

NOTICE / NEWS RELEASE

For immediate release

Enforcement Notice Decision 15-0043

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IN THE MATTER OF Donald Earl Phillips – Settlement Accepted

February 10, 2015 (Calgary, Alberta) – On February 5, 2015, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) accepted a Settlement Agreement, with sanctions, between IIROC staff and Donald Earl Phillips.

Mr. Phillips admitted that he made recommendations to 11 of his clients that they purchase Flow-Through Limited Partnership Units. Mr. Phillips failed to know these clients and failed to recognize that such an investment was unsuitable for them.

Specifically, Mr. Phillips admitted to the following violations:

- a. Between April 2006 and August 2008, Mr. Phillips failed to use due diligence to learn and remain informed of the essential facts relative to 11 of his clients, contrary to Dealer Member Rule 1300.1(a) (Investment Dealer Association by-law 1300.1(a) prior to June 1, 2008); and
- b. Between May 2006 and November 2008, Mr. Phillips made unsuitable recommendations for the accounts of 11 clients, contrary to Dealer Member Rule 1300.1(q) (Investment Dealer Association by-law 1300.1(q) prior to June 1, 2008).

Pursuant to the Settlement Agreement, Mr. Phillips agreed to the following penalties:

- a. A fine in the sum of \$100,000;
- b. A suspension of registration from IIROC for 18 months;
- c. Successfully Rewrite the Conduct and Practices Handbook exam; and
- d. A period of six months of close supervision upon any return to the industry.



Mr. Phillips also agreed to costs in the amount of \$10,000.

The Settlement Agreement is available at

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=280D9A47CD0847A4811151E80C0CE18D&Language=en>.

The Hearing Panel's decision 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. Phillips' conduct in May 2012. The conduct occurred while he was a Registered Representative with the Winnipeg branch of Wellington West Capital Inc., which is no longer an IIROC-regulated firm. Mr. Phillips 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.