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**BULLETIN N° 3660**

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## **Discipline**

### **Disciplinary Action Imposed on PEAK Securities Inc. - Violation of By-law 17.1 and 17.2(a)**

Person Disciplined                      A Hearing Panel appointed pursuant to IDA By-law 20 has imposed discipline penalties on PEAK Securities Inc., an IDA Member firm.

By-laws, Regulations or Policies Violated                      On July 11, 2007, the Hearing Panel examined a Settlement Agreement negotiated between Staff of the IDA and the Respondent. On the grounds enumerated in its decision rendered on July 18, 2007, the Hearing Panel decided to accept the settlement agreement.

Under the terms of this Settlement Agreement, PEAK Securities Inc. has acknowledged:

#### **COUNT 1**

On July 15, 2004, while a Member firm of the Association, PEAK Securities Inc. failed to maintain its Risk Adjusted Capital at a level greater than zero, and thus found itself in a capital deficiency position for the amount of \$59,000, contrary to By-law 17.1.

#### **COUNT 2**

In July 2004, while a Member firm of the Association, PEAK Securities Inc. had not finished implementing control measures relative to activities that have an impact on Risk Adjusted Capital—although it was completed subsequently—contrary to Association By-law 17.2A.

The following penalties have been assessed:

Penalties  
Assessed

- payment of a \$25,000 fine on the first count;
- payment of a \$5,000 fine on the second count;
- payment of the Association's costs, in the amount of \$15,000;

Summary of Facts PEAK Securities Inc. has been a member of the Association since September 29, 2000;

PEAK Securities Inc. was in a capital deficiency position for a single day, namely July 15, 2004, for an amount of \$59,000;

This capital deficiency was the result of outstanding debits in client accounts in respect of the payment of new stock issues;

At the time, PEAK Securities Inc. had not finished implementing control measures relative to activities that have an impact on Risk Adjusted Capital;

PEAK Securities Inc. did in fact implement such control measures in 2004;

Following this event, and pursuant to a subsequent examination conducted in 2005, the Staff of the Association was able to determine that PEAK Securities Inc. had taken the necessary steps and satisfactorily implemented a procedure to maintain its Risk Adjusted Capital at a level greater than zero;

PEAK Securities Inc. itself reported the situation to the Association and showed very good cooperation in resolving this matter, once it was declared to the Association, by quickly taking appropriate measures to correct the situation;

As a result of the foregoing, PEAK Securities Inc. did not incur any financial risk that might result from this short-term capital deficiency, and no client incurred any financial loss.

Kenneth A. Nason  
*Association Secretary*