

Contact:

*For distribution to relevant parties within your firm*

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**BULLETIN #3549**

June 5, 2006

## Discipline

### Discipline Penalties Imposed on John Kevin Letun; Violations of By-law 29.1

Person Disciplined A Hearing Panel appointed pursuant to IDA By-law 20 has imposed discipline penalties on John Kevin Letun, at all material times a Registered Representative with Merrill Lynch Canada Inc., a Member of the IDA.

By-laws,  
Regulations,  
Policies Violated Following a disciplinary hearing held on June 23, 2005, in Calgary, Alberta, a Hearing Panel found that John Kevin Letun, from 1998 through 2001, violated By-law 29.1, in that he:

(i) failed to act in accordance with the provisions of the Alberta Securities Act and the standards for conduct prescribed in the Conduct and Practices Handbook, by participating in a distribution of securities of a private company, ThinWEB Technologies Inc. ("ThinWEB"), when ThinWEB was not a reporting issuer in Alberta and the ThinWEB securities were not otherwise qualified for distribution to Alberta residents, and the transactions in ThinWEB were conducted off the books and records of the member firm.

Penalty Assessed

- (i) Fine in the amount of \$15,000.00;
- (ii) as a condition of continued approval in any capacity with the Association, rewriting and passing the *Conduct and Practices Handbook examination*, administered by the Canadian Securities Industry, within six (6) months of the date of acceptance of the Settlement Agreement; and
- (iii) be subject to a four (4) month period of close supervision.

The Respondent shall pay the Association's costs of this proceedings in the amount of \$1,500.00

Summary of Facts At all material times, the Respondent was an employee of Merrill Lynch Canada Inc. ("Merrill") and a resident of the City of Calgary, in the Province of Alberta.

The Respondent purchased 100,000 seed shares at a price of U.S. \$0.50 per share of the U.S. private company, ThinWEB Corp. ("ThinWEB"), in late 1998 or early 1999.

The Respondent sold 10,000 of the ThinWEB shares at a price of \$7.00 per share to the Registered Representative, G.D., also an employee of Merrill. The total \$107,000 purchase price for the ThinWEB shares was raised through the combined investments of G.D. and eight (8) other individual investors. None of the eight (8) other investors were clients of Merrill.

The Respondent was aware that G.D. had not purchased the 10,000 shares of ThinWEB as single investor.

Further, the Respondent had made representations directly or indirectly to G.D. and the other eight (8) investors that by the Fall of 2000 ThinWEB would become a publicly traded company, trading on the NASDAQ OTC Bulletin Board, at a starting price of at least U.S. \$7.00 per share.

The sale of the 10,000 ThinWEB shares, as between the Respondent and G.D. and the eight (8) other investors, was transacted off the books and records of Merrill.

The Association received letters of complaint from two (2) of the eight (8) other investors. These individuals alleged that G.D. solicited their investment in ThinWEB on the basis that ThinWEB would be launching an Initial Public Offering ("IPO"), and the shares of the company would be worth many times the price offered to them by G.D. of U.S. \$7.00 per share.

The ThinWEB securities were not registered for distribution to Alberta residents and an exemption from prospectus requirements was not obtained, in accordance with the provisions of the Alberta Securities Act.

ThinWEB never became a publicly traded company.

The Respondent admitted to participating in the distribution of ThinWEB securities, with knowledge that nine (9) investors were taking part in the purchase of the 10,000 ThinWEB shares and that an exemption from prospectus requirements had not been obtained, contrary to the provisions of the Alberta Securities Act.

\*See the Settlement Agreement and Reasons for Decision, for a complete summary of facts, contraventions, penalty and reasons for decision.

Kenneth A. Nason  
*Association Secretary*