

# NOTICE / NEWS RELEASE

*For immediate release*

## **Enforcement Notice**

### **Decision**

**19-0182**

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## **IIROC Fines Mackie Research Capital Corporation and Patrick Byrnes McCarthy**

**October 17, 2019 (Toronto, Ontario)** – On October 3, 2019, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) accepted a Settlement Agreement, with sanctions, between IIROC staff, Mackie Research Capital Corporation (MRCC) and Patrick McCarthy.

Specifically, MRCC admitted to the following violation:

- (a) In July 2014, MRCC failed to establish and enforce adequate policies and procedures for the receipt and containment of confidential information regarding a proposed financing, contrary to Dealer Member Rule 38.1.

Pursuant to the Settlement Agreement, MRCC agreed to the following penalty:

- (a) a fine of \$180,000; and
- (b) to pay costs in the amount of \$20,000.

Specifically, Patrick McCarthy admitted to the following violation:

- (a) In July 2014, Patrick McCarthy failed to comply with MRCC's policies and procedures for the receipt and containment of confidential information and failed to address that he was in possession of confidential information regarding a proposed financing, contrary to Dealer Member Rule 29.1.



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

- (a) a fine of \$100,000;
- (b) a suspension of approval for one month beginning October 14, 2019;
- (c) completion of the Partners, Directors and Seniors Officer Course within 12 months of acceptance of this Settlement Agreement; and
- (d) to pay costs in the amount of \$5,000.

The Settlement Agreement is available at

[http://www.iroc.ca/documents/2019/8f7196ab-92b9-4db0-8196-091dbee91418\\_en.pdf](http://www.iroc.ca/documents/2019/8f7196ab-92b9-4db0-8196-091dbee91418_en.pdf)

The Hearing Panel's decision will be made available at [www.iroc.ca](http://www.iroc.ca).

IIROC formally initiated the investigation into MRCC's conduct in June 2016. MRCC is an IIROC-regulated firm.

IIROC formally initiated the investigation into Mr. McCarthy's conduct in August 2016. The alleged contraventions occurred while he was a Registered Representative with the Toronto branch of MRCC, an IIROC-regulated firm, where he continues to be registered.

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.