

# CIBC gets what it deserves

Canadian investors everywhere should thank Haroutioun and Alice Markarian. When the CIBC World Markets brokerage seized \$1.4 million from the Montreal couple's investment accounts – to cover trading losses of people who were complete strangers to them – the Markarians fought back.

And last week they were vindicated. Superior Court Judge Jean-Pierre Sénécal ordered CIBC World Markets to pay the Markarians more than \$3 million, including an unprecedented \$1.5 million in punitive damages.

The CIBC deserved every word of criticism Sénécal heaped on it, just as it deserved to be hit with historically high punitive damages. The brokerage's behaviour

was both reprehensible and irresponsible.

As The Gazette's Paul Delean reported, it wilfully overlooked warning signs that one of its vice-presidents, Harry Migirdic, was acting improperly. He had a history of regulatory breaches and for that reason should have been the subject of close scrutiny, Sénécal said. But Migirdic notably was not.

In the same year, 2001, that the brokerage wrongfully stripped the Markarians of their money, the CIBC made a profit of \$1.6 billion. In that context, the greed and arrogance of CIBC World Markets seems nothing short of stunning. Even though Migirdic admitted to the brokerage that the Markarians had no idea they had signed papers guaranteeing other people's trad-

ing accounts, the CIBC went ahead and liquidated the retired couple's accounts to cover debts they had not incurred.

The Markarians' lawyer, Serge Létourneau, correctly described the judgment a milestone for Canadian investors: "This helps restore the balance between small investors and financial institutions that try to abuse their positions of dominance."

As happy as Haroutioun Markarian was that the Canadian justice system protected him, he left no doubt as to what the moral of the story was in his mind:

"I'm very vigilant now. I don't trust anyone. Financial institutions are out for themselves. That's why investors have to watch their accounts very closely."

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