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*For distribution to relevant parties within your firm*

Lorne Herlin  
Enforcement Counsel  
604-331-4752, lherlin@ida.ca

**BULLETIN # 3469**  
October 17, 2005

## Discipline

### Discipline Penalties Imposed on Eddis Petrossian: Violations of By-laws 29.1 & 29.7

Person Disciplined A Hearing Panel appointed pursuant to IDA By-law 20 has imposed discipline penalties on Eddis Petrossian (the Respondent), at all material times a registered representative with a Sub Branch Office of Edward Jones, a Member of the IDA.

By-laws Violated The Respondent admitted to the following contraventions of Association By-laws:

#### Count 1

Between October 2003 and May 2004, the Respondent caused to be published advertisements that had not been approved by Edward Jones, contrary to Association By-law 29.7 and By-law 29.1.

#### Count 2

In or around October 2004, the Respondent found a piece of mail from another Member of the Association that was addressed to a client. Without the knowledge or permission of the client, the Respondent opened the mail and used the information contained therein to solicit the client's business, contrary to Association By-law 29.1.

Penalty Assessed Following a disciplinary hearing held on, August 18, 2005 in Vancouver, British Columbia, a Hearing Panel imposed the following penalties on the Respondent:

- (a) in respect of Count 1, a fine of \$5,000;
- (b) in respect of Count 2, a fine of \$25,000;
- (c) in respect of Counts 1 and 2, a 12 month suspension of the Respondent as a registrant, from the date of the decision (August 18, 2005);
- (d) as a condition of re-applying for re-approval by the Association, the Respondent must re-write and pass the examination based on the Conduct and Practices Handbook for Securities Industry Professionals administered by the Canadian Securities Institute;
- (e) the Respondent cannot re-apply to the Association unless the fines and costs assessed herein have been paid; and
- (f) payment of costs to the Association in the amount of \$5,000.

Summary  
of Facts

Petrossian admitted the following facts:

**UNAUTHORIZED ADVERTISEMENTS**

*Bond Advertisements*

The Respondent placed advertisements in the October 26, 2003 and the November 30, 2003 editions of the North Shore News which, among other things, advertised bonds and promoted the bond coupon rates for these bonds (the Bond Advertisements).

The Bond Advertisements did not comply with the provisions of the Edward Jones compliance manual which dictated that advertisements for bonds could only contain the yield to maturity rates.

In December 19, 2003, Donald J. Burwell (Burwell) of the Compliance Department of Edward Jones gave the Respondent a verbal warning regarding the Bond Advertisements and informed him that he could be subject to internal discipline if the situation occurred again.

*CSA Advertisements*

On December 13, 2003, the Respondent sent an email to Burwell in which he stated he had completed an intensive three day course and as a result he had obtained his Certified Senior Advisor (CSA) designation. In his December 13, 2003 email, the Respondent also asked for permission to use the CSA logo and to include his CSA designation in advertisements.

According to a document issued by the Society of Certified Senior Advisors, the:

“CSA classes cover the primary aging issues that a majority of seniors will experience, including Alzheimer’s, dementia, chronic illness, finances, housing, long-term care, insurance investments, recreation, spirituality and ethical standards for advisors who work with seniors.”

In his December 14, 2003 reply email, Burwell advised the Respondent that Edward Jones was reviewing the matter and that the Respondent was not permitted to use the CSA designation in his advertising.

Despite being told not to do so, the Respondent placed advertisements which contained the CSA designation in the:

- January 30, 2004 edition of the North Shore Times;
- February 6, 2004 edition of the North Shore Times;
- April 10, 2004 edition of Coffee Time; and
- May 1, 2004 edition of Coffee Time  
(collectively, the CSA Advertisements).

On May 10, 2004, Edward Jones fined the Respondent \$250 for placing the Bond Advertisements and the CSA Advertisements.

## UNAUTHORIZED OPENING AND USE OF MAIL

The Respondent's girlfriend lived in a building that is located on West Georgia Street in Vancouver (the Building). Mail for the Building is delivered to a bank of mailboxes which are located in the main lobby area of the Building. A tray for misdirected mail is located in this area.

The Respondent had a key for his girlfriend's mailbox and he would frequently collect her mail.

In October 2004, while looking through the misdirected mail tray the Respondent found a piece of mail from First Associates Investments Inc., a Member of the Association, that was addressed to ML (the Mail). He opened the Mail even though he had never met ML and she had not authorized him to do so.

The Mail contained a Statement of Account for ML's Canadian cash account at First Associates Investments Inc. (the Statement). The Statement recorded that the account held:

- cash or cash equivalents of \$40; and
- 200 shares of Split Yield Corp Cap SHS, that were valued at \$158.

The Respondent entered ML's name onto his prospect list. He reviewed the Statement and conducted a portfolio review.

The Respondent located ML's new address. He then sent the Statement to her new address, along with the following four items:

- (i) A typed October 21, 2004 letter to ML, in which he, among other things, states:

"It's been some time since we last discussed your investments, and considering the ever-changing economy, I feel now is a good time to get together and review how those investments are doing."

In the October 21, 2004 letter the Respondent also provided a date and time for the investment review and he hand wrote the following:

"I'M SURPRISED BILL HASN'T CALLED YOU TO UPDATE YOUR ADDRESS! SO MUCH FOR HIS SERVICES! I LIVE AT #703 – \_\_\_ W. GEORGIA I RCVD. YOUR MAIL AREN'T YOU LUCKY? THANKS."

- (ii) An October 20, 2004 press release that was issued by Split Yield Corporation. On the press release he hand wrote:

"...I CAN BUILD A BETTER PORTFOLIO FOR YOU, THIS STUFF IS TOO RISKY!"

(iii) A chart entitled, “Month End Closing Prices YLD. TO – SPLIT YIELD”. On the chart he hand wrote:

“GOING NOWHERE!”.

(iv) A chart entitled, “Annual Dividends YLD.TO – SPLIT YIELD”. On the chart he hand wrote:

“DIVIDENDS FALLING!”.

On November 8, 2004, ML’s sister called Edward Jones to, among other things, complain that the Respondent had opened the Mail (the Complaint). ML’s sister faxed Edward Jones a copy of the items that the Respondent had sent to ML.

On November 9, 2004, Peter Skoretz (Skoretz) of the Compliance Department of Edward Jones telephoned the Respondent in order to discuss the Complaint. The Respondent initially denied opening the Mail. However, when Skoretz informed the Respondent that he had received a copy of the material that the Respondent had sent to ML, the Respondent admitted he had opened the Mail.

On November 16, 2004, Edward Jones terminated the Respondent’s employment for cause.

Kenneth A. Nason  
*Association Secretary*