

BrokerCheck Report

BMO NESBITT BURNS SECURITIES LTD.

CRD# 44057

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

• **Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit www.finra.org.



BMO NESBITT BURNS SECURITIES LTD.

CRD# 44057

SEC# 8-50538

Main Office Location

C/O LEGAL DEPT. 9TH FLOOR 1 FIRST
CANADIAN PLACE
M5X 1A1
TORONTO, ONTARIO, CANADA M5X 1A1
Regulated by FINRA Boston Office

Mailing Address

320 SOUTH CANAL STREET
FLOOR 7
CHICAGO, IL 60606

Business Telephone Number

312-461-3918

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a corporation.

Its fiscal year ends in October.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This firm is registered with:

- the SEC
- 1 Self-Regulatory Organization
- 53 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 3 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm does not have referral or financial arrangements with other brokers or dealers.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	1

The number of disclosures from non-registered control affiliates is 30



Firm Profile

This firm is classified as a corporation.
Its fiscal year ends in October.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

BMO NESBITT BURNS SECURITIES LTD.
Doing business as BMO NESBITT BURNS SECURITIES LTD.
CRD# 44057
SEC# 8-50538

Main Office Location

C/O LEGAL DEPT. 9TH FLOOR 1 FIRST CANADIAN PLACE
M5X 1A1
TORONTO, ONTARIO, CANADA M5X 1A1

Regulated by FINRA Boston Office

Mailing Address

320 SOUTH CANAL STREET
FLOOR 7
CHICAGO, IL 60606

Business Telephone Number

312-461-3918

Other Names of this Firm

Name	Where is it used
BMO CAPITAL MARKETS/BMO MARCHES DES CAPITAUX	AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, PR, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY

BMO NESBITT BURNS VALEURS MOBILIERES LTEE

TX



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any):	BMO NESBITT BURNS INC.
Is this a domestic or foreign entity or an individual?	Foreign Entity
Position	PARENT OF BMO NESBITT BURNS SECURITIES LTD.
Position Start Date	09/1997
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	BROWN, WILLIAM A L 3144046
Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR
Position Start Date	01/2012
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	FERMAN, BRUCE AARON 6304645
Is this a domestic or foreign entity or an individual?	Individual
Position	CHAIRMAN OF THE BOARD
Position Start Date	09/2016

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No

Legal Name & CRD# (if any): GIGLIOTTI, STEPHEN MICHAEL
3063688

Is this a domestic or foreign entity or an individual? Individual

Position CHIEF COMPLIANCE OFFICER

Position Start Date 07/2020

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): LAKE, STEPHANIE ANN
5845009

Is this a domestic or foreign entity or an individual? Individual

Position DIRECTOR

Position Start Date 07/2024

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): NARINE, IAN KENNETH

Firm Profile



Direct Owners and Executive Officers (continued)

	7570073
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF FINANCIAL OFFICER
Position Start Date	11/2022
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No
<hr/>	
Legal Name & CRD# (if any):	PERSAUD, DEVANAND NMN 4779881
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT
Position Start Date	05/2023
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No
<hr/>	
Legal Name & CRD# (if any):	RIGANTE, MAURO 8124545
Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR
Position Start Date	06/2025
Percentage of Ownership	Less than 5%

Firm Profile



Direct Owners and Executive Officers (continued)

Does this owner direct the management or policies of the firm?

Yes

Is this a public reporting company?

No



Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

Legal Name & CRD# (if any):	BANK OF MONTREAL
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	BANK OF MONTREAL HOLDING INC
Relationship to Direct Owner	PARENT OF BANK OF MONTREAL HOLDING INC.
Relationship Established	09/1998
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	Yes
<hr/>	
Legal Name & CRD# (if any):	BANK OF MONTREAL HOLDING INC.
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	BMO NESBITT BURNS, INC
Relationship to Direct Owner	PARENT OF BMO NESBITT BURNS INC VIA AMALGAMATION
Relationship Established	01/2022
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.





Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is currently registered with the SEC, 1 SRO and 53 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	10/31/1997

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	10/31/1997



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	01/14/1998
Alaska	Approved	12/12/1997
Arizona	Approved	01/20/1998
Arkansas	Approved	09/07/2018
California	Approved	11/06/1997
Colorado	Approved	11/05/1997
Connecticut	Approved	11/03/1997
Delaware	Approved	05/30/2017
District of Columbia	Approved	09/25/2017
Florida	Approved	11/13/1997
Georgia	Approved	10/31/1997
Hawaii	Approved	01/13/1998
Idaho	Approved	10/14/1997
Illinois	Approved	11/17/1997
Indiana	Approved	01/26/1998
Iowa	Approved	11/10/1997
Kansas	Approved	01/08/1998
Kentucky	Approved	11/03/1997
Louisiana	Approved	11/03/1997
Maine	Approved	12/15/1997
Maryland	Approved	11/07/1997
Massachusetts	Approved	01/27/1998
Michigan	Approved	10/21/1997
Minnesota	Approved	12/09/1997
Mississippi	Approved	11/10/1997
Missouri	Approved	03/19/1998
Montana	Approved	11/04/1997
Nebraska	Approved	02/20/1998
Nevada	Approved	12/09/1997
New Hampshire	Approved	04/09/1998
New Jersey	Approved	11/10/1997
New Mexico	Approved	01/16/1998
New York	Approved	10/31/1997

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	11/03/1997
North Dakota	Approved	12/05/2018
Ohio	Approved	11/06/1997
Oklahoma	Approved	02/26/1998
Oregon	Approved	01/02/1998
Pennsylvania	Approved	11/04/1997
Puerto Rico	Approved	04/29/2019
Rhode Island	Approved	12/17/1997
South Carolina	Approved	10/31/1997
South Dakota	Approved	10/16/2017
Tennessee	Approved	01/06/1998
Texas	Approved	02/26/1998
Utah	Approved	10/31/1997
Vermont	Approved	02/02/1998
Virgin Islands	Approved	11/29/2018
Virginia	Approved	10/21/1997
Washington	Approved	11/05/1997
West Virginia	Approved	10/31/1997
Wisconsin	Approved	03/03/1998
Wyoming	Approved	12/17/2018

Firm Operations



Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 3 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter

Broker or dealer selling corporate debt securities

Mutual fund retailer

Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does not refer or introduce customers to other brokers and dealers.

Firm Operations

Industry Arrangements



This firm does have books or records maintained by a third party.

Name: NCC GROUP

Business Address: 11675 RAINWATER DRIVE
ALPHARETTA, GA 30009

Effective Date: 11/08/2021

Description: NCC GROUP PROVIDES ACCESS TO FIRM INFORMATION CONTAINED ON A FILE SHARED SERVER SYSTEM.

Name: IRON MOUNTAIN

Business Address: 2100 NORCROSS PARKWAY
SUITE 150
NORCROSS, GA 30071

Effective Date: 01/20/2017

Description: IRON MOUNTAIN PROVIDES STORAGE FOR PAPER DOCUMENTS.

Name: GLOBAL RELAY

Business Address: 220 CAMBIE STREET
VANCOUVER, CANADA V6B 2M9

Effective Date: 03/15/2017

Description: GLOBAL RELAY RETAINS ELECTRONIC COMMUNICATIONS ON BEHALF OF THE FIRM.

This firm does not have accounts, funds, or securities maintained by a third party.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name: NATIONAL FINANCIAL SERVICES LLC

CRD #: 13041

Business Address: 200 SEAPORT BOULEVARD
BOSTON, MA 02210

Effective Date: 11/10/2015

Description: APPLICANT HAS ENTERED INTO A FULLY DISCLOSED CLEARING AGREEMENT FOR RETAIL ACCOUNTS WITH NATIONAL FINANCIAL SERVICES.

Control Persons/Financing

Firm Operations



Industry Arrangements (continued)

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

BMO BANK, N.A. is under common control with the firm.

Business Address:	111 W MONROE STREET, FLOOR 4E CHICAGO, IL
Effective Date:	01/25/2023
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	INDIRECT WHOLLY OWNED SUBSIDIARY OF BANK OF MONTREAL.

BMO PRIVATE INVESTMENT COUNSEL INC. is under common control with the firm.

CRD #:	160344
Business Address:	100 KING STREET WEST 1 FIRST CANADIAN PLACE 41ST FLOOR TORONTO, CANADA M5X1A1
Effective Date:	12/01/2020
Foreign Entity:	Yes
Country:	ONTARIO, CANADA
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	INDIRECT WHOLLY OWNED SUBSIDIARY OF BANK OF MONTREAL

CLEARPOOL EXECUTION SERVICES, LLC is under common control with the firm.

