# Re Gill

**IN THE MATTER OF:**

**The Rules of the Investment Industry Regulatory Organization of Canada (IIROC)**

**and**

**Amandeep Gill**

2015 IIROC 39

Investment Industry Regulatory Organization of Canada
Hearing Panel (Pacific District)

Heard: July 28, 2015
Decision: July 28, 2015
Written Decision: November 2, 2015

**Hearing Panel:**
Allison Narod, Chair, Brian Field and Barbara Fraser
**Appearances:**
Stacey Robertson, Enforcement Counsel, IIROC
Rod Anderson, Counsel for Amandeep Singh Gill

## DECISION ON SETTLEMENT AGREEMENT HEARING

¶ 1 The Panel was appointed to conduct a settlement hearing pursuant to IIROC Dealer Member Rule 20 to determine whether to approve a negotiated Settlement Agreement reached by the parties. IIROC Enforcement Staff ("IIROC Staff") and the Respondent, Amandeep Gill jointly recommended that the Panel accept the Settlement Agreement. The Panel has decided to accept the Settlement Agreement. Our reasons are set out below.

¶ 2 The Respondent admitted to the following contraventions of IIROC Dealer Member Rules, guidelines, regulations or policies:

**Count 1**

On or about June 10, 2013, the Respondent signed the signature of a client on an account form without the client's express consent and without approval from his firm contrary to Dealer Member Rule 29.1.

**Count 2**

On or about May 30, 2013, the Respondent made misrepresentations to a client regarding the existence of shares in a client's account contrary to Dealer Member Rule 29.1.

**Count 3**

On or about May 2, 2013, the Respondent made misrepresentations to a client regarding the sale of shares in a client's account contrary to Dealer Member Rule 29.1.

¶ 3 Pursuant to the Settlement Agreement, the following penalties are imposed on the Respondent:

(a) The Respondent must pay a fine in the amount of $30,000;

(b) The Respondent will be suspended from registration in any capacity with IIROC for 9 months;

(c) The Respondent will be subject to 12 months of close supervision upon registration in any capacity with IIROC;

(d) The Respondent must re-write the Conduct and Practices Handbook course prior to any re-registration with IIROC; and

(e) The Respondent agrees to pay costs to IIROC in the sum of $2,500.

¶ 4 The events giving rise to the Settlement Agreement occurred in the period from March to June 2003, while the Respondent was a Registered Representative at the Vancouver office of BMO Investorline Inc. ("Investorline").

¶ 5 The Panel was advised that the Respondent was registered by IIROC from March 2007 until July 13, 2013 at various firms. He ceased employment with Investorline as a result of the events that gave rise to the hearing. He has not been registered with IIROC since then. Nor has he been otherwise engaged in the industry. At the time of the events, he was 33 years old, and was posted to a branch of a national bank. His duties as a Registered Representative were a small part of his overall job duties. He was supervised with respect to his Registered Representative duties by a person at another location. He had no prior disciplinary record. He did not financially benefit from any of the contraventions. His contraventions were engaged in to facilitate the client's instructions.

¶ 6 Relevant parts of the agreed facts are reproduced below:

> **Overview**
>
> 9. These Particulars relate to the period of time from March to June 2013 while the Respondent was a Registered Representative at the Vancouver office of BMO Investorline Inc. ("Investorline").
>
> 10. A client opened a trading account at Investorline for the purpose of transferring in shares that were to be sold within a specific time frame. There were some delays in opening the account and transferring in the shares. The client became increasingly agitated by the slow progress. The Respondent signed the client's name on a share transfer document without the client's express authorization in an effort to speed up the transactions as the client was overseas on business at the time and could not physically sign the documents.
>
> 11. Prior to signing the client's name on the share transfer document, the Respondent created a false Client Holding Report and provided it to the client. This false Report showed the shares of the company that the client wanted to sell in the account when the shares were not actually in the account.
>
> 12. The Respondent also created a false Transaction History in another client's account showing the sale of certain shares when those shares had not yet been deposited in the client's account.
>
> ....
>
> **The Clients**
>
> 16. In or around March 2013, MH and LH, a married couple (collectively, the "Clients") each wanted to open a trading account at Investorline. The accounts were opened with the initial purpose to transfer shares of a specific company into the accounts and to sell those shares (the "Shares") in a timely manner.
>
> 17. The Respondent assisted the Clients with the account opening documentation including the necessary share transfer documents.

