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For distribution to relevant parties within your firm

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Discipline

Discipline Penalties Imposed on Roger Ancil Rambhajan – Violations of By-law 29.1

Person Disciplined The Ontario District Council of the Investment Dealers Association of Canada has imposed discipline penalties on Roger Ancil Rambhajan, at all material times a registered representative with Merit Investment Corporation, subsequently Rampart Securities Inc., a former Member of the Association.

By-laws, Regulations, Policies Violated Following a disciplinary hearing on November 4, 2002, the Ontario District Council found Roger Ancil Rambhajan to have violated Association By-law 29.1 by engaging in conduct unbecoming or contrary to the public interest by:

- (a) forging the signature of client GK on a guarantee and by filing the guarantee with the Member so that the joint account of clients GK and PK would guarantee the account of a third party JA, without the knowledge or consent of the clients, and by subsequently forging GK's signature on a letter sent by the Member to confirm the guarantee;
- (b) forging the signature of client JK on a guarantee and by filing the guarantee with the Member so that JK's account would guarantee the account of a third party JR, without the knowledge or consent of the client;
- (c) forging the signature of client JS on a guarantee and by filing the guarantee with the Member so that JS's account would guarantee the account of a third party JT, without the knowledge or consent of the client;
- (d) creating false trade confirmation slips and presenting them to GK, indicating falsely that two trades requested by the client had been executed;
- (e) executing trades in the accounts of GK/PK, JK, SK and JS, all without the knowledge or consent of the clients, and;

- (f) diverting mail intended for GK/ PK, JK and SK to addresses used by Roger Ancil Rambhajan (“Mr. Rambhajan”), without the knowledge or consent of the clients.

Penalty
Assessed

The discipline penalties assessed against Mr. Rambhajan are as follows:

- A permanent prohibition on registration in any capacity with the Association;
- A fine in the amount of \$275,000, broken down as follows:
 - i) \$150,000 with respect to client forgeries and falsification of documents;
 - ii) \$100,000 with respect to the unauthorized trading; and
 - iii) \$25,000 with respect to the diversion of client mail.
- Disgorgement of commissions in the amount of \$7,220.49; and
- Payment of the Association’s costs in the amount of \$48,400.

In addition, the above amounts were ordered to be paid within 30 days.

Summary
of Facts

At all material times, Mr. Rambhajan was approved as a registered representative with Rampart Securities Inc., formerly Merit Investment Corporation. Rampart Securities Inc. is a former Member of the Association (“RSI” or “the Member”).

Clients GK and PK:

In July 1997 Mr. Rambhajan forged the signature of client GK on a guarantee. He then completed and filed the guarantee with the Member, thereby indicating that the joint account of clients GK and PK would guarantee the account of JA, an acquaintance of Mr. Rambhajan. The guarantee was prepared and filed without the knowledge or consent of GK or PK.

In order to conceal this conduct and his subsequent conduct from GK and PK, Mr. Rambhajan instructed the Member to re-direct account mail to a new address. The address was one used by Mr. Rambhajan and unknown to the clients.

In October 1997, the Member’s auditor sent a letter to GK and PK requesting that they confirm that they were content to have their account guarantee JA’s account. This letter went to the false address. Mr. Rambhajan again forged the signature of GK and responded to the auditor’s letter in the affirmative.

Between January 1998 and June 1998, Mr. Rambhajan effected 31 unauthorized trades in the joint account, thereby liquidating the clients’ account holdings, and did so without the knowledge or consent of GK or PK.

In or around March 1998, GK had instructed Mr. Rambhajan to execute two purchases of a security. Mr. Rambhajan did not do so. In May 1998, Mr. Rambhajan prepared and then personally delivered to GK two forged trade confirmation slips to induce GK to believe that the trades had been made.

Client JK:

In December 1997, Mr. Rambhajan forged the signature of client JK on a guarantee. He then completed and filed the guarantee with the Member, thereby indicating that JK's account would guarantee the account of JR, an acquaintance of Mr. Rambhajan. He prepared and filed the guarantee without the knowledge or consent of JK.

Throughout the first half of 1998, Mr. Rambhajan effected 48 unauthorized trades in JK's account and liquidated the account holdings, without the knowledge or consent of the client.

In order to conceal the unauthorized trading from JK, Mr. Rambhajan instructed RSI to re-direct account mail to an address used by Mr. Rambhajan.

Client SK:

Beginning in April 1998, Mr. Rambhajan effected 18 unauthorized trades in SK's account, and liquidated the holdings in the account, without the knowledge or consent of the client.

In order to conceal the unauthorized trading from SK, Mr. Rambhajan instructed RSI to re-direct account mail to an address used by Mr. Rambhajan.

Client JS:

In November 1997, Mr. Rambhajan forged the signature of JS on a guarantee. He then completed and filed the guarantee with the Member, thereby indicating that JS's account would guarantee the account of a third party JT. The guarantee was prepared and filed without JS's knowledge or authorization.

In June 1998, Mr. Rambhajan sold the one security held by JS, and did so without the knowledge or consent of the client.

Mr. Rambhajan has not been registered in any capacity with the Association since August 20, 1998.

Kenneth A. Nason
Association Secretary