Firm Operations



Organization Affiliates (continued)

CRD #: 168490

Business Address: 17 STATE STREET
38TH FLOOR
NEW YORK, NY 10004

Effective Date: 04/06/2020

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECT WHOLLY OWNED SUBSIDIARY OF BANK OF MONTREAL

BMO NESBITT BURNS SECURITIES LTD. is under common control with the firm.

CRD #: 281337

Business Address: 100 KING STREET WEST
TORONTO, ONTARIO, CANADA M5X 1A1

Effective Date: 01/12/2016

Foreign Entity: Yes

Country: CANADA

Securities Activities: No

Investment Advisory Activities: Yes

Description: INDIRECT WHOLLY OWNED SUBSIDIARY OF BANK OF MONTREAL.

STOKER OSTLER, A PART OF BMO FINANCIAL GROUP is under common control with the firm.

CRD #: 111320

Business Address: 4900 N. SCOTTSDALE ROAD
SCOTTSDALE, AZ 85251

Effective Date: 09/09/2009

Foreign Entity: No

Country:

Securities Activities: Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: Yes

Description: INDIRECT WHOLLY OWNED SUBSIDIARY OF BANK OF MONTREAL

BMO FAMILY OFFICE, LLC is under common control with the firm.

CRD #: 110264

Business Address: 2200 GENG RD
SUITE 100
PALO ALTO, CA 94303

Effective Date: 05/01/2014

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: A WHOLLY OWNED SUBSIDIARY OF BMO FINANCIAL CORP. WHICH IS OWNED BY BANK OF MONTREAL.

BMO CAPITAL MARKETS CORP. is under common control with the firm.

CRD #: 16686

Business Address: 3 TIMES SQUARE
NEW YORK, NY 10036

Effective Date: 10/29/2003

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: WHOLLY OWNED SUBSIDIARY OF BMO FINANCIAL CORP WHICH IS OWNED BY THE BANK OF MONTREAL.

BMO INVESTMENTS INC. is under common control with the firm.

Business Address: 302 BAY STREET, 7TH FLOOR
TORONTO, ONTARIO, CANADA M5X 1A1

Firm Operations



Organization Affiliates (continued)

Effective Date: 03/31/2000
Foreign Entity: Yes
Country: CANADA
Securities Activities: Yes
Investment Advisory Activities: Yes
Description: INDIRECT WHOLLY OWNED SUBSIDIARY OF BANK OF MONTREAL.

BMO INVESTORLINE INC. is under common control with the firm.

Business Address: 100 KING STREET WEST
 20TH FLOOR, 1 FIRST CANADIAN PLACE
 TORONTO, ONTARIO, CANADA M5X 1A1
Effective Date: 03/31/2000
Foreign Entity: Yes
Country: CANADA
Securities Activities: Yes
Investment Advisory Activities: No
Description: INDIRECT WHOLLY OWNED SUBSIDIARY OF BANK OF MONTREAL.

BMO ASSET MANAGEMENT INC. is under common control with the firm.

Business Address: 77 KING STREET WEST
 SUITE 4200
 TORONTO, ONTARIO, CANADA M5K 1J5
Effective Date: 05/07/2010
Foreign Entity: Yes
Country: ONTARIO, CANADA
Securities Activities: No
Investment Advisory Activities: Yes
Description: INDIRECT WHOLLY OWNED SUBSIDIARY OF BANK OF MONTREAL.

BMO NESBITT BURNS INC. controls the firm.

Firm Operations



Organization Affiliates (continued)

Business Address: 1 FIRST CANADIAN PLACE, C/O LEGAL DEPT
5TH FLOOR
TORONTO, ONTARIO, CANADA M5X 1H3

Effective Date: 02/15/2000

Foreign Entity: Yes

Country: CANADA

Securities Activities: Yes

Investment Advisory Activities: No

Description: NESBITT BURNS INC. IS THE PARENT OF THE APPLICANT WHICH IS A WHOLLY OWNED SUBSIDIARY OF BANK OF MONTREAL.

BMO CAPITAL MARKETS LIMITED is under common control with the firm.

Business Address: 11 WALBROOK
LONDON, ENGLAND, U.K. EC4N8ED

Effective Date: 02/15/2000

Foreign Entity: Yes

Country: ENGLAND, U.K.

Securities Activities: Yes

Investment Advisory Activities: No

Description: INDIRECT WHOLLY OWNED SUBSIDIARY OF BANK OF MONTREAL.

BMO ASSET MANAGEMENT CORP. is under common control with the firm.

CRD #: 106466

Business Address: 190 SOUTH LASALLE STREET
4TH FLOOR
CHICAGO, IL 60690-0755

Effective Date: 06/18/2012

Foreign Entity: No

Country:

Securities Activities: No

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: Yes

Description: INDIRECT WHOLLY OWNED SUBSIDIARY OF BANK OF MONTREAL.

This firm is directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank

BMO FINANCIAL CORP is a Bank Holding Company and controls the firm.

Business Address: 111 W MONROE STREET, FLOOR 4E
CHICAGO, IL 60603

Effective Date: 01/25/2023

Description: INDIRECT WHOLLY OWNED SUBSIDIARY OF BANK OF MONTREAL.

BANK OF MONTREAL is a Foreign Bank and controls the firm.

Business Address: 129 ST. JACQUES STREET
MONTREAL, QUEBEC, CANADA H2Y 1L6

Effective Date: 09/23/1997

Description: APPLICANT IS AN INDIRECT WHOLLY OWNED SUBSIDIARY OF BANK OF MONTREAL.



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	1	0



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 1

Reporting Source: Regulator

Current Status: Final

**Allegations:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT INCORRECTLY CALCULATED ITS NET CAPITAL CAUSING IT NOT TO CONTINUOUSLY MAINTAIN ITS REQUIRED LEVEL OF NET CAPITAL. THE FINDINGS STATED THAT THE FIRM HAD A NET CAPITAL REQUIREMENT OF \$250,000. THE FIRM COUNTED AS NET CAPITAL APPROXIMATELY \$4 MILLION IN UNITED STATES TREASURY BILLS THAT WERE HELD IN TWO ACCOUNTS AT ANOTHER BANK. HOWEVER, THE ACCOUNT DOCUMENTS DID NOT SPECIFY THAT THE FIRM, AND NOT ITS ULTIMATE PARENT, A CANADIAN-BASED BANK (THE BANK), CONTROLLED THESE TWO ACCOUNTS, AND THEREFORE THESE ASSETS SHOULD HAVE BEEN DISALLOWED FROM THE NET CAPITAL CALCULATION. THE FIRM HAD A NET CAPITAL DEFICIENCY DURING EIGHT MONTHS RANGING FROM \$26,815 TO \$259,764. THE FINDINGS ALSO STATED THAT THE FIRM MAINTAINED TWO CHECKING ACCOUNTS WITH THE BANK. THE FIRM'S CASH BALANCE IN ITS ACCOUNTS WITH THE BANK EXCEEDED THE THREE-MONTH TRAILING AVERAGE OF ITS OPERATING EXPENSES. THAT OVERAGE SHOULD NOT HAVE BEEN COUNTED AS AN ASSET FOR PURPOSES OF THE NET CAPITAL CALCULATION. THE FINDINGS ALSO INCLUDED THAT THE FIRM CREATED A NEW INTERNAL CONTROL PROCEDURE, A WORKSHEET THAT TRACKED CASH VERSUS THE TRAILING THREE-MONTH AVERAGE OF OPERATING EXPENSES. THE FIRM TRANSITIONED FROM A SELF-CLEARING BROKER TO AN INTRODUCING BROKER. AS AN INTRODUCING BROKER, THE FIRM NO LONGER HAD TO MAINTAIN CASH IN A RESERVE ACCOUNT WITH THE AMOUNT OWED TO CUSTOMERS. HOWEVER, AFTER TRANSITIONING TO AN INTRODUCING BROKER, THE FIRM FAILED TO TREAT THE FUNDS IN ITS RESERVE ACCOUNT AT THE BANK AS A NON-ALLOWABLE ASSET WHEN CALCULATING ITS NET CAPITAL. FINRA FOUND THAT THE FIRM FAILED TO REINVEST MATURING U.S. TREASURY BILLS HELD IN THAT RESERVE ACCOUNT. THE FIRM THEREFORE HELD CASH THAT WAS \$1.77 MILLION IN EXCESS OF THE TRAILING THREE-MONTH AVERAGE OF ITS OPERATING EXPENSES AND IMPROPERLY IDENTIFIED AS AVAILABLE NET CAPITAL IN THE FIRM'S NET CAPITAL CALCULATION. FINRA ALSO FOUND THAT THE FIRM FAILED TO PREPARE AN ACCURATE COMPUTATION OF ITS NET CAPITAL AND FILED INACCURATE FOCUS REPORTS BECAUSE OF ITS ERRORS IN THE NET CAPITAL CALCULATION.

