

# IIROC NOTICE

## **Enforcement Notice Decision**

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Legal and Compliance

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**11-0052**  
**February 7, 2011**

## **IN THE MATTER OF Gregory Rao – Settlement**

On January 25<sup>th</sup>, 2011, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) accepted a Settlement Agreement between the IIROC Staff and Gregory Rao. Mr. Rao admitted that he misappropriated funds from two clients for a total of \$195,000.

In the Settlement Agreement, Mr. Rao agreed to committing the following misconduct:

From or about May to November 2008, Mr. Rao, while a Registered Representative, engaged in business conduct or practice which is unbecoming or detrimental to the public interest in that he misappropriated client funds, contrary to IIROC Rule 29.1

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

- (a) a global fine of \$270,000; and
- (b) a permanent ban on registration with IIROC;

Mr. Rao also agreed to pay costs in the amount of \$15,000.



The Decision and Reasons of the hearing panel, and the Settlement Agreement accepted by the Hearing Panel is available at

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=74855650EB534A8A9B4C13FA46F1FB7C&Language=en>

IIROC formally initiated the investigation into Mr. Rao's conduct in September 2009. The alleged contraventions occurred when he was a Registered Representative with the Woodbridge, Ontario branch of BMO Nesbitt Burns, an IIROC regulated firm. The Respondent is no longer a registrant with an IIROC regulated firm.

IIROC is the national self-regulatory organization which oversees all investment dealers and trading activity on debt and equity marketplaces in Canada. Created in 2008 through the consolidation of the Investment Dealers Association of Canada (IDA) and Market Regulation Services Inc. (RS), IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while maintaining efficient and competitive capital markets.

IIROC carries out its regulatory responsibility 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.