

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2022075967301**

TO: Department of Enforcement  
Financial Industry Regulatory Authority (FINRA)

RE: RBC Capital Markets, LLC (Respondent)  
Member Firm  
CRD No. 31194

Pursuant to FINRA Rule 9216, Respondent RBC Capital Markets, LLC submits this Letter of Acceptance, Waiver, and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described in this AWC.

**I.**

**ACCEPTANCE AND CONSENT**

- A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

**BACKGROUND**

RBC Capital Markets, LLC has been a FINRA member since 1993 and is headquartered in New York, New York. The firm conducts a general securities business and, as of June 2026, had approximately 6,500 registered representatives across 400 branch offices.<sup>1</sup>

**OVERVIEW**

From February 2016 through September 2023, RBC failed to develop and implement an anti-money laundering (AML) compliance program reasonably designed to detect and cause the reporting of suspicious transactions, in violation of FINRA Rules 3310(a), 3310(f)(ii) and 2010.

For these violations, RBC is censured and fined \$275,000.

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<sup>1</sup> For more information about the firm, including prior regulatory events, visit BrokerCheck® at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

## **FACTS AND VIOLATIVE CONDUCT**

This matter originated from FINRA's cycle examination of RBC.

FINRA Rule 3310 requires each member firm to develop and implement a written AML program reasonably designed to achieve and monitor the firm's compliance with the requirements of the Bank Secrecy Act and implementing regulations promulgated by the U.S. Department of the Treasury. FINRA Rule 3310(a) requires each firm to "[e]stablish and implement policies and procedures that can be reasonably expected to detect and cause the reporting of transactions required under 31 U.S.C. 5318(g) and the implementing regulations thereunder." Under the applicable implementing regulation for broker-dealers, 31 C.F.R. § 1023.320, broker-dealers are required, in specified circumstances, to file with the Financial Crimes Enforcement Network (FinCEN) a report of any suspicious transaction relevant to a possible violation of law or regulation. In addition, FINRA Rule 3310(f)(ii) requires, in relevant part, that a member firm's AML program include appropriate risk-based procedures for conducting ongoing customer due diligence, including conducting ongoing monitoring to identify and report suspicious transactions and, on a risk basis, to maintain and update customer information.

A violation of FINRA Rule 3310 is also a violation of FINRA Rule 2010, which requires member firms to "observe high standards of commercial honor and just and equitable principles of trade" in the conduct of their business.

In April 2002, NASD issued Notice to Members 02-21, advising that each firm's AML program should be tailored to the particular risks of its business model and customer base and explaining that firms have an obligation to monitor for and report suspicious transactions, including those that raise "red flags" suggestive of money laundering. The Notice further provided that firms should implement systems allowing them "to monitor trading, wire transfers, and other account activity to allow firms to determine when suspicious activity is occurring."

In May 2019, FINRA issued Regulatory Notice 19-18, reminding firms of their suspicious activity monitoring and reporting obligations and providing an updated, non-exhaustive list of red flags related to money movements, including: (i) "The customer's account shows numerous currency, money order (particularly sequentially numbered money orders) or cashier's check transactions aggregating to significant sums without any apparent business or lawful purpose"; (ii) "[t]he customer makes a funds deposit followed by an immediate request that the money be wired out or transferred to a third party, or to another firm, without any apparent business purpose"; (iii) "[t]he securities account is used for payments or outgoing wire transfers with little or no securities activities (i.e., account appears to be used as a depository account or a conduit for transfers, which may be purported to be for business operating needs); and (iv) "[t]he customer engages in excessive journal entries of funds between related or unrelated accounts without any apparent business purpose." Regulatory Notice 19-18 further explained that "[u]pon detection of red flags through monitoring, firms should consider whether additional investigation, customer due diligence measures or a SAR [suspicious activity report] filing may be warranted."

From February 2016 through September 2023, RBC failed to establish and implement policies and procedures reasonably expected to detect and cause the reporting of suspicious transactions.

