

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, OCTOBER 8, 2021

SEC-CLERK'S OFFICE
INVESTMENT CONTROL CENTER
2021 OCT -8 P 1: 14

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2021-00027

RBC CAPITAL MARKETS, LLC
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of RBC Capital Markets, LLC ("RBC" or the "Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

RBC is a Minnesota limited liability company with an address of Three World Financial Center, 200 Vesey Street, 5th Floor, New York, New York 10281. RBC is a federal covered advisor that has notice filed as an investment advisor in Virginia.

Based on the investigation, the Division alleges that from December 1, 2017 through November 27, 2020, RBC employed an unregistered investment advisor representative that, while registered in the District of Columbia, was not duly registered in the Commonwealth of Virginia ("Virginia") ("Unregistered Advisor") in violation of § 13.1-504 (C) of the Act. During this time, the Unregistered Advisor met with RBC clients and provided them with investment advisory services, among other things.

The Division further alleges that the Defendant violated 21 VAC 5-80-170 D of the Commission's rules governing Investment Advisors, 21 VAC 5-80-10 *et seq.* of the Virginia Administrative Code, by failing to enforce its written supervisory procedures in allowing the

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Unregistered Advisor to perform advisory functions and provide investment advisory services to clients without being registered in Virginia as an investment advisor representative from December 1, 2017 to November 27, 2020.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 (A) of the Act to impose a civil penalty; by § 13.1-521 (C) of the Act to order the defendant make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations herein, but admits to the Commission's jurisdiction and authority to enter into this Order.

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms:

- (1) The Defendant, contemporaneously with the entry of this Order, will pay to the Treasurer of Virginia the amount of Ten Thousand Dollars (\$10,000) in monetary penalties; and
- (2) The Defendant will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendant.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The Defendant shall fully comply with the aforesaid terms of this settlement.

(3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

A COPY hereof shall be sent by the Clerk of the Commission by electronic mail to: Shea Hicks, Esquire, Bryan Cave Leighton Paisner LLP, at shea.hicks@bclplaw.com, 211 North Broadway, Suite 3600, St. Louis, Missouri 63102; and a copy shall be delivered to the Commission's Office of General Counsel and the Division of Securities and Retail Franchising.

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STATE CORPORATION COMMISSION

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RBC CAPITAL MARKETS, LLC
Defendant

ADMISSION AND CONSENT

RBC Capital Markets, LLC ("Defendant") admits to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof, and neither admits nor denies the allegations made herein by the Division of Securities and Retail Franchising, hereby consents to the form, substance and entry of the foregoing Settlement Order ("Order").

The Defendant further states that no offer, tender, threat or promise of any kind whatsoever has been made by the Commission or any member, subordinate, employee, agent or representative thereof in consideration of the foregoing Order.

RBC Capital Markets, LLC

Date:

9/8/21

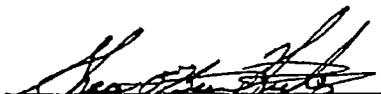
By:

Peter J. Bado

Its:

HEAD OF LITIGATION

Seen and Approved By:


Shea Hicks, Esquire