

NOTICE / NEWS RELEASE

For immediate release

Enforcement Notice Decision 16-0093

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IN THE MATTER OF Allen Samuel Mendelman – Settlement Accepted

April 28, 2016 (Calgary, Alberta) – On March 29, 2016, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) accepted a Settlement Agreement, with sanctions, between IIROC staff and Allen Samuel Mendelman.

Mr. Mendelman admitted that he borrowed funds from a client and engaged in outside business activities by facilitating off-book investments by his clients, without his firm’s knowledge. Mr. Mendelman also shared non-public, material information concerning a publicly-traded company with 11 of his clients.

Specifically, Mr. Mendelman admitted to the following violations:

- a) Between 2002 and September 2013, Mr. Mendelman engaged in personal financial dealings with a client, without the knowledge or consent of his firm, contrary to IIROC Dealer Member Rule 29.1 (Investment Dealer Association by-law 29.1 prior to June 1, 2008);
- b) Between February and April 2013, Mr. Mendelman engaged in outside business activities by facilitating off-book investments by his clients, without the knowledge of his firm, contrary to IIROC Dealer Member Rule 29.1; and
- c) On or about November 2013, Mr. Mendelman shared non-public, material information concerning a publicly traded company with 11 of his clients, contrary to IIROC Dealer Member Rule 29.1.



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

- a) A fine in the sum of \$100,000;
- b) A suspension for a period of 18 months;
- c) Successfully rewrite the Conduct and Practices Handbook examination before a return to the industry after the suspension; and
- d) A six-month period of close supervision upon a return to the industry.

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

The Settlement Agreement is available at

http://www.iroc.ca/Documents/2016/ffb1697b-cf07-43a7-b499-adb9bd3f0039_en.pdf.

The Hearing Panel's decision is available at

http://www.iroc.ca/Documents/2016/a9a618cb-dc58-43de-ab3a-7146cbc085a9_en.pdf.

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. Mendelman's conduct in November 2013. The conduct occurred while he was a Registered Representative with the Calgary branch of Canaccord Genuity Corp., an IIROC-regulated firm. Mr. Mendelman is currently a Registered Representative with the Calgary branch of Integral Wealth Securities Limited, 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 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

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make investment dealer, advisor or marketplace-related complaints is available by calling 1 877 442-4322.

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