The Respondent represents that a BMO Manager advised the Respondent that MH was an ultra high net worth individual who just completed a $250 million dollar financing with BMO Capital Markets and was a very important client of BMO.

**Client Holdings Report for MH**

18. MH submitted his account information online on March 20, 2013 and provided the necessary signatures for the account on April 29, 2013.

19. MH wanted to transfer the Shares into the account when the Shares became free trading on or about May 15, 2013. MH wanted to sell the Shares as soon as he could after that date.

20. There were some delays in the account opening and share transfer process and MH expressed some concern to the Respondent given the time sensitive nature of the intended transaction. On May 27, 2013, MH requested a copy of his Investorline account showing the Shares were in his account.

21. Sometime after May 30, 2013, the Respondent created a Client Holdings Report dated as of May 30, 2013 and provided it to MH. This Report showed that the Shares were held in MH's Investorline account. In fact, the Shares were not transferred into his Investorline account until July 5, 2013.

23. The Client Holdings Report prepared by the Respondent misrepresented to MH that the Shares were held in MH's Investorline account when they were not.

**Share Transfer Documents for MH**

24. On or before June 10, 2013, the Respondent became aware that MH's signature was required on an Authorization to Transfer Account form in order to transfer the Shares from MH's account held at another institution.

25. MH was out of the country on business and was unable to sign the documents. He was very agitated by the delays in opening his account and transferring in the Shares into it. He told the Respondent to do what was needed to be done to make the share transfer happen as he wanted to sell the Shares as soon as possible, which by this time had become free trading.

26. The Respondent signed MH's name and the date of June 10, 2013 to the Form without MH's express consent or the knowledge or approval of his firm. The Authorization to Transfer Account form was required to transfer the Shares held at another institution to MH's Investorline account. The Shares were finally transferred into MH's Investorline account on July 5, 2013, after an investigation by Investorline.

**Transaction History Report for LH**

27. LH completed her initial account information and signed her account documentation on April 18, 2013. She provided the account documentation to Investorline on or about April 19, 2013. The purpose of opening LH's Investorline account was to receive and then sell her shares in the same company in a timely manner.

28. After repeated requests from MH for an update on the status of the Shares in his wife's Investorline account, the Respondent created a Transaction History Report dated May 12, 2013, which showed several sales of the Shares between April 26 and May 2, 2013. The Respondent provided a copy of the Transaction History Report to MH by email on May 14, 2013.

29. The Transaction History Report prepared by the Respondent was not true in that the Shares had not yet been deposited to her account. In fact, the Shares were delivered

in certificate form dated April 22, 2013 and the share certificate was received by Investorline on May 2, 2013.

30. The sale of the Shares did not, in fact, occur in LH's Investorline account as indicated on the Transaction History Report. The Shares did not trade at the prices indicated on the Transaction History Report on the days indicated. The Transaction History Report indicated sale prices for the Shares that were outside the daily trading range of the Shares.

31. The Shares in LH's account were eventually sold on June 6, 2013.

**Reasons Regarding Penalty**

¶ 7 The task of a hearing panel in deciding whether or not to accept a settlement agreement is not to decide whether it would have arrived at the same decision as that reached by the parties. Rather, it is to determine whether the penalty is a reasonable one and that it meets the objectives of the disciplinary process, which are to maintain the integrity of the investment industry (*Re: Deutsche Bank Securities Ltd.* 2013 IIROC 07).

¶ 8 Moreover, a hearing panel ought not to substitute its discretion for that of IIROC Staff who negotiated the agreement. The panel will be cognizant of the importance of the settlement process and will not interfere lightly in a negotiated settlement. It will be cautious in relying on previous settlements as precedential, recognizing that the settlement is the result of negotiation and compromise and an agreed penalty may often be less onerous than one imposed as a result of a contested hearing involving similar facts (*Re: Clark* [1999] I.D.A.C.D. No. 40, at p.4).

