

IN THE MATTER OF: THE SECURITIES ACT

-and-

IN THE MATTER OF: CARL JAMES DYCK

STATEMENT OF ALLEGATIONS OF STAFF OF THE  
MANITOBA SECURITIES COMMISSION

STAFF OF THE MANITOBA SECURITIES COMMISSION ALLEGE, AMONG OTHER THINGS, THAT:

A. REGISTRATION

1. Carl James Dyck ("Dyck") was first registered under The Securities Act (the "Act") as a salesman on August 12, 1996 and has continued to be registered under the Act since as follows:

(a) from August 12, 1996 to December 31, 1999 with Aurum Securities Ltd.;

(b) from January 1, 2000 to present with Summit Aurum Financial Group Inc.

2. Dyck's present Certificate of Registration will expire, unless renewed, on January 1, 2001.

3. At all material times, Dyck's employing broker was registered as a Broker-Dealer under the Act.

B. DETAILS

1. At all material times, Mr. T was a resident of the Province of Manitoba.

2. At all material times, Dyck was Mr. T's financial adviser.

3. On or about August 11, 1998, Dyck completed a pre-approved acceptance certificate that had been approved for his client. The acceptance certificate was an application to the CIBC for a Visa card.

4. Dyck completed the application such that it bore his own address, not that of Mr. T.

5. The application bears Mr. T's signature. Mr. T trusted Dyck and did, as a matter of course, sign documents as presented to him by Dyck.

6. At the time of the application, Mr. T was 74 years of age.

7. The application provided for a free additional card for a family member. Dyck completed such portion of the application naming himself as the additional cardholder.

8. As a result of the foregoing application, a CIBC Visa card account was opened in the name of the client, with the second cardholder being Dyck.

9. Both credit cards were forwarded to Dyck.

10. Mr. T did not knowingly request the issuance of a CIBC Visa credit card in his name, nor did he intend to obtain one.

11. Mr. T did not knowingly authorize or request the issuance of a CIBC Visa credit card for Dyck's own personal use, nor did he intend to do so.

12. At the time that the cards were issued, Dyck had two of his own credit cards, each with outstanding balances of approximately \$5,000.00. Dyck had also previously applied for another credit card and had been denied.

13. Dyck used the CIBC Visa card issued in the name of Mr. T for a number of personal transactions, resulting in an accumulated debt of approximately \$3,300.00.

14. Mr. T did not use the CIBC Visa card.

15. In the spring of 1999, the collection department of CIBC contacted Mr. T. for payment of the outstanding debt generated by Dyck.

16. Mr. T contacted his financial adviser, Dyck, for an explanation as to what the credit card situation was all about. Mr. T. contacted the police for assistance.

17. Following Mr. T's inquiries, Dyck paid the outstanding debt.

### C. ALLEGATIONS

1. Staff of the Commission allege that:

(a) Dyck obtained a credit card in the name of his client for his own personal use and expenses, based upon the credit and under the financial responsibility of his client;

(b) Dyck obtained the credit card referred to above at subparagraph (a) without the knowledge, consent, or approval of his client;

(c) Dyck made use of the credit card referred to above at subparagraph (a) for his own personal use and expenses;

(d) Dyck failed to avoid personal financial dealings with his client by engaging in any or all of the foregoing acts;

(e) Dyck failed to act in the best interests of his client by engaging in any or all of the foregoing acts;

and that due to these allegations, Dyck's registration as a salesman under the Act should be suspended or cancelled.

2. Such further and other matters as counsel may advise and the Commission may permit.

**DATED** at Winnipeg, Manitoba this 6th day of July, 2000.

**Director, Legal and Enforcement**

**TO: CARL JAMES DYCK**