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Discipline

Discipline Penalties imposed on Gwendolyn Chan - Violations 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 Gwendolyn Chan, at all material times employed by CIBC Wood Gundy Ltd. (now CIBC World Markets), formerly a Member of the Association.
By-laws, Regulations, Policies Violated	<p>On December 12, 2002, the Pacific District Council considered, reviewed and accepted a Settlement Agreement negotiated between Ms. Chan and Association staff.</p> <p>Pursuant to the Settlement Agreement, Ms. Chan admitted that between December 1995 and October 1997 she failed to use due diligence to ensure that recommendations made for two client accounts were suitable for them and in keeping with their investment objectives contrary to Regulation 1300.1(c). Ms. Chan also admitted that she failed to confirm the appropriateness of a distribution of certain securities contrary to By-Law 29.1.</p>
Penalty Assessed Summary of Facts	<p>The discipline penalty assessed against Ms. Chan is a formal reprimand.</p> <p>Ms. Chan is currently 69 years old. She acknowledged having made unsuitable recommendations in two client accounts in that the percentage of the portfolio devoted to high risk was greater than what the clients had wanted. Ms. Chan also inadvertently engaged in sales of securities that had not been approved for distribution. She made inquiries of the U.S.-based issuer, including its legal counsel, as to the appropriateness of the distribution but did not confirm the distribution with the Compliance Division of her Member Firm.</p> <p>Both clients have received full restitution from the Member Firm for losses in their portfolio arising from the unsuitable recommendations and Ms. Chan has delayed her retirement, in part to continue making restitution payments to the Member Firm. Ms. Chan had been placed on close supervision for approximately four years subsequent to the complaints having been made.</p>

In these unusual circumstances, although Ms. Chan had agreed to reimburse the Association for a portion of its costs associated with the prosecution of this matter, the Pacific District Council amended the Settlement Agreement to delete the requirement that she make those payments.

Ms. Chan is currently employed at Union Securities Ltd.

Kenneth A. Nason
Association Secretary