

NOTICE / NEWS RELEASE

For immediate release

Enforcement Notice

Decision

18-0028

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IIROC Disciplines Former TD Waterhouse Investment Representative Nicholas Karakolis

January 30, 2018 (Toronto, Ontario) – On January 23, 2018, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) accepted a Settlement Agreement, with sanctions, between IIROC staff and Nicholas Karakolis.

Mr. Karakolis and his staff opened accounts for more than 200 clients who were transferring their accounts from a trust company relying on copies of client identification records without meeting the clients in person or viewing original valid identification documents. Mr. Karakolis admitted that he failed to comply with his employer's policies and procedures regarding the opening of client accounts.

Specifically, Mr. Karakolis admitted to the following violation:

- (a) From March 2015 to April 2016, Mr. Karakolis failed to comply with his Dealer Member Firm's policies and procedures regarding the opening of client accounts, contrary to IIROC Dealer Member Rule 29.1.

Pursuant to the Settlement Agreement, Mr. Karakolis agreed to the following penalty:

- (a) a global fine of \$15,000;
- (b) a suspension of 3 months; and
- (c) a requirement to rewrite the Conduct and Practices Handbook examination prior to reregistration with IIROC.



Mr. Karakolis also agreed to pay costs in the amount of \$2,000.

The Settlement Agreement is available at:

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=73595EBC21734733AEE9B6E920C25104&Language=en>

The Hearing Panel's decision will be made available at www.iiroc.ca.

IIROC formally initiated the investigation into Mr. Karakolis' conduct in April 2016. The conduct occurred while he was an Investment Representative with the North York branch of TD Waterhouse Inc. Direct Investing. Mr. Karakolis is no longer a registrant with an IIROC-regulated firm.

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.