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**BULLETIN # 3121**  
March 13, 2003

## Discipline

### Discipline Penalties imposed on David Stojanovic – Violation of By-Law 29.1

Person Disciplined	The Ontario District Council of the Investment Dealers Association of Canada (the "Association") has imposed discipline penalties on David Stojanovic, at all material times a registered representative employed by a Member of the Association.
By-laws, Regulations, Policies Violated	<p>On March 11, 2003 the Ontario District Council considered, reviewed and accepted a Settlement Agreement negotiated between Mr. Stojanovic and Association staff.</p> <p>Pursuant to the Settlement Agreement, Mr. Stojanovic admitted that he engaged in conduct unbecoming a registered representative by creating a fictitious credit adjustment in a dormant client account and using the buying power created by that credit adjustment to effect sixteen unauthorized transactions contrary to By-law 29.1.</p>
Penalty Assessed	<p>The discipline penalty assessed against Mr. Stojanovic is a permanent prohibition on his registration approval with any Member Firm of the Association.</p> <p>Mr. Stojanovic is also required to pay \$3,000.00 towards the Association's costs of the investigation of this matter.</p>
Summary of Facts	<p>In August 2000, Mr. Stojanovic was initially approved as a Registered Representative with Versus Brokerage Services Inc. On or about January 1, 2001, Versus changed its name to E*Trade Canada Inc. He was employed by E*Trade until his employment was terminated for cause on January 3, 2002.</p> <p>In December 2001, Mr. Stojanovic randomly sought out a dormant client account that was inactive and had no funds. He located the account of a client, Mr. C. with whom he had no relationship.</p>

On December 20, 2001 Mr. Stojanovic changed the mailing address on Mr. C's account. In addition, shortly thereafter, he changed the account password. These actions were done without the knowledge or consent of the account holder.

Mr. Stojanovic's supervisor in the Customer Service Department maintains a computer that has an "Intraday Program", which permits intraday credit or debit adjustments to client accounts. The use of this computer is restricted to certain E\*Trade personnel. Mr. Stojanovic was not one of the permitted users of this computer.

On December 27, 2001, Mr. Stojanovic went to work early, at approximately 6:30 a.m., when no other employees were in the office. He gained access to the intraday program on his supervisor's computer and used it to place (US)\$3,200,000 into Mr. C's account. Mr. Stojanovic then made 16 unauthorized trades in Mr. C's account utilizing the (US)\$3,200,000 credit adjustment as "buying power".

On the following day, during a routine review of client margin accounts, E\*Trade's compliance department noticed the unusual trading activity in Mr. C's account and began an internal investigation.

On January 3, 2002, after initially denying responsibility for the events referred to above, Mr. Stojanovic acknowledged his activities and provided written confirmation of his conduct to E\*Trade's compliance personnel.

The unauthorized transactions were cancelled. The account of Mr. C was ultimately unaffected and Mr. C suffered no losses. Mr. Stojanovic did not receive any financial benefit from his conduct.

Mr. Stojanovic is currently not employed in the securities industry.

Kenneth A. Nason  
*Association Secretary*