Initiated By:

FINRA

Date Initiated:

09/13/2018

Docket/Case Number:[2016052541501](#)**Principal Product Type:**

No Product

Other Product Type(s):



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/13/2018

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$75,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$75,000. FINES PAID IN FULL ON SEPTEMBER 27, 2018.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT INCORRECTLY CALCULATED ITS NET CAPITAL CAUSING IT NOT TO CONTINUOUSLY MAINTAIN ITS REQUIRED LEVEL OF NET CAPITAL. THE FINDINGS STATED THAT THE FIRM HAD A NET CAPITAL REQUIREMENT OF \$250,000. THE FIRM COUNTED AS NET CAPITAL APPROXIMATELY \$4 MILLION IN UNITED STATES TREASURY BILLS THAT WERE HELD IN TWO ACCOUNTS AT ANOTHER BANK. HOWEVER, THE ACCOUNT DOCUMENTS DID NOT SPECIFY THAT THE FIRM, AND NOT ITS ULTIMATE PARENT, A CANADIAN-BASED BANK (THE BANK), CONTROLLED THESE TWO ACCOUNTS, AND THEREFORE THESE ASSETS SHOULD HAVE BEEN DISALLOWED FROM THE NET CAPITAL CALCULATION. THE FIRM HAD A NET CAPITAL DEFICIENCY DURING EIGHT MONTHS RANGING FROM \$26,815 TO \$259,764. THE FINDINGS ALSO STATED THAT THE FIRM MAINTAINED TWO CHECKING ACCOUNTS WITH THE BANK. THE FIRM'S CASH BALANCE IN ITS ACCOUNTS WITH THE BANK EXCEEDED THE THREE-MONTH TRAILING AVERAGE OF ITS OPERATING EXPENSES. THAT OVERAGE SHOULD NOT HAVE BEEN COUNTED AS AN ASSET FOR PURPOSES OF THE NET CAPITAL CALCULATION. THE FINDINGS ALSO INCLUDED THAT THE FIRM CREATED A



NEW INTERNAL CONTROL PROCEDURE, A WORKSHEET THAT TRACKED CASH VERSUS THE TRAILING THREE-MONTH AVERAGE OF OPERATING EXPENSES. THE FIRM TRANSITIONED FROM A SELF-CLEARING BROKER TO AN INTRODUCING BROKER. AS AN INTRODUCING BROKER, THE FIRM NO LONGER HAD TO MAINTAIN CASH IN A RESERVE ACCOUNT WITH THE AMOUNT OWED TO CUSTOMERS. HOWEVER, AFTER TRANSITIONING TO AN INTRODUCING BROKER, THE FIRM FAILED TO TREAT THE FUNDS IN ITS RESERVE ACCOUNT AT THE BANK AS A NON-ALLOWABLE ASSET WHEN CALCULATING ITS NET CAPITAL. FINRA FOUND THAT THE FIRM FAILED TO REINVEST MATURING U.S. TREASURY BILLS HELD IN THAT RESERVE ACCOUNT. THE FIRM THEREFORE HELD CASH THAT WAS \$1.77 MILLION IN EXCESS OF THE TRAILING THREE-MONTH AVERAGE OF ITS OPERATING EXPENSES AND IMPROPERLY IDENTIFIED AS AVAILABLE NET CAPITAL IN THE FIRM'S NET CAPITAL CALCULATION. FINRA ALSO FOUND THAT THE FIRM FAILED TO PREPARE AN ACCURATE COMPUTATION OF ITS NET CAPITAL AND FILED INACCURATE FOCUS REPORTS BECAUSE OF ITS ERRORS IN THE NET CAPITAL CALCULATION.

Initiated By: FINRA

Date Initiated: 09/13/2018

Docket/Case Number: [2016052541501](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/13/2018

Sanctions Ordered: Censure
Monetary/Fine \$75,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$75,000.00

Firm Statement AS NOTED IN THE SUMMARY , THE FIRM WOULD LIKE TO EMPHASIZE THAT CERTAIN ISSUES WERE A RESULT OF UNIQUE CIRCUMSTANCE CAUSED AS THE FIRM TRANSITIONS FROM A SELF-CLEARING BROKER TO AN INTRODUCING BROKER. THE FIRM DID SELF-IDENTIFY THESE ISSUES AND TOOK PROMPT CORRECTIVE ACTION TO REMEDY THEM AND MINIMIZE ANY POTENTIAL NEGATIVE IMPACT ON THE FIRM. THESE ACTIONS



INCLUDED RESUBMITTING MODIFIED FOCUS FILINGS WHEN
APPROPRIATE.

Disclosure Events for Non-Registered Control Affiliates



All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	30	0



Disclosure Event Details

Regulatory - Final

Disclosure 1 of 30

Reporting Source:	Firm
Affiliate:	BMO NESBITT BURNS, INC.
Current Status:	Final
Allegations:	BETWEEN DECEMBER 2017 AND MAY 2019, BMO NBI FAILED TO IMPLEMENT A SYSTEM OF SUPERVISION AND CONTROL IN RESPECT OF THE TRADING ACTIVITY (I.E. SHORT SELLING GOVERNMENT OF CANADA FIXED INCOME AND USING THE PROCEEDS TO INVEST IN PREFERRED SHARES) IN THE CLIENT ACCOUNTS, PARTICULARLY WITH RESPECT TO THE SUITABILITY OBLIGATIONS OWING BY IT AND ITS REGISTERED REPRESENTATIVE AND IN RESPECT OF THE SUPERVISION OF THE CLIENT ACCOUNTS, CONTRARY TO DEALER MEMBER RULES 38.1 AND 2500A.
Initiated By:	CANADIAN INVESTMENT REGULATORY ORGANIZATION
Date Initiated:	03/28/2024
Docket/Case Number:	
Principal Product Type:	Debt - Government
Other Product Type(s):	PREFERRED SHARES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	DISGORGEMENT
Resolution:	Settled
Resolution Date:	04/04/2024
Sanctions Ordered:	Monetary/Fine \$1,696,876.00 Disgorgement/Restitution
Other Sanctions Ordered:	COSTS
Sanction Details:	SETTLEMENT AGREEMENT WHERE BMO NBI AGREED TO VIOLATIONS OF CIRO DEALER MEMBER RULES 38.1 AND 2500A. FINE OF \$1,500,000, DISGORGEMENT OF \$146,876 AND COSTS OF \$50,000.
Firm Statement	INFORMATION SUMMARIZED IN SETTLEMENT AGREEMENT WITH CIRO. THE ACTIVITY IN QUESTION HAPPENED ONLY AT NESBITT BURNS, INC., THE REP IN QUESTION WAS NOT AFFILIATED WITH NBSL, AND NO NBSL



CLIENTS WERE AFFECTED.

Reporting Source:	Firm
Affiliate:	BMO NESBITT BURNS, INC.
Current Status:	Final
Allegations:	BETWEEN DECEMBER 2017 AND MAY 2019, BMO NBI FAILED TO IMPLEMENT A SYSTEM OF SUPERVISION AND CONTROL IN RESPECT OF THE TRADING ACTIVITY (I.E. SHORT SELLING GOVERNMENT OF CANADA FIXED INCOME AND USING THE PROCEEDS TO INVEST IN PREFERRED SHARES) IN THE CLIENT ACCOUNTS, PARTICULARLY WITH RESPECT TO THE SUITABILITY OBLIGATIONS OWING BY IT AND ITS REGISTERED REPRESENTATIVE AND IN RESPECT OF THE SUPERVISION OF THE CLIENT ACCOUNTS, CONTRARY TO DEALER MEMBER RULES 38.1 AND 2500A.
Initiated By:	CANADIAN INVESTMENT REGULATORY ORGANIZATION
Date Initiated:	03/28/2024
Docket/Case Number:	
Principal Product Type:	Debt - Government
Other Product Type(s):	PREFERRED SHARES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	DISGORGEMENT
Resolution:	Settled
Resolution Date:	04/04/2024
Sanctions Ordered:	Monetary/Fine \$1,696,876.00 Disgorgement/Restitution
Other Sanctions Ordered:	COSTS
Sanction Details:	SETTLEMENT AGREEMENT WHERE BMO NBI AGREED TO VIOLATIONS OF CIRO DEALER MEMBER RULES 38.1 AND 2500A. FINE OF \$1,500,000, DISGORGEMENT OF \$146,876 AND COSTS OF \$50,000.
Firm Statement	INFORMATION SUMMARIZED IN SETTLEMENT AGREEMENT WITH CIRO. THE ACTIVITY IN QUESTION HAPPENED ONLY AT NESBITT BURNS, INC., THE REP IN QUESTION WAS NOT AFFILIATED WITH NBSL, AND NO NBSL CLIENTS WERE AFFECTED.



