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*For distribution to relevant parties within your firm*

**BULLETIN # 3398**  
February 16, 2005

## Discipline

### Discipline Penalties imposed on Esther Inglis – Violations of By-law 29.1

Person Disciplined	A Hearing Panel appointed pursuant to Association By-law 20 has imposed discipline penalties on Esther Inglis (the “Respondent” or “Inglis”), at all material times employed with TD Securities Inc. (“TD”), a Member of the Association, either as a Registered Representative in Toronto, or as a Branch Manager in Peterborough, Ontario.
By-laws, Regulations, Policies Violated	<p>On February 1<sup>st</sup> and 2<sup>nd</sup>, 2005, the disciplinary hearing in this matter took place. After hearing evidence from the Association and the Respondent, the Hearing Panel found that the Respondent committed the following breaches of Association By-law 29.1:</p> <p><b>Count 1:</b> On or about May 2000, Esther Inglis promised to reimburse client OF for a deferred sales charge and then transferred funds from OF’s brokerage account to OF’s bank account, without either OF or the Member firm’s knowledge or consent, thereby engaging in conduct unbecoming or detrimental to the public interest.</p> <p><b>Count 2:</b> On or about December 2001, Esther Inglis signed client WC’s name on an account guarantee, without the client’s knowledge or consent, thereby engaging in conduct unbecoming or detrimental to the public interest.</p>
Penalty Assessed	<p>After hearing submissions from counsel for the Association and from the Respondent, the Hearing Panel imposed the following penalties:</p> <ul style="list-style-type: none"><li>• Count 1: a fine in the amount of \$25,000 and a 3 year ban on registration;</li></ul>

- Count 2: a fine in the amount of \$15,000 and a 2 year ban on registration (these two bans to run consecutively);
- A 10 year ban on registration in a supervisory capacity (this ban to run concurrently with the 5 year ban);
- To re-write the CPH and pass the exam upon any return to the industry;
- Costs of \$15,000.

Summary  
of Facts

**Registration:**

The Respondent was employed as a Registered Representative (“RR”) at TD Securities Inc. (“TD”) in Toronto from April 17, 1997 to May 16, 2002. During this time the Respondent was also registered as a Branch Manager with TD in Peterborough, Ontario from February 4, 1999 to October 2, 2000.

**UTN dated May 16, 2002:**

The investigation arose out of a UTN provided to the Association by TD on May 31, 2002. The UTN indicates that Inglis was dismissed on May 16, 2002. There were also several client complaints to TD which were incorporated into the investigation.

**Count 1: client WC:**

At the hearing, the Respondent did not deny the facts alleged in the Notice of Hearing with respect to Count 1.

WC was a client of Inglis. In late 2001, WC wanted to open a second account in the name of his corporation entitled 1269736 Ontario Ltd. On or about November 28, 2001, WC wrote to TD and asked that certain shares be transferred from his account to his corporate account. A guarantee from WC was required before TD would open the corporate account.

Inglis admitted that she signed WC’s name on the guarantee for 1269736 Ontario Limited’s account dated December 6, 2001 (the “guarantee”). She stated that WC had previously signed the original guarantee, but that the original guarantee had been lost by her assistant. According to Inglis, WC wanted to transfer the securities to his corporate account expeditiously, so she signed WC’s signature on the guarantee.

There was no monetary benefit to Inglis in signing WC’s name on the guarantee. WC was aware that the guarantee existed, but was not aware that Inglis had signed his name on the guarantee.

**Count 2: Unauthorized transfer of funds re: OF:**

OF had been a client of Inglis. In April 1999, on OF's instructions, Inglis purchased \$250,000 of AIM Canada Mutual Funds for OF's account. According to OF, he was advised that it was a no-load fund. According to Inglis, there had been no discussions about any deferred sales charges ("DSC").

OF asked Inglis to liquidate the mutual fund in April 2000. On or about April 30, 2000 OF was charged a redemption fee, or DSC, of \$13,375.67. OF complained to Inglis about the DSC. According to OF, Inglis promised him that she would personally reimburse him for the DSC. According to Inglis, she told him not to worry about it as he would be reimbursed for the DSC.

On or about May 30, 2000, Inglis transferred \$13,375.67 from OF's brokerage account to his Royal Bank banking account. When he reviewed his bank statement, OF thought that Inglis had reimbursed him. OF was not aware at the time that these funds had in fact come from his own brokerage account.

In the summer of 2000, when OF realized that his brokerage account had been the source of the funds deposited in his bank account, he complained to Inglis and the Member firm.

The Association's evidence was that TD was not aware at the time that Inglis had promised to reimburse OF. TD was not aware at the time that Inglis had transferred OF's own funds into his bank account.

**Other:**

The Respondent has no previous disciplinary history. She has not been registered in the industry since her termination from TD in May 2002.

Reasons for decision will follow in due course.

Kenneth A. Nason  
*Association Secretary*