

NOTICE / NEWS RELEASE

For immediate release

Enforcement Notice Decision 17-0041

For further information, please contact:

Enforcement Contact:

Elsa Renzella
Vice-President, Enforcement
416 943-5877
erenzella@iiroc.ca

Media Contact:

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

IN THE MATTER OF Jeremy Nicholas Drew Austin – Discipline decision – Liability and Penalty

February 21, 2017 (Ontario) – Following a disciplinary hearing held on March 16, 2016, in Toronto, Ontario, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) found that Jeremy Nicholas Drew Austin failed to use due diligence to ensure that recommendations were suitable for four of his clients, engaged in unauthorized trading in a client's account, and refused and failed to attend and give information in respect of an investigation being conducted by IIROC Staff.

As a result of Mr. Austin's investment recommendations, his clients, which included a retired couple from London, Ontario, lost over \$400,000 of their savings. Mr. Austin also engaged in excessive trading in the accounts of these vulnerable clients earning substantial commissions for himself and his firm.

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

- (a) Between May 2009 and June 2013, Mr. Austin failed to use due diligence to ensure that recommendations were suitable for four of his clients, contrary to Dealer Member Rule 1300.1(q);
- (b) Between May 2009 and April 2012, Mr. Austin engaged in unauthorized trading in the account of a client, contrary to Dealer Member Rule 29.1; and



- (c) Commencing on or about August 26, 2015, Mr. Austin refused and failed to attend and give information in respect of an investigation being conducted by IIROC Staff, contrary to IIROC Dealer Member Rule 19.5.

The Hearing Panel imposed the following penalties on Mr. Austin:

- (a) A permanent ban on registration with IIROC;
- (b) A fine of \$50,000 for failure to cooperate;
- (c) A combined fine of \$120,000 for failure to ensure that recommendations were suitable and for unauthorized trading; and
- (d) Disgorgement of commissions in the amount of \$60,000.

Mr. Austin is also required to pay costs in the amount of \$50,000.

IIROC formally initiated the investigation into Mr. Austin's conduct in April 2015. The violations occurred while he was a Registered Representative with the London, Ontario branches of Edward Jones and then Manulife Securities, both IIROC-regulated firms. Mr. Austin is no longer a registrant with an IIROC-regulated firm.

The Hearing Panel's decision dated January 24, 2017, and an addendum to the decision dated February 8, 2017 which addresses costs, is available at:

http://www.iroc.ca/Documents/2017/b6c05ab1-55bd-47a3-bcbe-498fcd5a60d5_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.

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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.