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For distribution to relevant parties within your firm

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Discipline

Discipline Penalties imposed on Dimitrios Boulieris – Violation of By-Law 29.1

Persons Disciplined The Ontario District Council of the Investment Dealers Association of Canada (the “Association”) has imposed discipline penalties on Dimitrios Boulieris (“Boulieris”).

By-laws, Regulations, Policies Violated Between June 17 and 21, 2002, the Ontario District Council heard evidence relating to allegations of misconduct by Boulieris during the time that he was employed as a registered representative with First Delta Securities Inc. (“First Delta”), a former member of the Association.

On September 30, 2002, the Ontario District Council released its decision and found that Boulieris had engaged in conduct unbecoming, contrary to Association By-law 29.1, by carrying out the trading of a client who had indicated to him that he would attempt to manipulate the market price of First Florida Communications Inc. (“First Florida”), a U.S. company.

Penalty Assessed On October 24, 2002, the Ontario District Council heard submissions on an appropriate penalty for Boulieris. By its decision, dated January 17, 2003, the Ontario District Council imposed the following penalties:

- (i) Boulieris shall be under strict supervision for a period of two years commencing upon Boulieris’ re-employment with any Member of the Association;
- (ii) Boulieris shall successfully re-write the examination based on the Conduct and Practices Handbook for Securities Industry Professionals prior to being approved for employment with any Member of the Association.

The Ontario District Council also indicated that a suspension would be appropriate in the circumstances. However, as Boulieris had effectively been unable to transfer his approval to another Member firm, for a period of approximately one year while

these proceedings were pending, the Ontario District Council determined that a further suspension was not required.

Boulieris has also been ordered to pay a portion of the Association's costs, in the amount of \$ 5,000.00, payable within six months of the date of the penalty decision.

Statement of
Facts

Boulieris was employed as a registered representative at First Delta between July 1998 and June 1999.

During that time, Boulieris opened accounts for two corporations that were controlled by H.A. These two corporations held a large equity position in First Florida, a corporation whose shares were traded in the U.S. Over-the-Counter Bulletin Board.

In a statement to Association Staff, Boulieris indicated that H.A. had told him that they were "trying to clean up any, any loose shares (of First Florida) that are out there. So that they were trying to make it tight and hopefully dry up the supply and just get demand for the stock". However, Boulieris indicated that H.A. would not get into specifics with him. The Ontario District Council found that this statement by H.A. was an indication that he would attempt to manipulate the price of First Florida. The Ontario District Council further noted that substantial evidence had been tabled at the hearing that the market price of First Florida shares was being manipulated. Ultimately, the Ontario District Council concluded that Boulieris had failed in his gatekeeper role by not questioning the trading in First Florida that was being done by the corporate accounts controlled by H.A..

Boulieris had also opened an account for a corporation named First Union Kreditanstalt S.A. ("First Union"). First Union did not make any trades in its First Delta account but referred non-residents to Boulieris who would purchase securities in First Florida. The referrals were made by way of faxes sent by First Union to Boulieris at First Delta containing the terms of the purchases of First Florida shares as discussed by First Union and the non-resident clients. The Ontario District Council found that, in the absence of evidence from clients or any evidence as to the manner in which the First Florida purchase orders were solicited, it could not conclude that Boulieris had engaged in conduct unbecoming by knowingly acting as an agent or facilitator for First Union.

The Ontario District Council dismissed the other allegations of misconduct made by Association Staff for lack of evidence.

Association Staff thanks the Ontario Securities Commission, the U.S. Securities & Exchange Commission and the Royal Canadian Mounted Police for their assistance in this matter.

Kenneth A. Nason
Association Secretary