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BULLETIN #3637
June 20, 2007

Discipline

Charge against Geoffrey Bruce Schmidt dismissed – Alleged Violation of By-law 19.5

Nature of Proceedings A Hearing Panel appointed pursuant to By-law 20 of the Investment Dealers Association of Canada (the “Association”) heard a disciplinary matter relating to an allegation of failure to cooperate, contrary to By-law 19.5 against Geoffrey Bruce Schmidt, formerly and at all material times a Registered Representative (Options) at the North York branch office of BMO Nesbitt Burns Inc.

Decision of the Hearing Panel By written decision, dated May 8, 2007, the Hearing Panel declined to proceed with the charge against Mr. Schmidt.

Staff allegations Staff of the Enforcement Department of the Association (“Staff”) alleged that during the month of August 2006, Mr. Schmidt refused and/or failed to attend and give information in respect of an investigation being conducted by the IDA’s Enforcement Department, contrary to By-law 19.5.

In February 2006, Staff initiated an investigation against Mr. Schmidt pursuant to Association By-law 19.1 (i) for matters relating to compliance of Association By-laws, Regulation, Rulings or Policies. On February 15, 2006, Staff sent a letter via registered mail informing him of the investigation into his conduct and that a Staff investigator would be contacting him for the purpose of obtaining documents and conducting interviews. The Staff investigator was unsuccessful at contacting Mr. Schmidt.

Various attempts were made by mail and by telephone to contact Mr. Schmidt and arrange for an interview. Without any success, Staff

unilaterally set an interview date on August 3, 2006 and sent a registered letter to Mr. Schmidt compelling him to attend for an interview on that date. Mr. Schmidt did not attend for that interview. Staff sent final letter to Mr. Schmidt advising him of his failure to attend and provided him with an opportunity to re-schedule the interview. Mr. Schmidt made no attempts to contact Staff at that time.

Summary of
Hearing Panel
Decision

The Hearing Panel was not prepared to proceed with these charges in light of the circumstances which transpired on the initial day of the disciplinary hearing on March 27, 2007. At that time, Mr. Schmidt indicated that he was now prepared to attend for the required interview. As a result, the Hearing Panel made an order for his attendance and adjourned the proceeding to May 1st, if necessary. According to the Hearing Panel interpretation of the events that took place on March 27th, this order was based upon an understanding by the parties that if Mr. Schmidt attended for the interview as ordered, then the matter would not proceed any further and the May 1st hearing date would be vacated.

On May 1, 2007, Staff advised the Hearing Panel that Mr. Schmidt had attended for the interview as ordered. Staff was not prepared to withdraw the charge and in fact advised Mr. Schmidt its position before he attended for his interview, and advised the Hearing Panel of the same on May 1st. In light of the March 27th hearing and the Order then issued, the Hearing Panel was not prepared to proceed with this charge as it viewed such action to be unfair and unjust to Mr. Schmidt. Accordingly, the charges were dismissed without costs.

Kenneth A. Nason
Association Secretary