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For distribution to relevant parties within your firm

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Discipline

Discipline Penalties Imposed on Paul Alexander Bishop – Violation of By-law 29.1

Person Disciplined The Ontario District Council of the Investment Dealers Association of Canada has imposed discipline penalties on Paul Alexander Bishop, at the relevant times a Registered Representative with RBC Dominion Securities Inc., a member of the Association.

By-laws, Regulations, Policies Violated On September 30, 2002 the District Council reviewed and accepted a settlement agreement negotiated with the Association’s Enforcement Department Staff. In the settlement agreement, Mr. Bishop acknowledged that he:

1. engaged in conduct unbecoming and detrimental to the public interest by altering the Futures Account Application Form of his client IT so that it would conform to the minimum requirements for opening such an account, the same being completed without proper client authorization and for the express purpose of circumventing RBC’s account opening policies and procedures, contrary to By-law 29.1 of the Association.

Penalty Assessed The discipline penalties assessed against Mr. Bishop are a fine of \$20,000; a requirement that, as a condition of continued approval in any capacity with a Member of the Association, he re-write the Conduct & Practices Handbook examination within six (6) months; he file monthly supervision reports for six (6) months; and potential suspension without notice if he fails to comply in any way with the penalties awarded. Finally, he has been ordered to pay the Association’s costs in an amount of \$6,000.

Summary
of Facts

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

The sanctions levied against Mr. Bishop arose from his conduct

In 1999 the Respondent, opened an account for a new client. The application was sent to RBC Compliance Department for approval. however, the Compliance Department rejected the application because it did not meet the minimum requirements for opening this account. Upon the rejection of the application, the Respondent altered the amounts originally provided by the client such that they would meet the minimum thresholds. The copy of the application that the Respondent re-submitted to the Compliance Department for approval was altered. The Respondent did not obtain proper client authorization for the changes the Respondent made to the application. Consequently, the Respondent placed his client at much higher financial risk than appropriate in all circumstances. Furthermore, the Respondent did not notify RBC Compliance Department that the application form he was providing was a re-submission which contained changes from the original and that the changes were neither signed by the client. Consequently, the Respondent deceived his member firm RBC and caused it to rely upon and approve falsified documentation and information.

Kenneth A. Nason
Association Secretary