

IN THE MATTER OF: THE SECURITIES ACT

-and-

IN THE MATTER OF: CHRISTIAN STIER

STATEMENT OF ALLEGATIONS OF STAFF OF THE
MANITOBA SECURITIES COMMISSION

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

A. REGISTRATION

1. Christian Stier ("Stier") is a resident of Winnipeg, Manitoba.
2. At all material times Stier was not registered as a salesman or registered in any capacity to trade in securities in Manitoba under The Securities Act of Manitoba ("the Act").

B. DETAILS

3. Client A, at all material times, had two financial advisers. One was Gary Weston ("Weston") through whom Client A purchased mutual funds and the other was Stier through whom she purchased insurance funds.
4. Weston was employed with Manulife Securities ("Manulife") at all material times.
5. Stier was employed with Merit Insurance ("Merit") and Stier dealt with Maritime Life Assurance Company ("Maritime Life") at all material times.
6. Weston managed Client A's Global Strategy Investment Funds mutual fund and her AGF Fund Inc. mutual fund at all material times.
7. On Friday, September 4, 1998 at approximately 10:00 a.m., Stier attended Client A's residence to discuss her investments. Client A had told Stier on the telephone prior to their meeting that the securities Weston was managing would stay with Weston and that the investments she had with Stier would go into a registered Retirement Income Fund ("RIF") with Maritime Life.
8. At no time was Client A aware that Stier would be transferring any of her other accounts to Maritime Life. At no time did Client A knowingly request or authorize Stier to transfer any of her other accounts to Maritime Life. Specifically, at no time did Client A knowingly request or authorize Stier to redeem or transfer her Global Strategy Investment Funds mutual fund or her AGF Fund Inc. mutual fund.

10. At the September 4, 1998 meeting Client A thought she was signing a RIF and several authorization forms to transfer Maritime Life funds to a Maritime Life RIF. Stier never told Client A what the forms were or why he needed her signature.

11. Stier had Client A provide her signature on four Maritime Life "Transfer Authorization for Registered Investments" forms ("form(s)") all of which are signed by Client A and dated September 8, 1998. One form authorizes the transfer in cash from Client A's Global Strategy Investment Funds to her Maritime Life RIF. The second form authorizes a transfer in cash from Client A's Global Strategy Investment Funds to her Maritime Life RIF. The third form authorizes the transfer in cash from Client A's AGF Fund Inc. to her Maritime Life RIF. The final form authorizes a transfer in cash from Client A's Maritime Life, guaranteed term only, to her Maritime Life RIF.

12. On September 4, 1998, Client A signed a Maritime Life one page policy owner investment authorization dated September 4, 1998 authorizing Stier to: (1.) transfer between segregated funds; and (2.) do internal transfers between existing Maritime Life deferred annuities only. These two types of transfers did not require Client A's written or verbal confirmation when Stier acted on her behalf.

13. On September 9, 1998 Client A's AGF Fund Inc. mutual fund was redeemed in the amount of \$13,958.29. This amount was then transferred by Stier to Client A's Maritime Life RIF account without his client's knowledge and consent.

14. On September 9, 1998 Client A's Global Strategy Investment Funds mutual fund account was redeemed in the amount of \$2,181.39. This amount was then transferred by Stier to Client A's Maritime Life RIF account without his client's knowledge and consent.

15. On September 10 and 11, 1998 Maritime Life recorded the deposits into Client A's Maritime Life RIF account. Stier is noted as the agent and Maritime Insurance is noted as the agency that made the deposits.

16. In September of 1998, Weston received notices that the AGF Fund Inc. and the Global Strategy Investment Funds mutual funds he managed for Client A had been redeemed. Weston telephoned both fund companies and was advised that the funds had indeed been redeemed and a cheque for the net redemption values had been sent to Maritime Life.

17. Weston contacted Client A to question her with respect to the redemptions and he learned that she had no idea about the AGF Fund Inc. and the Global Strategy Investment Funds mutual fund redemptions. Client A advised Weston she thought she had given Stier the authorization to transfer a Maritime Life Registered Retirement Savings Plan ("RRSP") to a RIF.

18. On October 15, 1998, Maritime Life agreed to reverse the transfers to Client A's Maritime Life RIF and return the \$2,181.39 to the Global Strategies Investment Funds mutual fund account and the \$13,958.29 to AGF Fund Inc. mutual fund account. Stier agreed to cover the costs associated with the reversals.

ALLEGATIONS

19. Staff of the Commission allege that:

(a) Stier traded in a security, a Global Strategy Investment Funds mutual fund, without registration to do so, contrary to section 6 of the Act.

(b) Stier traded in a security, an AGF Fund Inc. mutual fund, without registration to do so, contrary to section 6 of the Act.

(c) Stier redeemed securities, namely AGF Fund Inc. mutual fund and Global Strategy Investment Funds mutual fund, without the knowledge and consent of his client, Client A.

and that due to these allegations, it is in the public interest that Stier not be entitled to use any of the exemptions contained in subsections 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.

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

DATED at Winnipeg, Manitoba this 10th day of November, 2000.

Director, Legal and Enforcement

TO: CHRISTIAN STIER