



Released: June 30, 2021
NR 21-48

BCSC panel finds that former investment advisor made false or misleading statement to investigators

Vancouver – A British Columbia Securities Commission (BCSC) panel has found that a former investment advisor made a false or misleading statement when he lied under oath to BCSC investigators.

Kenneth Edward Smith was the sole director of a company that was involved in trading securities. During a compelled interview with BCSC investigators in 2017, Smith said his company had received money from only one investor.

When confronted with proof he had received money from a second investor, he said, “You got me there, eh?” When the investigators asked Smith about the discrepancy in his responses, he admitted that he had attempted to conceal the information from the BCSC. By doing so, the panel found that he made a false or misleading statement.

In addition, the Executive Director of the BCSC had applied to the panel for a reciprocal order against Smith as a result of a 2018 decision by the Investment Industry Regulatory Organization of Canada (IIROC). An IIROC panel permanently banned Smith and fined him \$125,000 for engaging in personal financial dealings with a client, placing off-book investments for a client without the knowledge or consent of his employer, and failing to cooperate with the IIROC investigation, among other contraventions.

On that matter, the BCSC panel concluded that a reciprocal order against Smith is in the public interest, writing: “Participation in the securities industry is not a right, and participation is not appropriate for someone who demonstrates a strong reluctance to follow regulations.”

The panel will rule on the details of the reciprocal order and the sanctions for the misconduct after considering submissions from BCSC staff and the respondent.

[About the British Columbia Securities Commission \(www.bsc.bc.ca\)](http://www.bsc.bc.ca)

The British Columbia Securities Commission is the independent provincial government agency responsible for regulating capital markets in British Columbia through the



**British Columbia
Securities Commission**

News Release

administration of the *Securities Act*. Our mission is to protect and promote the public interest by fostering:

- A securities market that is fair and warrants public confidence
- A dynamic and competitive securities industry that provides investment opportunities and access to capital

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