¶ 9 A hearing panel, in reviewing a proposed penalty, will defer to a penalty that has been agreed pursuant to a settlement process unless it finds the penalty falls clearly outside a reasonable range of appropriateness for like misconduct (*Re: Milewski* [1999] I.D.A.C.D. No. 17, at pp. 13 and 14).

¶ 10 In the instant case, the Respondent has admitted to serious misconduct - forgery and misrepresentation - both of which have their roots in acts of dishonesty. Honesty is fundamental to the fair, effective and transparent operation of the industry. It is key to the trust and reliance all stakeholders place on Registered Representations.

¶ 11 In *Re: Eley*, [2014] IIROC 52, the importance of honesty to the proper functioning of the investment industry is described at paragraphs 52 to 53, as follows:

> **52** The proper functioning of the investment industry, and the protection of public investors, depends upon each registered representative executing his or her duties with honesty. This is particularly so with respect to the information which the registered representative puts into documents and systems relating to the suitability of investments. It is impossible and impracticable for the employer to check that information before it is acted upon. The same goes for the signature on a document or the use of a document. Others using the document must be able to have total confidence that the document was signed by the person whose signature appears on the document and that the document is being used properly. It is these fundamental principles underlying the investment industry that Mr. Eley abused.
>
> **53** These principles are captured in numerous documents pertaining to the investment industry. Thus the Registrant's Code of Ethics of the Canadian Securities Industry states:
>
> > "Registrants must conduct themselves with trustworthiness and integrity and act in an honest and fair manner in all dealings with the public, clients, employers and colleagues."
>
> Similarly, the IIROC Dealer Member disciplinary Sanction Guidelines state that "the securities industry is a business of trust and confidence".

¶ 12 In our view, the central issue in this case relates to the need to promote and protect the proper functioning of the investment industry and public investors who depend on the professionalism, integrity and

honesty of Registered Representatives to comply with their ethical duties and responsibilities. It is essential to the industry that Registered Representatives comply with these duties and obligations not only when they benefit at the expense of a public investor, but also when they do not benefit personally, even where the effect on the public investor is neutral or advantageous.

¶ 13 We recognize that there may be circumstances in which a Registered Representative, especially a junior or inexperienced one, may either feel pressured to bend the rules to benefit a client or feel it otherwise advantageous to their career to do so, even where they obtain little or not financial benefit as a result.

¶ 14 This case is an example. The Respondent's conduct arose in the context where an important client had made repeated requests of the Respondent seeking the timely implementation of his investment strategy. The client was described as "very agitated by the delays" in doing so, and told the Respondent "to do what was needed to be done" to that end. In carrying out the client's wishes, the Respondent forged the signature of the client without his express instructions and without the firm's knowledge. He did this to facilitate the client's instructions. There was no harm to the client arising directly from the forgery.

¶ 15 The forgery alone was serious misconduct. However, the Respondent's misconduct was made more egregious by the fact he created a false Client Holdings Report, intentionally. This led the client to believe the shares were in his account when they were not, and that the client's strategy could be implemented in a timely way, which was not the case. The actual delay resulted in a lower price for the shares and therefore caused actual harm to the client, which was later recompensed by the Respondent's employer.

¶ 16 Additionally, the Respondent went further out of his way and created a false Transaction History Report for the client's spouse, showing receipt and sales of the shares at a time when those shares were not in the spouse's account. This was also done intentionally, in response to the repeated demands of the client.

¶ 17 In short, the Respondent intentionally falsified corporate documents on which he knew or ought to have known the clients intended to rely, and he forged a client's signature to documents on which he knew or ought to have known his employer intended to rely. He apparently did this to placate a challenging client and make it appear to all that the transactions proceeded smoothly.

¶ 18 In sum, it appears that a relatively inexperienced individual who performed the duties of a Registered Representative as a small part of his overall job duties succumbed to pressure from an important corporate client to do whatever it took to make a share transfer happen in accordance with the client's investment strategy. This case demonstrates the importance to the proper functioning of the industry that Registered Representatives resist such temptations and draw an ethical line beyond which they will not trespass, even where in so doing the Registered Representative risks incurring the wrath of an important or challenging client.

