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*For distribution to relevant parties within your firm*

**BULLETIN #3261**  
March 15, 2004

## Discipline

### Discipline Penalties Imposed on Keith Court Anderson – Violations of By-law 29.1 & Regulations 200.1(i) and 1300.4

Person Disciplined      The Pacific District Council of the Investment Dealers Association of Canada (the “Association”) has imposed discipline penalties on Keith Court Anderson (the “Respondent”), at all material times an employee of the Vancouver office of Canaccord Capital Corporation (“Canaccord”), a Member of the Association.

By-laws, Regulations, Policies Violated      On March 2, 2004, the Pacific District Council considered, reviewed and accepted the agreed penalty sanctions, and other terms, of a Settlement Agreement negotiated between the Respondent and Association staff.

Pursuant to the Settlement Agreement, the Respondent admitted the following:

- (1) The Respondent, without intent to injure, falsely endorsed the signature of his wife on Withdrawal of Assets forms and bank cheques issued in his wife’s name, and thereby failed in his duty to observe high standards of ethics and conduct in the transaction of business and engaged in business conduct unbecoming or detrimental to the public interest, contrary to IDA By-Law 29.1
- (2) Further, the Respondent, without intent to injure, falsely endorsed his wife’s signature upon and presented his wife’s cheques to several banks for negotiation and deposit, including bank accounts of which the Respondent was the beneficial owner, and thereby failed in his duty to observe high standards of ethics and conduct in the transaction of business and engaged in business conduct unbecoming or detrimental to the public interest, contrary to IDA By-Law 29.1.
- (3) The Respondent failed to obtain and have on his wife’s file proper, or any, third party authority or power of attorney documentation, authorizing the Respondent to use his own discretion to conduct trades in his wife’s account, in contravention of Association Regulation 200.1(i).

- (4) On some occasions, the Respondent used his own discretion to conduct trades for his wife's account without the account being properly approved and documented as a discretionary account, in contravention of Association Regulation 1300.4.

Penalty  
Assessed

The discipline penalties assessed against the Respondent are:

- (1) A global fine of \$25,000;
- (2) As a condition of his continued approval in any a capacity with the Association, re-writing and passing the Conduct and Practices Handbook for Securities Industry Professionals examination, administered by the Canadian Securities Institute, within 6 months following the effective date of this Settlement Agreement; and
- (3) If the Respondent fails to comply with any of the above discipline penalties, the District council may upon application by the Senior Vice President Member Regulation and without further notice to the Respondent suspend the approval of the Respondent until the penalties are complied with.

The Respondent is also required to pay \$5,000.00 towards the Association's costs of the investigation of this matter.

The Respondent was also previously suspended for a one (1) month period by Canaccord, which penalty sanction was considered when assessing the appropriateness of the sanctions as agreed to in this proceeding.

Summary  
of Facts

At all material times the Respondent was employed, and is currently employed, as a Registered Representative with Canaccord, a member of the Association.

The Association's investigation in this matter was initiated after receipt of a complaint dated April 20, 2002, from the wife of the Respondent, who alleged misconduct by the Respondent in respect of his management of her self-directed RRSP account. The RRSP account was opened in the Respondent's wife's name with Canarim Investment Corporation Ltd. (predecessor to Canaccord) on October 15, 1986.

During the period January 2000 to September 2000 there were eleven (11) cash withdrawals and thirteen (13) cheques issued totaling \$34,046.40, from the RRSP account. Three (3) cheques were made payable to third parties and (10) cheques were made payable to the wife. Of the ten (10) cheques payable to the wife, two (2) cheques were deposited into an account owned by the wife, seven (7) cheques were deposited into the Respondent's HSBC account and one (1) cheque was deposited into a TD account also owned by the Respondent.

The Respondent effected the eleven (11) cash withdrawals from the RRSP account by endorsing the wife's signature on eleven (11) Withdrawal of Assets forms, used internally by Canaccord. The Respondent effected the eight (8) cheque deposits to his bank accounts by endorsing the wife's signature on the eight (8) cheques and presenting the cheques to the banks.

The Respondent did not have documented trading authority or power of attorney documentation in respect of his wife's RRSP account. However, the Respondent believed that he had his wife's authority to sign her name on the occasions that he did.

In March 2001, the Respondent's wife commenced divorce proceedings against the Respondent.

On March 15, 2002, the Respondent's wife made a complaint directly to Canaccord, alleging that the Respondent removed funds from her RRSP account without her knowledge or consent. In the response, the Respondent admitted that he had signed his wife's name to the Withdrawal of Asset forms and endorsed his wife's signature on cheques issued in the wife's name. The Respondent also stated that he had signed his wife's name to the documents as a matter of convenience and that all monies had been used for family purposes.

On or about May 6, 2002, Canaccord notified the Respondent that he was to be penalized for his conduct, as described herein, with a one (1) month suspension from trading and receipt of commissions. The suspension period was May 6, 2002 to June 5, 2002.

The Respondent's wife notified Canaccord by letter dated August 20, 2002, that she was withdrawing her complaint against the Respondent and indicated specifically that the monies removed by the Respondent from her RRSP account were used for family purposes.

The Respondent has no previous disciplinary history with the Association.

\*See Settlement Agreement for complete summary of facts relied upon for the decision.

Kenneth A. Nason  
Association Secretary