

# NOTICE / NEWS RELEASE

*For immediate release*

## Enforcement Notice

### Decision

**19-0029**

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## **IIROC Fines and Suspends Former Head Trader & Head of Syndication at Global Maxfin Capital Inc. and Chippingham Financial Group Inc.**

**February 21, 2019 (Toronto, Ontario)** – On February 13, 2019, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) accepted a Settlement Agreement, with sanctions, between IIROC staff and Carlos Manuel Vargas.

Mr. Vargas admitted to improper trading activity between August 2012 and December 2013 – contrary to Dealer Member Rule 29.1. During this period, he traded new issues for his employer’s own pro-trading inventory accounts or his own personal trading accounts in circumstances where he knew, or ought to have known, he had no or limited retail demand for the new issues.

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

- (a) payment of a fine in the sum of \$620,000, inclusive of disgorgement;
- (b) a one year suspension, effective from when he ceased to be an Approved Person; and
- (c) six months of close supervision effective the date he becomes re-registered with an IIROC Dealer Member.

Mr. Vargas also agreed to pay costs in the amount of \$50,000.

The Settlement Agreement is available at:

[http://www.iroc.ca/Documents/2019/b480fb38-1f1a-43c1-86cb-700ad7539b44\\_en.pdf](http://www.iroc.ca/Documents/2019/b480fb38-1f1a-43c1-86cb-700ad7539b44_en.pdf).



The Hearing Panel's decision will be made available at [www.iiroc.ca](http://www.iiroc.ca).

IIROC formally initiated the investigation into Mr. Vargas' conduct in December 2013. The alleged violation occurred while he was a Registered Representative with the Toronto branches of Global Maxfin Capital Inc. and Chippingham Financial Group Inc., both IIROC-regulated firms. Mr. Vargas 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.