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## Discipline

### Discipline Penalties imposed on Graeme Hamilton – Violations of Regulation 1300.4 and By-Law 29.1

**Person Disciplined** The Ontario District Council of the Investment Dealers Association of Canada (the "Association") has imposed discipline penalties on Graeme Hamilton, at all material times a registered representative with Burns Fry Ltd. (now BMO Nesbitt Burns Inc.), a Member of the Association.

**By-laws, Regulations, Policies Violated** On November 1, 2002, the Ontario District Council considered, reviewed and accepted a Settlement Agreement negotiated between Mr. Hamilton and Association staff.

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

- Between September 1995 and August 1997 he exercised discretion in effecting trades for clients in accounts in respect of which the clients had not given written authorization and the Member firm had not accepted as discretionary accounts; and
- Between September 1996 and May 1997 he gave false and inaccurate account information to his client regarding the market value of the account contrary to Association By-law 29.1.

**Penalty Assessed** The discipline penalties assessed against Mr. Hamilton include a fine in the amount of \$20,000.00, as follows:

- \$10,000.00 for the discretionary trading (Regulation 1300.4); and
- \$10,000.00 for the provision of inaccurate account information (By-law 29.1)

Mr. Hamilton is also required to pay \$6,400.00 towards the Association's costs of the investigation of this matter.

**Summary of Facts** In 1995, three accounts were opened by Mr. Hamilton for his clients who are also his parents-in-law. The accounts included a joint cash account and two individual RRSP accounts. At this time the clients had taken early retirement and left Toronto to go cruising on their sailboat for an indefinite length of time. There was an understanding that Mr. Hamilton would monitor the account and exercise his discretion with respect to trading activity. Despite this understanding, no appropriate documentation was executed.

The accounts did not perform as well as had been expected. The clients had requested that they be advised of the market value of the account, and in particular, if the account dropped below a minimum value. In the summer of 1997, Mr. Hamilton gave the clients inaccurate information regarding the market value of their portfolio despite it having dropped below the stated minimum value.

Mr. Hamilton is currently employed with CIBC World Markets Inc.

Kenneth A. Nason  
*Association Secretary*