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BULLETIN # 2576
April 8, 1999

Discipline

Discipline Penalties Imposed on Nellie Kee – Three Violations of By-law 29.1

Person Disciplined	The Ontario District Council of the Investment Dealers Association of Canada has imposed discipline penalties on Nellie Kee , at the relevant time a Registered Representative of Nesbitt Burns Inc., a Member of the Association.
By-laws, Regulations, Policies Violated	On April 8, 1999, the Ontario District Council considered, reviewed and accepted a settlement agreement that had been negotiated by the Association Enforcement Division staff with Mrs. Nellie Kee. Pursuant to the settlement agreement, Mrs. Kee admitted that she accepted instructions and permitted funds to be withdrawn from a client account by a third party without obtaining the consent or specific instructions of the client to do so. Mrs. Kee further changed the address of the same client account to that of the third party without obtaining the consent or specific instructions of the client to do so. Finally, Mrs. Kee changed the same client account into a joint account with the third party without obtaining the consent or specific instructions of the client to do so. Mrs. Kee thereby engaging in business conduct unbecoming a Registered Representative, contrary to By-law 29.1.
Penalty Assessed	The discipline penalty assessed against Mrs. Kee is a permanent prohibition against her approval in any capacity with any Member of the Association. In addition, Mrs. Kee is required to pay \$2,000.00 toward the Association's costs of investigation of this matter.
Summary of Facts	Mrs. Kee opened an account for her mother-in-law, Eva Kee, around August of 1981. At all relevant times, Mrs. Kee took the majority of instructions with respect to Eva Kee's account from her husband, Thomas Kee, without seeking specific instructions or consent to do so directly from Eva Kee, including instructions to withdraw funds from the account. Mrs. Kee thereby engaged in business conduct unbecoming a Registered

Representative, contrary to By-law 29.1.

In or around October of 1989, solely on the instructions of Thomas Kee, Mrs. Kee changed the address on Eva Kee's account from the residence at which Eva Kee resided to the address where she and Thomas Kee resided. By arranging to have Eva Kee's account statements sent to her own residence without Eva Kee's prior consent or

specific instructions, Mrs. Kee engaged in business conduct unbecoming a Registered Representative, contrary to By-law 29.1.

In March of 1990, Mrs. Kee changed Eva Kee's account into a joint account in the name of Eva Kee and Thomas Kee, with sole right of survivorship. At no time did Mrs. Kee seek or obtain the consent or specific instructions from Eva Kee to change the account into a joint account. Rather, Mrs. Kee gave the form required to change the account to Thomas Kee, who returned it to her with Eva Kee's signature on it.

Court proceedings regarding the mental capacity and financial affairs of Eva Kee were initiated in 1993 by two other children of Eva Kee. An interim Court Order was issued on August 9, 1993, declaring Eva Kee to be mentally incompetent to manage her financial affairs as of September of 1988.

Eva Kee passed away on August 28, 1995. A final Court Order issued on August 29, 1995, held that \$123,016.16 in Eva Kee's accounts held at various financial institutions, including the Member, could not be accounted for by Thomas Kee. The Court further found that the setting up of the joint account was improper due to the fact that Eva Kee was mentally incompetent at the time. Mrs. Kee's conduct in this regard constituted business conduct unbecoming a Registered Representative, contrary to By-law 29.1

Mrs. Kee has retired from Nesbitt Burns Inc. and is no longer employed in the securities industry.

Lyn M. Gilchrist
Association Secretary