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For distribution to relevant parties within your firm

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Discipline Discipline Penalties Imposed on Jean Marc Vienneau – Violation of By-law 29.1

Person Disciplined The New Brunswick District Council ("the District Council") of the Investment Dealers Association of Canada ("the Association") has imposed discipline penalties on Jean Marc Vienneau. At the material time, Mr. Vienneau was approved as a registered representative and branch manager at the branch office of Midland Walwyn Capital Inc. located in Bathurst, New Brunswick. Midland Walwyn is a former Member of the Association.

By-laws, Regulations, Policies Violated On November 8, 2002, a hearing was held by the District Council to review a settlement agreement negotiated between Mr. Vienneau and the Enforcement Department of the Association. The District Council reserved its decision and, on November 19, 2002, accepted the settlement agreement pursuant to By-law 20.26 of the Association.

Through the settlement agreement, Mr. Vienneau acknowledged that he had engaged in conduct unbecoming an approved person by:

- (i) facilitating the participation of certain clients in private placements without the knowledge or consent of the Member, and;
- (ii) engaging in personal financial dealings with a client by jointly purchasing a unit of a private placement without the knowledge or consent of the Member.

Penalty Assessed The discipline penalties imposed by the District Council on Mr. Vienneau, pursuant to the settlement agreement and By-law 20.10(a), are:

- (i) a permanent bar on his approval in any capacity with any Member of the Association, and;

(ii) a fine in the amount of \$15,000.00.

In addition, pursuant to By-law 20.12, Mr. Vienneau is obliged to pay the Association an amount of \$7,500.00 for its costs of investigating the matter.

Summary
of Facts

Mr. Vienneau began his career in the securities industry in 1986. In July 1990, he joined Midland Walwyn. He became a branch manager in 1993 and, in July 1994, opened a new branch in Bathurst, New Brunswick.

In Fall 1996, Mr. Vienneau was disciplined by the Securities Administrator of New Brunswick for improper involvement in two private placements. A letter of reprimand was placed on his file and he forfeited \$12,500.00 to the New Brunswick Minister of Finance.

Despite this sanction, Mr. Vienneau continued his improper involvement in private-placement investing. In 1997, Mr. Vienneau engaged in "outside dealing" or "selling away" by facilitating the participation of clients in private placements without the knowledge or consent of Midland Walwyn.

Further, Mr. Vienneau partnered with a client in the purchase of a unit of one of the private placements without the knowledge or consent of the Midland Walwyn.

It is misconduct for a securities industry professional to engage in undisclosed securities dealings with clients -- also known as "selling away" or "outside dealing". Such dealings may expose clients to unknown risks and may also expose the registrant and his or her Member-firm employer to civil liability. Such activities, when done without the knowledge of the Member, prevent effective supervision of the handling of client accounts, and monitoring for potential conflicts of interest. For similar reasons, it is misconduct for a securities industry professional to engage in undisclosed personal financial dealings with clients.

Mr. Vienneau has not been approved for employment with a Member of the Association since April 1998.

Kenneth A. Nason
Association Secretary