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*Contact:*  
Douglas Walker  
Chief Enforcement Counsel  
(416) 943-6909

*For distribution to relevant parties within your firm*

**BULLETIN # 2544**  
December 23, 1998

## Discipline

### Discipline Penalties Imposed on Robin Alan Ross – Violation of Regulations 1300.1 (a) and (b)

Person Disciplined	The Ontario District Council of the Investment Dealers Association of Canada has imposed discipline penalties on <b>Robin Alan Ross</b> , at the relevant time a Registered Representative of Midland Walwyn Capital Inc. (now Merrill Lynch Canada Inc.), a Member of the Association.
By-laws, Regulations, Policies Violated	On December 17, 1998, the District Council considered, reviewed and accepted a settlement agreement signed by Mr. Ross. The agreement had been negotiated with him by staff of the Enforcement Division of the Association. Pursuant to the settlement agreement, Mr. Ross admitted that he failed to exercise due diligence to learn the essential facts relative to a client and failed to ensure that the acceptance of orders for the account of a client were within the bounds of good business practice, contrary to Regulation 1300.1 (a) and (b).
Penalty Assessed	The discipline penalty assessed against Mr. Ross is a fine in the amount of \$10,000.00. In addition, Mr. Ross is required to pay \$1,000.00 toward the Association's costs of investigation of this matter.
Summary of Facts	<p>On or about June 10, 1994, Mr. Ross approved the opening of a commodity futures account for a client solely on the basis of information contained on a futures/commodity futures options new account application form, a financial information form, a limited power of attorney form and information received from the client's son. At no time did Mr. Ross meet or personally speak with the client, over the telephone or otherwise, prior to opening the account.</p> <p>Mr. Ross effected trades in the commodity futures account based on instructions received from the client's son, who had been granted a limited power of attorney over the account. As a result, the account was in a deficit margin position as of June 22, 1994, nine days subsequent to the account being opened. A margin call was issued and further funds were</p>

deposited into the account by the client. Mr. Ross did not attempt to contact or speak with the client at the time of the margin call or at any time thereafter, even though the stated approximate amount of capital available for investment and the

estimated risk capital for the account had been exceeded.

Rather, Mr. Ross permitted further trades and new positions to be added to the account by the client's son.

On or about July 6, 1994, a further margin call was issued with respect to the account. The margin call was not met and the account was liquidated on or about July 7, 1997, leaving a deficit of \$6,521.20 (U.S.).

In determining the appropriate penalty, the District Council took into account that the misconduct involved only one client, all transactions effected by Mr. Ross in the account were unsolicited and were based on instructions received from the client's son, Mr. Ross had no prior record of regulatory misconduct and Mr. Ross had to cover the \$6,521.20 (U.S.) deficit position left in the account.

The District Council further took into account the time period that had lapsed since the offence, noting specifically that had this been a current matter, a higher fine would have been imposed.

Mr. Ross is currently employed by Yorkton Securities Inc., a Member of the Association, as a Registered Representative in the Toronto, Ontario branch office.

Lyn M. Gilchrist  
*Association Secretary*