

«PRESSE RELEASE»

« RELEASE »

December 23, 2004

A Registered Representative of **RBC Dominion Securities Inc.** has been condemned to pay a **\$ 300,000** fine for these violations :

- he failed in many ways and on numerous occasions to observe high standards of ethics and professional conduct in carrying out his activities and engaged in conduct unbecoming and detrimental to the public interest;
- he engaged in discretionary trading in the accounts of eight clients over a period of approximately two years without the clients' written authorization and without such accounts being specifically approved and accepted in writing as discretionary accounts;
- he failed to use due diligence to ensure that the trading on the accounts of eight clients was appropriate for the clients and in keeping with their real investment objectives and risk tolerance. (3371)

December 15, 2004

A Registered Representative of **Assante Capital Management** has been condemned to pay a **\$ 25,000** fine for that :

- he accepted more than \$41,000 in cash from a client and \$1,000 from another client for the purchase of securities, without informing Assante or obtaining its authorization to accept cash, and wrote cheques on his personal bank accounts totaling \$41,000, an amount he deposited in the clients' Assante accounts, thereby ignoring Assante's policy statement regarding cash transactions and money laundering;
- he, without Assante's knowledge or authorization, wrote Assante a cheque on his personal bank account and deposited it into the account of a client as compensation for losses sustained in the account;
- he provided false information in a statement made to Association staff investigating these events. (3360)

October 5, 2004

A Registered Representative of **Research Capital Corporation** has been imposed a **\$ 25,000** fine for having :

- made an offer to compensate a client for account losses, and advanced a personal loan to two clients in circumstances of undermargin and/or trade restricted accounts and losses;
- failed to ensure that trade recommendations and use of margin were appropriate for two client accounts and in keeping with the clients' true and/or stated investment objectives. (3338)

September 24, 2004

A Registered Representative of **Assante Capital Management Ltd.** has been condemned to pay a **\$ 280,000** fine for :

- misappropriating \$194,158.63 from a client account at a Swiss financial institution;
- giving trading instructions for a client account at a Swiss financial institution without the knowledge or consent of his employer;
- arranging a private placement and an investment in a hedge fund for a client, both conducted off-book and without the knowledge or consent of his employer. (3334)

August 23, 2004

An employee of **Union Securities Ltd.** has been condemned to pay a **\$ 50,000** fine for having altered a photocopy of personal identification and forged a signature on a New Client Application Form in order to create a fictitious client account. He thereby failed in his duty to observe high standards of ethics and conduct in the transaction of business and engaged in business conduct unbecoming or detrimental to the public interest. (3322)

July 28, 2004

A Registered Representative of **Gorinsen Capital Inc.** has been imposed a **\$ 45,000** fine for having :

- engaged in conduct unbecoming or detrimental to the public interest by churning (excessive trading) a client's account which she knew or should have known was contrary to her client's best interests and/or instructions;
- engaged in conduct unbecoming or detrimental to the public interest by agreeing to compensate her client in an amount equal to the client's initial investment and by delivering an amount in partial satisfaction of that agreement. The agreement and payment were made without the knowledge, consent or authorization of her Member firm. (3315)

July 22, 2004

A Registered Representative of **Nesbitt Burns Corp.** (which became BMO Nesbitt Burns Inc. and subsequently with Canaccord Capital Corp.) has been condemned to pay a **\$ 105,000** fine for his misconduct. He admitted having :

- on two occasions, without the knowledge or consent of a client, amended her investment objectives for her cash and RRSP accounts, as set out in their New Client Account Forms;
- effected a total of 10 unauthorized trades in the RRSP and margin accounts of a client;
- misrepresented to a client, the status of certain funds deposited into his account;
- made misrepresentations to his employer concerning the margin account of a client;

- failed to use due diligence to ensure that he learned the essential facts concerning a client;
- completed a single New Client Account Form for a client to update both her cash account and RRSP account New Client Account Forms and thereby failed to use due diligence to learn the essential facts relative to every account accepted;
- recommended that his client purchase securities for her cash, RRSP and margin accounts which unreasonably exceeded her actual investments objectives for these accounts;
- recommended to a client the purchase of certain specific securities in her accounts that were not suitable for purchase. (3311)

July 12, 2004

A Registered Representative or Registered Representative Options of **CIBC World Markets Inc.** or its predecessor CIBC World Gundy Securities Inc. has been imposed a **\$ 435,000** fine for having :

- misappropriated a total of approximately US\$1.2 million and CDN\$410,000 from three clients;
- issued fictitious monthly account statements to the same three clients;
- created fictitious tax documents for one client;
- compensated one of three clients with \$2 million, an amount in excess of the funds he had misappropriated;
- compensated or undertook to compensate two other clients for losses incurred in their accounts. (3307)

July 9, 2004

A Registered Representative of **CIBC World Markets Inc.** has been condemned to pay a **\$ 305, 000** fine for his violations of the law on several counts, including :

- altering information on two clients' KYC updates without the clients' knowledge or authorization;
- assuming responsibility for the decline in value of a client's portfolio and offering compensation for the losses incurred without the knowledge or consent of CIBC World Markets;
- obtaining, under false pretences, the signatures of clients for account guarantee agreements in favour of other clients;
- accepting a forged power of attorney on a client account, knowing it had not been signed by the beneficial owner of the account. (3305)

