



INVESTMENT DEALERS
ASSOCIATION OF CANADA

bulletin



ASSOCIATION CANADIENNE DES
COURTIERS EN VALEURS MOBILIÈRES

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For distribution to relevant parties within your firm

BULLETIN #3246
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Discipline Discipline Penalties Imposed on Fred Paraskevas Dimitriadis – Violation of By-law 29.1

Person Disciplined The Québec District Council of the Investment Dealers Association of Canada (the “Association”) has imposed discipline penalties on Fred Paraskevas Dimitriadis who, at the material time, was a Registered Representative with TD Securities Inc. (Evergreen Division), a Member firm of the Association, and worked out of the Place de la Cathédrale sub-branch in Montréal, Québec.

By-laws, Regulations, Policies Violated Following a discipline hearing on November 12, 2003, the Québec District Council found that Mr Dimitriadis had engaged in conduct that was unbecoming and detrimental to the public interest, contrary to Association By-law 29.1 in that:

- ▶ Count 1: he opened an account in the name of an offshore corporation and failed to disclose, on the New Account Application Form and its subsequent update, that he had a financial interest in, and authority over, this account, being the sole beneficial owner of the said corporation;
- ▶ Count 2: he failed to provide true and accurate answers regarding the account of the corporation over which he had authority, unbeknownst to his superior, by giving incorrect answers to thirteen (13) queries addressed to him by the Compliance Department;
- ▶ Count 3: he failed to designate as “pro” more than 847 orders in the account of the corporation over which he had authority and of which he was the sole beneficial owner;
- ▶ Counts 4 & 5: on two occasions, using an account that had been opened in the name of a corporation of which he was the sole beneficial owner, he traded on new issues in respect of which professionals were not allowed to trade;

Penalty
Assessed

The discipline penalties assessed against Mr Dimitriadis are as follows:

- ▶ prohibition against approval in the capacity of director, officer, manager or assistant manager of a branch office for a period of three (3) years;
- ▶ the requirement to successfully complete the course based on the *Conduct and Practices Handbook* within three (3) months after this decision is served;
- ▶ supervision for a period of one (1) year, including the mandatory requirement that any New Account Application Form must be signed by an officer of the Compliance Department prior to any trade in the account;
- ▶ the payment of the following fines in the total amount of \$50,245.64:
 - a fine in the amount of \$10,000 on Count 1;
 - a fine in the amount of \$13,000 on Count 2;
 - a fine in the amount of \$10,000 on Count 3;
 - a fine in the amount of \$5,000 on Count 4, including the disgorgement of the pecuniary benefit accrued to the Respondent as a result of the relevant trades, in the total amount of \$6,219.64;
 - a fine in the amount of \$5,000 on Count 5, including the disgorgement of the pecuniary benefit accrued to the Respondent as a result of the relevant trades, in the total amount of \$1,026.00.

In addition, Mr Dimitriadis is required to pay \$15,000.00 towards the Association's costs in this matter.

Summary of
Facts

In January 1999, Mr Dimitriadis opened an account in the name of a corporation based in Nassau, Bahamas of which he was the sole beneficial owner. He failed to declare on the New Account Application Form that he had a personal financial interest in, and authority over, this account, thus avoiding the scrutiny to which trades in professional accounts are usually subject.

In November 1999, when updating the New Account Application Form, he again failed to declare that he had a financial interest in this account.

From February 1999 to September 2000, the Respondent failed to designate as "professional" 847 orders in the account of the corporation.

In February 2000, the Respondent traded on a new issue in respect of which professionals were not allowed to trade, either for themselves or for accounts in which they had a financial interest. A profit of \$6, 219.00 was generated from these trades on the same day.

In March 2000, the Respondent again traded on a new issue in respect of which professionals were not allowed to trade for themselves and a profit of \$1,026.00 accrued to the Respondent.

Between April 1999 and July 2000, the Respondent provided false and misleading information to thirteen (13) successive queries regarding this account, addressed to the Respondent by the Compliance Department, without disclosing the authority that he had over the account and that he was the sole owner of the corporation in whose name the account had been opened.

Fred Paraskevas Dimitriadis was dismissed as a result of his conduct. He is currently registered as being in the employ of Desjardins Securities Inc., a Member firm of the Association.

Kenneth A. Nason
Association Secretary