

CIRCULAR



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**To: Associate Members
Floor Members
Local Members**

No: 355/99

Disciplinary Action Imposed by the Business Conduct Committee

Members are advised that in accordance with Article 38.9.1(b) the Business Conduct Committee (the Committee), acting under the said Article, resolved that an Associate Member had failed to comply with the following:

- General By-Law G.32(a)(i);
(Operating a Managed Discretionary Account on behalf of a client prior to issuing the Disclosure Document)
- General By-Law G.32(d)(i);
(Operating a Managed Discretionary Account prior to being approved as a Registered Representative (Managed Discretionary Account))
- Articles 4.6(4)(o);
(An employee is not permitted to give advice to clients unless they are a Registered Representative)
- The conditions of Registration as a Registered Representative (Managed Discretionary Account)

A review was conducted of an employee of an Associate Member who was approved as a Registered Representative (Managed Discretionary Account) on the conditions that trading was limited to one client and trading was to begin when Compliance staff had approved the Disclosure Document being issued. From a review of the Associate Member's records it was identified that the Member had not complied with these conditions and accordingly had commenced trading on behalf of the client without being authorised to do so.

In accordance with Article 38.9.1(b), the Committee imposed a fine of \$1,000 upon the Associate Member for the identified breaches.

**Deborah Horne
GM; Compliance & Surveillance**

24/12/99

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