



INVESTMENT DEALERS
ASSOCIATION OF CANADA

bulletin



ASSOCIATION CANADIENNE DES
COURTIERS EN VALEURS MOBILIÈRES

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For distribution to relevant parties within your firm

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Discipline

Discipline Penalties Imposed on Jamal Hashim; Violations of By-law 29.1

Person Disciplined A Hearing Panel appointed pursuant to IDA By-law 20 has imposed discipline penalties on Jamal Hashim, at all material times a Registered Representative with IPC Securities Corporation (“IPC”), a Member of the Investment Dealers Association of Canada.

By-laws, Regulations, Policies Violated Following a settlement hearing held on July 23, 2004 in Montreal, Québec, a Hearing Panel reviewed and accepted a Settlement Agreement negotiated between Jamal Hashim and the Association Staff.

Pursuant to the Settlement, Jamal Hashim admitted that, during the period from April to June of 2002, he engaged in business conduct unbecoming or detrimental to the public interest, contrary to By-law 29.1, in that :

- On 131 occasions, he accepted a short trading order for the account of a client, while at all times aware that he was not permitted to execute short orders in the account of the client;
- He misrepresented to the client that the orders placed by the client had been filed and he provided him with misleading information regarding his account balance;
- He attempted to conceal or concealed from the Member firm the faked trading activity in the account of the client, by keeping a separate record of the transactions he was accepting from the client.

Penalty Assessed

The penalties assessed against Jamal Hashim are:

- a prohibition against re-approval by the Association in any registered capacity, for a period of ten (10) years.

- the requirement that he must successfully re-write and pass the examination based on the *Conduct & Practices Handbook Course* administered by the Canadian Securities Institute within twelve (12) months before any re-approval in any registered capacity.
- as a condition of re-approval by the Association in any registered capacity, the requirement that he be under strict supervision for a period of 3 years.
- a prohibition against re-approval in any capacity with any Member of the Association until such time as the costs are paid in full.

In addition, he is required to pay costs of the Association in the amount of \$5,000.00.

Summary of Facts

The client J.C. and an off-shore corporation actually controlled by him had several accounts opened with KPLV Securities Limited (“KPLV”), in which Jamal Hashim was normally accepting executing the clients’ orders for trading short without the need of further formalities.

When the accounts moved to IPC, following the acquisition of KPLV, as no short account was opened for the clients, Jamal Hashim was therefore unable to execute short trade orders in their accounts.

Starting in or around January of 2002, Jamal Hashim repeatedly requested that a “short” account be opened with IPC for the client’s corporation but such an account was never opened.

Until the end of March of 2002, Jamal Hashim would have told the client that he was still waiting for a short account to be opened with IPC before he could accept orders for trading short again in the corporation’s account. The client would have then threatened to leave the firm if he could not get a short account opened with IPC for his corporation.

Instead of informing the client that IPC was still delaying the opening of the short account, he led the client to believe that such an account was opened and he started again to accept orders from the client for executing this type of trades.

During the period from April 2, 2002 to May 31, 2002, Jamal Hashim accepted the client’s orders for trades that were never actually placed but that were only recorded by him in a personal handwritten ledger for keeping track of all the fictitious trades. Over 131 trades that he knew he could not execute were even so accepted by him.

Jamal Hashim never told the client that these orders were never actually executed. To the contrary, when the client was calling in every day to enquire what his account balance was, Jamal Hashim was giving him the fictive balance he had calculated from his handwritten ledger entries.

The client would pick up his contracts and accounts statements only once a month at the branch office, where they were sent and kept on file at his request. Given that the short trading accepted by Jamal Hashim was not actually entered in the system but only recorded in his personal handwritten ledger, the compliance department of the firm could not easily detect that he was accepting the client's orders for trading short.

But at one point, the client wanted to close his accounts and requested he be given his money back. Jamal Hashim then admitted the true situation to the client and, having no other real alternative, he informed IPC of having conducted "faked" trading in the client's account.

The Respondent derived no profit or personal benefit from his misconduct nor did he attempt to get any.

The Respondent has not been registered with a Member of the Association since June of 2002.

Kenneth A. Nason
Association Secretary