¶ 19 Unfortunately, these scenarios, while unusual, do occur. A Registered Representative must anticipate and address them when they arise in a manner that complies with his or her professional duties and obligations. The Respondent in the instant case would likely have had alternatives or avenues within his firm to assist in addressing the challenges he faced with his client. Unfortunately, he did not avail himself of those alternatives or avenues and, instead, trespassed over the ethical line into conduct unbecoming of a Registered Representative in this industry: forgery and misrepresentation. Indeed, he went to some trouble to satisfy his client, not only by forging his client's signature, but also by going out of his way in preparing falsified documents recording fictitious transactions.

¶ 20 These activities are serious matters in the industry. A clear message must be given, even to those who do not practice in the industry on a full time basis, that such conduct is not to be condoned. Rather, it is to be deterred and condemned.

¶ 21 The Panel considered the submissions of Counsel for IIROC Staff and Counsel for the Respondent when reviewing the relevant principles to apply in deciding whether the penalty fell within a reasonable range of penalties for comparable misconduct.

¶ 22 The Panel agrees with Counsel for IIROC Staff that the primary purpose of IIROC disciplinary proceedings is to maintain high standards of conduct in the securities industry and to protect market integrity.

¶ 23 Counsel for IIROC Staff persuasively argued that the penalty in this manner reflects the principles of specific and general deterrence. The agreed sanction in this case is necessary to specifically demonstrate to the Respondent, other registered members of IIROC and the investing public that creating false account documents and signing a client's name to documents is a very serious violation, regardless of the benefit or absence of a motive. Such conduct does not accord with the conduct becoming those registered by IIROC in the securities industry.

¶ 24 Additionally, the penalty is consistent with the principle of general deterrence, which is an appropriate consideration when making orders that are both protective and preventative. That is, there is an interest in generally deterring and preventing similar wrongdoing of not only the individual Registered Representative, but others in the industry. This principle is not meant to be punitive or remedial. However, it has the objective of informing the community of the type of conduct that does not meet the high standards expected and it gives notice of the types of penalties that will be imposed for breaching those standards.

¶ 25 In deciding whether a jointly proposed penalty falls within a reasonable range, the Panel must also consider whether there are any relevant mitigating or aggravating factors that influence the reasonableness and proportionability of the penalty in the context of the complained-of conduct.

¶ 26 Counsel for IIROC Staff described the relevant mitigating factors in the instant case as follows:

(a) The Respondent had no prior disciplinary record;

(b) The Respondent has accepted responsibility for the contraventions by agreeing to the Settlement Agreement, saving the time and expense of a hearing and the necessity of having former clients testify;

(c) The Respondent did not benefit financially from any of the contraventions; and

(d) The improper signing of the client's signature by the Respondent was to facilitate the client's instructions.

¶ 27 He described the aggravating factors as follows:

(a) The conduct involved three separate incidents over a period of approximately three months which at minimum can only be described as very bad judgment on the part of the respondent;

(b) The conduct was intentional; and

(c) The Clients did suffer losses due to the delay in receiving and selling the shares, however the losses caused by the delay were only partly the fault of the respondent.

¶ 28 Additionally, we were asked to consider, and we accept, the submission that the time that an individual spends out of the industry is a factor that may be considered in determining whether to approve a proposed penalty, with the caution that such time is not necessarily to be counted as a "set-off" on a "one for one" basis in a suspension (see *Ricci, supra,* at paras. 52-53).

¶ 29 Counsel for IIROC Staff reviewed a number of cases regarding the reasonable range of penalties that the Panel found relevant in reaching its decision, including the following:

(a) *Re: Bell* [2005] I.D.A.D.C. No. 15;

(b) *Re: Kim* [2007] I.D.A.D.C. No. 54;

(c) *Re: Eley*, *supra*;

(d) *Re: Ricci* [2015] L.N.N.O.S.C. 107.

¶ 30 In *Re: Bell*, *supra*, the respondent engaged in contraventions that included distributing unapproved sales literature, engaging in an unauthorized, outside business for a fee of $3,000, and forging three client signatures. The hearing panel noted that but for the fact that the respondent's employment had been terminated, resulting in him being out of the securities industry for 18 months, it would likely have considered a 6 month suspension. Notably, the panel described the forgery offence as being of the less egregious category of forgery, because

there was no attempt to harm the clients or benefit the respondent. It also observed that it would normally have required, as a further condition of registration, that the respondent re-write and pass the course based on the Conduct and Practices Handbook for Securities Industry Professionals, but that was not necessary in this case because the respondent had already done so of his own volition.

