

«PRESSE RELEASE»

« RELEASE »

December 20, 2005

An Approved Person of **BMO Nesbitt Burns Inc.** has been condemned to pay a **\$ 150,000** fine for his misconduct. He admitted having :

- engaged in undisclosed personal business activities with his clients;
- made a false statement to his branch manager and requested that a family member of his clients confirm his false statement;
- engaged in undisclosed personal business activities by borrowing money from his clients;
- knowingly assisted his client to invest in private placements in which he and/or his family members were also invested without advising his Member firm employer;
- failed to co-operate with the IDA in that he declined to attend at a properly constituted IDA interview. (3494)

November 25, 2005

Research Capital Corporation and one of its CEO, President and Ultimate Designated Person have been each imposed a **\$ 160,000** and **\$ 40,000** fine for :

- having failed to ensure effective or adequate supervision of a registered representative by the appropriate officers or employees. This employee's overall pattern of business conduct should have raised concerns and his business should therefore have been subject to closer scrutiny and tighter control;
- having failed to effectively identify, record or curtail the employee's misconduct;
- having failed to adequately address and correct compliance shortcomings identified by the IDA and to provide reasonable assurance that IDA standards governing compliance and supervision were met.

November 24, 2005

An Approved Person of Research Capital Corporation has been imposed a \$ 40,000 fine for his misconduct. He admitted having engaged in conduct unbecoming by engaging in unauthorized trading in the accounts of two clients and by issuing to those same clients false and misleading documents as to the holdings in their accounts.

November 24, 2005

An Approved Person of **Yorkton Securities Inc.** has been imposed a **\$ 25,000** fine for having :

- failed to use due diligence to ensure that he learned the essential facts relative to a client;
- recommended that a client purchase high risk securities for his accounts, which resulted in the amount of high risk securities in the accounts to exceed the client's objectives;
- completed or caused to be completed, a New Client Account Form for his client, which amendments were not in the best interest of the client;
- conducted business in an unprofessional manner. (3480)

November 21, 2005

An Approved Person employed by **Octagon Securities Corporation** has been imposed a **\$ 100,000** fine for his misconduct. He admitted that :

- he failed to use due diligence relative to a group of clients who opened accounts for the purpose of purchasing convertible debentures by way of a private placement, and thereby failed to learn the essential facts relative to the clients, and to ensure that the acceptance of purchase orders taken from these clients were within the bounds of good business practice;
- he failed to ensure that investments in a private placement made on behalf of a group of clients complied with provisions of the Ontario, British Columbia and Alberta Securities Acts, and thereby engaged in business conduct or practice which was unbecoming an Approved Person or detrimental to the public interest. (3477)

October 26, 2005

An Approved Person of **TD Securities Inc.** has been imposed a **\$ 25,000** fine for having :

- engaged in conduct unbecoming in that he facilitated a loan between clients and his son's company without disclosing that information to his Member firm;
- failed to report a client's complaint to TD Securities Inc.;
- indicated to a client that he would make up the difference if the client's account suffered any losses. (3471)

September 7, 2005

A Registered Representative of **RBC Dominion Securities Inc.** has been imposed a **\$ 10,000** fine for his misconduct. He admitted that he engaged in personal financial dealings with a client, without the knowledge, consent, or authorization of his Member firm. (3459)

August 17, 2005

A Vice-President, Director, Chief Operating Officer and Registered Representative of **IPC Securities Corporation** has been imposed a **\$ 40,000** fine for failing to fully and

properly supervise IPC's inventory and error accounts, and thereby engaged in business practice that was unbecoming or detrimental to the public interest. (3453)

August 12, 2005

IPC Securities Corporation has been condemned to pay a **\$ 100,000** fine for the following faults :

- having failed to maintain adequate records of supervisory activity in accordance with Association requirements concerning head office account supervision;
- having failed to establish, maintain, and/or enforce written policies and procedures to supervise principal trading done on its behalf;
- having failed to maintain its risk adjusted capital at a greater level than zero. (3451)

August 8, 2005

A Registered Representative of **Credential Securities Inc.** has been condemned to pay a **\$ 20,000** fine for having :

- failed to use due diligence to learn the essential facts relative to orders accepted, in that he did not adequately inform himself as to the nature or details of a security (BCI Debenture) before recommending its purchase to as many as fourteen clients;
- failed to use due diligence to ensure that the recommendations made for the accounts of fourteen clients were appropriate for the clients and in keeping with their investment objectives. (3448)

August 5, 2005

A Registered Representative of **HSBC Securities (Canada) Inc.** has been imposed a **\$ 40,000** fine for having :

- recommended and processed purchases of Government of Argentina bonds in the accounts of four clients without first using due diligence to ensure that the recommendation was suitable for the clients based on their financial situation, investment knowledge, investment objectives and risk tolerance;
- on four separate occasions, without the knowledge or approval of HSBC, personally compensated a client for the default of the interest payments on the client's Government of Argentina bond by making four separate payments totalling \$4,200. (3447)

June 23, 2005

A co-branch manager of **Credential Securities Inc.** has been condemned to pay a **\$ 50,000** fine for having :

