

# NOTICE / NEWS RELEASE

*For immediate release*

## **Enforcement Notice Decision 13-0160**

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## **IN THE MATTER OF Charles B. Floyd and James Gordon McDonald – Penalty Decision**

**June 12, 2013 (Vancouver, B.C.)** –Following a penalty hearing held on April 15, 2013, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) imposed the following penalties on Charles B. Floyd and James Gordon McDonald:

Against Mr. Floyd:

- (a) A \$100,000 fine;
- (b) Disgorgement of \$5,860; and
- (c) A permanent ban from registration.

Mr. Floyd must also pay costs in the amount of \$15,000.

Against Mr. McDonald:

- (a) A \$35,000 fine;
- (b) A one-year suspension from acting as a branch manager or in any supervisory capacity commencing June 3, 2013 and ending June 3, 2014;
- (c) A requirement that he rewrite and pass the Conduct and Practices Handbook examination; and



- (d) A requirement that he redo and pass the Branch Managers Course before being eligible for reinstatement as a branch manager or any other supervisory role.

Mr. McDonald must also pay costs in the amount of \$5,000.

The penalty decision can be found at:

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=661D84A303EE448DAA32A1ACFE57C809&Language=en>.

In an earlier decision dated January 22, 2013, the Hearing Panel found that Mr. Floyd made unsuitable recommendations and discretionary purchases in one client's account and that Mr. McDonald failed to supervise the account. The decision on Liability can be found at:

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=E1746D66C38F419E9F5F7810E8AF4C13&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. Floyd's conduct in May 2009 and into Mr. McDonald's conduct in March 2009. The conduct occurred when they were Registered Representatives with the Edmonton branch of Union Securities Ltd., an IIROC-regulated firm. Mr. McDonald is currently a Registered Representative with the Edmonton branch of Wolverton Securities Ltd., an IIROC-regulated firm. Mr. Floyd 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.