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For distribution to relevant parties within your firm

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Discipline

Discipline Penalties Imposed on Richard Mills – Violation of Regulations 1300.1(c) and Policy 2

Person Disciplined The Ontario District Council of the Investment Dealers Association of Canada has imposed discipline penalties on Richard Mills, at the relevant times a Registered Representative with BMO Nesbitt Burns, a member of the Association.

By-laws, Regulations, Policies Violated On August 19th, 2002 the District Council reviewed and accepted a settlement agreement negotiated with counsel for the Association’s Enforcement Department. In the settlement agreement, Mr. Mills acknowledged that he:

1. failed to properly supervise Graeme Hamilton, a Registered Representative, with the handling of the joint accounts of clients, I. W. and D. W., contrary to Policy 2; and
2. failed to ensure that the trading recommendations made were appropriate for the clients situation and investment objectives, contrary to Regulation 1300.1(c).

Penalty Assessed The discipline penalties assessed against Mr. Mills are a fine in the amount of \$35,000.00 and payment of the Association’s costs in an amount of \$3,000.00, within one month of the effective date of the Settlement Agreement.

Summary of Facts At all relevant times, Mr. Mills was employed as a Branch Manager with BMO Nesbitt Burns Inc. During a sixteen month period between 1995 and 1997, a registered representative with Nesbitt Burns Inc. generated commissions in excess of \$1,000 and greater than \$2,500 during eight out of those sixteen months.. During this period, losses to the client account were \$88, 492, of which 67.7% or \$59,951 was from commissions. The Respondent was obligated to review the accounts during these months and failed to do so. Furthermore, some of the trades made for these clients were unsuitable in that they were too aggressive for the client objectives.

Kenneth A. Nason
Association Secretary