June 28, 2004

A Registered Representative of **CIBC World Markets Inc.** has been condemned to pay a **\$ 150,000** fine for having duped the client into agreeing to the transfer of funds from her CIBC World Markets Inc. account to an account held by an unrelated third party at a bank in Cyprus. The client had no appreciation for the significance of the transfer, and

acted solely on the basis of her trust and belief that her Representative was acting in her best interests. (3300)

June 11, 2004

A Registered Representative of **BMO Nesbitt Burns Inc.** has been imposed a **\$ 25,000** fine for having :

- without the client's knowledge and consent, changed the client's investment objectives and risk tolerance as indicated on the initial account agreement signed by client;
- forged the client's signature on the information update form to the account agreement. (3297)

May 27, 2004

A Registered Representative with **CIBC World Markets Inc.** has been imposed a **\$ 375,000** fine for his misconduct :

- he recorded investment objectives for two accounts that were inconsistent with client objectives and information provided;
- he effected discretionary trades in two accounts without prior written authorization and without the account being approved and accepted as a discretionary account;
- he effected unauthorized trades in two client accounts;
- he purchased and sold shares without first obtaining payment, a practice commonly known as free-riding;
- he changed the address of three client accounts so that they would not receive client statements;
- he made false statements about the value of two accounts and created a false document styled in the form of an account statement;
- he, on two occasions, misappropriated monies from one account and transferred it to another account to conceal losses and forged a signature to conceal that he had misappropriated funds. (3291)

May 18, 2004

A Branch Manager and Registered Representative with **BMO Nesbitt Burns Inc.** has been condemned to pay a **\$ 100,000** fine for having :

- while employed as a Branch Manager of a Member of the Association, allowed a nonregistered person to act in furtherance of trades, and thereby engaged in business conduct of practice unbecoming a registrant or contrary to the public interest;
- while employed as a Branch Manager of a Member of the Association, failed to supervise client accounts;
- while employed as a Registered Representative of a Member of the Association, failed to use due diligence to ensure that the recommendations made for a client account were appropriate for the client and in keeping with the client's objectives;
- while employed as a Registered Representative of a Member of the Association, failed to provide clients with objective or unbiased information regarding their investments in

Tee-Comm Electronics Inc., and thereby engaged in business conduct or practice unbecoming a registrant or contrary to the public interest. (3288)

May 4, 2004

A Registered Representative of **CFG Financial Group Inc.** has been condemned to pay a **\$ 410,000** fine for that he engaged in several instances of conduct unbecoming in that he misappropriated funds from six clients, issued fictitious account statements to six clients, engaged in unauthorized trading, and compensated a client for trading losses without the Member firm's knowledge. He also admitted to effecting trades for a client account on instructions from a third party without written authorization. (3276)

March 17, 2004

A Registered Representative with **Northern Securities Inc.** and with **Rampart Securities Inc.** has been condemned to pay a **\$ 120,000** fine by engaging in conduct unbecoming or detrimental to the public interest by:

- conducting unauthorized trades in three client accounts;
- trading in the shares of MYO Diagnostics Ltd. and Charrington Business Consultants Inc. in various client accounts, without any benefit to those accounts and for the purpose of avoiding margin requirements or payment for the shares, a practice known as "debit kiting";
- accepting compensation from a client without disclosing such compensation to his employer;
- failing to disclose to the Association that he had become a director of Charrington Business Consultants Inc.;
- failing to learn the essential facts relative to four clients and the transactions in their accounts. (3264)

March 15, 2004

An employee of **Canaccord Capital Corporation** has been imposed a **\$ 25,000** fine for having :

- falsely endorsed his wife's signature on Withdrawal of Assets forms and bank cheques issued in his wife's name;
- falsely endorsed his wife's signature and presented his wife's cheques to several banks for negotiation and deposit, including accounts of which he was the beneficial owner;
- failed to obtain and have in his wife's file, any third party authority or power of attorney documentation authorizing him to use his own discretion to conduct trades in his wife's account;
- used his own discretion to conduct some trades for his wife's account without the account being properly approved and documented as a discretionary account. (3261)

March 15, 2004

A Registered Representative of **Dundee Securities Corporation** has been imposed a **\$ 150,000** fine for that he :

- misappropriated approximately \$82,000 in client funds;
- used some of the misappropriated funds to compensate for other clients' losses;
- led a client to believe that the misappropriated funds provided to her represented income from her investment account, when the account was in fact never opened;
- forged three sell ticket orders in order to facilitate the misappropriation of funds. (3260)

February 5, 2004

A Registered Representative of **TD Securities Inc.** has been condemned to pay a **\$ 50,245.64** fine for having :

- opened an account in the name of an offshore corporation and failed to disclose that he had a financial interest in, and authority over, the account;
- failed to provide true and accurate answers regarding the account of the corporation to the firm's Compliance Department;
- failed to designate as "pro" more than 847 orders in the account of the corporation;
- traded on new issues in respect of which professionals are not allowed to trade, using an account of a corporation of which he was the sole beneficial owner. (3246)