Disclosure 2 of 30

Reporting Source:	Firm
Affiliate:	BANK OF MONTREAL
Current Status:	Final
Allegations:	THE U.S. COMMODITY FUTURE TRADING COMMISSION ("CFTC") ALLEGED THAT, FROM AT LEAST 2019 THROUGH THE DATE OF THE ORDER, BANK OF MONTREAL ("BMO") (I) FAILED TO KEEP CERTAIN REQUIRED RECORDS IN VIOLATION OF SECTIONS 4S(F)(1)(C) AND 4S(G)(1) AND (3) OF THE COMMODITY EXCHANGE ACT ("CEA") AND CFTC REGULATIONS 23.201(A) AND 23.202(A)(1) AND (B)(1), (II) FAILED TO KEEP RECORDS IN THE MANNER REQUIRED BY CFTC REGULATION 1.31, AND (III) FAILED TO SUPERVISE ITS SWAP DEALER BUSINESS ACTIVITIES DILIGENTLY IN VIOLATION OF SECTION 4S(H)(1)(B) OF THE CEA AND CFTC REGULATION 23.602(A).
Initiated By:	CFTC - UNITED STATES COMMODITY FUTURES TRADING COMMISSION
Date Initiated:	08/08/2023
Docket/Case Number:	23-24
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	08/08/2023
Sanctions Ordered:	Monetary/Fine \$35,000,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	BANK OF MONTREAL ("BMO") ADMITTED TO THE FACTS IN THE CFTC'S ORDER, ACKNOWLEDGED ITS CONDUCT VIOLATED THE COMMODITY EXCHANGE ACT ("CEA") AND CFTC REGULATIONS, AND AGREED TO (I) THE ENTRY OF THE CFTC'S FINDINGS; (II) CEASE AND DESIST FROM VIOLATING SECTIONS 4S(F)(1)(C), 4S(G)(1) AND (3), AND 4S(H)(1)(B) OF THE CEA AND CFTC REGULATIONS 1.31, 23.201(A), 23.202(A)
Firm Statement	ON AUGUST 8, 2023, THE U.S. COMMODITY FUTURES TRADING



COMMISSION ("CFTC") ALLEGED THAT BANK OF MONTREAL ("BMO") (I) FAILED TO KEEP CERTAIN REQUIRED RECORDS IN VIOLATION OF SECTIONS 4S(F)(1)(C) AND 4S(G)(1) AND (3) OF THE COMMODITY EXCHANGE ACT ("CEA") AND CFTC REGULATIONS 23.201(A) AND 23.202(A)(1) AND (B)(1), (II) FAILED TO KEEP RECORDS IN THE MANNER REQUIRED BY CFTC REGULATION 1.31, AND (III) FAILED TO SUPERVISE ITS SWAP DEALER BUSINESS ACTIVITIES DILIGENTLY IN VIOLATION OF SECTION 4S(H)(1)(B) OF THE CEA AND CFTC REGULATION 23.602(A). BMO ADMITTED TO THE FACTS IN THE CFTC'S ORDER, ACKNOWLEDGED THAT ITS CONDUCT VIOLATED THE CEA AND CFTC REGULATIONS, AND AGREED TO (I) THE SERVICE OF THE CFTC'S ORDER; (II) CEASE AND DESIST FROM VIOLATING SECTIONS 4S(F)(1)(C), 4S(G)(1) AND (3), AND 4S(H)(1)(B) OF THE CEA AND CFTC REGULATIONS 1.31, 23.201(A), 23.202(A)(1) AND (B)(1), AND 23.602(A); (III) PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$35,000,000; AND (IV) COMPLY WITH CERTAIN UNDERTAKINGS.

Disclosure 3 of 30

Reporting Source:	Firm
Affiliate:	BMO NESBITT BURNS INC.
Current Status:	Final
Allegations:	FAILURE TO ADEQUATELY SUPERVISE THE ACTIVITIES OF AN RR IN RELATION TO TWO CLIENT ACCOUNTS THAT INVOLVED HIGH NEW ISSUE COMMISSIONS AND HIGH TURNOVER RATIOS.
Initiated By:	INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA
Date Initiated:	10/04/2022
Docket/Case Number:	
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	10/04/2022
Sanctions Ordered:	Monetary/Fine \$140,000.00

**Other Sanctions Ordered:****Sanction Details:**

TOTAL AMOUNT \$125,000.00 PAID AS FINE AND \$15,000.00 IN INVESTIGATION COST. THE FINE WAS PAID 10/17/2022.

Firm Statement

SETTLEMENT AGREEMENT WHEREIN BMO NESBITT BURNS INC. ADMITTED THAT IT VIOLATED IROC RULES 38.1 AND 2500 BY FAILING TO ADEQUATELY SUPERVISE THE ACTIVITIES OF AN RR IN RELATION TO TWO CLIENT ACCOUNTS THAT INVOLVED HIGH NEW ISSUE COMMISSIONS AND HIGH TURNOVER RATIOS.

Disclosure 4 of 30**Reporting Source:**

Firm

Affiliate:

BMO HARRIS BANK N.A.

Current Status:

Final

Appealed To and Date Appeal Filed:

N/A

Allegations:

THE OFFICE OF THE COMPTROLLER OF THE CURRENCY ("OCC") EXAMINED THE BANK SECRECY ACT/ANTI-MONEY LAUNDERING ("BSA/AML") PROGRAMS WITHIN THE BMO HARRIS BANK NA ("BHB") AML OPERATIONS AND FOUND DEFICIENCIES. THE OCC DETERMINED THAT BHB LACKED EFFECTIVE SYSTEMS OF GOVERNANCE AND INTERNAL CONTROLS TO ADEQUATELY OVERSEE THE ACTIVITIES OF BHB'S. OPERATIONS WITH RESPECT TO LEGAL, COMPLIANCE, AND REPUTATIONAL RISKS RELATED TO COMPLIANCE WITH BSA/AML REQUIREMENTS.

Initiated By:

THE OFFICE OF THE COMPTROLLER OF THE CURRENCY ("OCC")

Date Initiated:

05/17/2013

Docket/Case Number:

N/A

Principal Product Type:

No Product

Other Product Type(s):

N/A

Principal Sanction(s)/Relief Sought:

Other

Other Sanction(s)/Relief Sought:

WRITTEN AGREEMENT

Resolution:

Other

Resolution Date:

05/17/2013

**Sanctions Ordered:****Other Sanctions Ordered:**

AFFILIATES CONSENTED TO REMEDIATE THEIR AML PROGRAMS. SANCTION DETAIL: IF SUSPENDED, ENJOINED OR BARRED, PROVIDE DURATION INCLUDING START DATE AND CAPACITIES AFFECTED (GENERAL SECURITIES PRINCIPAL, FINANCIAL OPERATIONS PRINCIPAL, ETC.). IF REQUALIFICATION BY EXAM/RETRAINING WAS A CONDITION OF THE SANCTION, PROVIDE LENGTH OF TIME GIVEN TO REQUALIFY/RETRAIN, TYPE OF EXAM REQUIRED AND WHETHER CONDITION HAS BEEN SATISFIED. IF DISPOSITION RESULTED IN A FINE, PENALTY, RESTITUTION, DISGORGEMENT OR MONETARY COMPENSATION, PROVIDE TOTAL AMOUNT, PORTION LEVIED AGAINST YOU OR AN ADVISORY AFFILIATE DATE PAID AND IF ANY PORTION OF PENALTY WAS WAIVED:

Sanction Details:

N/A

Firm Statement

BY WRITTEN AGREEMENT BETWEEN, BHB AND THE OCC, BHB IS TO REVIEW EFFECTIVENESS OF ITS BSA/AML PROGRAM AND REPORT FINDINGS/ RECOMMENDATIONS TO SUBMIT TO OCC A REPORT ON ITS REVIEW; AND SUBMIT TO OCC A PLAN TO STRENGTHEN COMPLIANCE WITH BSA/AML REQUIREMENTS; INCULDING APPLICABLE BSA/AML LAWS AND REGULATIONS AND AN ENHANCED CUSTOMER DUE DILIGENCE PROGRAM. THE BHB MUST THEN ADOPT PLANS AND PROGRAMS APPROVED BY THE OCC.