- failed to adequately supervise a Registered Representative over whom he had supervisory responsibility, to ensure that this Representative performed sufficient due diligence with respect to a security;
- failed to take steps to remain sufficiently informed of the essential facts with respect to the security. These actions led to unsuitable concentrations of the security in four client accounts. (3434)

June 16, 2005

A Registered Representative of **Merrill Lynch Canada Inc.** has been imposed a \$ **35,000** fine for having recommended and processed transactions in the accounts of clients without first using due diligence to ensure that the recommendations or transactions were suitable for the clients, based on their financial situation, investment knowledge, investment objectives and risk tolerance. (3430)

June 16, 2005

A Registered Representative of **BMO Nesbitt Burns Ltd.** has been condemned to pay a \$ **125,000** fine for his misconduct on the following counts :

- having effected approximately 157 trades in the account of a client, without the client's knowledge or consent;
- having falsely declared as "unsolicited" 134 unauthorized trades effected by him in a client's account, without the client's knowledge and consent, suggesting falsely that these trades had been initiated by the client himself;
- having misled a client by providing him with false portfolio statements, showing the assets in his account to be higher than they actually were, even after all of the investments had been liquidated and the account showed a debit. (3429)

May 30, 2005

A Branch Manager of **Thomson Kernaghan & Co. Limited** (TK) has been condemned to pay a \$ **25,000** fine for having failed as Branch Manager to adequately supervise the activities of a TK Investment Representative, and thereby failed to ensure that the handling of client business was within the bounds of ethical conduct, consistent with just and equitable principles of trade, and not detrimental to the interests of the securities industry. (3425)

May 9, 2005

A Registered Representative and Assistant Branch Manager of **BMO Nesbitt Burns Inc.** has been condemned to pay a \$ **100,000** fine for the following faults :

- opened a corporate account in the name of Maples Minor Hockey (Hockey Account) at a local branch of Bank of Montreal;

- fabricated a company using the name Manitoba MultiMedia Habitat (Habitat);
- during a period of approximately four years, he wrote invoices for expenses from the Manitoba Hydro Bond Campaign account and the Winnipeg Social Club account purportedly incurred by Habitat, and prepared cheques using only the initials MMH as the payable party and then deposited those cheques to the Hockey Account;
- used funds deposited to the Hockey Account for personal bad debt purposes. BMO Nesbitt provided the IDA with their investigative findings, including copies of twenty cheques totalling \$138,373.34 made payable to MMH, which BMO Nesbitt confirmed he had deposited into the Hockey Account. (3418)

May 5, 2005

A Registered Representative of **Yorkton Securities Inc.** has been condemned to pay a **\$ 75,000** fine for having engaged in unauthorized discretionary trading, falsely confirmed trades, made offers to compensate a client for account losses; engaged in personal financial dealings with a client, made a representation to a client that a security would be listed on an exchange in furtherance of a trade and participated in an illegal distribution of securities. (3416)

March 28, 2005

A Registered Representative of **Yorkton Securities Inc.** and **Sprott Securities Inc.** has been condemned to pay a **\$ 150,000** fine for having :

- maintained an account at an outside firm in the name of his spouse, without the knowledge or consent of his employers;
- engaged in personal financial dealings with three of his clients, receiving from them financial compensation in the form of securities valued at approximately \$373,500, without the knowledge or consent of his employers. (3406)

February 16, 2005

A Registered Representative Options, Trading Officer and Alternate Designated Person of **CIBC World Markets Inc.** has been condemned to pay a **\$ 295,000** fine for his misconduct. He admitted that he :

- deposited a cheque in the amount of US \$167,343.35, which was payable to CIBC World Markets Inc., into the account of his client, without the knowledge or consent of the Member firm;
- agreed with the client to share in any profits obtained while trading in the client's account;
- traded in the client's account without sufficient cash to cover the trades;
- allocated various losing trades in the client's account to an inventory account controlled by him;
- manipulated certain trade tickets in order to avoid detection by the Member firm;
- effected discretionary trades in the client's account without the account having been designated and approved as a discretionary account. (3397)

February 9, 2005

A Registered Representative of **CIBC Wood Gundy Securities Inc.** has been imposed a **\$ 40,000** fine for having engaged in business or conduct unbecoming or detrimental to the public interest in that, without authorization of the Member firm, he utilized a confidential Branch Access Code and signed a client's signature without the client's knowledge or consent. (3392)

February 4, 2005

A Registered Representative of **Canaccord Capital Corporation** has been imposed a **\$ 80,000** fine for the following faults :

- having effected seven unauthorized transactions in the accounts of three separate clients without prior authorization from those clients;
- having continually failed to contact a client to advise him that there were margin calls in his account and that he was required to deposit money into his account;
- having engaged in personal financial dealings with a client without advising his firm;
- having maintained accounts and processed transactions for clients who resided in Alberta, where he was not registered;
- having failed to inform compliance or supervisory personnel at his firm of a complaint from a client and attempted to personally settle the complaint without the approval of his firm;
- having made a false statement to a compliance officer at his firm who made a trade related inquiry regarding transactions in the account of a client;
- having effected 34 discretionary transactions in the accounts of three separate clients without their prior written authorization. (3390)