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For distribution to relevant parties within your firm

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Discipline

Discipline Penalties Imposed on Grant Linus Schnurr – Violation of By-law 29.1 and Regulations 1300.1(c) and 1300.4

Person Disciplined	The Pacific District Council of the Investment Dealers Association of Canada (the "Association") has imposed discipline penalties on Grant Linus Schnurr, at all material times a registered representative and Vice-President - Trading in Securities and Options with Nesbitt Burns Inc. (now BMO Nesbitt Burns Inc.), a Member of the Association.
By-laws, Regulations, Policies Violated	<p>On September 12, 2001, the Pacific District Council considered, reviewed and accepted a settlement agreement negotiated between Mr. Schnurr and Association staff.</p> <p>Pursuant to the Settlement Agreement, Mr. Schnurr admitted that:</p> <ul style="list-style-type: none">• he executed four trades in a client account without the client's authorization between August 1996 and August 1997, inclusive, contrary to Association By-law 29.1;• he exercised discretion in respect of a trade in the client's account on December 2, 1996 without the account having been constituted a discretionary account in accordance with Regulation 1300.4; and• he failed to use due diligence to ensure that four purchases he effected for the client's account were appropriate for the client and in keeping with her investment objectives, contrary to Regulation 1300.1(c).
Penalty Assessed	The discipline penalties assessed against Mr. Schnurr are a fine in the amount of \$12,000.00, and a condition of his continued approval by the Association in a 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. Schnurr is required to pay \$3,350.00 towards the Association's costs of the investigation of this matter.

Summary
of Facts

Between August 1996 and August 1997, inclusive, Mr. Schnurr effected four purchases of shares of Farallon Resources Inc. and one sale of a BC Savings Bond for a client. The client did not authorize four of the trades, and Mr. Schnurr exercised discretion with respect to the price, timing and quantity of one purchase trade.

Further, an investment in Farallon Resources Inc. was speculative, and the purchases exceeded the risk tolerance recorded for the client on the Client Account Agreement, and were not appropriate for her.

Mr. Schnurr is currently employed as a registered representative with National Bank Financial Ltd.

Kenneth A. Nason
Association Secretary