Disclosure 5 of 30**Reporting Source:**

Firm

Affiliate:

BMO FINANCIAL CORP

Current Status:

Final

Appealed To and Date Appeal Filed:

N/A

Allegations:

THE FEDERAL RESERVE BANK OF CHICAGO ("FRBC") AND THE ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING ("IDFPR") EXAMINED THE BANK SECRECY ACT/ANTI-MONEY LAUNDERING ("BSA/AML") PROGRAMS WITHIN THE BANK OF MONTREAL'S ("BMO") U.S. OPERATIONS AND FOUND DEFICIENCIES. THE REGULATORS DETERMINED THAT BFC LACKED EFFECTIVE SYSTEMS OF GOVERNANCE AND INTERNAL CONTROLS TO ADEQUATELY OVERSEE THE ACTIVITIES OF BMO'S U.S. OPERATIONS WITH



RESPECT TO LEGAL, COMPLIANCE, AND REPUTATIONAL RISKS RELATED TO COMPLIANCE WITH BSA/AML REQUIREMENTS.

Initiated By: THE FEDERAL RESERVE BK OF CHICAGO("FRBC")AND THE IL DEPT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING("IDFPR")

Date Initiated: 05/17/2013

Docket/Case Number: 13-005-WA/RB-FB; 13-005-WA/RB-HC; 13-005-WA/RB-FBR; 2013-DB-05

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: WRITTEN AGREEMENT

Resolution: Other

Resolution Date: 05/17/2013

Sanctions Ordered:

Other Sanctions Ordered: AFFILIATES CONSENTED TO REMEDIATE THEIR AML PROGRAMS.

Sanction Details: N/A

Firm Statement BY WRITTEN AGREEMENT BETWEEN, ON THE ONE HAND, BMO, BFC, AND BANK OF MONTREAL CHICAGO BRANCH AND, ON THE OTHER, FRBC AND IDFPR, IT WAS AGREED THAT, BFC IS TO REVIEW EFFECTIVENESS OF ITS BSA/AML PROGRAM AND REPORT FINDINGS/RECOMMENDATIONS; TO SUBMIT TO FRBC A REPORT ON ITS REVIEW; AND SUBMIT TO FRBC A PLAN TO STRENGTHEN COMPLIANCE WITH BSA/AML REQUIREMENTS, INCLUDING BANK OF MONTREAL CHICAGO BRANCH'S COMPLIANCE WITH ALL APPLICABLE BSA/AML LAWS AND REGULATIONS AND AN ENHANCED CUSTOMER DUE DILIGENCE PROGRAM. THE BMO PARTIES MUST THEN ADOPT PLANS AND PROGRAMS APPROVED BY FRBC AND IDFPR. BMO AND BFC ALSO AGREED TO USE THEIR FINANCIAL AND MANAGERIAL RESOURCES TO SERVE AS A SOURCE OF CONTINUING STRENGTH TO BMO HARRIS BANK, N.A.



Reporting Source:	Firm
Affiliate:	BANK OF MONTREAL
Current Status:	Final
Appealed To and Date Appeal Filed:	N/A
Allegations:	THE FEDERAL RESERVE BANK OF CHICAGO ("FRBC") AND THE ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING ("IDFPR") EXAMINED THE BANK SECRECY ACT/ANTI-MONEY LAUNDERING ("BSA/AML") PROGRAMS WITHIN THE BANK OF MONTREAL'S ("BMO") U.S. OPERATIONS AND FOUND DEFICIENCIES. THE REGULATORS DETERMINED THAT BFC LACKED EFFECTIVE SYSTEMS OF GOVERNANCE AND INTERNAL CONTROLS TO ADEQUATELY OVERSEE THE ACTIVITIES OF BMO'S U.S. OPERATIONS WITH RESPECT TO LEGAL, COMPLIANCE, AND REPUTATIONAL RISKS RELATED TO COMPLIANCE WITH BSA/AML REQUIREMENTS.
Initiated By:	THE FEDERAL RESERVE BK OF CHICAGO("FRBC")AND THE IL DEPT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING("IDFPR")
Date Initiated:	05/17/2013
Docket/Case Number:	13-005-WA/RB-FB; 13-005-WA/RB-HC; 13-005-WA/RB-FBR; 2013-DB-05
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	WRITTEN AGREEMENT
Resolution:	Other
Resolution Date:	05/17/2013
Sanctions Ordered:	



Other Sanctions Ordered:	AFFILIATES CONSENTED TO REMEDIATE THEIR AML PROGRAMS.
Sanction Details:	N/A
Firm Statement	<p>BY WRITTEN AGREEMENT BETWEEN, ON THE ONE HAND, BMO, BFC, AND BANK OF MONTREAL CHICAGO BRANCH AND, ON THE OTHER, FRBC AND IDFPR, IT WAS AGREED THAT, BFC IS TO REVIEW EFFECTIVENESS OF ITS BSA/AML PROGRAM AND REPORT FINDINGS/RECOMMENDATIONS; TO SUBMIT TO FRBC A REPORT ON ITS REVIEW; AND SUBMIT TO FRBC A PLAN TO STRENGTHEN COMPLIANCE WITH BSA/AML REQUIREMENTS, INCLUDING BANK OF MONTREAL CHICAGO BRANCH'S COMPLIANCE WITH ALL APPLICABLE BSA/AML LAWS AND REGULATIONS AND AN ENHANCED CUSTOMER DUE DILIGENCE PROGRAM. THE BMO PARTIES MUST THEN ADOPT PLANS AND PROGRAMS APPROVED BY FRBC AND IDFPR. BMO AND BFC ALSO AGREED TO USE THEIR FINANCIAL AND MANAGERIAL RESOURCES TO SERVE AS A SOURCE OF CONTINUING STRENGTH TO BMO HARRIS BANK, N.A.</p>

Disclosure 6 of 30

Reporting Source:	Firm
Affiliate:	BMO NESBITT BURNS INC.
Current Status:	Final
Allegations:	FAILURE TO ADOPT ADEQUATE POLICIES AND PROCEDURES TO PREVENT THE SUBMISSION OF ERRONEOUS ORDERS INTO THE TMS MARKET ON CLOSE FACILITY.
Initiated By:	INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA
Date Initiated:	04/03/2012
Docket/Case Number:	
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	REPRIMAND



Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	04/04/2012
Sanctions Ordered:	Monetary/Fine \$55,000.00
Other Sanctions Ordered:	REPRIMAND
Sanction Details:	TOTAL AMOUNT 50,000.00 PAID AS FINE AND \$5,000.00 IN INVESTIGATION COST. THE FINE WAS PAID 04/17/2012.
Firm Statement	SETTLEMENT AGREEMENT WHEREIN BMO NESBITT BURNS INC. ADMITTED THAT IT FAILED TO ADOPT ADEQUATE POLICIES AND PROCEDURES TO PREVENT THE SUBMISSION OF ERRONEOUS ORDERS INTO THE TMX MARKET ON CLOSE FACILITY.

Disclosure 7 of 30

Reporting Source:	Firm
Affiliate:	BMO NESBITT BURNS INC.
Current Status:	Final
Allegations:	THE STAFF OF THE ONTARIO SECURITIES COMMISSION ALLEGED THAT BMO NESBITT BURNS INC. CONDUCTED DUE DILIGENCE IN A MANNER THAT IN CERTAIN RESPECTS DID NOT COMPLY WITH REASONABLE UNDERWRITING PRACTICES.
Initiated By:	ONTARIO SECURITIES COMMISSION
Date Initiated:	10/07/2005
Docket/Case Number:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	REPRIMAND
Resolution:	Order
Resolution Date:	11/10/2010
Sanctions Ordered:	Monetary/Fine \$3,300,000.00
Other Sanctions Ordered:	REPRIMAND



Sanction Details:	TOTAL AMOUNT: \$3,300,000 PAID ON: NOVEMBER 17, 2010
Firm Statement	THE STAFF OF THE ONTARIO SECURITIES COMMISSION (OSC) FOUND THAT BMO NESBITT BURNS INC. ACTED IN A MANNER CONTRARY TO THE PUBLIC INTEREST. BMO NESBITT BURNS INC. WAS REPRIMANDED AND ORDERED TO PAY \$3,000,000 FOR ALLOCATION TO OR FOR THE BENEFIT OF THIRD PARTIES AND \$300,000 IN RESPECT OF A PORTION OF THE COSTS OF THE OSC'S INVESTIGATION.

