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*For distribution to relevant parties within your firm*

**BULLETIN # 2910**  
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## Discipline

### Discipline Penalties Imposed on Gerald Grant Stone – Violation of By-law 29.1 and Regulation 1300.1(c)

Person Disciplined	The Pacific District Council of the Investment Dealers Association of Canada (the "Association") has imposed discipline penalties on Gerald Grant Stone, at all material times a registered representative employed by Midland Walwyn Capital Inc. (now Merrill Lynch Canada Inc.), a Member of the Association.
By-laws, Regulations, Policies Violated	<p>On November 13, 2001, the Pacific District Council considered, reviewed and accepted a settlement agreement negotiated between Mr. Stone and Association staff.</p> <p>Pursuant to the Settlement Agreement, Mr. Stone admitted that he effected trades in the account of a client without her authorization, contrary to By-law 29.1, and that he failed to use due diligence to ensure that recommendations he made for the account of the same client were appropriate for the client and in keeping with her investment objectives, contrary to Regulation 1300.1(c).</p>
Penalty Assessed	The discipline penalties assessed against Mr. Stone are a fine in the amount of \$15,000.00, a prohibition against re-approval of Mr. Stone in any capacity by the Association for three months, and a condition of re-approval by the Association 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. Stone is required to pay \$3,500.00 towards the Association's costs of investigation of this matter.
Summary of Facts	<p>Between February 28, 1997 and March 7, 1997, Mr. Stone effected seven trades in the account of his client, A.T., without her authorization. Further, three of the securities he purchased for A.T.'s account were speculative investments that exceeded the risk tolerance stated for the client on the new client account form.</p> <p>Reasons for the decision will follow.</p>

Mr. Stone has not been employed by a Member firm in a registered capacity since January 20, 1998.

Kenneth A. Nason  
*Association Secretary*