

NOTICE / NEWS RELEASE

For immediate release

Enforcement Notice Decision 15-0014

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IN THE MATTER OF David Guy Schayes – Penalty Decision

January 22, 2015 (Calgary, Alberta) – Following a penalty hearing held on November 21, 2014, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) imposed the following penalties on David Guy Schayes:

- (a) A fine in the amount of \$70,000 that would include any disgorgement of commissions;
- (b) A two-year suspension from the securities industry; and
- (c) A requirement to re-write the Conduct Practices Handbook examinations and, on the commencement of his services as an Approved Person, he would be under close supervision for six months.

Mr. Schayes is also required to pay costs in the amount of \$20,000.

The penalty decision can be found at:

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=D60AC4EFE9A74D4CAFEE751B5F0B549E&Language=en>.

In an earlier decision dated September 15, 2014, the Hearing Panel found that Mr. Schayes committed the following violations:

- (a) In September 2006 and February 2007, Mr. Schayes made unsuitable recommendations for a client account, contrary to IDA by-law 1300.1(q) (Dealer Member Rule 1300.1(q) after June 1, 2008);



- (b) Between April 2007 and March 2010, Mr. Schayes made unauthorized trades in a client account, contrary to Dealer Member Rule 29.1 (IDA by-law 29.1 prior to June 1, 2008);
- (c) Between June 2006 and September 2008, Mr. Schayes failed to use due diligence to learn and remain informed of the essential facts relative to a client, contrary to Dealer Member Rule 1300.1(a) (IDA by-law 1300.1(a) prior to June 1, 2008);
- (d) Between June 2006 and September 2008, Mr. Schayes made unsuitable recommendations in a client account, contrary to Dealer Member Rule 1300.1(q) (IDA by-law 1300.1(q) prior to June 1, 2008); and
- (e) Between June 2006 and September 2008, Mr. Schayes engaged in discretionary trading in a client account, without the account first having been approved as a discretionary account, contrary to Dealer Member Rule 1300.4 (IDA by-law 1300.4 prior to June 1, 2008).

The decision on Liability can be found at:

http://www.iiroc.ca/Documents/2014/7fa2081c-7db5-4768-b540-48cfd7c892ee_en.pdf

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. Schayes’s conduct in April 2011. The conduct occurred when he was a Registered Representative with the Edmonton branch of CIBC World Markets Inc., an IIROC-regulated firm. Mr. Schayes 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.