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November 27, 2002

Jeffrey Kehoe

Director, Enforcement Litigation

Discipline

Discipline Penalties Imposed on David Henry Leung – Violation of By-law 29.1

Person Disciplined	The Alberta District Council of the Investment Dealers Association of Canada (the “Association”) has imposed discipline penalties on David Henry Leung, at the relevant time, a registered representative of Goepel McDermid Inc., a Member of the Association.
By-laws, Regulations, Policies Violated	On November 19, 2002 the Alberta District Council considered, reviewed and accepted a Settlement Agreement negotiated between David Henry Leung and staff of the Association’s Enforcement Division. Pursuant to the Settlement Agreement Mr. Leung admitted that between July 1999 and May 2000, he engaged in conduct unbecoming a registered representative by engaging in personal financial dealings with his clients, and failing to disclose same to the Member Firm or seek its approval, contrary to Association By-law 29.1.
Penalty Assessed	The discipline penalty assessed against Mr. Leung is a fine in the amount of \$10,000. In addition, he was ordered to successfully re-write the exam based on the Conduct and Practices Handbook offered by the Canadian Securities Institute, the disgorgement of profits earned in the amount of \$3,966.89, a 12 month period of monthly supervision, and to pay \$3,500 towards the Association’s costs of investigation of this matter.
Summary of Facts	The sanctions levied against Mr. Leung arose as a result of his dealings with Mr. and Mrs. A, who maintained an account at Goepel McDermid Inc. Mr. Leung was the registered representative in charge of that account.

In June of 1999, Mr. Leung had received an allotment of certain shares as a new issue. As he was unable to place 20,000 shares of his allotment, Mr. Leung decided to purchase these shares for his own account.

Mr. Leung was aware that he was not permitted to purchase the shares in issue through his "pro" account. Accordingly, Mr. Leung made an agreement with Mr. and Mrs. A that he would place the order through the account Mr. and Mrs. A maintained at Goepel McDermid Inc. Mr. Leung was to pay for the purchase, and any proceeds from the sale of the shares in issue would be divided between him and the clients.

On July 12, 1999, a total of 20,000 shares of the new issue were purchased for the account of Mr. and Mrs. A for the sum of \$10,000. Mr. Leung provided the funds to pay for this purchase.

On March 3, 2000, Mr. and Mrs. A were sold out of this position and the sum of \$18,782.44 was credited to their account maintained at Goepel McDermid Inc.

Mr. Leung received a cheque from Mr. and Mrs. A in the amount of \$13,966.89, being the proceeds of the sale of the shares in issue, less the clients' tax liability on account of capital gains.

At no time prior to the termination of his employment Goepel McDermid Inc. did Mr. Leung disclose his dealings with Mr. and Mrs. A with respect to this transaction to Goepel McDermid Inc.

Mr. Leung is currently employed as a Registered Representative with Union Securities Ltd.

Kenneth A. Nason
Association Secretary