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Discipline

Discipline Penalties Imposed on Manas Dichow – Violations of Regulations 1300.1(c), 1300.4 and 1300.5

Person Disciplined The Pacific District Council of the Investment Dealers Association of Canada (the “Association”) has imposed discipline penalties on Manas Dichow (the “Respondent”), at all material times a Registered Representative with the Vancouver branch office of CIBC World Markets Inc. (“CIBC”), a Member of the Association.

By-laws, Regulations, Policies Violated On December 17, 2003, the Pacific District Council considered, reviewed and varied, by reducing amount of the agreed fine, a Settlement Agreement negotiated between the Respondent and Association staff.

Pursuant to the Settlement Agreement, the Respondent admitted that he:

- (1) Failed to ensure that recommendations made for CE’s account were appropriate for the client and in keeping with his investment objectives, in contravention of Regulation 1300.1(c); and
- (2) Failed to obtain the client’s specific instructions and authority for the type of security and the timing in respect of two trades for the margin account, in contravention of Regulation 1300.4 and 1300.5.

Penalty Assessed The discipline penalties assessed against the Respondent are:

- (1) a fine in the amount of \$25,000, payable to the Association within one (1) month of the effective date of this Settlement Agreement; and
- (2) as a condition of continued approval that, in the event the Respondent fails to comply with any of these discipline penalties within the time prescribed, the District Council may upon application by the Senior Vice President, Member Regulation and without further notice to the Respondent suspend the approval of the Respondent until the penalties are satisfied.

Mr. Dichow is also required to pay \$6,000.00 towards the Association's costs of the investigation of this matter.

Summary
of Facts

At all material times the Respondent was employed as a Registered Representative with the predecessor companies to CIBC World Markets Inc. ("Wood Gundy"), a member of the Association. The Respondent is currently employed as a Registered Representative and Officer with Wood Gundy. The Respondent has been in the industry since 1982. He has no previous disciplinary history with the Association.

CE was born on December 6, 1915. He did not complete High School and worked as a laborer until his retirement. CE resided in a retirement home in Vancouver, B.C. from July 1992 until his death in September 1999. CE had several serious health problems prior to his death, and was hospitalized three times during the period 1995 to 1997. The Respondent was aware of some of the health problems of CE.

The Respondent adopted an aggressive trade strategy for CE commencing in 1997, attempting to follow CE's instructions to aggressively grow his portfolio as CE had indicated he did not require any income from the accounts and intended to leave the proceeds to his beneficiary. The Respondent acknowledges, however, that the margin account was not always operated within the recorded investment parameters for the margin account and that the strategy adopted in 1997 and 1998 was too aggressive for CE given his personal and financial circumstances, including his ongoing health problems.

The specific facts of this matter demonstrated that some of the trade recommendations made by the Respondent were not appropriate and not in keeping with the stated investment objectives for the margin account, nor otherwise suitable for CE given his personal and financial circumstances.

Further, the specific facts of this matter demonstrated that the Respondent failed to obtain CE's specific instructions and authority regarding the type of security and timing in respect of two trades executed for the Margin account.

*See Settlement Agreement for complete summary of facts relied upon for the decision.

Kenneth A. Nason
Association Secretary