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*For distribution to relevant parties within your firm*

**BULLETIN #3004**

June 3, 2002

**AMENDED**

## Discipline

### Discipline Penalties Imposed on Blair Douglas Wood – Violation of Regulation 1300.1 (c) and By-law 29.1

Person Disciplined      The Pacific District Council of the Investment Dealers Association of Canada (the "Association") has imposed discipline penalties on Blair Douglas Wood, at the material times a registered representative with Great Pacific Management Co. Ltd. (now Cartier Partners Securities Inc.), a Member of the Association.

By-laws, Regulations, Policies Violated      On May 22, 2002, the Pacific District Council considered, reviewed and accepted a settlement agreement negotiated between Mr. Wood and Association staff.

Pursuant to the Settlement Agreement, Mr. Wood admitted that:

- between March 19, 1997 and October 9, 1997, inclusive, he recommended four investments for his clients that were not appropriate for those clients and were not in keeping with the client's actual and stated investment objectives for their accounts, contrary to Regulation 1300.1 (c);
- he reimbursed money from his personal funds to one of the clients to compensate her for losses sustained in her account, contrary to By-law 29.1;
- he altered a form previously executed by one of the clients without her knowledge and consent, in order to facilitate the purchase of securities for her account, contrary to By-law 29.1; and
- he failed to accurately record an essential fact on the new client application forms for these clients, contrary to By-law 29.1.

Penalty Assessed      The discipline penalties assessed against Mr. Wood are a fine in the amount of \$15,000.00, a condition of his continued approval by the Association in a registered capacity that he must re-write and pass the examination based on the *Conduct and Practices Handbook Course*, and that he be placed under strict supervision for a period of six months. In addition, Mr. Wood is required to pay \$3,200.00 towards the Association's costs of the investigation of this matter.

Summary of Facts      Mr. Wood, in connection with learning the essential facts relative to his clients, a couple who had a joint account and individual RRSP accounts, noted that these clients were "totally risk averse", such that the risk tolerance for these clients was 100% low risk. Notwithstanding this information, Mr. Wood recorded the risk profile as 100% medium on the New Client Application Form for each of the three accounts.

On March 19, 1997, on the recommendation of Mr. Wood, the clients purchased 7 units in the Multimetro Mortgage Corporation Parksville Oceanfront Resort First Mortgage Fund ("Multimetro") for their joint account and one spouse purchased 3 units in Multimetro for his RRSP account. Multimetro was a medium to high risk investment and the purchase of this investment was not in keeping with the client's actual investment objectives for their accounts. The clients lost their entire investment of \$10,000.00 in this security.

On October 9, 1997, on the recommendation of Mr. Wood, one client purchased 337.809 units of the Mackenzie Universal Precious Metals Fund ("Precious Metals") and 203.081 units of the Mackenzie Universal Canadian Resources Fund ("Resources") for her RRSP account. Both funds were high risk investments and were not appropriate for the client and not in keeping with the client's actual and stated investment objectives for her account.

On October 9, 1997, one client executed a Registered Money Transfer Form to facilitate the transfer of \$3,000 for the purchase of the units in Resources for her account. Mr. Wood subsequently altered the Form to include the transfer of \$2,000 for the purchase of Precious Metals for her account. While the purchase of Precious Metals units was authorized by the client, the Form was altered without her knowledge and consent.

On January 9, 1998, Mr. Wood paid \$1,419.83 to the client from his own funds to compensate her for the losses sustained in her account resulting from the purchase of Precious Metals and Resources.

Mr. Wood is currently employed as a registered representative with Cartier Partners Securities Inc.

Kenneth A. Nason  
*Association Secretary*