

NOTICE / NEWS RELEASE

For immediate release

Enforcement Notice Decision 12-0168

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IN THE MATTER OF Sammy Shieh Lung Pan – Discipline decision – Liability and Penalty

May 17, 2012 (Vancouver, B.C.)—Following a disciplinary hearing on February 29, 2012, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) found Sammy Shieh Lung Pan liable for breach of IIROC Dealer Member Rules 29.1 and 1300.1(a) in loaning money to a client without the consent of his firm, and failing to make diligent inquiries to determine the source or destination of numerous large deposits and withdrawals to and from that client's account. Then, when his firm made inquiries regarding the source of the client's deposits, Mr. Pan made misrepresentations which hid the fact he was one of the sources.

The panel's decision dated April 27, 2012 is available at

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=411480BB1510498AA85E949FD2CC02C2&Language=en>.

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.

Specifically, the panel found the following:

- a) Between October 2007 and November 2008, Mr. Pan loaned one client a total of \$761,000 in nine advances without the consent of his firm, contrary to IDA By-law 29.1 and IIROC Dealer Member Rule 29.1;
- b) Between April 2008 and June 2009, Mr. Pan failed to make diligent inquiries regarding the source or destination of funds being deposited to or withdrawn from the client's account, contrary to IDA Regulation 1300.1(a) and IIROC Dealer Member Rule 1300.1(a);
- c) In August 2008, contrary to IIROC Dealer Member Rule 29.1, Mr. Pan made a misrepresentation to his firm's compliance staff about the source of funds deposited to the



client's account in order to conceal the fact that he had personally purchased and deposited a bank draft to the client's account; and

- d) In July 2009, contrary to IIROC Dealer Member Rule 29.1, Mr. Pan made a misrepresentation to his firm's compliance staff when he responded to their questions about the source of funds deposited to the client's account with a statement that concealed the fact that he was one of the sources funding the client's account.

The panel imposed the following penalty on Mr. Pan:

- a) A permanent ban from registration in any capacity with IIROC; and
- b) A \$150,000 fine.

Mr. Pan is also required to pay costs in the amount of \$15,000.

IIROC formally initiated the investigation into Mr. Pan's conduct in April 2010. The alleged violations occurred when he was a Registered Representative at the Vancouver, British Columbia Branch of PI Financial Corp, an IIROC-regulated firm. Mr. Pan has not been registered in any capacity with an IIROC-regulated firm since October 2009.

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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 and Market Regulation Services Inc., 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 responsibilities 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.

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.