

NOTICE / NEWS RELEASE

For immediate release

Enforcement Notice Decision 12-0126

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IN THE MATTER OF Shaun Gerard McErlean – Penalty Decision

April 3, 2012 (Toronto, Ontario) — Following a penalty hearing held January 27, 2012, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) imposed the following penalty on Shaun Gerard McErlean:

1. Bar from approval for a period of five years.
2. For one year thereafter, be subject to the following restrictions and conditions upon his registration:
 - a. all trading must have the prior approval of a supervisor; and
 - b. any client account generating in excess of \$1,500 per month in commissions must be reviewed by the CEO of the Member and/or his designate.
3. Fines in the following amount:
 - a. Count #1 (providing falsified account documents to clients) - \$50,000
 - b. Count #2 (discretionary trading) - \$15,000
 - c. Count #3 (compensating clients for losses without the knowledge or approval of his firm) - \$10,000

Mr. McErlean is also required to pay costs in the amount of \$15,000.

The penalty decision can be found at

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=26F552BA2F3646CC96B2ECE0F8F3C24F&Language=en>

In an earlier decision dated October 31, 2011, the panel found Mr. McErlean provided falsified account documents to clients, misrepresented investment information to clients about their



accounts, conducted discretionary trading, and personally compensated his clients for losses in their accounts without the knowledge or approval of his firm, contrary to IIROC Rules. The decision on Liability can be found at:

<http://docs.iroc.ca/DisplayDocument.aspx?DocumentID=54B90BB3437344F3B69671D0A5A2A889&Language=en>

Documents related to ongoing IIROC enforcement proceedings – including Reasons and Decisions of Hearing Panels – are posted on the IIROC website as they become available. Click [here](#) to search and access all IIROC enforcement documents.

IIROC formally initiated the investigation into Mr. McErlean’s conduct in March 2009. The violations occurred when Mr. McErlean was a Registered Representative with the Toronto branch of CIBC World Markets, an IIROC-regulated firm. Mr. McErlean is no longer a registrant with an IIROC-regulated firm.

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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 and Market Regulation Services Inc., 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 responsibilities 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.

IIROC investigates possible misconduct by its member firms and/or individual registrants. It can bring disciplinary proceedings which may result in penalties including fines, suspensions, permanent bars, expulsion from membership, or termination of rights and privileges for individuals and firms.

All information about disciplinary proceedings relating to current and former member firms is available in the [Enforcement section](#) of the IIROC website. Background information regarding the qualifications and disciplinary history, if any, of advisors currently employed by IIROC-regulated firms is available free of charge through the [IIROC AdvisorReport](#) service. Information on how to make investment dealer, advisor or marketplace-related complaints is available by calling 1.877.442.4322.