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Contact:
Mary Clare T. Baillie
Enforcement Counsel
(604) 331-4764

For distribution to relevant parties within your firm

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Discipline

Discipline Penalties Imposed on Ian Scott-Moncrieff - Violation of By-law 29.1 and Regulation 1300.4

Person Disciplined	The Pacific District Council of the Investment Dealers Association of Canada has imposed discipline penalties on Ian Scott-Moncrieff, at the relevant time a Registered Representative at the Victoria, B.C. branch office of Midland Walwyn Capital Inc. (now Merrill Lynch Canada Inc.), a Member of the Association.
By-laws, Regulations, Policies Violated	<p>On August 30, 2000, the District Council reviewed and accepted a settlement agreement that had been negotiated with the Association's Enforcement Division Staff. In the settlement agreement, Mr. Scott-Moncrieff acknowledged that he:</p> <ol style="list-style-type: none">1) 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, contrary to Association Regulation 1300.4; and2) 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, contrary to Association By-law 29.1.
Penalty Assessed	The discipline penalties assessed against Mr. Scott-Moncrieff are a fine in the amount of \$15,000, and a condition of re-approval by the Association in any registered capacity that he must re-write and pass the examination based on the <i>Conduct and Practices Handbook for Securities Industry Professionals</i> . In addition, Mr. Scott-Moncrieff is required to pay \$6,500 toward the Association's costs of investigation of this matter.
Summary of Facts	From June 1991 to December 1997, inclusive, Mr. Scott-Moncrieff exercised discretion in effecting most of the 732 trades in two accounts of a client with respect to the price, timing, and/or quantity of the securities

bought and sold, without ensuring that his client had given written authorization for the exercise of discretion in respect of the trading in these accounts, or that his firm had accepted the accounts as discretionary.

Between April 1997 and December 1997, inclusive, Mr. Scott-Moncrieff failed to update the new account application form for one of the client's accounts to reflect the client's current investment objectives prior to recommending trades in the account that did not accord with the investment objectives previously documented for the account.

One account yielded an overall profit of \$49,648.99 whereas a loss of \$71,141.57 was sustained in the second account.

Mr. Scott-Moncrieff is no longer registered with the Association. The conduct of the branch manager remains under consideration by the Association.

Suzanne M. Barrett
Association Secretary