

# NOTICE / NEWS RELEASE

*For immediate release*

**Enforcement Notice  
Decision  
19-0075**

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## **IIROC Fines and Suspends Calgary Investment Advisor Preston Henry Smith**

**April 23, 2019 (Calgary, Alberta)** – On April 5, 2019, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) accepted a Settlement Agreement, with sanctions, between IIROC staff and Preston Henry Smith.

Mr. Smith failed to learn and remain informed of essential facts about his clients and recommended high-risk investments that were inconsistent with their personal and financial circumstances.

Specifically, Mr. Smith admitted to the following violations:

- a) For five groups of clients, he made recommendations that were not suitable, and failed to use due diligence to learn and remain informed of the essential facts regarding these clients, contrary to Dealer Member Rules 1300.1(a) and 1300.1(q)
- b) In addition, he failed to use due diligence to learn and remain informed of the essential facts pertaining to one further client, contrary to Dealer Member Rule 1300.1(a).

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

- a) A fine in the amount of \$100,000, inclusive of disgorgement
- b) Suspension from acting in a registered capacity for 2.5 years
- c) Period of close supervision for 12 months
- d) Successful rewrite of the Conduct and Practices Handbook exam.

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



The Settlement Agreement and the Hearing Panel's decision will be available at:  
[http://www.iiroc.ca/documents/2019/860e81a3-75ca-4687-aa8f-21b4df8bf7ce\\_en.pdf](http://www.iiroc.ca/documents/2019/860e81a3-75ca-4687-aa8f-21b4df8bf7ce_en.pdf)

IIROC formally initiated the investigation into Mr. Smith's conduct in February 2015. The conduct occurred while he was a Registered Representative with the Calgary branch of Blackmont Capital Inc., Macquarie Private Wealth Inc., and Richardson GMP Limited. Mr. Smith 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 that 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 more than 170 Canadian investment dealer firms and their more than 29,000 registered employees, the majority of whom are commonly referred to as investment advisors. IIROC also sets and enforces market integrity rules regarding trading activity on Canadian debt and 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.

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