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*For distribution to relevant parties within your firm*

**BULLETIN #3229**  
December 15, 2003

## Discipline

### Discipline Penalties imposed on Nancy Jean Lett – Violations of By-law 29.1

Person Disciplined	The Ontario District Council of the Investment Dealers Association of Canada (the "Association") has imposed discipline penalties on Nancy Jean Lett, at all material times a Registered Representative ("RR") with the Ottawa branch office on BMO Nesbitt Burns Inc. ("BMO"), a Member of the Association.
By-laws, Regulations, Policies Violated	<p>On December 4<sup>th</sup>, the Ontario District Council considered, reviewed and accepted a Settlement Agreement negotiated between Ms. Lett and Association staff.</p> <p>Pursuant to the Settlement Agreement, Ms. Lett admitted that between October 10, 2002 and March 4, 2003, she recommended trades in five client accounts that were not in the clients' best interests, thereby failing to observe high standards of ethics and conduct in the transaction of her business, in contravention of Association By-law 29.1.</p>
Penalty Assessed	<p>The discipline penalty assessed against Ms. Lett is:</p> <ul style="list-style-type: none"><li>• a fine in the amount of \$20,000, inclusive of costs;</li><li>• following re-approval in any capacity, re-write and pass the CPH within 6 months; and</li><li>• following re-approval in any capacity, 12 month supervision.</li></ul>
Summary of Facts	<p>In March, 2003, TB, a Compliance and Registrations officer with BMO Nesbitt Burns, detected trading activity in four of the Respondent's clients' accounts (B, A, R and C), which included six purchases and four sales of Bell Canada Debentures (5.5% coupon, maturing 08/12/2010) within a three week period (between February 10, 2003 and March 4, 2003).</p> <p>On March 18, 2003, the Respondent met with the following representatives of BMO Nesbitt Burns: TB, RH (Assistant Branch Manager, Ottawa) and WT (Branch Manager, Ottawa). At this meeting the Respondent admitted to trading in client accounts for the primary purpose of generating commissions to be used to pay her assistants' salaries. At the conclusion of the meeting, the Respondent was terminated for her conduct in handling her clients' accounts.</p>

On September 9, 2003, the Respondent attended at the offices of the Association and provided a sworn recorded statement with respect to its investigation. The Respondent admitted that the main purpose for each of the trades identified in paragraph 14 above (“the trades”) was the generation of commission monies in order for the Respondent to pay her two assistants’ salaries.

The Respondent admits that she did not put the clients’ best interests first when making the trades. Her first priority was the generation of commission income. With respect to the trades for M’s account, she failed to inform the client about the deferred sales charge feature of the investment and the implications of selling the security within a short period of time after purchase.

BMO Nesbitt Burns compensated the Respondents’ clients and reversed all commission monies associated with the trades payable to the Respondent.

The Respondent has not been registered with the Association since her termination from BMO Nesbitt Burns in March, 2003.

Kenneth A. Nason  
*Association Secretary*