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Contact:  
David Fowles  
Enforcement Counsel  
(403) 260-6284

*For distribution to relevant parties within your firm*

**BULLETIN # 2914**  
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## Discipline

### Discipline Penalties Imposed on Richard Nyren – Violation of By-law 29.1

Person Disciplined	The Pacific District Council of the Investment Dealers Association of Canada (the “Association”) has imposed discipline penalties on Richard Nyren, at the relevant time a Registered Representative with Scotia McLeod Inc. (“Scotia McLeod”), now Scotia Capital Inc., a Member of the Association.
By-laws, Regulations, Policies Violated	On October 31, 2001 a panel of the Pacific District Council considered, reviewed, and amended a Settlement Agreement negotiated between Mr. Nyren and staff of the Association’s Enforcement Division. Pursuant to the Settlement Agreement, the Respondent admitted that in or around October 1998 he engaged in conduct or practice which was unbecoming a Registered Representative and not in the public interest by falsifying examination results and then representing to Association staff that the false results were true, contrary to Association By-law 29.1.
Penalty Assessed	<p>Under the original terms of the negotiated Settlement Agreement Mr. Nyren was required to pay a fine of \$10,000.00, re-write the <i>Conduct and Practices Handbook for Securities Industry Professionals</i> examination within six (6) months, complete a period of six (6) months close supervision, and finally pay the Association’s costs in the amount of \$1,000.00 within one (1) month.</p> <p>Under the terms of the amended Settlement Agreement Mr. Nyren’s approval by the Association is withdrawn for a period of three (3) months. However, the withdrawal of his approval is suspended upon the following conditions:</p> <ol style="list-style-type: none"><li>1/ within one (1) month of the effective date of the Settlement Agreement he pay a fine of \$10,000.00;</li><li>2/ he successfully re-writes the <i>Conduct and Practices Handbook for Securities Industry Professionals</i> examination within six (6) months following the effective date of the Settlement Agreement;</li></ol>

3/ he successfully completes a period of six (6) months close supervision following the effective date of the Settlement Agreement;

4/ the Association's costs of investigation in the amount of \$1,000.00 are paid within one (1) month of the effective date of the Settlement Agreement.

In the event any of these conditions are not complied with the suspension shall be immediately rescinded and the withdrawal of approval for the specified period will become effective.

#### Summary of Facts

Mr. Nyren joined Scotia McLeod in 1994 as a Registered Representative. His registration was granted subject to him successfully completing the Canadian Investment Management Course, Part 1 (the "CIM") by May 1998. In January, June, and October of 1997, Mr. Nyren wrote but failed to pass the CIM.

On October 13, 1998, the Association forwarded a registration renewal for Mr. Nyren to Scotia McLeod. Both Mr. Nyren and Scotia McLeod were notified that according to Association records, Mr. Nyren had not completed the CIM. On or about October 20, 1998 Scotia McLeod asked Mr. Nyren for evidence that he had completed the CIM. He altered a Canadian Securities Institute transcript of marks to indicate a passing grade was received and that altered document was forwarded to the Association. On October 28, 1998, and following inquiries by the Association, questions about the transcript were asked of Mr. Nyren by his supervisor. Mr. Nyren admitted to his supervisor he had altered the transcript and he subsequently contacted the Association and made the same admission. On October 29, 1998 Mr. Nyren was terminated by Scotia McLeod. The Association then suspended his registration.

In assessing the penalty the District Council took several factors into consideration. The offence was very serious. Falsifying a document of this nature and providing it to a regulatory body charged with protecting the public interest requires attention to principles of general deterrence. A penalty that does not provide a withdrawal of approval for some period of time would not provide that deterrence.

However during the interim period between the date of the offence and the date of prosecution, Mr. Nyren had been re-registered by both the Vancouver Stock Exchange and the Association as a Registered Representative with Odlum Brown Limited ("Odlum Brown"). During this time Mr. Nyren successfully built a business at Odlum Brown. In addition, the panel had evidence before it from business associates and clients indicating that this conduct was wholly out of character for Mr. Nyren. In the circumstances the panel concluded that the ends of justice could be served by suspending the withdrawal of approval subject to the successful completion of the other conditions.

Mr. Nyren is currently registered as a Registered Representative with Odlum Brown in Victoria, British Columbia.

Kenneth A. Nason  
*Association Secretary*