

# IIROC NOTICE

## **Enforcement Notice Decision**

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**11-0137**  
**April 25, 2011**

## **IN THE MATTER OF Patrick David O’Neill– Penalty**

Following a disciplinary hearing held on September 21, 2010, in Montréal, Québec, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) found that Patrick David O’Neill carried on his business in a manner unbecoming and detrimental to the public interest, contrary to IIROC Rules, in that he misled his clients and his employer with forged and false documents and misappropriated over \$200,000 in client funds. Mr. O’Neill further contravened IIROC Rules in that he failed to cooperate in an IIROC investigation.

Specifically, the Hearing Panel found Mr. O’Neill committed the following breaches of IIROC Rules:

- (a) On or about August 13, 2009, Mr. O’Neill failed to cooperate in the IIROC investigation, notably by not appearing before the persons conducting the investigation despite several notices to appear, by not answering questions and by not providing the required information, the whole in contravention of IIROC Dealer Member Rule 19.5;
- (b) On or about August 18, 2008, Mr. O’Neill engaged in conduct unbecoming or detrimental to the public interest, contrary to IIROC Rule 29.1, when he submitted a false document to



client A, leading her to believe that a buy transaction involving 2,000 shares of B had been cancelled pursuant to the client's request;

- (c) Twice, namely on October 16, 2008 on December 12, 2008, Mr. O'Neill engaged in conduct unbecoming and contrary to the public interest, contrary to IIROC Rule 29.1, when he falsely allowed client A to believe that she had received compensation from the firm Dundee Securities Corporation (hereinafter, Dundee or the firm) with respect to the B shares, whereas he had drawn the cheques on the client's cash account;
- (d) Between September 2006 and November 2008, Mr. O'Neill engaged in conduct unbecoming and contrary to the public interest, contrary to IIROC Rule 29.1, when he knowingly misled client C by sending him forged statements that did not accurately reflect the status of his portfolios;
- (e) Between July 28, 2006 and November 30, 2008, Mr. O'Neill engaged in conduct unbecoming and contrary to the public interest, contrary to IIROC Rule 29.1, when he forged or used change of address documents falsified by photomontage of identical signatures, in order to redirect all of client C's mail to locations other than the latter's residential address, including locations where the Respondent had offices that had not been disclosed to the firm;
- (f) On or about July 30, 2006, Mr. O'Neill engaged in conduct unbecoming and contrary to the public interest, contrary to IIROC Rule 29.1, when he sent the firm's compliance department, at their request, a letter allegedly signed by the client, C, which proved to be a forgery;
- (g) Between June 2007 and November 2008, Mr. O'Neill engaged in conduct unbecoming and contrary to the public interest, contrary to IIROC Rule 29.1, when he used a scheme to make his client C believe that he was receiving a monthly rental income, whereas the amounts in question came from the client's own funds drawn on his margin account with the firm;
- (h) On or about June 27, 2007, Mr. O'Neill engaged in conduct unbecoming and contrary to the public interest, contrary to IIROC Rule 29.1, when he proposed to client C an unauthorized off-book investment, which proved to be fictitious, in order to appropriate the client's funds in the amount of \$200,000.

The decision and Reasons on Liability dated November 11, 2010, can be found at:

<http://docs.iroc.ca/DisplayDocument.aspx?DocumentID=8D81F0B3ECCB443D9F11D5738FDD2BAE&Language=en>

Following a penalty hearing held on February 3, 2011, the Hearing Panel imposed the following penalties on Mr. O'Neill:



(a) A total fine of \$775,000; and

(b) A permanent ban;

Mr. O’Neill must pay \$104,985.06 in costs.

The Decision and Reasons on Penalty dated April 11, 2011, can be found at:

<http://docs.iroc.ca/DisplayDocument.aspx?DocumentID=1FC5B4E9619F4D508DB53F5A2C13B4B8&Language=en>

IIROC formally initiated the investigation into Mr. O’Neill’s conduct in April, 2009, after being alerted by the result of an internal investigation conducted by the firm following several complaints. The violations occurred while Mr. O’Neill was a Registered Representative with the Pointe-Claire, Québec branch of Dundee Securities Corporation, an IIROC-regulated firm. Mr. O’Neill is no longer employed with any IIROC-regulated firm.

The Notice of Hearing is available at:

<http://docs.iroc.ca/DisplayDocument.aspx?DocumentID=7B5E4E04824E41FCBA71DB02CDF5F901&Language=en>

IIROC is the national self-regulatory organization which oversees all investment dealers and trading activity on debt and equity marketplaces in Canada. Created in 2008 through the consolidation of the Investment Dealers Association of Canada (IDA) and Market Regulation Services Inc. (RS), IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while maintaining efficient and competitive capital markets.

IIROC carries out its regulatory responsibility through setting and enforcing rules regarding the proficiency, business and financial conduct of dealer firms and their registered employees and through setting and enforcing market integrity rules regarding trading activity on Canadian equity marketplaces.