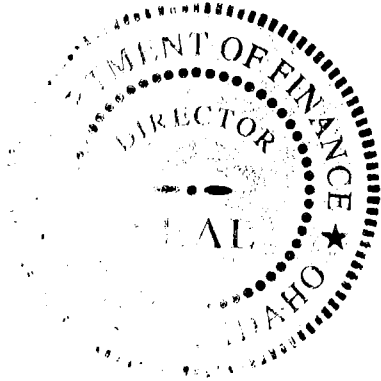
Title: Managing Director, Chief Compliance Officer

Dated: 04/17/2026

IT IS SO ORDERED.

[Signature Page Follows]

SIGNED AND ENTERED this 20 Day of April, 2026



STATE OF IDAHO
DEPARTMENT OF FINANCE



SALVADOR CRUZ, Director
Idaho Department of Finance