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For distribution to relevant parties within your firm

BULLETIN #3372
December 23, 2004

Discipline

Discipline Penalties Imposed on Dianne Lena Quimper; Violations of By-law 29.1

Person Disciplined A Hearing Panel appointed pursuant to IDA By-law 20 has imposed discipline penalties on Dianne Lena Quimper, at all material times a Registered Representative with the Edmonton Branch Office of CIBC Investor Services Inc., a Member of the IDA.

By-laws, Regulations, Policies Violated Following a disciplinary hearing, to determine penalty, held on October 15, 2004 in Edmonton, Alberta, a Hearing Panel found that Dianne Lena Quimper violated By-law 29.1. An agreed Statement of Facts was put before the Hearing Panel.

Count 1

The Respondent, at all material times a Registered Representative, signed five (5) client signatures on client investment account documentation and/or other client documents, without the clients' specific consent, and thereby failed in her duty to observe a high standard of ethics and conduct in the transaction of business and engaged in business conduct and practice that was unbecoming or detrimental to the public interest, contrary to Association By-Law 29.1.

Penalty Assessed

Penalties:

A fine in the amount of \$15,000.00 to be paid within 24 months of the date of the decision (November 4, 2004)

As a condition of her re-registration, Dianne Lena Quimper must re-write and pass the examination based on the *Conduct and Practices Handbook for Securities Industry Professionals* and pay the fine within the prescribed period.

The Reasons for Decision of the Hearing Panel was received on December 10, 2004.

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Summary
of Facts

Facts:

At all relevant times, the Respondent was a Registered Representative with CIBC Investor Services Inc. ("CIBC") and a resident of Edmonton, Alberta.

During the approximate period of August 2003 to November 2003, CIBC obtained information that the Respondent and/or her Assistant may have been involved with several forgeries of client signatures to account documentation. After a first interview and denial of any misconduct, on November 26, 2003, the Respondent admitted to a CIBC Corporate Security representative that she had signed two (2) client signatures to five (5) separate client account documents without authority and consent of the clients.

On or about May 20, 2004, the Respondent attended an interview with Association Staff and, under oath, admitted to five (5) separate acts of signing client signatures on investment account documentation and other client documents.

Important factors noted by the Hearing Panel were, as follows:

- No direct financial benefit to Respondent ;
- Respondent cooperated with the Association investigation;
- Respondent is not currently employed in the industry;
- Respondent signed the client documents due to time constraints; and
- Since the events under review, the Respondent was unemployed for a period of time and her current salary is significantly less than what she earned in 2002 with CIBC.

During the course of the hearing, Enforcement Counsel and Respondent's counsel jointly submitted to the hearing panel that the appropriate contravention, as in accordance with the Agreed Statement of Facts, was Count 2 of the filed Notice of Hearing.

Count 2

In the alternative, the Respondent, at all material times a Registered Representative, signed five (5) client signatures on client investment account documentation and/or other client documents, without the clients' specific consent, and thereby failed in her duty to observe a high standard of ethics and conduct in the transaction of business and engaged in business conduct and practice that was unbecoming or detrimental to the public interest, contrary to Association By-law 29.1."

The Hearing Panel reviewed whether the conduct would need to be characterized as "forgery" insofar as the applicability of Guideline 1.2, of the IDA's Disciplinary Sanction Guidelines, and concluded:

"Guideline 1.2 describes forgery as 'the creation of a false document with the intent that it be acted upon as the original or genuine document'. The Association's counsel drew our attention to other definitions of forgery which specifically require the intent to defraud or injure, emphasizing that there was no such intent in this case.

The District Council notes that the Guidelines use ‘forgery’ as a descriptive term to categorize one type of activity that is contrary to Association By-law 29.1. The Respondent’s actions in this case falls squarely within the description of ‘forgery in Guideline 1.2, so the District Council must consider Guideline 1.2.’”

The Hearing Panel, while noting that the discretion of District Council is not to be fettered, considered all the factors in the Guidelines under general Principles and under Guideline 1.2, and applicable case precedents when concluding, as follows:

“The District Council unequivocally condemns the forgery of client signatures under any circumstances but there are a number of factors which tend to mitigate the penalty in this case. The District Council notes that counsel largely agreed on those factors as described above, and that the sanctions already imposed on the Respondent as a result of her termination by the Member firm constitute a substantial deterrent. The District Council has therefore determined that the following penalties are appropriate for the breach of Association By-law 29.1:

1. A fine in the amount of \$15,000.00 to be paid within 24 months of the date of this decision; and
2. As a condition of her re-registration, the Respondent must re-write and pass the examination based on the *Conduct and Practices Handbook for Securities Industry Professionals* and pay the fine within the prescribed period.”

For further details please refer to the Reasons for Decision also posted on the IDA website.

Kenneth A. Nason
Association Secretary