

IIROC NOTICE

Enforcement Notice Decision

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Legal and Compliance

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IN THE MATTER OF Mark Andrew Reynolds and Lawrence Bradley Chang – Settlement

SUMMARY

On November 10, 2009, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) accepted a Settlement Agreement between IIROC Staff and Mark Andrew Reynolds and Lawrence Bradley Chang (the Respondents). Pursuant to the Settlement Agreement:

- (a) Reynolds admitted that he acted contrary to Dealer Member Rule 29.1 by accepting orders to buy and sell shares of Aberdene in client accounts without reasonably informing himself of the essential facts relative to his clients' orders and without assuring himself the transactions were not being effected for improper purposes, in circumstances which necessitated such inquiries; and
- (b) Chang admitted that he acted contrary to Dealer Member Rules 1300.1(a), (o), and (p) by accepting orders to buy and sell shares of Aberdene in client accounts without making reasonable or diligent inquiries that were reasonably necessary to inform himself of the essential facts relative to his clients and their orders and to assure himself



that the transactions were suitable for his clients in the circumstances which necessitated such inquiries.

Pursuant to the Settlement Agreement, the Hearing Panel imposed the following penalties against the Respondents:

- (a) Reynolds will pay a fine of \$40,000;
- (b) Chang will pay a fine of \$30,000; and
- (c) Reynolds is suspended from approval in any registered capacity with IIROC for a period of 6 months from the date of his execution of the Settlement Agreement.

The Hearing Panel also required the Respondents to pay costs in the amount of \$2,000 each for a total of \$4,000.

IIROC formally initiated the investigation into the Respondents' conduct on January 27, 2005. The alleged violations occurred when Mark Andrew Reynolds was a Registered Representative with the #564-1055 Dunsmuir Street Branch of Research Capital Corporation and Lawrence Bradley Chang was a Registered Representative with the #1077-777 Dunsmuir Street Branch of Wolverton Securities Ltd. Neither Respondent is currently registered with an IIROC-regulated firm. In a previously published notice, IIROC erroneously indicated that Mr. Chang was currently registered at Canaccord Capital Corporation.

The Hearing Panel issued its Reasons and Decision on November 23, 2009. The Settlement Agreement and the Hearing Panel's Decision and Reasons are available at:
<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=26E9945365104FDEB63D3F75A4621D80&Language=en>