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Contact:

*For distribution to relevant parties within your firm*

Darren Gross  
Enforcement Counsel  
403-260-6283  
dgross@ida.ca

**BULLETIN #3540**

May 11, 2006

## **Discipline**

### **Discipline Penalties Imposed on Kelly John Campbell Husky; Violations of Regulation 1300.1(a) and By-law 29.1.**

**Person Disciplined** A Hearing Panel of the Investment Dealers Association of Canada (“Association”) appointed pursuant to IDA By-law 20 has imposed discipline penalties on Kelly John Campbell Husky (“Mr. Husky”), at the time of the conduct complained of an Approved Person employed at an Edmonton, Alberta branch of RBC Dominion Securities Inc. (“RBC”), a Member of the Association. Mr. Husky is currently an Approved Person employed at an Edmonton, Alberta branch of BMO Nesbitt Burns Inc. (“BMO”), a member of the Association.

**By-laws, Regulations, Policies Violated** Following a disciplinary hearing held on May 1, 2006, in Edmonton, Alberta, a Hearing Panel considered, reviewed and accepted a Settlement Agreement negotiated between Staff of the Enforcement Department of the Association and Mr. Husky. Pursuant to the terms of the Settlement Agreement, Mr. Husky admitted that:

- On or about April 12th, 2004 he failed to use due diligence to learn and remain informed of the essential facts relative to every customer, contrary to Association Regulation 1300.1(a) and Association By-law 29.1.
- On or about April 29th, 2004 he executed one trade in each of a client’s two accounts without the knowledge and consent of the client, contrary to Association By-law 29.1.

**Penalty Assessed** The following penalties were assessed against Mr. Husky:

- Mr. Husky shall be subject to close supervision for a period

of six months;

- Mr. Husky shall successfully write the examination based on the Conduct and Practices Handbook for Security Industry professionals within six months of the date of the Settlement Agreement;
- For Unauthorized Trading a fine in the amount of \$15,000.00;
- For Failure to Know Your Client a fine in the amount of \$10,000.00;
- Disgorgement of commissions in the amount of \$1,227.00;
- Less Fine levied by BMO which was paid (\$5,000.00);
- Payment to the Association of the costs of the investigation and prosecution of this matter in the amount of \$4,000.00.

**Summary of Facts** These contraventions arise out of Mr. Husky's administration of the client's accounts while he was a registered representative at RBC at an Edmonton, Alberta branch. Mr. Husky left RBC in May of 2004 and became a registered representative at BMO at an Edmonton, Alberta branch where he is currently employed.

RBC received a complaint letter from a client in July 2004. In this letter the client stated that one unauthorized trade had occurred in each of her accounts, for a total of two unauthorized trades. In her interview with the Association, the client stated that she was out of the country when the trades were executed and that she had never met, or spoken with, Mr. Husky.

Mr. Husky admitted to the conduct alleged in the client's complaint letter and interview.

Mr. Husky stated that when he was unable to contact the client he prepared internal know your client forms indicating that he had known the client for a period of three months, signed them and submitted them to his manager for signature.

Mr. Husky then executed the trades which were the subject of the client's complaint.

RBC has since reversed the trades which were complained of to the client's satisfaction.

Mr. Husky has fully admitted to the conduct set out in the settlement agreement. He has forfeited the commission earned on the trade and

has paid a fine in the amount of \$5,000.00 which was levied against him by BMO.

By falsely filling out the know your client forms and submitting them to his manager Mr. Husky engaged in conduct unbecoming a registered representative and which was detrimental to the public interest, contrary to Association Regulation 1300.1(a) and was therefore in breach of By-law 29.1.

By executing trades in a client account without the knowledge and consent of the client Mr. Husky engaged in conduct unbecoming a registered representative and which was detrimental to the public interest, contrary to Association By-law 29.1.

Kenneth A. Nason  
*Association Secretary*