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BULLETIN NO. 2481, JUNE 30, 1998

Disciplinary Action

Mr. Claude Gingras, who was at all relevant times a registered representative in the Quebec City branch office of RBC Dominion Securities Inc., a Member of the Investment Dealers Association of Canada, has been disciplined by the Association for having engaged in business conduct or practice that is unbecoming or not in the public interest, and for failing to comply with the By-laws, Regulations, Policies or Rulings of the Association. Pursuant to a settlement agreement between Mr. Gingras and the Association staff, the Quebec District Council has imposed as a disciplinary penalty on Mr. Gingras, a permanent prohibition against his approval in any capacity with a Member of the Association.

In addition, Mr. Gingras is required to pay \$1,500.00 toward the Association's costs of investigation of this matter.

Pursuant to the settlement agreement, Mr. Gingras has admitted that:

1. between January and December 1993 he engaged in business conduct or practice which, in the opinion of the District Council, is unbecoming or not in the public interest contrary to Association By-law 20.10(a)(3) by misappropriating funds from client accounts and forging a clients signature on documents with respect to the client account; and
2. on or about January 14, 1993 he effected trades in a client account on a discretionary basis without the clients prior written authorization to the Member and without the account having been specifically approved and accepted in writing as a discretionary account by the designated director, partner, officer, branch manager, futures contract principal or futures contract options principal, as the case may be.

During the period from January to December 1993, Mr. Gingras misappropriated a total of \$25,685.00 from three client accounts by obtaining cheques payable to the clients drawn on their accounts, and then fraudulently endorsing the cheques and depositing them to his personal bank account. In addition, with respect to one of the accounts, Mr. Gingras was able to intercept the monthly account statements issued by the Member firm for the client account and then modify the information so as to hide from the clients the withdrawals from the account.

In addition, on or about January 14, 1993, Mr. Gingras effected two trades in a client's account on a discretionary basis without the prior authorization of the client and without the account being accepted by the Member as a discretionary account.

Mr. Gingras has not been employed with a Member of the Association since the termination of his employment by RBC Dominion Securities Inc. in 1994.

Lyn M. Gilchrist
Association Secretary

PLEASE DISTRIBUTE TO INTERESTED PARTIES IN YOUR FIRM