¶ 31 In the result, the panel approved the following sanctions: a fine in the amount of $30,000, close supervision for twelve months and costs in the amount of $3,000.

¶ 32 In *Re: Kim, supra*, the respondent made misrepresentations to two third parties and to his firm. He opened brokerage accounts outside the firm without disclosing accurate information about his place of residence and his registered representative status and he failed to disclose these accounts to his employer. The panel noted that although no harm actually occurred to others, there must be consequences in order to impress upon the respondent the seriousness of the infractions and to give an appropriate message to others.

¶ 33 The panel took guidance from the general principle that any internal discipline by the respondent's member firm should be taken into account in any sanctions. The respondent had been in the industry for nearly 15 years without any prior disciplinary record. However, he should have known better. Had the respondent not been terminated by his former employer, the panel would have set a period of suspension. Since the termination was equivalent to a suspension and had an economic impact on the respondent, which brought public and industry attention to his situation, the panel found that no further suspension was necessary. Further, the respondent was already under a period of two years of strict supervision, his employer had been satisfied with his performance and it had no concerns about his business conduct and activities. Moreover, the misconduct did not involve matters that would be discovered by strict supervision. Accordingly, the panel found that a further period of strict supervision was not necessary.

¶ 34 Since the respondent's misconduct did not involve a personal client, he did not receive any compensation for his activities, he had not denied what he had done and he cooperated fully with his member firm and the association, the panel found a fine $25,000 was appropriate. Additionally, because the respondent's misconduct related to matters of ethics and judgment, rather than the conduct and practices set forth in the Conduct and Practices Handbook, the panel did not believe it necessary for the respondent to re-write the Conduct and Practices Handbook course. In the circumstances, an award of $15,000 was made against the respondent for costs.

¶ 35 The cases of *Re: Eley, supra* and *Re: Ricci, supra*, concerned two brokers sharing the same broker code and operating their business together. Mr. Eley was the senior broker and Mr. Ricci the junior one. The penalty hearings of each case proceeded on separate agreed statements of fact before different IIROC panels. The *Ricci* case was appealed to the Ontario Securities Commission, which upheld the penalties found by the IIROC panel.

¶ 36 In each of *Re: Eley, supra* and *Re: Ricci, supra*, the registered representatives inflated the net worth of certain clients in order to qualify them for leveraged investment strategies that would give the registered representatives a direct economic benefit in the form of additional trailer fees earned on the mutual funds purchased as part of that strategy. Additionally, in each case, the registered representatives falsely endorsed the signatures of several clients on certain client account documentation and other forms.

¶ 37 There were significant differences in the penalties imposed on each of the two registered representatives, reflecting the substantial difference between the facts in each case. The severity of the misconduct, in terms of the number of accounts, the amounts inflated and the frequency of transactions, was much smaller in the case of Mr. Eley than that of Mr. Ricci. Indeed, Mr. Ricci's conduct was described as "abusive in the extreme: altering and whiting out documents to give a deceptive impression and using financial information twice to double the client's assets". There was no evidence that Mr. Eley engaged in this sort of conduct. It was noted that this comparison in no way diminished the severity of Mr. Eley's misconduct, which undercut the ethical foundation of the investment industry.

¶ 38 The penalties upheld by the Ontario Securities Commission in *Ricci* included a $200,000 fine, costs of $15,000, a two-year suspension and twelve months of strict supervision. Mr. Ricci had only been licensed for two years at the time of the misconduct and this was taken into account as part of the IIROC panel's conclusion

that a permanent ban was not appropriate. It was also noted that there was no evidence of financial harm to Mr. Ricci's clients.

¶ 39 In *Eley*, the IIROC panel assessed a fine of $50,000, a six-month suspension, twelve months of strict supervision and costs of $15,000. The IIROC panel in the *Eley* case noted that the $50,000 fine was relatively high in relation to other decisions involving improperly signed documents, but reflected the length of time the activity spanned and Mr. Eley's knowledge that it was wrong. The six month suspension was deemed reasonable in light of the fact that, although Mr. Eley had worked in the investment industry during the period following April 2013, he had been employed in a non-registered capacity at a reduced share of remuneration.

