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Discipline

Discipline Penalties Imposed on Bruce Calvin Deck – Violations of By-law 29.1

Person Disciplined	A Hearing Panel appointed pursuant to IDA By-law 20 has imposed discipline penalties on Bruce Calvin Deck (“Deck”), at all material times a Registered Representative with the Prince George, BC office of TD Waterhouse Canada Inc. (“TD”), a Member firm of the Association.
By-laws, Regulations, Policies Violated	<p>On May 22, 2007, the Hearing Panel considered, reviewed and accepted a Settlement Agreement negotiated between Deck and Association staff.</p> <p>Pursuant to the Settlement Agreement, Deck admitted that he acted contrary to Association By-law 29.1 in that he:</p> <ul style="list-style-type: none">• Between January 2000 and October 2003, effected the participation in off-book transactions on behalf of TDBI and TDBJV, two investment clubs;• Between March 2003 and October 2003, engaged in personal financial dealings with clients, in that he invested either directly or indirectly, with his clients in TDBI and TDBJV, without the knowledge, consent or authorization of TD;• Between April 2003 and April 2004 engaged in poor business practices by causing a bank draft to be issued from a client’s TD account without that client’s consent and subsequently withholding that bank draft from the client;• On February 24, 2003, engaged in personal financial dealings with a client in that he loaned that client monies without the

knowledge, consent or authorization of TD; and

- Between November 1997 and March 2004, failed to fully disclose to TD about his involvement with TDBI and his involvement as a director, President and Secretary for another company, Canadian Wealth Management Corporation (“CWMC”).

Penalty
Assessed

The penalties assessed against Deck include: a fine in the sum of \$138,212, a prohibition against re-approval in any registered capacity for two years, 12 months of strict supervision as a condition of re-approval in any registered capacity, a condition of re-approval in any registered capacity that Deck successfully re-write and pass the examination based on the Conduct & Practices Handbook Course and the Canadian Securities Course, both administered by the Canadian Securities Institute. In addition, Deck is required to pay \$15,000.00 towards the Association’s costs of the investigation and prosecution of this matter.

Summary of
Facts

Off-Book Investments

TDBI was an investment club unrelated to TD. The majority, if not all of the twenty-two (22) investors were Deck’s clients at TD. Deck introduced most of the investors to TDBI. The sole business purpose of TDBI was to access investments that were not available for purchase through TD. The total amount invested in TDBI was \$1,981,352. Deck provided investment recommendations and dealt with administrative matters in respect of TDBI, sometimes using TD resources to do so.

TDBI made investments in RemoteLaw Online Systems Corp., QTrade Canada, BPI Global Opportunities Fund as well as fixed investments. Deck was extensively involved in RemoteLaw, including serving on its informal advisory board. The investment in QTrade, although on behalf of TDBI, was made in the name of Merchant Private Investments Corp (“MPI”), a company owned by Deck’s wife. The BPI Global Opportunities Fund investment was made in the name of a company owned by Deck’s wife, Goodman Enterprises Ltd. Goodman was also the vehicle through which the fixed deposits were purchased for TDBI. Deck did not advise or obtain the consent of TD in respect of any of these investments.

TDBJV was another investment club unrelated to TD. The minimum investment per investor was \$100,000. Most of these investors were also Deck’s clients at TD. The total investment in TDBJV was \$1,200,000. TDBJV made a \$700,000 investment in the JC Clark Loyalist Preservation Fund. That purchase was made in the name of TDBI although the funds came from TDBJV. TDBJV also invested in Fairfield Sentry. However, that investment was also made in the name of TDBI, although the funds came from TDBJV. Deck did not advise or obtain the consent of TD in respect of either of these investments.

Investing With Clients

MPI was listed as one of the investors in TDBI. While MPI is Deck's wife's company, he held himself out to be a person of authority and on one occasion, held himself out to be its president. TD was unaware of Deck's involvement with MPI or that MPI was a TDBI investor. Further, Deck personally was listed as one of the investors in TDBJV, although his position is that this listing was an error and that he was not an investor in TDBJV.

Poor Business Practices – Bank Draft

Deck advised one of his clients about the JC Clark investment, which required a minimum \$200,000 minimum investment. Deck caused a bank draft in the amount of \$200,000 to be drawn on that client's TD account. That client says he was unaware that the draft had been drawn. In the meantime, the client changed his mind about making the investment so Deck placed the bank draft in a lock-box in his office waiting for the client to pick it up. It was not until TD contacted the client about the outstanding draft that had not been cashed or negotiated that the client became aware that the draft even existed. At this point Deck was no longer employed by TD. In April 2004, one year later, Deck drove to the client's home (a 4-5 hour drive) and presented him with the draft and an invoice for services rendered. However, TD contacted Deck's new employer and demanded the return of the draft, so Deck returned the draft to TD. TD reimbursed the monies to the client along with \$3,212.36 for lost interest. The TD Compliance Manual prohibits registrants from acting as personal custodians for the securities, money or property of clients. By withholding the bank draft from the client, Deck deprived that client of the use of his money for a year.

Personal Loan to a Client

With respect to another client who was also a personal friend of Deck's, he loaned that client money in connection with an investment she made. That investment was an approved on book TD investment. The client required the loan (\$125,000) in order to repay a promissory note in connection with the investment. Deck did not charge the client interest on the loan, which was repaid by the client.

CWMC

CWMC was incorporated in 1997 prior to Deck's employment at TD. He was director, president, secretary and the controlling mind of the company. The purpose of CWMC was to have multiple hedge fund managers available to both cash and registered account holders. When Deck transferred to TD, he declared that his involvement with CWMC had ended in November 1997. At no time did he advise TD that he either reactivated or continued his involvement with CWMC. Deck

nevertheless continued his involvement with CWMC.

A contract employee hired by TD to perform secretarial/administrative duties for Deck stated that between 1998 and 2002 approximately 90% of her time was devoted to CWMC tasks. This employee was paid through the TD payroll system, so her invoices were submitted to TD, although TD recovered this expense from Deck's commissions. Deck asked this employee to amend some of her invoices to remove any specific reference to the work she did in relation to CWMC.

In a letter dated March 3, 2000 to potential CWMC clients, Deck described the tremendous amount of work and long hours he devoted to CWMC. In that letter he also acknowledged that, officially at TD, he was not allowed to invest in a security that was not approved by TD without TD's written consent. His conscience was bothering him, so he returned the investor's cheques. After his departure from TD, TD discovered a number of boxes containing CWMC material. Deck's involvement with CWMC was without the written consent of TD.

Deck has no previous disciplinary history and he has not been employed by a Member Firm since April 30, 2007.

Kenneth A. Nason
Association Secretary