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BCSC sanctions former investment advisor for making false or misleading statement to investigators

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News Release

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Vancouver – A British Columbia Securities Commission (BCSC) panel [has imposed](#) \$20,000 in financial sanctions on a former investment advisor who 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?” [Earlier this year](#) the panel found that this constituted a false or misleading statement. The panel also imposed a reciprocal order against Smith as a result of a 2018 decision by the Investment Industry Regulatory Organization of Canada (IIROC).

In issuing its sanctions decision, the panel wrote: “In our view Smith has shown a pattern of not respecting the securities regulatory scheme in British Columbia. On more than one occasion, he has taken steps to skirt regulatory requirements and to later hide his conduct.”

In addition to the financial sanctions, the panel also banned Smith from the market for five years, noting that without “protective terms imposed by an order, Smith would pose a significant risk to the public and to capital markets.”

Smith is prohibited for five years from:

- trading or purchasing any securities or derivatives, except in accounts in his own name
- becoming or acting as a registrant or promoter
- advising or otherwise acting in a management or consultative capacity in connection with activities in the securities or derivatives markets
- and engaging in promotional activities.

In imposing sanctions, the panel noted that no investors were harmed, and Smith was not enriched as a result of his false statement.

About the British Columbia Securities Commission (www.bcsc.bc.ca)

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