¶ 40 In reviewing the jurisprudence, we observe that while no two cases are identical in terms of their facts, such cases provide assistance in determining whether a proposed penalty falls within a reasonable range of penalties. Notably, all the cases brought to the Panel's attention are cases in which the issue of penalty went to hearing on the basis of statements of agreed facts. Moreover, each of the cases involved a number of contraventions, which included one or more contraventions relating to forgery and misrepresentation. Each of these cases involved contraventions of differing significance and implication. These were all cases where the misconduct resulted in little or no harm to the client and little or no profit or benefit to the registered representative. Each of these cases involve scenarios where the respondents were terminated for their conduct and subsequently had been either out of the industry or where their continued involvement in the industry was restricted or otherwise limited. The penalties in these cases included suspensions that ranged from 6 months to 24 months of strict supervision on return to the industry and fines ranging from $15,000 to $200,000.

¶ 41 With respect to the instant case, we again note that forgery and misrepresentation amounts to serious misconduct. However, when viewed in the context of all of the circumstances, it tends to the less egregious end of the spectrum of serious misconduct, and is closer to the circumstances in *Re: Bell, supra*. Here, there were three incidents over approximately three months which occurred during the implementation of a client investment strategy affecting the client and his spouse. It is clear that the conduct was intentional. Although the clients suffered losses due to the delay in receiving and selling their shares, these losses were only partly the fault of the Respondent.

¶ 42 It is notable that the Respondent had been in the industry for 6 years but only performed Registered Representative duties on a part-time basis. He had no prior disciplinary history, he did not benefit financially from his conduct. Rather, his conduct was designed to facilitate the client's investment strategy and his instructions that the Respondent do what was needed to implement the strategy. Most importantly, the Respondent has accepted responsibility for the contraventions by agreeing to the Settlement Agreement and the penalties rather than putting IIROC and the clients through a hearing, which bodes well for rehabilitation in the future.

¶ 43 In our view, the facts and circumstances of this case warrant a penalty closer in range to those imposed in *Re: Eley, Re: Bell* and *Re: Kim, supra*, and that the agreed penalty falls within that reasonable range.

¶ 44 With respect to the proposed suspension, we take into account the discipline the Respondent already received from his employer and its economic effect on him. The Respondent's employment was terminated for his misconduct and he has therefore already sustained a measure of discipline through his former employer, which constitutes some specific deterrence. Additionally, the Respondent has not been registered with IIROC since July, 2013, he has been out of the industry for two years and the proposed suspension is nine months, which will bring the total length of his time outside the industry closer to three years. This adds to the specific deterrence already meted out to the Respondent by his former employer. We note that this nine months is longer than the six month suspensions in *Re Bell, supra*, and *Re Eley, supra*, cases that involved forgeries of client signatures and other misconduct.

¶ 45 The proposed fine of $30,000 falls within the range of the cases supplied and is reasonable and consistent with the fines in *Re Bell, supra*, and *Re Kim, supra*. The other elements of the proposed penalty - the re-write of the Conduct and Practices Handbook course and the payment of $2,500 in costs - are reasonable in the circumstances.

¶ 46 In view of the foregoing, the Panel finds that the proposed penalties fall within a reasonable range of penalties for like misconduct. Accordingly, we affirm that a fine of $30,000, nine months suspension, twelve months of close supervision upon re-registration, a rewrite of the Conduct and Practices course and costs of $2,500 is accepted.

Dated this 2nd day of November, 2015.

Allison Narod

Panel Chair

Brian Field

Panel Member

Barbara Fraser

Panel Member

**SETTLEMENT AGREEMENT**

**I. INTRODUCTION**

1. IIROC Enforcement Staff ("Staff") and the Respondent, Amandeep Gill, consent and agree to the settlement of this matter by way of this agreement (the "Settlement Agreement").

2. The Enforcement Department of IIROC has conducted an investigation ("the Investigation") in the conduct of Amandeep Gill.

**3.** The Investigation discloses matters for which the Respondent may be disciplined by a hearing panel appointed pursuant to IIROC Transitional Rule No.1, Schedule C.1, Part C (the "Hearing Panel").

