

NOTICE / NEWS RELEASE

For immediate release

Enforcement Notice Decision 16-0149

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IN THE MATTER OF Kenneth Gottfred – Discipline decision – Liability and Penalty

June 28, 2016 (Vancouver, B.C.) – Following a disciplinary hearing held on April 20, 2016, in Vancouver, BC, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) found that Kenneth Gottfred executed discretionary transactions, made unsuitable recommendations, and failed to cooperate with IIROC’s investigation.

The Hearing Panel’s decision dated June 2, 2016, is available at:

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=63CDDFB0C3E14C668B32CE2F31DDDDF8&Language=en>

Specifically, the Hearing Panel found that Mr. Gottfred committed the following violations:

- (a) From January 2011 through April 2014, Mr. Gottfred executed discretionary transactions in client accounts, contrary to IIROC Dealer Member Rule 1300.4;
- (b) From August 2011 through April 2014, Mr. Gottfred recommended that clients use margin when it was not suitable for them, contrary to IIROC Dealer Member Rule 1300.1 (q); and
- (c) From April 2015 to the date of the hearing, Mr. Gottfred failed to cooperate with an IIROC investigation into his conduct, contrary to IIROC Dealer Member Rule 19.5.

The Hearing Panel imposed the following penalty on Mr. Gottfred:

- (a) A permanent ban from approval with IIROC in any capacity; and
- (b) A fine of \$50,000.



Mr. Gottfred is also required to pay costs in the amount of \$5,000.

IIROC formally initiated the investigation into Mr. Gottfred's conduct in August 2014. The violations occurred while he was a Registered Representative with the Kelowna branch of Raymond James Ltd., an IIROC-regulated firm. Mr. Gottfred 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 their trading activity in Canada's debt and equity markets. IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while supporting healthy Canadian 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.