

NOTICE / NEWS RELEASE

For immediate release

Enforcement Notice

Decision

19-0136

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IIROC Hearing Panel Fines Former New Brunswick Investment Advisors Christopher Mark Reid and David John Reid

August 12, 2019 (Montréal, Québec) – On August 7, 2019, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) accepted a Settlement Agreement, with sanctions, between IIROC staff and Christopher Mark Reid and David John Reid.

Christopher Mark and David John Reid admitted they engaged in discretionary trading in client accounts without the accounts having been preauthorized and accepted as discretionary accounts.

Specifically, Christopher Mark and David John Reid admitted to the following violations:

- (a) Between 2012 and early 2018, while a Registered Representative with BMO Nesbitt Burns Inc., David John Reid engaged in discretionary trading in client accounts without the accounts having been preauthorized and accepted as discretionary accounts, contrary to Dealer Member Rule 1300.4 and 1300.5;
- (b) Between 2014 and early 2018, while a Registered Representative with BMO Nesbitt Burns Inc., Christopher Mark Reid engaged in discretionary trading in client accounts without the accounts having been preauthorized and accepted as discretionary accounts, contrary to Dealer Member Rule 1300.4 and 1300.5.



David John Reid agreed to the following penalty:

- (a) A fine in the amount of \$ 40,000;
- (b) Prohibition of approval with IIROC for a period of 30 months, effective March 2018, when he ceased to be an Approved Person;
- (c) A 12 months of close supervision in the event of reapproval with IIROC;
- (d) The obligation to pass the Conduct and Practices Handbook Course prior to reapproval with IIROC.

David John Reid shall also pay costs in the amount of \$2,500 to IIROC.

Christopher Mark Reid agreed to the following penalty:

- (a) A fine in the amount of \$ 30,000;
- (b) Prohibition of approval with IIROC for a period of 16 months, effective March 2018, when he ceased to be an Approved Person;
- (c) A 6 months of close supervision in the event of reapproval with IIROC;
- (d) The obligation to re-write and pass the Conduct and Practices Handbook Course within 6 months of reregistration.

Christopher Mark Reid shall also pay costs in the amount of \$2,500 to IIROC.

The violations occurred while Christopher Mark and David John Reid were both Registered Representative with the St-John branch, New Brunswick, of BMO Nesbitt Burns Inc., an IIROC-regulated firm. Christopher Mark and David John Reid are no longer registrants with an IIROC-regulated firm. IIROC formally initiated the investigation into Christopher and David Reid's conduct in May 2018.

The Settlement Agreement is available at:

http://www.iroc.ca/documents/2019/4001c641-0003-4c7f-92bf-582e5546b382_en.pdf

The Hearing Panel's decision will be available at 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.

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IIROC is the national self-regulatory organization that 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 more than 170 Canadian investment dealer firms and their more than 29,000 registered employees, the majority of whom are commonly referred to as investment advisors. IIROC also sets and enforces market integrity rules regarding trading activity on Canadian debt and 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.