

# NOTICE / NEWS RELEASE

*For immediate release*

## **Enforcement Notice Decision 16-0268**

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## **IN THE MATTER OF Sherman Dahl – Settlement Accepted**

**November 18, 2016 (Vancouver, BC)** –On November 4, 2016 a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) accepted a Settlement Agreement, with sanctions, between IIROC staff and Sherman Dahl.

Mr. Dahl admitted that he made unsuitable recommendations for two clients, failed to update the account information of two clients after their circumstances materially changed and placed discretionary trades on behalf of two clients.

Specifically, Mr. Dahl admitted to the following violations:

- (a) Between July 2011 and December 2014, Dahl failed to use due diligence to ensure that the recommendations that he made for the accounts of his client were suitable for her, contrary to Dealer Member Rule 1300.1(q).
- (b) Between July 2011 and December 2014, Dahl failed to update the account information of his client after her personal and financial circumstances materially changed, contrary to Dealer Member Rules 29.1 and 1300.1(a).
- (c) Between September 2006 and May 2013, Dahl failed to use due diligence to ensure that the recommendations that he made for the accounts of his client were suitable for him, contrary to Dealer Member Rule 1300.1(q).
- (d) Between July 2013 and December 2014, Dahl failed to update the account information of his client after her personal and financial circumstances materially changed, contrary to Dealer Member Rules 29.1 and 1300.1(a).



- (e) Between January 2011 and February 2012, Dahl engaged in discretionary trading in the accounts of two clients, without the accounts having been approved and accepted as discretionary accounts, contrary to Dealer Member Rule 1300.4.

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

- (a) A fine of \$35,000;
- (b) A prohibition from applying for registration in any capacity with IIROC for a period of 12 months;
- (c) A requirement that he successfully complete the Conduct and Practices Handbook course prior to being eligible for approval; and
- (d) Upon re-approval a 12-month period of close supervision.

Mr. Dahl also agreed to pay costs in the amount of \$5,000.

The Settlement Agreement is available at:

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=B56CCA512374401FA86F491873215789&Language=en>

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. Dahl’s conduct in November 2014. The conduct occurred while he was a Registered Representative with the Vernon branch of National Bank Financial Inc, an IIROC-regulated firm. Mr. Dahl 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 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 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.