

IIROC NOTICE

Enforcement Notice Hearing

Please distribute internally to:
Legal and Compliance

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11-0366
December 20, 2011

IN THE MATTER OF Carolann Steinhoff – Motion Hearing

A hearing has been scheduled before a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC), to hear a motion in the matter of Carolann Steinhoff (Steinhoff).

The motion is open to the public, unless the Hearing Panel orders otherwise. The decision of the Hearing Panel will be made available at www.iroc.ca

Motion Date: December 21, 2011

9:30 a.m.

Location: Reportex Agencies Ltd.
925 West Georgia Street, Suite 1010
Vancouver, B.C.

The motion is for an order setting a date for a penalty hearing in the existing disciplinary hearing.



In a decision dated October 6, 2011, which is available at

<http://docs.iroc.ca/DisplayDocument.aspx?DocumentID=F8B40378675F46C39EF6CBA4CD2BC79B&Language=en>,

the Hearing Panel found that the Respondent made discretionary purchases in a client's account; made unsuitable use of margin, and made unsuitable investments for clients. The Hearing Panel also found that when her firm's compliance department questioned her about the purchases, the Respondent told them that margin was brought up by the client, when she knew that was a false statement. The Hearing Panel dismissed charges that the Respondent failed to consider the rate of return for a client and that she failed to ensure that the client's account documentation was accurate.

IIROC formally initiated the investigation into the Respondent's conduct in November 2008. The violations occurred when the Respondent was a Registered Representative (RR) in Victoria, British Columbia with Wellington West Capital Inc., an IIROC regulated firm. The Respondent is currently registered in Victoria with Queensbury Securities Inc., an IIROC regulated firm.

IIROC is the national self-regulatory organization which oversees all investment dealers and trading activity on debt and equity marketplaces in Canada. Created in 2008 through the consolidation of the Investment Dealers Association of Canada (IDA) and Market Regulation Services Inc. (RS), IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while maintaining efficient and competitive capital markets.

IIROC carries out its regulatory responsibility through setting and enforcing rules regarding the proficiency, business and financial conduct of dealer firms and their registered employees and through setting and enforcing market integrity rules regarding trading activity on Canadian equity marketplaces.