

# NOTICE / NEWS RELEASE

*For immediate release*

**Enforcement Notice  
Decision  
20-0221**

*For further information, please contact:*

*Enforcement Contact:*

*Media Contact:*

Warren Funt  
Vice-President, Western Canada  
604 331-4750  
[wfunt@iiroc.ca](mailto:wfunt@iiroc.ca)

Andrea Zviedris  
Manager, Media Relations  
416 943-6906  
[azviedris@iiroc.ca](mailto:azviedris@iiroc.ca)

## **IIROC Fines Former Vancouver Investment Advisor Paul Brum**

**October 26, 2020 (Vancouver, BC)** – On October 7, 2020, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) accepted a Settlement Agreement, with sanctions, between IIROC Staff and Paul Brum.

Mr. Brum admitted he made unsuitable recommendations to two clients, which involved an over emphasis on new issues and short term trading. He also engaged in discretionary trading in the clients' accounts.

Specifically, Mr. Brum admitted to the following violations:

- (a) Between January 31, 2011, and March 31, 2017, he failed to use due diligence to ensure that recommendations were suitable for a client, contrary to Dealer Member Rule 1300.1(q);
- (b) Between January 31, 2011, and March 31, 2016, he failed to use due diligence to ensure that recommendations were suitable for a clients' account, contrary to Dealer Member Rule 1300.1(q);
- (c) Between February 1, 2014 to March 31, 2017, he engaged in discretionary trading in a client's account, contrary to Dealer Member Rule 1300.4;
- (d) Between February 1, 2014 to March 31, 2016, he engaged in discretionary trading in a client's account, contrary to Dealer Member Rule 1300.4;



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

- (a) Payment of fine of \$10,000; and
- (b) Prohibition from approval in any capacity for 18 months;
- (c) Period of 12 months of close supervision upon any registration with IIROC.

The Settlement Agreement is available at:

[http://www.iroc.ca/documents/2020/4a1be493-4180-4e22-bc3d-c32baa9c9641\\_en.pdf](http://www.iroc.ca/documents/2020/4a1be493-4180-4e22-bc3d-c32baa9c9641_en.pdf)

IIROC formally initiated the investigation into Mr. Brum's conduct in July 2018. The violations occurred while he was a Registered Representative with the Vancouver branch of BMO Nesbitt Burns Inc., an IIROC-regulated firm. Mr. Brum is not currently registered with IIROC.

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 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.