

# NOTICE / NEWS RELEASE

*For immediate release*

## **Enforcement Notice Decision 12-0022**

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## **IN THE MATTER OF Henry Cole – Settlement Accepted**

**January 19, 2012 (Toronto, ON)** – On January 18, 2012, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) accepted a Settlement Agreement between IIROC staff and Henry Cole.

In the agreement, Mr. Cole admitted that he misappropriated client funds and misrepresented payments to investors.

In particular, Mr. Cole has admitted to the following violation:

Between February 2009 and December 2010, while a Registered Representative, he failed to observe high standards of ethics and conduct in the transaction of his business, and engaged in a business conduct or practice which is unbecoming or detrimental to the public interest, contrary to IIROC Dealer Member [Rule 29.1](#), in that he:

- (a) misappropriated client funds in the amount of approximately \$5 million;
- (b) created false documents; and
- (c) misrepresented payments to investors out of a pool of investor funds as being returns on investment.

In the agreement, Mr. Cole also agreed to the following penalty:

- (a) a fine of \$5,020,022; and
- (b) a permanent ban from registration with IIROC.

Mr. Cole also agreed to pay costs in the amount of \$10,000.



The Settlement Agreement is available at <http://docs.iroc.ca/DisplayDocument.aspx?DocumentID=45BD72A6B1BC4AFE9F73F7C41ED75EC4&Language=en> and the Hearing Panel's Decision and Reasons for acceptance will be made available at [www.iroc.ca](http://www.iroc.ca). 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.

IIROC formally initiated the investigation into Mr. Cole's conduct in December 2010. The violation occurred when he was a Registered Representative in Toronto, Ontario with RBC Dominion Securities Inc., an IIROC-regulated firm. Mr. Cole is no longer a registrant with an IIROC-regulated firm.

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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 and Market Regulation Services Inc., 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 responsibilities 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.

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.