**II. JOINT SETTLEMENT RECOMMENDATION**

4. Staff and the Respondent jointly recommend that the Hearing Panel accept this Settlement Agreement.

5. The Respondent admits to the following contraventions of IIROC Dealer Member Rules, Guidelines, Regulations or Policies:

**Count 1**

On or about June 10, 2013, the Respondent signed the signature of a client on an account form without the client's express consent and without approval from his firm contrary to Dealer Member Rule 29.1.

**Count 2**

On or about May 30, 2013, the Respondent made misrepresentations to a client regarding the existence of shares in a client's account contrary to Dealer Member Rule 29.1.

**Count 3**

On or about May 2, 2013, the Respondent made misrepresentations to a client regarding the sale of shares in a client's account contrary to Dealer Member Rule 29.1.

6. Staff and the Respondent agrees to the following terms of settlement:

   a) The Respondent must pay a fine in the amount of $30,000;

   b) Suspension from registration in any capacity with IIROC for 9 months;

   c) 12 months of close supervision upon registration in any capacity with IIROC;

   d) The Respondent must re-write the Conduct and Practices Handbook course prior to any re-registration with IIROC.

7. The Respondent agrees to pay costs to IIROC in the sum of $2,500.

**III. STATEMENT OF FACTS**

**Acknowledgment**

8. Staff and the Respondent agree with the facts set out in this Section III and acknowledge that the terms of the settlement contained in this Settlement Agreement are based upon those specific facts.

**Factual Background**

**Overview**

9. These Particulars relate to the period of time from March to June 2013 while the Respondent was a Registered Representative at the Vancouver office of BMO Investorline Inc. ("Investorline").

10. A client opened a trading account at Investorline for the purpose of transferring in shares that were to be sold within a specific time frame. There were some delays in opening the account and transferring in the shares. The client became increasingly agitated by the slow progress. The Respondent signed the client's name on a share transfer document without the client's express authorization in an effort to speed up the transactions as the client was overseas on business at the time and could not physically sign the documents.

11. Prior to signing the client's name on the share transfer document, the Respondent created a false Client Holding Report and provided it to the client. This false Report showed the shares of the company that the client wanted to sell in the account when the shares were not actually in the account.

12. The Respondent also created a false Transaction History in another client's account showing the sale of certain shares when those shares had not yet been deposited in the client's account.

**Registration History**

13. The Respondent was registered by IIROC from March, 2007 until July 13, 2013, with the following firms:

    a) Canaccord Genuity Corp. from March, 2007 until March, 2008;

    b) Scotia Capital Inc. from March, 2008 to July, 2011;

    c) BMO Nesbitt Burns Inc. from July to August, 2011; and

    d) BMO Investorline from August, 2011 until July, 2013, when he ceased employment with Investorline.

14. The Respondent has not been registered with IIROC since July 2013.

15. During the period of his employment with Investorline, the Respondent received a monthly salary and was not remunerated on a transactional basis at any time.

**The Clients**

16. In or around March 2013, MH and LH, a married couple (collectively, the "Clients") each wanted to open a trading account at Investorline. The accounts were opened with the initial purpose to transfer shares of a specific company into the accounts and to sell those shares (the "Shares") in a timely manner.

17. The Respondent assisted the Clients with the account opening documentation including the necessary share transfer documents.

18. The Respondent represents that a BMO Manager advised the Respondent that MH was an ultra high net worth individual who just completed a $250 million dollar financing with BMO Capital Markets and was a very important client of BMO.

**Client Holdings Report for MH**

19. MH submitted his account information online on March 20, 2013 and provided the necessary signatures for the account on April 29, 2013.

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22. Sometime after May 30, 2013, the Respondent created a Client Holdings Report dated as of May 30, 2013 and provided it to MH. This Report showed that the Shares were held in MH's Investorline account. In fact, the Shares were not transferred into his Investorline account until July 5, 2013.

23. The Client Holdings Report prepared by the Respondent misrepresented to MH that the Shares were held in MH's Investorline account when they were not.

**Share Transfer Documents for MH**

24. On or before June 10, 2013, the Respondent became aware that MH's signature was required on an Authorization to Transfer Account form in order to transfer the Shares from MH's account held at another institution.

