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News Release

BCSC bans two people from investment market for separate instances of misconduct

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Vancouver – The BC Securities Commission (BCSC) has banned two people from British Columbia’s investment market following findings by other authorities that they committed misconduct in separate, unrelated cases.

The bans were imposed by a BCSC panel on former securities trader [Colin Jeffrey Heatherington](#) and former mutual fund representative [Lorne Stuart Allison](#).

The ban on Heatherington, who is a Canadian citizen and former Vancouver resident, stems from his guilty plea in a U.S. court to conspiracy to commit securities fraud and wire fraud for his part in a penny stock scheme that led to US\$215 million in investor losses. In 2024, a California judge [sentenced](#) him to 3.5 years in prison plus two years of probation, and restitution for the investor losses – shared with his co-conspirator.

From 2004 to 2008, Heatherington oversaw the purchase of billions of shares of U.S.-based penny stocks, which were then traded using various practices designed to fraudulently inflate their value. Heatherington, who was working as a trader for a group of hedge funds, personally gained at least US\$15 million from this scheme.

The BCSC panel concluded that Heatherington is dishonest and lacks integrity, and the “extent and the calculated nature of his misconduct make it clear that only a permanent sanction will be sufficient to protect the public.”

The BCSC issued Heatherington a lifetime ban on being a director or officer of any issuer or registrant, from becoming a registrant and from trading securities, except for accounts in his own names, among other restrictions.

Allison’s ban resulted from a previous finding by the Canadian Investment Regulatory Organization (CIRO), a self-regulatory body for the investment industry, that he “deliberately and deceptively” engaged in securities-related business outside of his firm. CIRO permanently banned him, imposed a \$70,000 fine and \$10,000 in costs.

Allison was registered in B.C. as an employee of RBC’s Royal Mutual Funds Inc. to advise or trade in mutual funds. In November 2020, the firm was advised that Allison had asked two of his elderly clients to authorize opening online brokerage accounts, which was against the firm’s policies. Despite resigning from the securities industry, he continued to execute trades for three clients through online brokerage accounts in exchange for a fee, and also opened additional online brokerage accounts for two clients.

In reaching its decision, the BCSC panel wrote that Allison’s “deceitful misconduct was intentional and demonstrates that he is a risk to the capital markets” and the seriousness is “heightened by the position of trust that he held over his clients and the fact that a number of those clients were seniors.”

The BCSC panel has permanently prohibited Allison from being a director or officer of any issuer or registrant and from becoming a registrant. He is banned for 10 years from other market activities, including engaging in promotional activities and trading in securities, except in his own account.

About the BC Securities Commission (bcsc.bc.ca)

The BC Securities Commission, an independent provincial government agency, strives to make the investment market benefit the public. We set rules, monitor compliance by industry, take action against misconduct, and provide guidance to investors and industry. As guardians of B.C.'s investment market, we're committed to maintaining a market that is honest, fair, competitive and dynamic, enabling British Columbians to thrive.

Media Contact:

Elise Palmer

604-899-6830

Public inquiries:

604-899-6854 or 1-800-373-6393 (toll free)

inquiries@bcsc.bc.ca

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701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, BC V7Y 1L2