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BULLETIN # 3497
January 3, 2006

Discipline

Discipline Penalties Imposed on James Michael Brennan; Violations of Regulation 1300 and By-law 29.1.

Person Disciplined A Hearing Panel appointed pursuant to IDA By-law 20 has imposed discipline penalties on James Michael Brennan, at the relevant time a registered representative of Assante Capital Management Ltd., (Assante) a Member of the Investment Dealers Association of Canada.

By-laws, Regulations, Policies Violated On December 9th, 2005 a Hearing Panel considered, reviewed and accepted a Settlement Agreement negotiated between Staff of the Enforcement Department of the Association (Association Staff) and James Michael Brennan (Brennan). Pursuant to the Settlement Agreement Mr. Brennan was found to have violated Association By-law 29.1.

Penalty Assessed The following penalties were assessed against Brennan:

- Permanent bar from approval with the Association;
- A fine in the amount of \$275,000; and
- Costs in the amount of \$15,000.

Summary of Facts Brennan was the Registered Representative (RR) of record for three accounts held at Assante in the name of his mother, DB.

Between November 2000 and June 2003 Brennan misappropriated a total of over \$124,000, for his personal use, via 35 separate withdrawals from the three accounts. Of the 35 withdrawals, 27 were made by way of cheques payable to Brennan's spouse.

Brennan forged the signature of DB in order to execute the withdrawals from February 2001 to March 2003 Brennan sent DB at least six false statements for the three accounts. The false statements included inflated values in the accounts of up to 19% in one account and up to 102% in the others. Brennan also created at least six false statements for a purely fictitious account. These statements indicated values of approximately \$120,000 - \$177,000. The purpose of the fictitious account was to make up for and disguise the misappropriation.

Mr. Brennan is no longer registered with the Association.

Kenneth A. Nason
Association Secretary