

2004 BCSECCOM 308

COR#04/094

Variation Order

John Terrance Pyper

Section 171 of the *Securities Act*, RSBC 1996, c. 418

- ¶ 1 In March 2000, we found that John Terrance Pyper contravened section 128 of the Act when he used information that he obtained through his position with a portfolio manager for his own benefit or advantage, by engaging in frontrunning.
- ¶ 2 On May 10, 2000, we ordered, among other things, that any or all of the exemptions described in sections 44 to 47, 74, 75, 98 or 99 of the Act do not apply to Pyper for a period of five years ending May 10, 2005.
- ¶ 3 In March 2004, under section 171 of the Act, Pyper made an application for early termination of our order. We denied the application because Pyper did not supply new and compelling evidence, or a significant change in the circumstances.
- ¶ 4 In April 2004, Pyper applied, under section 171 of the Act, for specific relief regarding trading for his personal account and we granted him limited rights to trade a specific security within his self directed RRSP.
- ¶ 5 Pyper now applies for the right to trade money market mutual fund units within his RRSP.

Pyper's submissions

- ¶ 6 Pyper says that TD Canada Trust, to where he is transferring the cash in his existing RRSP account at Scotia Discount Brokerage, does not hold cash in client accounts when the accounts are set up to trade only TD Canada Trust mutual funds. All funds are immediately invested in money market mutual funds and are then deployed as and when the client sees fit. In consequence of this process, Pyper will be buying and selling money market mutual fund units and the orders against him prohibit him from selling the units.
- ¶ 7 Pyper has applied to vary the sanctions to allow him to sell money market mutual fund units.

Commission staff's submissions

- ¶ 8 Staff agree there is no risk to the public if we grant this application.

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Analysis

We consider that it would not be prejudicial to the public interest to allow Pyper to trade money market mutual fund units that he is required to own as a result of policies adopted by his RRSP supplier.

Order

- ¶ 9 In consequence, under section 171 of the Act, we vary our order of May 10, 2000, to allow Pyper to use the exemption described in section 45(2)(7) of the Act to trade money market mutual fund units within his RRSP at TD Canada Trust.

June 3, 2004

John K. Graf
Commissioner

Roy Wares
Commissioner