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For distribution to relevant parties within your firm

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December 3, 1999

Discipline

Discipline Penalties Imposed on Michael E. Holoday – Violations of By-law 29.1

Person Disciplined	The Ontario District Council of the Investment Dealers Association of Canada has imposed discipline penalties on Michael E. Holoday , at the relevant times an approved person at Midland Walwyn Capital Inc. (now Merrill Lynch Canada Inc.) or First Marathon Securities Limited (now National Bank Financial Corp.), Members of the Association.
By-laws, Regulations, Policies Violated	On December 2, 1999, the District Council reviewed and accepted a settlement agreement that had been negotiated with Mr. Holoday by staff of the Association's Enforcement Division. Pursuant to the settlement agreement, Mr. Holoday admitted that he engaged in personal financial dealings with nine (9) clients without the knowledge or approval of his Member firm employer. Such conduct is conduct unbecoming an approved person and is detrimental to the public interest, contrary to By-law 29. 1 of the Association.
Penalty Assessed	The discipline penalty assessed against Mr. Holoday is a permanent prohibition on his approval in any capacity with any Member of the Association.
Summary of Facts	Beginning in 1992 and ending in Fall 1994, Mr. Holoday engaged in personal financial dealings with nine (9) clients without the knowledge or approval of his Member firm employer. The financial dealings consisted of making loans to clients, receiving loans from clients, giving IOUs to clients and issuing personal cheques to clients. The gross value of such dealings with the nine clients was over \$1.6 million.

The settlement agreement addresses nine (9) of the twenty eight (28) allegations contained in a Notice of Hearing and Particulars concerning Mr. Holoday, issued in August 1999. The hearing of the remaining allegations has been adjourned pending the outcome of the prosecution of

related criminal charges against Mr. Holoday in the Ontario Court of Justice.

Lyn M. Gilchrist
Association Secretary