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For distribution to relevant parties within your firm

BULLETIN # 2917
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Discipline

Discipline Penalty Imposed on Ellis Sven Gareth – Violation of By-Law 29.1

Person Disciplined	<p>The Ontario District Council of the Investment Dealers Association of Canada (the “Association”) has imposed a discipline penalty on Ellis Sven Gareth, formerly and most recently an approved person with Dundee Securities Corporation, a Member of the Association.</p> <p>Mr. Gareth has not been approved for employment by a Member of the Association since November 1999.</p>
By-laws, Regulations, Policies Violated	<p>On November 22, 2001, a discipline hearing was convened before the District Council pursuant to a Notice of Hearing and Particulars.</p> <p>In the Notice of Hearing and Particulars, the staff of the Enforcement Department of the Association alleged that, from 1980 to 1999 Mr. Gareth engaged in conduct that is unbecoming or contrary to the public interest by opening and operating a bank account and securities accounts using a pseudonym.</p> <p>Although duly notified of the proceeding, Mr. Gareth did not attend the hearing or dispute the allegation. The District Council concluded that Mr. Gareth had violated By-law 29.1.</p>
Penalty Assessed	<p>The discipline penalty assessed against Mr. Gareth is a permanent prohibition on his approval in any capacity with any Member of the Association. In addition, Mr. Gareth is required to pay \$2,500.00 towards the Association’s costs of investigation of this matter.</p>
Summary of Facts	<p>Mr. Gareth was employed by Dundee Securities Corporation, or predecessor Members (“Dundee”), from December 1993 to November 1999. Prior to such employment, the Respondent was employed by RBC Dominion Securities Inc., or predecessor Members (“RBC-DS”), from August 1976 to November 1993.</p>

In approximately 1980, the Respondent began to use a pseudonym. He intended to invest under the pseudonym and thereby be assessed less income tax on any investment income.

Without the knowledge or consent of DWS, a resident of Etobicoke, the Respondent obtained the name and date of birth of DWS, and thereafter represented himself to be DWS in applying for and obtaining a social insurance number and driver's license in the name of DWS. For an address and telephone number, the Respondent used his own or else that of an unsuspecting acquaintance.

Without the knowledge or consent of DWS, the Respondent then opened a bank account in the name of DWS. The Respondent funded the DWS bank account with personal cheques and drafts.

Without the knowledge or consent of DWS, the Respondent then opened a securities account in the name of DWS: first, in 1980, at RBC-DS; then, in 1996, at Dundee. The Respondent funded investment activity in the name of DWS through cheques drawn on the above-noted bank account. The Respondent traded in securities in the name of DWS from 1980 to 1999.

The Respondent's conduct went undetected until 1999. The Respondent's conduct was discovered when the Canadian Customs and Revenue Agency contacted DWS in regards to undeclared investment income in the years 1996 and 1998. Such income had been generated by trades and holdings in the account in the name of DWS opened by Respondent at Dundee.

DWS contacted Dundee, and Dundee pursued the matter with the Respondent. Dundee discovered what the Respondent had done, and the Respondent resigned.

The Respondent has been the subject of a past Association discipline action (see IDA Bulletin No. 2050, dated February 16, 1994).

Kenneth
Association Secretary

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