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Discipline

Discipline Penalty Imposed on Catherina Dawn Blaker; Violations of By-law 29.1 and Regulation 1300.1(a)

Person Disciplined A Hearing Panel appointed pursuant to IDA By-law 20 has imposed a discipline penalty on Catherina Dawn Blaker, at all material times, an Approved Person with BMO Nesbitt Burns, a Member of the IDA.

By-laws, Regulations, Policies Violated On March 15, 2007, the Hearing Panel considered, reviewed, and accepted a Settlement Agreement negotiated between staff of the Enforcement Department of the Association (“Staff”) and Ms. Blaker.

Pursuant to the Settlement Agreement, Ms. Blaker admitted that, while a registered Investment Representative with Nesbitt, she engaged in conduct unbecoming, contrary to By-law 29.1, and contravened Regulation 1300.1(a), in that:

- During the period of January 18, 2001 to June 27, 2001, she engaged in the conduct of forgery of client signatures to client account documentation, at all material times clients of Vance Elder (Elder), a Registered Representative with Nesbitt;
- During the period of January 18, 2001 to June 27, 2001, she engaged in the conduct of forgery of Elder’s signature to Elder’s client account documentation;
- During the period of January 18, 2001 to June 27, 2001, she engaged in the conduct of assessing investment objectives and risk tolerance, providing investment advice and recommendations, and

accepting and processing trade orders for Elder's clients; and

- During the approximate period of August 2001 to September 2001, she misled Nesbitt by providing false information during the course of an internal investigation in respect of her conduct in the forgery of client signatures to client account documentation.

Penalty Assessed The discipline penalty assessed against the Respondent is a:

Permanent prohibition from approval in any registered capacity with the IDA.

Summary of Facts (Summarized from the Settlement Agreement)

On September 7, 2001, the Association was in receipt of a Uniform Termination Notice ("UTN") for the Respondent, indicating a termination of employment as of September 5, 2001, from BMO Nesbitt Burns (hereinafter, "Nesbitt") in Calgary, Alberta. It was revealed that the Respondent was terminated for cause due to a finding that she had forged two client signatures to account documentation for the B.O. accounts, a client of V.E., a Registered Representative, (hereinafter, the "B.O. signatures").

During an interview with Association Staff on December 17, 2002, the Respondent admitted to forging the B.O. signatures. Further, the Respondent advised Staff that Elder had instructed her to forge the B.O. signatures, and in many other instances had instructed her to forge other client signatures and Elder's signature to client account documentation, during the approximate period November 1996 to June 2001.

Further, the Respondent admitted to Association Staff that, upon Elder's direction and/or inducement she provided investment advice and recommendations to Elder's clients, during the approximate period November 1996 to June 2001, when the Respondent was not registered with the Association or registered as an Investment Representative only.

The Respondent was registered as an Investment Representative during the period January 18, 2001, to September 5, 2001.

The Respondent has no prior disciplinary history.

The prosecution of this matter was held in abeyance pending completion of the disciplinary matter of Elder. It is acknowledged and has been considered in the context of this settlement that the Respondent was cooperative in the investigation and prosecution of the within disciplinary matter and the disciplinary matter of Elder.

The Respondent worked as an Administrative Assistant to Elder at the Glenmore Landing Branch of Nesbitt during the period December 9, 1996 to September 21, 2000, when she transferred with Elder to the Esso Plaza branch of Nesbitt until her termination on September 5, 2001.

The Respondent assisted Elder with the administration and management of a large client base of primarily Group RSP accounts.

The Respondent and Elder were involved in a personal relationship during the period from early 1999 to approximately mid-June 2001.

On or about June 29, 2001, the Respondent submitted a written complaint to Nesbitt's Human Resources department alleging verbal and physical threats, abuse and harassment by Elder.

During the period of June to September 2001, Nesbitt investigated the Respondent's allegations against Elder. The Respondent was placed on temporary paid leave from her duties at Nesbitt, as of June 27, 2001, and Nesbitt attempted to find an alternate position for her within the firm.

On or about August 21, 2001, Nesbitt management met separately with the Respondent and Elder, and each was issued, presented with or asked to take a discipline letter as a reprimand in respect of improper use of the firm's e-mail system. Elder was also recommended to attend a harassment awareness seminar.

On or about August 1, 2001, while the Respondent was on temporary leave from Nesbitt, allegations of forgery by the Respondent of the B.O. signatures were brought to the attention of Nesbitt management.

On or about August 28, 2001, the Respondent attended to the Nesbitt offices to retrieve a reference letter, at which time she was confronted with the alleged forgery of the B.O. signatures. The Respondent did not acknowledge forging the B.O. signatures, at that time.

On or about August 31, 2001, Nesbitt submitted the B.O. signatures to a forensic handwriting examiner for analysis.

On or about September 5, 2001, at the request of Nesbitt management, the Respondent attended to the Nesbitt offices where she was told that forensic handwriting analysis had confirmed that she forged the B.O. signatures, and she was advised of her termination for cause. The Respondent denied that she forged the B.O. signatures, at that time.

As indicated above, the Respondent admitted to Association Staff during an interview on December 17, 2002, that she had forged the B.O. client signatures.

The Respondent further admitted to the forgery of Elder's signature and client signatures to client account documentation, an average of at least once (1) per month, upon the direction or influence of Elder, during the period November 1996 to June 2001.

The Respondent advised that Elder had influenced her to believe that the forgery of clients' and Elder's signatures, from time to time, was expected in certain circumstances and generally an accepted practice in the industry.

During the approximate period January 2001 to June 2001, when the Respondent was registered as an Investment Representative, only, she routinely met with Elder's clients, including the client B.O., for the purpose of discussing and obtaining personal financial and investment information, including assessment of client investment objectives and risk tolerances, for completion of new client account application forms and other client account documentation.

Further, during the approximate period January 2001 to June 2001, the Respondent routinely met with Elder's clients to discuss specific investment recommendations for client account(s), which investments were selected by the Respondent from a list of groups of mutual funds approved by Elder, and/or was investment information Elder directed the Respondent to relay to clients, and/or involved the Respondent preparing retirement projections with a view to soliciting new clients and/or new client accounts.

Still further, during the approximate period January 2001 to June 2001, the Respondent routinely took investment trade orders from clients, prepared and signed trade tickets and entered trade orders for execution.

The Respondent advised that Elder directed, induced, and/or influenced her to meet with his clients for the purposes outline above.

For a complete summary of facts, contraventions and penalty, please refer to the Settlement Agreement posted to the IDA website (www.ida.ca).

The Investment Dealers Association of Canada (IDA) is the national self-regulatory organization of the securities industry. The IDA's mission is to protect investors, foster market integrity and enhance the efficiency and competitiveness of the Canadian capital markets. The IDA enforces rules and regulations regarding the sales, business and financial practices of its Member firms and their approved persons. Investigating complaints and disciplining Members and approved persons is part of the IDA's regulatory role.

Kenneth A. Nason
Association Secretary