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For distribution to relevant parties within your firm

BULLETIN # 2723
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Discipline

Discipline Penalties Imposed on Gorinsen Capital Inc. and Kenneth Norquay - Violation of By-law 29.1

Person Disciplined	The Ontario District Council of the Investment Dealers Association of Canada has imposed discipline penalties on Gorinsen Capital Inc. (“Gorinsen”) and Kenneth Norquay (“Mr. Norquay”). Mr. Norquay was, at the relevant time, the President, Director and Secretary-Treasurer of Gorinsen, a Member of the Association.
By-laws, Regulations, Policies Violated	<p>By written decision dated April 28, 2000 the District Council has concluded a discipline proceeding concerning allegations made by Enforcement staff that Gorinsen and Mr. Norquay violated Association By-laws. The District Council found that:</p> <ol style="list-style-type: none">1. Gorinsen allowed its name to be used by an unregistered person to facilitate a private placement of securities and thereby engaged in conduct unbecoming or detrimental to the public interest contrary to Association By-law 29.1; and2. Mr. Norquay failed to conduct appropriate and diligent inquiries regarding a private placement and unknowingly allowed an unregistered person to act in furtherance of trades, thereby engaging in conduct which is unbecoming or detrimental to the public interest contrary to Association By-law 29.1.
Penalty Assessed	<p>The discipline penalties assessed against Gorinsen are a fine in the sum of \$7,500 and disgorgement of commissions in the sum of \$2,736. The discipline penalty imposed against Mr. Norquay is a condition on his registration approval that he be prohibited from involvement in private placements for a period of three years.</p> <p>In addition, Gorinsen and Mr. Norquay are required to pay \$1,500 each toward the Association’s costs of investigation of this matter.</p>
Summary	In early April 1996, Mr. Norquay was approached by one Alexander Henry, (“Mr. Henry”) allegedly the Managing Partner of Hampton Equity

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Management Inc. (“Hampton Equity”). Mr. Henry solicited Gorinsen’s involvement in the completion of a private placement on the basis that Hampton Equity was a Limited Market Dealer and a regular broker was required to complete the financing to take advantage of available prospectus exemptions.

Mr. Norquay, on behalf of Gorinsen, agreed to facilitate the private placement. Mr. Henry was given responsibility, as agent of Gorinsen, for the completion of the financing. Unbeknownst to Mr. Norquay, neither Mr. Henry nor Hampton Equity was registered in any capacity with the appropriate regulatory agencies. Mr. Norquay took no steps to verify the registration status of Mr. Henry or Hampton Equity.

In effect, Gorinsen unwittingly assigned responsibility for the completion of the private placement to an unregistered individual.

Effective May 1, 2000 Gorinsen has changed its name to Westminster Securities Inc. Westminster Securities Inc. remains a Member of the Association but is owned by third parties unrelated to Mr. Norquay. Mr. Norquay continues to be employed by Westminster Securities Inc.

Suzanne M. Barrett
Association Secretary