

IN THE MATTER OF: THE SECURITIES ACT

-and-

IN THE MATTER OF: MICHAEL ROBERT FISCHER

STATEMENT OF ALLEGATIONS OF STAFF OF THE
MANITOBA SECURITIES COMMISSION

STAFF OF THE MANITOBA SECURITIES COMMISSION ALLEGE, INTER ALIA, THAT:

A. REGISTRATION

1. Michael Robert Fischer ("Fischer") was first registered as a salesman under The Securities Act (the "Act") on June 2, 1992.
2. At all material times, Fischer was registered as a salesman with Investors Group Financial Services Inc. ("Investors Group").
3. On May 15, 2001, Fischer's employment with Investors Group was terminated and his registration was suspended.
4. On January 1, 2002, his registration expired without having been transferred or renewed.

B. DETAILS

1. While in the employ of Investors Group, Fischer misappropriated funds from three clients in the total amount of \$113,000.00.
2. The misappropriated funds were deposited by Fischer into accounts at Investors Group held by either Fischer, his wife, or the two jointly.

"FPM"

3. FPM was a client of Fischer's. Fischer managed FPM's investment portfolio at Investors Group for several years. Fischer knew FPM personally and visited him weekly. During several of these visits, Fischer brought cheques referred to below for endorsement by FPM.
4. In one instance, a redemption cheque was sent to FPM via Fischer's office. Fischer took the cheque to FPM, explaining that there was a redemption and that he would be putting the money back into the client's account, and had him endorse it. On other occasions, the cheques were endorsed either by FPM or his assistant as a result of the requests of Fischer.
5. In total, Fischer presented for endorsement eight cheques, made payable to FPM, on or shortly after the following dates involving the following amounts:

- (ii) August 4, 1998, for \$10,000;
- (iii) January 29, 1999, for \$20,000;
- (iv) July 5, 1999, for \$12,000;
- (v) November 12, 1999, for \$5,000;
- (vi) a second cheque was endorsed on or after November 12, 1999, for \$5,000;
- (vii) July 27, 2000, for \$10,000;
- (viii) November 6, 2000, for \$8,000;
- (ix) November 7, 2000, for \$5,000;

for a total amount of \$75,000.00.

6. Upon endorsement, Fischer took the cheques to his Royal Bank branch and converted the cheques into money orders or similar instruments. Upon receiving the money orders, Fischer deposited the funds, without the express or implied consent or knowledge of FPM, into accounts at Investors Group held by either Fischer, his wife, or the two jointly.

"FEM"

7. FEM, brother of FPM, was also a client of Fischer's. Fischer managed FEM's Investors Group account for several years. Fischer also presented cheques payable to FEM for endorsement, which were endorsed by someone on behalf of FEM as a result of the requests of Fischer.

8. In total, Fischer presented for endorsement two cheques, involving FEM's funds. The cheques were dated as follows for the following amounts:

- (i) April 9, 1998, for \$8,000;
- (ii) September 16, 1999, for \$20,000

for a total amount of \$28,000.00.

9. Upon endorsement, Fischer took the cheques to his Royal Bank branch and converted the cheques into money orders or similar instruments. Upon receiving the money orders, Fischer deposited the funds, without the express or implied consent or knowledge of FEM, into accounts at Investors Group held by either Fischer, his wife, or the two jointly.

"HR"

10. Fischer managed the account of HR for several years. Fischer had HR endorse a cheque made payable to her, dated April 8, 1998 in the amount of \$10,000. Upon endorsing the cheque, Fischer took the cheque and exchanged it for a money order for the same amount, which he then deposited into his personal investment account at Investors Group, without the implied or express consent or knowledge of HR.

C. ALLEGATIONS

1. Staff of the Commission allege that Fischer should not be entitled to use any of the exemptions contained in sections 19(1), 19(2) and 19(3) of the Act and therefore should not be entitled to participate in the exempt markets in Manitoba in the future, as a result of his conduct including:

- (i) misappropriating monies of his clients FPM, FEM, and HR, or any of them;
- (ii) acting against the interests of his clients and the public by engaging in any of the foregoing activity.

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

DATED at Winnipeg, Manitoba this 12th day of February, 2002.

Director

TO: MICHAEL ROBERT FISCHER