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Discipline

Discipline Penalties Imposed on William Edward Markell; Violations of By-laws 19.5 and 29.1.

Person Disciplined A Hearing Panel appointed pursuant to IDA By-law 20 has imposed discipline penalties on William Edward Markell, at the relevant time a registered representative of the Cornwall Ontario branch of BMO Nesbitt Burns Inc, (BMO) a Member of the Investment Dealers Association of Canada.

By-laws, Regulations, Policies Violated A Disciplinary Hearing was held on November 24, 2005 in Toronto, Ontario. An Association Hearing Panel, (Panel) released its decision on November 30, 2005. The Panel found Mr. Markell had contravened Association by-laws 19.5 and 29.1 as follows:

1. In or about June 2001 to December 2003 the Respondent engaged in business conduct or practice which is unbecoming or detrimental to the public interest, in that he engaged in undisclosed personal business activities with his clients, in violation of Association By-law 29.1.
2. In or about December 2003 the Respondent engaged in business conduct or practice which is unbecoming or detrimental to the public interest, in that he knowingly made a false statement to his branch manager and requested that a family member of his clients confirm his false statement, in violation of Association By-law 29.1.
3. In or about October 2001 to November 2002 the Respondent engaged in business conduct or practice which is unbecoming or detrimental to the public interest, in that he engaged in undisclosed personal business activities by borrowing money from his clients, in violation of Association By-law 29.1.

4. In or about December 1999 to August 2000 the Respondent engaged in business conduct or practice which is unbecoming or detrimental to the public interest, in that, he knowingly assisted his client to invest in private placements in which he and/or his family members were also invested without advising his member firm employer in violation of Association By-law 29.1.
5. In or about November, 2004 the Respondent failed to co-operate with the Association in that he declined to attend at a properly constituted Association interview, in violation of Association By-law 19.5.

Penalty
Assessed

The penalties imposed and costs assessed against Mr. Markell are as follows:

- permanent prohibition from registration in any capacity with the Association;
- payment to the Association of a fine in the amount of \$150,000.00; and
- costs in the amount of \$41,246.47

Summary
of Facts

The Respondent was the RR of record for MC & EC, who were in their 70's at the relevant time, and B, the C family trust company. The Respondent engaged in personal business with the Cs in that he requested and received payment of \$35,000 for unspecified services, which he did not disclose to BMO.

Further, while acting as co-executor for the estate of one of the C's children, who passed away suddenly in February 2003, he asked for a fee of approximately \$13,000.

When partial payment of the co-executor fee was sent to his office, and came to the attention of his branch manager, the Respondent intentionally misled his branch manager by making a false statement as to the nature of the payment. The Respondent subsequently sent an email to the other co-executor requesting that she confirm his false statement to the branch manager. The personal business was not disclosed to BMO.

Over the course of approximately 2 ½ years the Respondent borrowed over \$150,000 from the Cs; the largest single loan of \$75,000 remains unpaid.

The Respondent was also involved in assisting B in investing in three private placements in which he and/or his family members were also invested. The Respondent did not obtain the prior approval of BMO for the investments and did not disclose this activity to BMO.

The Respondent failed to co-operate with the IDA in that he refused to attend at an interview for which he was compelled to attend pursuant to the IDA by-laws.

Mr. Markell is not currently employed by any Member of the Association.

Kenneth A. Nason
Association Secretary