Disclosure 8 of 30

Reporting Source:	Firm
Affiliate:	BMO NESBITT BURNS INC.
Current Status:	Final
Allegations:	<p>DURING THE PERIOD FROM JANUARY 1ST 2002 TO DECEMBER 31ST 2003, THE RESPONDENT FAILED TO IMPLEMENT SUPERVISORY SYSTEMS TO ADDRESS THE RED FLAGS AND THEREBY DETECT AND PREVENT POTENTIALLY HARMFUL MARKET TIMING ACTIVITIES. SPECIFICALLY, THE RESPONDENT FAILED TO IMPLEMENT SUPERVISORY SYSTEMS TO:</p> <p>A) ADEQUATELY SUPERVISE THE ACTIVITIES OF ITS EMPLOYEES; AND</p> <p>B) CONDUCT ADEQUATE DUE DILIGENCE INTO THE ACTIVITIES OF ITS' EMPLOYEES AND CLIENTS IN THESE CIRCUMSTANCES,</p> <p>AND THEREBY WAS IN VIOLATION OF ASSOCIATION REGULATIONS 1300.2 AND 1300.1(O) AND POLICY 2.</p>
Initiated By:	INVESTMENT DEALERS ASSOCIATION OF CANADA
Date Initiated:	01/31/2002
Docket/Case Number:	
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Disgorgement
Other Sanction(s)/Relief Sought:	BMO NESBITT BURNS INC. WAS FINED.
Resolution:	Settled



Resolution Date:	12/16/2004
Sanctions Ordered:	Monetary/Fine \$3,693,139.20 Disgorgement/Restitution
Other Sanctions Ordered:	BMO NESBITT BURNS INC. IS REQUIRED TO SET UP AN INTERNAL COMMITTEE TO CONSIDER HOW TO IDENTIFY AND ADDRESS EMERGING ISSUES IN THE SECURITIES INDUSTRY.
Sanction Details:	THE TOTAL MONETARY PENALTY WAS \$3,693,139.20. THE FINE WAS PAID BY BMO NESBITT BURNS INC.
Firm Statement	<p>DURING THE PERIOD FROM JANUARY 1ST 2002 TO DECEMBER 31ST 2003, THE RESPONDENT FAILED TO IMPLEMENT SUPERVISORY SYSTEMS TO ADDRESS THE RED FLAGS AND THEREBY DETECT AND PREVENT POTENTIALLY HARMFUL MARKET TIMING ACTIVITIES. SPECIFICALLY, THE RESPONDENT FAILED TO IMPLEMENT SUPERVISORY SYSTEMS TO:</p> <p>A) ADEQUATELY SUPERVISE THE ACTIVITIES OF ITS EMPLOYEES; AND</p> <p>B) CONDUCT ADEQUATE DUE DILIGENCE INTO THE ACTIVITIES OF ITS' EMPLOYEES AND CLIENTS IN THESE CIRCUMSTANCES,</p> <p>AND THEREBY WAS IN VIOLATION OF ASSOCIATION REGULATIONS 1300.2 AND 1300.1(O) AND POLICY 2.</p>

Disclosure 9 of 30

Reporting Source:	Firm
Affiliate:	BMO NESBITT BURNS INC.
Current Status:	Final
Allegations:	BMO NESBITT BURNS INC. AND THOMAS D. WAITT WERE FINED FOR MATTERS INVOLVING THE TIMELINESS AND EFFECTIVENESS OF ITS SUPERVISION OF THREE WINNIPEG BASED REPRESENTATIVES. JOINTLY FINED \$160,000.00.
Initiated By:	MANITOBA SECURITIES COMMISSION WINNIPEG, MANITOBA
Date Initiated:	01/01/1998
Docket/Case Number:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief	Civil and Administrative Penalt(ies) /Fine(s)

**Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Settled**Resolution Date:** 05/09/2001**Sanctions Ordered:** Monetary/Fine \$160,000.00**Other Sanctions Ordered:**

Sanction Details: BMO NESBITT BURNS INC. AND THOMAS D. WAITT WERE FINED FOR MATTERS INVOLVING THE TIMELINESS AND EFFECTIVENESS OF ITS SUPERVISION OF THREE WINNIPEG BASED REPRESENTATIVES. JOINTLY FINED \$160,000.00.

Firm Statement BMO NESBITT BURNS INC. AND THOMAS D. WAITT WERE FINED FOR MATTERS INVOLVING THE TIMELINESS AND EFFECTIVENESS OF ITS SUPERVISION OF THREE WINNIPEG BASED REPRESENTATIVES. JOINTLY FINED \$160,000.00.

Disclosure 10 of 30**Reporting Source:** Firm**Affiliate:** BMO NESBITT BURNS INC.**Current Status:** Final

Allegations: FAILURE TO ADEQUATELY SUPERVISE CERTAIN CLIENT ACCOUNTS AND THE ACTIONS OF THE FORMER BRANCH MANAGER (JOHN DUNN).

Initiated By: ONTARIO SECURITIES COMMISSION
TORONTO, ONTARIO

Date Initiated: 01/01/1996**Docket/Case Number:****Principal Product Type:** No Product**Other Product Type(s):**

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:**Resolution:** Settled



Resolution Date:	09/23/2002
Sanctions Ordered:	Monetary/Fine \$145,000.00
Other Sanctions Ordered:	
Sanction Details:	FAILURE TO ADEQUATELY SUPERVISE CERTAIN CLIENT ACCOUNTS AND THE ACTIONS OF THE FORMER BRANCH MANAGER (JOHN DUNN).
Firm Statement	FAILURE TO ADEQUATELY SUPERVISE CERTAIN CLIENT ACCOUNTS AND THE ACTIONS OF THE FORMER BRANCH MANAGER (JOHN DUNN).

Disclosure 11 of 30

Reporting Source:	Firm
Affiliate:	BMO NESBITT BURNS INC.
Current Status:	Final
Allegations:	FAILURE TO FOLLOW INTERNAL PROCEDURES REGARDING PRICING OF CERTAIN SECURITIES AND FAILURE TO CLOSELY SUPERVISE AN INVESTMENT ADVISOR. (ZONA ARMSTRONG).
Initiated By:	INVESTMENT DEALERS ASSOCIATION OF CANADA
Date Initiated:	06/29/1990
Docket/Case Number:	
Principal Product Type:	Debt - Corporate
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	07/23/2002
Sanctions Ordered:	Monetary/Fine \$500,000.00
Other Sanctions Ordered:	
Sanction Details:	FAILURE TO FOLLOW INTERNAL PROCEDURES REGARDING PRICING OF CERTAIN SECURITIES AND FAILURE TO CLOSELY SUPERVISE AN INVESTMENT ADVISOR. (ZONA ARMSTRONG).
Firm Statement	FAILURE TO FOLLOW INTERNAL PROCEDURES REGARDING PRICING OF



CERTAIN SECURITIES AND FAILURE TO CLOSELY SUPERVISE AN INVESTMENT ADVISOR. (ZONA ARMSTRONG).

Disclosure 12 of 30

Reporting Source:	Firm
Affiliate:	BMO INVESTORLINE INC.
Current Status:	Final
Allegations:	BMO INVESTORLINE INC. AGREED TO A SETTLEMENT WHERE THEY PAID \$10,000.00 PLUS \$2,000.00 IN COST FOR TRADING IN A SECURITY THERMO TECH, CONTRARY TO CEASE TRADE ORDER IN B.C.
Initiated By:	BRITISH COLUMBIA SECURITIES COMMISSION VANCOUVER, B.C.
Date Initiated:	07/14/1999
Docket/Case Number:	
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	11/22/2001
Sanctions Ordered:	Monetary/Fine \$12,000.00
Other Sanctions Ordered:	
Sanction Details:	BMO INVESTORLINE INC. AGREED TO A SETTLEMENT WHERE THEY PAID \$10,000.00 PLUS \$2,000.00 IN COST FOR TRADING IN A SECURITY THERMO TECH, CONTRARY TO CEASE TRADE ORDER IN B.C.
Firm Statement	BMO INVESTORLINE INC. AGREED TO A SETTLEMENT WHERE THEY PAID \$10,000.00 PLUS \$2,000.00 IN COST FOR TRADING IN A SECURITY THERMO TECH, CONTRARY TO CEASE TRADE ORDER IN B.C.