During the relevant period, RBC's Wealth Management division provided full-service brokerage and investment advisory services to wealth management customers of the firm. The firm implemented a surveillance system based on transaction monitoring rules which, when triggered, indicated that a customer account may be engaging in suspicious transactions, including money movements that would not be expected of a wealth management customer, or which posed a higher risk of money laundering. Using an automated process, the system generated an alert for each customer when the parameters and thresholds of a particular rule were triggered.

In February 2016, the firm introduced three new transaction monitoring rules that were intended to identify red flags of suspicious money movements. However, the firm configured the parameters and thresholds of these monitoring rules in a manner that did not capture many of the types of transactions the rules were intended to detect. One monitoring rule was intended to identify customer securities accounts used for incoming and outgoing movements of funds without conducting any securities trading, but the firm configured the rule to trigger alerts based on an account's *margin* balance—which was typically less than the minimum threshold balance—instead of the *account* balance. The second monitoring rule was intended to identify customer accounts that conducted almost identical credit and debit transactions, but the rule failed to trigger useful alerts because the thresholds for total credits were set too high. The third monitoring rule was intended to identify customer accounts that had a high volume of “journal” transactions, i.e., transfers of cash between internal accounts that might indicate unauthorized third-party money movement activity, but the rule generated a high volume of false positives because it captured routine transfers between accounts belonging to the same person or related parties. Because the firm improperly configured the parameters and thresholds of these monitoring rules, they either failed to generate useful alerts or otherwise did not identify red flags of suspicious money movements that the firm should have investigated. Although the firm's policies and procedures required it to modify, replace, or retire ineffective transaction monitoring rules, in practice the firm failed to effectively review the monitoring rules to determine whether the rules were identifying suspicious money movements in customer accounts so as to enable the firm to investigate and report the suspicious transactions.

During the relevant period, the firm delegated to two different groups responsibilities for assessing the effectiveness of the transaction monitoring rules and for decommissioning ineffective rules, but the firm did not have procedures for the two groups to coordinate or escalate concerns. Consequently, the three rules that failed to generate useful alerts

remained in place for years and during this period, the firm failed to identify, investigate, and report suspicious transactions that these rules were designed to detect.<sup>2</sup>

By failing to develop and implement a reasonably designed AML program from February 2016 to September 2023, RBC violated FINRA Rules 3310(a), 3310(f)(ii) and 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a censure; and
- a \$275,000 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. FINRA's Finance Department will contact Respondent regarding payment. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

## II.

### **WAIVER OF PROCEDURAL RIGHTS**

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against it;
- B. To be notified of the complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council (NAC) and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

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<sup>2</sup> In September 2023, the firm updated its procedures to require periodic assessments of its automated transaction monitoring rules to determine whether they are effectively enabling the firm to detect and cause the reporting of suspicious transactions.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

### **III.**

#### **OTHER MATTERS**

Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and
- C. If accepted:
  - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
  - 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
  - 3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and
  - 4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a

party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.

- D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this statement. This statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA.

The undersigned, on behalf of Respondent, certifies that a person duly authorized to act on Respondent's behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce Respondent to submit this AWC.

07/22/2026

Date

*Michael R. Dressen*

RBC Capital Markets, LLC  
Respondent

Print Name: Michael Dressen

Title: Managing Director, Head of U.S. AML  
Advisory & Wealth Management

Reviewed by:

*Steven M. Malina*

Steven M. Malina, Esq.  
Carlos Real, Esq.  
Greenberg Traurig, LLP  
360 North Green Street, Suite 1300  
Chicago, IL 60607

Accepted by FINRA:

07/28/2026

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Date

Signed on behalf of the  
Director of ODA, by delegated authority

*Joseph E. Strauss*

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Joseph E. Strauss  
Senior Counsel  
FINRA  
Department of Enforcement  
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