25. MH was out of the country on business and was unable to sign the documents. He was very agitated by the delays in opening his account and transferring in the Shares into it. He told the Respondent to do what was needed to be done to make the share transfer happen as he wanted to sell the Shares as soon as possible, which by this time had become free trading.

26. The Respondent signed MH's name and the date of June 10, 2013 to the Form without MH's express consent or the knowledge or approval of his firm. The Authorization to Transfer Account form was required to transfer the Shares held at another institution to MH's Investorline account. The Shares were finally transferred into MH's Investorline account on July 5, 2013, after an investigation by Investorline.

**Transaction History Report for LH**

27. LH completed her initial account information and signed her account documentation on April 18, 2013. She provided the account documentation to Investorline on or about April 19, 2013. The purpose of opening LH's Investorline account was to receive and then sell her shares in the same company in a timely manner.

28. After repeated requests from MH for an update on the status of the Shares in his wife's Investorline account, the Respondent created a Transaction History Report dated May 12, 2013, which showed several sales of the Shares between April 26 and May 2, 2013. The Respondent provided a copy of the Transaction History Report to MH by email on May 14, 2013.

29. The Transaction History Report prepared by the Respondent was not true in that the Shares had not yet been deposited to her account. In fact, the Shares were delivered in certificate form dated April 22, 2013 and the share certificate was received by Investorline on May 2, 2013.

30. The sale of the Shares did not, in fact, occur in LH's Investorline account as indicated on the Transaction History Report. The Shares did not trade at the prices indicated on the Transaction History Report on the days indicated. The Transaction History Report indicated sale prices for the Shares that were outside the daily trading range of the Shares.

31. The Shares in LH's account were eventually sold on June 6, 2013.

***Mitigating Factors***

32. The misconduct admitted by the Respondent herein did not result in any actual or potential financial gain to the Respondent.

## IV. TERMS OF SETTLEMENT

33. This settlement is agreed upon in accordance with IIROC Dealer Member Rules 20.35 to 20.40,

inclusive and Rule 15 of the Dealer Member Rules of Practice and Procedure.

34. The Settlement Agreement is subject to acceptance by the Hearing Panel.

35. The Settlement Agreement shall become effective and binding upon the Respondent and Staff as of the date of its acceptance by the Hearing Panel.

36. The Settlement Agreement will be presented to the Hearing Panel at a hearing ("the Settlement Hearing") for approval. Following the conclusion of the Settlement Hearing, the Hearing Panel may either accept or reject the Settlement Agreement.

37. If the Hearing Panel accepts the Settlement Agreement, the Respondent waives his right under IIROC rules and any applicable legislation to a disciplinary hearing, review or appeal.

38. If the Hearing Panel rejects the Settlement Agreement, Staff and the Respondent may enter into another settlement agreement; or Staff may proceed to a disciplinary hearing in relation to the matters disclosed in the Investigation.

39. The Settlement Agreement will become available to the public upon its acceptance by the Hearing Panel.

40. Staff and the Respondent agree that if the Hearing Panel accepts the Settlement Agreement, they, or anyone on their behalf, will not make any public statements inconsistent with the Settlement Agreement.

41. Unless otherwise stated, any monetary penalties and costs imposed upon the Respondent are payable immediately upon the effective date of the Settlement Agreement.

42. Unless otherwise stated, any suspensions, bars, expulsions, restrictions or other terms of the Settlement Agreement shall commence on the effective date of the Settlement Agreement.

**AGREED TO** by the Respondent at the City of Vancouver in the Province of British Columbia, this 22nd day of June , 2015.

"H. Rod Anderson"

**Witness**

"Amandeep Gill"

**Amandeep Gill**

**(Respondent)**

**AGREED TO** by Staff at the City of Vancouver in the Province of British Columbia, this 16th day of July, 2015

"Shannon Mathieson"

**Witness**

"Stacy Robertson"

**Stacy Robertson**

Enforcement Counsel on behalf of Staff of the Investment Industry Regulatory Organization of Canada

**ACCEPTED** at the City of Vancouver in the Province of British Columbia, this 28th day of July, 2015, by the following Hearing Panel:

Per: "Alison Narod"

**Panel Chair**

Per: "Barbara Fraser"

Panel Member

Per: "Brian Field"

Panel Member