Disclosure 13 of 30

Reporting Source:	Firm
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Affiliate:	NESBITT BURNS INC.
Current Status:	Final
Allegations:	DURING THE PERIOD FROM AUGUST 3, 1992 TO JULY 31, 1996, NESBITT BURNS INC. OR ITS PREDECESSOR COMPANY, BURNS FRY LIMITED FAILED TO ESTABLISH AND MAINTAIN ADEQUATE PROCEDURES FOR THE SUPERVISION OF A CLIENT'S RRIF ACCOUNT, CONTRARY TO REGULATION 1300.2.
Initiated By:	INVESTMENT DEALERS ASSOCIATION OF CANADA
Date Initiated:	08/03/1992
Docket/Case Number:	
Principal Product Type:	Annuity(ies) - Fixed
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	03/24/2000
Sanctions Ordered:	Monetary/Fine \$30,000.00
Other Sanctions Ordered:	
Sanction Details:	NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$25,000 AND COSTS OF THE INVESTIGATIONS OF CDN. \$5,000.00.
Firm Statement	NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$25,000 AND COSTS OF THE INVESTIGATIONS OF CDN. \$5,000.00.

Disclosure 14 of 30

Reporting Source:	Firm
Affiliate:	NESBITT BURNS INC.
Current Status:	Final
Allegations:	NESBITT BURNS INC. WAS FINED FOR BREACH OF ARTICLE 6866. THE FINE IS BASED ON THE ALLEGATION THAT ON NOVEMBER 9, 1998 AN EMPLOYEE DISCLOSED AN ORDER THAT HAD NOT BEEN PREVIOUSLY DIVULGED IN THE PIT.



Initiated By: MONTREAL FUTURES EXCHANGE
Date Initiated: 11/09/1998
Docket/Case Number:
Principal Product Type: Futures - Financial
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Settled
Resolution Date: 11/23/1998
Sanctions Ordered: Monetary/Fine \$5,000.00
Other Sanctions Ordered:
Sanction Details: NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$5,000.00.
Firm Statement NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$5,000.00.

Disclosure 15 of 30

Reporting Source: Firm
Affiliate: NESBITT BURNS INC.
Current Status: Final
Allegations: NESBITT BURNS INC. WAS FINED FOR BREACH OF ARTICLE 6866. THE FINE IS BASED ON THE ALLEGATION THAT ON SEPTEMBER 22, 1998 AN EMPLOYEE DISCLOSED AN ORDER THAT HAD NOT BEEN PREVIOUSLY DIVULGED IN THE PIT.
Initiated By: MONTREAL FUTURES EXCHANGE
Date Initiated: 09/22/1998
Docket/Case Number:
Principal Product Type: Futures - Financial
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)


Other Sanction(s)/Relief Sought:

Resolution:	Settled
Resolution Date:	10/23/1998
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$5,000.00.
Firm Statement	NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$5,000.00.

Disclosure 16 of 30

Reporting Source:	Firm
Affiliate:	NESBITT BURNS INC.
Current Status:	Final
Allegations:	NESBITT BURNS INC. WAS FINED FOR BREACH OF ARTICLE 6866. THE FINE IS BASED ON THE ALLEGATION THAT ON JULY 9, 1998 AN EMPLOYEE DISCLOSED AN ORDER THAT HAD NOT BEEN PREVIOUSLY DIVULGED IN THE PIT.
Initiated By:	MONTREAL FUTURES EXCHANGE
Date Initiated:	07/09/1998
Docket/Case Number:	
Principal Product Type:	Futures - Financial
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	07/27/1998
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$5,000.00.



Firm Statement	NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$5,000.00.
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Disclosure 17 of 30

Reporting Source:	Firm
Affiliate:	NESBITT BURNS INC.
Current Status:	Final
Allegations:	NESBITT BURNS INC. WAS FINED FOR BREACH OF ARTICLE 6866. THE FINE IS BASED ON THE ALLEGATION THAT ON MAY 14, 1998 AN EMPLOYEE DISCLOSED AN ORDER THAT HAD NOT BEEN PREVIOUSLY DIVULGED IN THE PIT.
Initiated By:	MONTREAL FUTURES EXCHANGE
Date Initiated:	05/14/1998
Docket/Case Number:	
Principal Product Type:	Futures - Financial
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	06/08/1998
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$5,000.00.
Firm Statement	NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$5,000.00.

Disclosure 18 of 30

Reporting Source:	Firm
Affiliate:	NESBITT BURNS INC.
Current Status:	Final
Allegations:	NESBITT BURNS INC. WAS FINED FOR BREACH OF ARTICLE 6866. THE



FINE IS BASED ON THE ALLEGATION THAT ON APRIL 16, 1998 AN EMPLOYEE ALLOCATED EXECUTIONS IN AN INEQUITABLE MANNER.

Initiated By: MONTREAL FUTURES EXCHANGE

Date Initiated: 04/16/1998

Docket/Case Number:

Principal Product Type: Futures - Financial

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 04/30/1998

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$5,000.00.

Firm Statement NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$5,000.00.

Disclosure 19 of 30

Reporting Source: Firm

Affiliate: NESBITT BURNS INC.

Current Status: Final

Allegations: NESBITT BURNS INC. WAS FINED FOR BREACH OF ARTICLE 6866. THE FINE IS BASED ON THE ALLEGATION THAT ON MARCH 24, 1998 AN EMPLOYEE MADE A PRE-ARRANGED TRANSACTION.

Initiated By: MONTREAL FUTURES EXCHANGE

Date Initiated: 03/24/1998

Docket/Case Number:

Principal Product Type: Futures - Financial

Other Product Type(s):



Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	04/08/1998
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$5,000.00
Firm Statement	NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$5,000.00

Disclosure 20 of 30

Reporting Source:	Firm
Affiliate:	NESBITT BURNS INC.
Current Status:	Final
Allegations:	NESBITT BURNS INC. WAS FINED FOR BREACH OF ARTICLE 6866. THE FINE IS BASED ON THE ALLEGED ACTIONS OF AN EMPLOYEE ON MARCH 12, 1998.
Initiated By:	MONTREAL FUTURES EXCHANGE
Date Initiated:	03/12/1998
Docket/Case Number:	
Principal Product Type:	Futures - Financial
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	03/24/1998
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	



Sanction Details:	NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$5,000.00.
Firm Statement	NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$5,000.00.

Disclosure 21 of 30

Reporting Source:	Firm
Affiliate:	NESBITT BURNS INC.
Current Status:	Final
Allegations:	NESBITT BURNS INC. WAS FINED FOR BREACH OF ARTICLE 6866. THE FINE IS BASED ON THE ALLEGATION THAT ON FEBRUARY 19, 1998 AN EMPLOYEE TOOK PART IN A PREARRANGED TRANSACTION.
Initiated By:	MONTREAL FUTURES EXCHANGE
Date Initiated:	02/19/1998
Docket/Case Number:	
Principal Product Type:	Futures - Financial
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	03/03/1998
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	NESBITT BURNS INC. ACCEPTED A FINE OF CANADIAN \$5,000.00.
Firm Statement	NESBITT BURNS INC. ACCEPTED A FINE OF CANADIAN \$5,000.00.

Disclosure 22 of 30

Reporting Source:	Firm
Affiliate:	NESBITT BURNS INC.
Current Status:	Final



Allegations:	NESBITT BURNS INC. WAS FINED FOR BREACH OF ARTICLE 6845. THE FINE IS BASED ON THE ALLEGATION THAT ON JANUARY 29, 1998 AN EMPLOYEE DID NOT EXECUTE A TRADE BY OPEN OUTCRY.
Initiated By:	MONTREAL FUTURES EXCHANGE
Date Initiated:	01/29/1998
Docket/Case Number:	
Principal Product Type:	Futures - Financial
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	02/05/1998
Sanctions Ordered:	Monetary/Fine \$3,000.00
Other Sanctions Ordered:	
Sanction Details:	NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$3,000.00
Firm Statement	NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$3,000.00

Disclosure 23 of 30

Reporting Source:	Firm
Affiliate:	NESSBITT BURNS INC.
Current Status:	Final
Allegations:	NESBITT BURNS INC. WAS FINED FOR BREACH OF ARTICLE 6866. THE FINE IS BASED ON THE ALLEGATION THAT ON JANUARY 13, 1998 , AN EMPLOYEE DISCLOSED AN ORDER WHICH HAD NOT BEEN PREVIOUSLY DIVULGED IN THE PIT.
Initiated By:	MONTREAL FUTURES EXCHANGE
Date Initiated:	01/13/1998
Docket/Case Number:	
Principal Product Type:	Futures - Financial

**Other Product Type(s):**

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 01/28/1998

Sanctions Ordered: Monetary/Fine \$3,000.00

Other Sanctions Ordered:

Sanction Details: NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$3,000.00

Firm Statement NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$3,000.00

Disclosure 24 of 30

Reporting Source: Firm

Affiliate: NESBITT BURNS INC.

