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*For distribution to relevant parties within your firm*

**BULLETIN #2939**  
January 17, 2002

## Discipline

### **Discipline – Penalties To Be Imposed on Christopher Robinson – Violation of Regulations 1300.1(a), 1300.1(c) and By-law 29.1**

**(The subject of this hearing is not to be confused with the registrant Christopher Robinson of St. John's, Newfoundland.)**

Person Disciplined      The Nova Scotia District Council of the Investment Dealers Association of Canada has imposed discipline penalties on Christopher Robinson, at the relevant times Registered Representative with RBC Dominion Securities Inc, a member of the Association.

By-laws, Regulations, Policies Violated      By written decision dated December 17, 2001 the District Council concluded that Mr. Robinson violated Regulations 1300.1(a), 1300.1(c) and By-law 29.1. Specifically, the District Council found that the evidence established that Mr. Robinson:

1. on one occasion, failed to use due diligence to learn the essential facts relative to a client, contrary to IDA Regulation 1300.1(a);
2. on six occasions, recommended securities which were not appropriate for the clients' needs or in keeping with the clients' investment objectives, contrary to IDA Regulation 1300.1(c);
3. on two occasions, completed account documentation indicating changes in his clients' investment objectives and risk tolerance which did not reflect the clients' true investment objectives and risk tolerances, contrary to Regulation 1300.1(a) and By-Law 29.1; and
4. on one occasion, failed to explain the risks associated with a margin account while recommending to his client to open such an account.

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Penalty  
Assessed

The discipline penalties assessed against Mr. Robinson are a fine of \$47,500.00; rewriting and passing the examination based on the *Conduct and Practices Handbook for Securities Industry Professionals*, administered by the Canadian Securities Institute, prior to being reinstated to membership; disgorgement of commissions in the amount of \$6,375.62, payable within one year. Mr. Robinson is currently not employed in the industry. If he successfully reapplies for registration, he will be under strict supervision for a period of 12 months followed by close supervision for a further period of 12 months. Finally, he was ordered to pay the Association's costs in an amount of \$25,000.00.

Summary  
of Facts

At all relevant times, Mr. Robinson was employed as a Registered Representative with RBC Dominion Securities.

The sanctions levied against Mr. Robinson arose from his conduct towards five of his clients. All five had conservative investment objectives and were unsophisticated investors. Two of the five were retired, two others had short-term retirement goals and the fifth had a short-term educational goal. Mr. Robinson recommended speculative and high-risk securities to all these clients.

One client required funds to lend to her son. Mr. Robinson recommended she gain access to funds by opening a margin account. He did not suggest any other options, nor did he discuss the risks of margin, particularly in light of the speculative securities the client was holding at his recommendation.

Mr. Robinson filled out a new account opening form for one client that contained many factual errors regarding the client. He filled out updated account information for two other clients, indicating these clients desired increased risk and speculation in their accounts, when in fact the clients' objectives and risk tolerance had not changed.

The Association was unsuccessful in its attempts to serve Mr. Robinson personally with the Notice of Hearing. The District Council reviewed the Association's attempts to serve Mr. Robinson and to ensure he was aware of the charges, the particulars and the fact a hearing would occur, as well as the requirements of By-Law 23.2. The District Council found that all reasonable attempts had been made and that By-Law 23.2 had been satisfied, and ruled that good and sufficient service had been achieved.

Kenneth A. Nason  
*Association Secretary*