

NOTICE / NEWS RELEASE

For immediate release

Enforcement Notice Decision 17-0046

For further information, please contact:

Enforcement Contact:

Warren Funt
Vice-President, Western Canada
604 331-4750
wfunt@iiroc.ca

Media Contact:

Karen Archer
Manager, Media Relations
416 865-3046
karcher@iiroc.ca

IN THE MATTER OF Brian McCullough – Settlement Accepted

February 27, 2017 (Vancouver, BC) – On February 9, 2017 a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) accepted a Settlement Agreement, with sanctions, between IIROC staff and Brian McCullough.

Brian McCullough admitted that he accepted a gift in the amount of \$750,000 from a client without the knowledge or consent of his Dealer Member firm and he failed to report to his Dealer Member firm that he had been served with a Notice of Civil Claim relating to his dealings with that client.

The conduct occurred while Mr. McCullough was at the Powell River office of DWM Securities Inc. from February 2013 to November 2013 and at the Powell River office of Scotia Capital Inc. from November 2013 to July 2015.

Specifically, Mr. McCullough admitted to the following violations:

- (a) On or about July 5, 2013, Mr. McCullough accepted a gift in the amount of \$750,000 from a client without knowledge and consent of his Dealer Member firm contrary to Dealer Member Rule 29.1; and
- (b) On or about November 14, 2014, Mr. McCullough failed to report to his Dealer member firm that he had been served with a Notice of Civil Claim relating to his dealings with that client contrary to Dealer Member Rule 29.1.



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

- (a) Fine in the amount of \$80,000; and
- (b) Suspension from any registration with IIROC for five years.

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

The Settlement Agreement is available at:

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=A2F38109A7B04E339A107C12E6168AD0&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. McCullough’s conduct in April 2015. The conduct occurred while Mr. McCullough was at the Powell River office of DWM Securities Inc. from February 2013 to November 2013 and at the Powell River office of Scotia Capital Inc. from November 2013 to July 2015. Mr. McCullough 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.