



INVESTMENT DEALERS ASSOCIATION OF CANADA  
ASSOCIATION CANADIENNE DES COURTIERS EN VALEURS MOBILIÈRES

**BULLETIN #2727**  
**NEWS RELEASE**

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## **Discipline Penalties Imposed on George Georgiou**

May 25, 2000, Toronto, Ontario—The Ontario District Council of the Investment Dealers Association of Canada has imposed discipline penalties on **George Georgiou**, at the relevant times a Registered Representative with the Kitchener branch of Midland Walwyn Capital Inc., (now Merrill Lynch Canada Inc.), and the Kitchener branch of Levesque Securities Ltd., (now National Bank Financial Ltd.).

Under the Settlement Agreement, Mr. Georgiou:

- effected discretionary trades in client accounts without the prior knowledge or written authorization of the clients and without such client accounts having been specifically approved and accepted in writing as discretionary accounts by the designated person of the Members, Midland Walwyn Capital Inc. and Levesque Securities Ltd., contrary to Regulation 1300.4(a) and (b);
- effected short sales in client accounts without first obtaining signed margin agreements from the clients, contrary to Regulation 200.1(i)(2);
- failed to exercise due diligence in respect of client accounts to ensure that trading recommendations made in those client accounts were appropriate for the clients and in keeping with the clients' respective investment objectives, contrary to Regulation 1300.1(c);
- failed to obtain a properly executed trading authorization over one client account in favour of a third party, contrary to Regulation 200.1(i)(3); and engaged in business conduct unbecoming or detrimental to the public interest, contrary to IDA By-law 29.1 in that he:
  - either borrowed monies from or loaned monies to clients;
  - entered into financial arrangements to privately settle complaints in client accounts without the knowledge, consent or authorization of the Member firm;

- effected unauthorized short sales in client accounts while under restrictions from the Member, Midland Walwyn Capital Inc., not to conduct short sales without obtaining prior manager approval; and
- provided a client with false or misleading information regarding the client's account.

The discipline penalty assessed against Mr. Georgiou is a fine of \$50,000. Also, Mr. Georgiou is suspended from receiving approval from acting in any registered capacity with any Member of the Association for a period of ten years, commencing January 31, 1995, until January 31, 2005. Then, if Mr. Georgiou ever seeks re-registration for approval with the Association, he must re-write and pass the Conduct and Practices Handbook examination administered by the Canadian Securities Institute within ninety days prior to the submission of an application for such approval. Evidence of successful completion must be provided to the Association within thirty days thereafter. Then, if approved, he would be subject to a condition of strict supervision for a period of three years following and the employing Member shall be required to complete and submit monthly supervision reports on a timely basis to the Registration Department of the Association. Mr. Georgiou is required to pay \$15,000 toward the Association's costs of investigation.

For a complete Summary of Facts, please see IDA Disciplinary Bulletin #2727 at [www.ida.ca](http://www.ida.ca).