

# IIROC NOTICE

## **Enforcement Notice Decision**

*Please distribute internally to:*  
Legal and Compliance

*Contact:*

Alex Popovic  
Vice President – Enforcement  
416.943.6904  
apopovic@iroc.ca

Jeff Kehoe  
Director, Enforcement Litigation  
416.943.6996  
jkehoe@iroc.ca

**09-0350**  
**December 7, 2009**

## **IN THE MATTER OF DANIEL MURRAY TRENHOLM – Penalty**

### **SUMMARY**

Following a disciplinary hearing held on July 8, 9 and 10, 2009, in Halifax, Nova Scotia, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) found that Daniel Murray Trenholm (the “Respondent”):

1. During the period October 2001 to February 2004, the Respondent failed to properly perform his role as a gatekeeper in the capital markets, contrary to Rule 29.1 (then By-law 29.1) and Rule 1300.1(a) (then Regulation 1300.1(a)) when dealing with a group of related clients by:
  - i. Facilitating certain transactional activity in five related accounts without making diligent inquiries to ensure the legitimacy of the transactions in circumstances which should have called the transactional activity into question because it was peculiar, suspicious or appeared to be consistent with market manipulation, deception or other improper market related activity; and
2. During the period October 2001 to February 2004, the Respondent accepted trading instructions in respect of four client accounts from a person not authorized in writing to provide such instructions for those accounts, contrary to Association Rule 200.1(i)(3) (then, Regulation 200.1(i)(3)).



The Hearing Panel issued its Decision and Reasons on September 6, 2009. In a separate penalty decision dated November 24, 2009, the Hearing Panel imposed the following penalty against the Respondent:

- (a) suspension for a period of 3 years;
- (b) fine of \$15,000;
- (c) costs of \$15,000; and
- (d) re-write the CPH examination prior to re-approval.

The IDA formally initiated the investigation into the Respondent's conduct in June 2006. The violations occurred when the Respondent was a Registered Representative with the Halifax, Nova Scotia Branches of Lynch Investments Ltd. and Acadian Securities Inc. The Respondent is currently a registrant with Jennings Capital Inc., an IIROC-regulated firm.

The Hearing Panel's Decisions and Reasons are available at

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=AEA7E1306818402790A8090DA2CA0201&Language=en>.