

«PRESSE RELEASE»

« RELEASE »

December 15, 2000

Midland Walwyn Capital Inc. (now Merrill Lynch Canada Inc.) has been imposed a **\$ 25,000** fine for having failed to adequately supervise client accounts by failing to monitor and ensure that trading restrictions that it had placed on a Registered Representative had been followed. As well, Midland Walwyn did not contest that it failed to ensure that all required documentation had been obtained from various clients and reviewed by the branch manager prior to opening new margin accounts. (2798)

December 7, 2000

A Registered Representative of **Richardson Greenshields of Canada Limited.** has been imposed a **\$ 38,000** fine for her misconduct. She has :

- revealed the existence of an RESP fund that she had set up for a client's child at a creditors meeting for the client's impending bankruptcy;
- permitted a co-mingling of client's assets with her own account for the purpose of selling off the client's assets to re-pay a debt owed to her by the client;
- did not disclose to her firm that she held a power of attorney for a client. (2796)

November 29, 2000

A Registered Representative with **Foster and Associates Financial Services Inc.** has been imposed a **\$ 16,500** fine for :

- that he failed to ensure that the recommendations made for the accounts of two separate clients were in keeping with the clients' objectives;
- that he failed to learn the essential facts relative to every customer by knowingly supplying false and misleading information on the New Client Account Forms of two clients;
- that he engaged in business conduct or practice which is unbecoming or detrimental to the public interest by failing to ensure proper account documentation existed for the account of a client giving her spouse a trading interest in the account;
- that he engaged in business conduct or practice unbecoming to the public interest by marking trade tickets "unsolicited" when they were in fact "solicited". (2789)

October 11, 2000

A Registered Representative of **Nesbitt Burns Inc., ("Nesbitt Burns", now BMO Nesbitt Burns Inc.)** has been imposed a **\$ 19,000** fine for having :

- failed to use due diligence to ensure that recommendations he made for the account of a client were appropriate for the client and in keeping with her investment objectives;
- traded in a security on behalf of a client and/or participated directly or indirectly in its distribution without a receipt for a prospectus for the security having been obtained and without knowing or inquiring into whether the trade in or distribution of the security was exempt from the requirements, thereby failing to observe high standards of ethics and conduct in the transaction of his business and engaging in business conduct or a practice which is unbecoming and detrimental to the public interest;
- traded in or advised on a security on behalf of a client without complying with his Member firm's internal policies governing private securities transactions, and without complying with relevant industry standards, thereby failing to use due diligence to learn the essential facts about the order;
- traded in a security on behalf of a client without recording the transaction on the books of his Member firm, and without sending his client confirmation in respect of or monthly statements disclosing the transaction. (2774)

September 15, 2000

A Registered Representative of **Midland Walwyn Capital Inc. (now Merrill Lynch Canada Inc.)** has been imposed a **\$ 15,000** fine for having :

- exercised discretion in effecting trades in two accounts of a client, in respect of which the client had not given his written authorization for the exercise of discretion and the Member firm had not accepted the accounts as discretionary accounts;
- failed to ensure that the new account application form for one account of the client documented the essential facts relating to the investment objectives of the client, thereby failing to comply with applicable securities legislation. (2764)

August 17, 2000

A Registered Representative with **Midland Walwyn Capital Inc. (now Merrill Lynch Canada Inc.)** has been imposed a **\$ 10,000** fine for having :

- sold some speculative holdings at specific target prices. He did not enter open sell orders and also failed to obtain a discretionary account agreement;
- exercised price and time discretion on four sales of securities and conceded that he had not received specific orders as to price, quantity or timing in respect of nine purchases;
- had a substantial negative impact on the client's account as it increased the client's margin loan amount; increased the speculative component of the account; resulted in a decline in the overall portfolio that precipitated a margin call; and resulted in a decline in the total value of the investments purchased. (2758)

July 25, 2000

A Registered Representative with **Merit Investment Corporation (now Rampart Securities Inc.)** has been condemned to pay a **\$ 110,000** fine for having :

- misappropriated five share certificates from his client. He received six share certificates totalling 151,000 shares from his client. Over the course of the next three months, he misappropriated five of the share certificates, totalling 96,000 shares, and diverted them to the accounts of his mother, his father, an unrelated client and a corporation of which his mother was the principal;
- conducted personal financial dealings with his client. He engaged in personal financial dealings with his client when he agreed to, and paid, the interest on a loan taken out by his client. (2749)

May 25, 2000

A Registered Representative of **Midland Walwyn Capital Inc., (now Merrill Lynch Canada Inc.)**, and of **Levesque Securities Ltd., (now National Bank Financial Ltd.)** has been imposed a **\$ 50,000** fine for having :

- effected discretionary trades in client accounts without the prior knowledge or written authorization of the clients and without such client accounts having been specifically approved and accepted in writing as discretionary accounts by the designated person of the Members, Midland Walwyn Capital Inc. and Levesque Securities Ltd.;
- effected short sales in client accounts without first obtaining signed margin agreements from the clients;
- failed to exercise due diligence in respect of client accounts to ensure that trading recommendations made in those client accounts were appropriate for the clients and in keeping with the clients' respective investment objectives;
- failed to obtain a properly executed trading authorization over one client account in favour of a third party and engaged in business conduct unbecoming or detrimental to the public interest. (2727)

April 18, 2000

A Registered Representative and Vice-President of **Midland Walwyn Capital Inc. (now Merrill Lynch Canada Inc.)** has been condemned to pay a **\$ 30,000** fine for having :

- made recommendations and purchases for a client's account that were unsuitable given the client's stated investment objectives;
- effected a transaction in the account of a client without obtaining the client's prior authorization and without the account being designated as discretionary;
- failed to comply with Association requests that he provide a statement to an Association investigator while the Association was conducting its investigation into the previously stated allegations. (2714)

April 5, 2000

Merrill Lynch Canada Inc., at the relevant time Midland Walwyn Capital Inc. has been imposed a **\$ 25,000** fine for having :

- failed to properly supervise the trading activity in the account of a husband and wife to ensure that the trading recommendations made by the registered representative were not excessive for the clients;
- failed to properly supervise the trading activity in the account of the same clients to ensure that trading recommendations made by the registered representative were suitable for the clients and in keeping with their investment objectives. (2708)