

# NOTICE / NEWS RELEASE

*For immediate release*

## **Enforcement Notice Hearing 20-0189**

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## **IIROC Begins Disciplinary Action Against Former Toronto Investment Advisor Alfred Drose**

**September 14, 2020 (Toronto, Ontario)** – The Investment Industry Regulatory Organization of Canada (IIROC) has scheduled an appearance on September 29, 2020 to set a date for the disciplinary hearing in the matter of Alfred Drose.

The discipline hearing concerns allegations that Mr. Drose accepted orders and traded speculative securities without complying with his know-your-client (KYC) obligations to a vulnerable client. It is also alleged that he engaged in excessive trading in the client's account and made a false attestation on an account-opening document.

Specifically, the allegations are:

- (a) Between February 2014 and June 2015, Mr. Drose engaged in excessive trading in a client's accounts, which was not within the bounds of good business practice and was unsuitable for the client, contrary to Dealer Member Rules 1300.1 (o), 1300.1(q), and 1300.1(s).
- (b) Between February 2014 and June 2015, Mr. Drose failed to use due diligence to learn and remain informed of the essential facts relative to his client, contrary to Dealer Member Rule 1300.1(a); and
- (c) In or about February 2014, Mr. Drose made a false attestation on an account document, contrary to Consolidated Rule 1400.



IIROC formally initiated the investigation into Mr. Drose's conduct in December 2019. The alleged violations occurred while he was a Registered Representative with the Toronto branch of Chippingham Financial Group, formerly an IIROC-regulated firm. Mr. Drose is no longer a registrant with an IIROC-regulated firm.

The set date appearance is open to the public, unless the Panel orders otherwise. Members of the public who would like to attend the hearing should contact IIROC's National Hearing Coordinator at [NHC1@iroc.ca](mailto:NHC1@iroc.ca) to obtain the details. The decision of the Hearing Panel will be made available at [www.iroc.ca](http://www.iroc.ca).

**Appearance Date:** The hearing will be held by way of videoconference on September 29, 2020 at 10:00 a.m.

The Notice of Hearing and Statement of Allegations which sets out the allegations is available at: [http://www.iroc.ca/documents/2020/08ecceef-127e-42ff-b2a2-dada50421c92\\_en.pdf](http://www.iroc.ca/documents/2020/08ecceef-127e-42ff-b2a2-dada50421c92_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.

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IIROC is the pan-Canadian 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 175 Canadian investment dealer firms and their nearly 30,000 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.