

Citation: 2023 BCSECCOM 179

## **Notice of Hearing**

**David Andrew Schramm**

### **Section 161 of the *Securities Act*, RSBC 1996, c. 418**

- ¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing (Hearing) at which the Executive Director will tender evidence, make submissions and apply for orders against the Respondent, David Andrew Schramm (Schramm) under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

#### **Summary**

1. Schramm was in the business of trading and advising without registration. He purchased and sold securities in the investment accounts of 29 people (the Trading Clients). He also acted as an adviser to 10 of those same individuals (the Advising Clients).
2. By engaging in the conduct as set out in this Notice of Hearing, from January 1, 2017, to December 31, 2019 (the Relevant Period), Schramm contravened sections 34(a) and (b) of the Act.

#### **Background**

3. Schramm is a resident of British Columbia.
4. Schramm was registered under the Act as:
  - (a) an investment advisor from August 12, 1994 to August 27, 1996;
  - (b) a registered representative restricted to mutual fund securities for various periods of time between October 16, 1996 and March 14, 2003; and
  - (c) a dealing representative restricted to mutual fund securities from March 14, 2003 to December 31, 2004.
5. Schramm was not registered under the Act in any capacity during the Relevant Period.

#### **Misconduct**

##### *Trading*

6. In relation to some or all of the Trading Clients, Schramm:
  - (a) accepted trading authority over clients' investment accounts (Accounts);

- (b) conducted approximately 283 trades in the Accounts; and
- (c) received payment from the clients for trading in their accounts.

*Advising*

7. In relation to some or all of the Advising Clients, Schramm:

- (a) held himself out as a “financial advisor” and an “investment advisor”;
- (b) traded securities in the accounts of the clients;
- (c) made investment decisions with the clients;
- (d) provided investment recommendations and advice to the clients; and
- (e) constructed investment portfolios for the clients.

*Compensation*

8. During the Relevant Period, the Trading Clients and Advising Clients paid Schramm approximately \$231,000 in compensation for trading and advising services.

**Hearing Process**

- ¶ 2 The Respondent or his counsel is required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Tuesday May 30, 2023, at 9:00 am.** if they wish to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to the Respondent upon request to the Executive Director.
- ¶ 3 At the Hearing, the Respondent may be represented by counsel, make submissions and tender evidence. The Respondent is requested to advise the Commission of his intention to attend the Hearing by informing the Hearing Office at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: [hearingoffice@bcsc.bc.ca](mailto:hearingoffice@bcsc.bc.ca).
- ¶ 4 If the Respondent or his counsel do not appear at the Hearing, the Executive Director may apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondent may be made in his absence.
- ¶ 5 Orders made against the Respondent in this matter may automatically take effect against the Respondent in other Canadian jurisdictions, without further notice to the Respondent.

*Peter J Brady*

*April 18 2023 4:09 PM -07:00*

- ¶ 6 Peter J. Brady  
Executive Director