

IN THE MATTER OF: THE SECURITIES ACT

-and-

IN THE MATTER OF: DENNIS WAYNE GAMBLE

AMENDED

STATEMENT OF ALLEGATIONS OF STAFF OF THE
MANITOBA SECURITIES COMMISSION

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

A. REGISTRATION

1. Dennis Wayne Gamble ("Gamble") has been registered as a salesman under The Securities Act (the "Act") as follows:

(a) From February 18, 1997 to present with Rice Financial Group Inc. ("Rice").

2. At all material times, Rice was registered under the Act as a Broker-Dealer whose authorized trading officials and registered sales personnel were, among other things, registered to trade in mutual funds qualified for distribution in Manitoba by way of a prospectus for which a current receipt had been issued by The Manitoba Securities Commission (the "Commission").

DETAILS

1. K.D. was a resident of Winnipeg, Manitoba, born on December 17, 1915.

2. Gamble was first registered under the Act as a salesman on February 18, 1997. Prior to being registered, Gamble had acted for K.D. for a number of years in the preparation of her tax returns. After his registration, Gamble prepared her 1997 tax return.

3. In 1997, at the age of 81 years, K.D. also became a client of Gamble's in his capacity as a mutual funds salesman.

4. On or about June 17, 1997, K.D. purchased four mutual funds with Gamble as her representative and for which he received commissions.

5. Prior to his registration under the Act, Gamble had borrowed \$90,000.00 from K.D. in three separate increments each in the amount of \$30,000.00. The borrowed funds were documented by loan agreements which began in 1993 and 1994 and which were renewed for consecutive periods continuing beyond the time of his registration under the Act.

6. The particulars of the loans briefly identified above are as follows:

<u>Date Borrowed</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Due Date /Term</u>	<u>Monthly Payments</u>
January 21, 1993	\$30,000.00	10%	36 month	\$250.00
June 2, 1996	\$30,000.00	10%	36 month	\$250.00

June 2, 1993	\$30,000.00	7.2%	12 month	\$180.00
June 2, 1994	\$30,000.00	8%	12 month	\$200.00
June 2, 1995	\$30,000.00	8%	12 month	\$200.00
June 2, 1996	\$30,000.00	8%	12 month	\$200.00
June 2, 1997	\$30,000.00	8%	12 month	\$200.00

March 20, 1994	\$30,000.00	6.5%	12 month	\$162.50
March 20, 1995	\$30,000.00	8%	12 month	\$200.00
March 20, 1996	\$30,000.00	8%	12 month	\$200.00
March 20, 1997	\$30,000.00	8%	12 month	\$200.00

(collectively referred to as the "Loans").

7. The term of each of the Loans was such that the Loans remained in effect following Gamble's registration with Rice, with 2 of the renewal agreements having been executed on June 2, 1997 and March 20, 1997, following his registration.

8. The Loans provided that in the event of the death of the lender, K.D., the interest payments would terminate and the principal would not be required to be forwarded to her estate. It was a term of the Loans that the provision of repayment of any principal was to become null and void upon her death.

9. Gamble did not advise his employer Rice of the Loans.

10. On August 30, 1998, K.D. passed away. On April 22, 1998, K.D. had made a will. The Will made no mention of Gamble as a beneficiary or otherwise nor was there any mention of the Loans and/or forgiveness of payment.

11. The principal amounts of the Loans outstanding at the time of K.D.'s demise were not repaid by Gamble to her estate.

C. ALLEGATIONS

1. Staff of the Commission allege that:

(i) Gamble failed to avoid personal financial dealings with his client K.D., including borrowing money from his client for his own personal use;

(ii) Gamble failed to disclose the Loans to his firm, Rice;

(iii) Gamble failed to act in the best interests of his client;

and that due to these allegations, it is in the public interest that the registration of Gamble as a salesman under the Act be suspended or cancelled.

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

DATED at Winnipeg, Manitoba this 4th day of April, 2000.

Director, Legal and Enforcement

TO: DENNIS WAYNE GAMBLE