

NOTICE / NEWS RELEASE

For immediate release

Enforcement Notice Decision 13-0120

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IN THE MATTER of Reginald Alfred Groome – Settlement Accepted

April 26, 2013 (Montréal, Qué.) – On April 4, 2013, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC), accepted the Settlement Agreement, with sanctions, between IIROC staff and Reginald Alfred Groome.

Mr. Groome admitted to having failed in his duty to know the client, to ensure that the acceptance of orders was appropriate for his clients, and to fulfill his role of gatekeeper.

Specifically, Mr. Groome admitted to the following violations:

- (a) Between November 1, 2006 and June 30, 2008, while a Registered Representative with Union Securities, Mr. Groome failed to use due diligence to learn and remain informed of the essential facts relative to his clients who invested in Millenia Hope Bio-Pharma, thus contravening IIROC Dealer Member Rule 1300.1(a) (IDA Rule 1300.1(a) prior to June 1, 2008);
- (b) Between November 1, 2006 and July 31, 2008, while a Registered Representative with Union Securities, Mr. Groome failed to use due diligence to ensure that the acceptance of orders from his clients to invest in Millenia Hope Bio-Pharma were appropriate to these clients given their financial circumstances, their knowledge of investing, their investment objectives and their risk tolerance, thus contravening IIROC Dealer Member Rule 1300.1(p) (IDA Rule 1300.1(p) prior to June 1, 2008);
- (c) Between November 1, 2007 and July 31, 2008, while a Registered Representative with Union Securities, Mr. Goome engaged in business conduct or practice unbecoming or



detrimental to the public interest and failed to fulfill his role of gatekeeper, by allowing his clients to make a private investment in Millenia Hope Bio-Pharma, whereas the company was under a cease trade order and, subsequently, an agreement not to seek financing from the public, thus contravening IIROC Dealer Member Rule 29.1 (IDA By-Law 29.1 prior to June 1, 2008).

Under the terms of the Settlement Agreement, Mr. Groome accepted the following penalties:

- (a) A fine of \$65,000: \$15,000 on count A, \$15,000 on count B, \$35,000 on count C;
- (b) Disgorgement of \$24,198 representing the profit realized by reason of the violations;
- (c) A three-year suspension of approval in any capacity;
- (d) A 24-month period of strict supervision once the suspension is lifted; and,
- (e) Successful completion of the Conduct and Practices Handbook Course as a condition for re-approval;

Mr. Groome also agreed to pay costs in the amount of \$5,000.

The Settlement Agreement is available at:

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=CE70A752C1B046E2ADE648F1634E5F94&Language=en>,

and the decision of the Hearing Panel will be made available at www.iiroc.ca.

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. Groome's conduct in February 2009. The alleged violations occurred when he was a Registered Representative with the Montréal branch of Union Securities Ltd., an IIROC-regulated firm. Mr. Groome 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 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,

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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.

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