Current Status: Final

Allegations: NESBITT BURNS INC. WAS FINED FOR THE BREACH OF ARTICLE 6883. THE FINE IS BASED ON THE ALLEGATION THAT ON OCTOBER 29, 1997 AN EMPLOYEE ACCEPTED AN ORDER AFTER THE TRADING SESSION AND EXECUTED IT DURING THE CURB SESSION.

Initiated By: MONTREAL FUTURES EXCHANGE

Date Initiated: 10/29/1997

Docket/Case Number:

Principal Product Type: Futures - Financial

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 11/13/1997



Sanctions Ordered:	Monetary/Fine \$3,000.00
Other Sanctions Ordered:	
Sanction Details:	NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$3,000.00
Firm Statement	NESBITT BURNS INC. ACCEPTED A FINE OF CDN. \$3,000.00

Disclosure 25 of 30

Reporting Source:	Firm
Affiliate:	NESBITT THOMSON INC.
Current Status:	Final
Allegations:	IT WAS ALLEGED THAT, BETWEEN AUGUST, 1987 AND OCTOBER, 1987 NESBITT BURNS INC. FAILED TO USE DUE DILIGENCE WITH RESPECT TO 6 ORDERS OF A CUSTOMER TO ENSURE THAT THE ACCEPTANCE OF THE ORDERS WAS WITHIN THE BOUNDS OF GOOD BUSINESS PRACTICE AND THEREBY COMMITTED A VIOLATION OF REGULATION 1300.1(B).
Initiated By:	INVESTMENT DEALERS ASSOCIATION OF CANADA ("IDA")
Date Initiated:	01/01/1987
Docket/Case Number:	
Principal Product Type:	Options
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	12/15/1994
Sanctions Ordered:	Monetary/Fine \$3,600.00
Other Sanctions Ordered:	
Sanction Details:	THE SETTLEMENT AGREEMENT SUBJECTED NESBITT BURNS INC. TO A FINE OF CDN. \$3,000.00 AND COSTS OF INVESTIGATION PAYABLE TO THE IDA OF CDN. \$600.00
Firm Statement	THE SETTLEMENT AGREEMENT SUBJECTED NESBITT BURNS INC. TO A FINE OF CDN. \$3,000.00 AND COSTS OF INVESTIGATION PAYABLE TO THE IDA OF CDN. \$600.00



Disclosure 26 of 30

Reporting Source:	Firm
Affiliate:	NESBITT BURNS INC.
Current Status:	Final
Allegations:	ALLEGED TO HAVE CONTRAVENED IDA REGULATION 1300.2 AND POLICY NO. 2 BY FAILING TO HAVE PROPERLY AND ADEQUATELY SUPERVISED CERTAIN TRANSACTIONS IN A CLIENT'S RRSP ACCOUNT, WHICH HAD THE EFFECT OF REDUCING THE ANNUAL DIVIDEND INCOME GENERATED BY THE ACCOUNT AND THE INVESTMENT QUALITY OF THE ACCOUNT.
Initiated By:	INVESTMENT DEALERS ASSOCIATION OF CANADA ("IDA")
Date Initiated:	07/01/1994
Docket/Case Number:	I-92/95
Principal Product Type:	Equity - OTC
Other Product Type(s):	EQUITY LISTED
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	04/15/1997
Sanctions Ordered:	Monetary/Fine \$6,000.00
Other Sanctions Ordered:	
Sanction Details:	THE SETTLEMENT AGREEMENT SUBJECTED NESBITT BURNS INC. TO A FINE OF CDN. \$5000.00 AND COSTS OF THE INVESTIGATIONS PAYABLE TO THE IDA OF CDN. \$1000.00
Firm Statement	THE SETTLEMENT AGREEMENT SUBJECTED NESBITT BURNS INC. TO A FINE OF CDN. \$5000.00 AND COSTS OF THE INVESTIGATIONS PAYABLE TO THE IDA OF CDN. \$1000.00

Disclosure 27 of 30

Reporting Source:	Firm
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Affiliate:	BURNS FRY LIMITED
Current Status:	Final
Allegations:	BURNS FRY LIMITED WAS ALLEGED TO HAVE PERMITTED AN EMPLOYEE TO ACT AS A BRANCH MANAGER IN ITS MONTREAL, QUEBEC BRANCH FROM APRIL 17, 1984 TO APRIL 11, 1985 WITHOUT THE EMPLOYEE BEING APPROVED TO ACT AS A BRANCH MANAGER IN ACCORDANCE WITH THE BY LAW 4.9 OF THE IDA.
Initiated By:	INVESTMENT DEALERS ASSOCIATION OF CANADA ("IDA")
Date Initiated:	04/17/1984
Docket/Case Number:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	03/01/1986
Sanctions Ordered:	Monetary/Fine \$500.00
Other Sanctions Ordered:	
Sanction Details:	BURNS FRY LIMITED AGREED TO PAY A FINE OF CDN. \$250.00 AND INVESTIGATION COSTS OF CDN. \$250.00. NO SANCTIONS, SUSPENSIONS OR RESTRICTIONS WERE IMPOSED. NESBITT THOMSON INC. AND BURNS FRY LIMITED MERGED IN OCTOBER, 1994 WITH THE SURVIVING FIRM NAMED NESBITT BURNS INC., THE PARENT OF THE APPLICANT.
Firm Statement	BURNS FRY LIMITED AGREED TO PAY A FINE OF CDN. \$250.00 AND INVESTIGATION COSTS OF CDN. \$250.00. NO SANCTIONS, SUSPENSIONS OR RESTRICTIONS WERE IMPOSED. NESBITT THOMSON INC. AND BURNS FRY LIMITED MERGED IN OCTOBER, 1994 WITH THE SURVIVING FIRM NAMED NESBITT BURNS INC., THE PARENT OF THE APPLICANT.

Disclosure 28 of 30

Reporting Source:	Firm
Affiliate:	BURNS FRY LIMITED



Current Status:	Final
Allegations:	C. COTTIER, A FORMER EMPLOYEE OF BURNS FRY LIMITED WAS ALLEGED TO HAVE MADE AN IMPROPER INTER-PROVINCIAL SALE OF INSTALLMENT RECEIPTS OF TELUS INC.
Initiated By:	INVESTMENT DEALERS ASSOCIATION OF CANADA ("IDA")
Date Initiated:	10/01/1992
Docket/Case Number:	
Principal Product Type:	Other
Other Product Type(s):	INSTALLMENT RECEIPTS
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	11/01/1993
Sanctions Ordered:	Monetary/Fine \$32,500.00
Other Sanctions Ordered:	
Sanction Details:	SETTLEMENT AGREEMENT. PAYMENT OF CDN. \$30,000 TO THE IDA. PAYMENT OF CDN. \$2,500 FOR THE INVESTIGATION. NO SANCTIONS, SUSPENSIONS OR RESTRICTIONS WERE IMPOSED. NESBITT THOMSON INC. AND BURNS FRY LIMITED MERGED IN OCTOBER, 1994, WITH THE SURVIVING FIRM NAMED NESBITT BURNS INC.,THE PARENT OF THE APPLICANT.
Firm Statement	SETTLEMENT AGREEMENT. PAYMENT OF CDN. \$30,000 TO THE IDA. PAYMENT OF CDN. \$2,500 FOR THE INVESTIGATION. NO SANCTIONS, SUSPENSIONS OR RESTRICTIONS WERE IMPOSED. NESBITT THOMSON INC. AND BURNS FRY LIMITED MERGED IN OCTOBER, 1994, WITH THE SURVIVING FIRM NAMED NESBITT BURNS INC.,THE PARENT OF THE APPLICANT.

Disclosure 29 of 30

Reporting Source:	Firm
Affiliate:	BURNS FRY LIMITED
Current Status:	Final



Allegations:	C. COTTIER, A FORMER EMPLOYEE OF BURNS FRY LIMITED WAS ALLEGED TO HAVE MADE AN IMPROPER INTER-PROVINCIAL SALE OF ISNTALLMENT RECEIPTS OF NOVA SCOTIA POWER INC.
Initiated By:	NOVA SCOTIA SECURITIES COMMISSION
Date Initiated:	09/01/1992
Docket/Case Number:	
Principal Product Type:	Other
Other Product Type(s):	INSTALLMENT RECEIPTS
Principal Sanction(s)/Relief Sought:	Disgorgement
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	11/01/1993
Sanctions Ordered:	Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	THE SETTLEMENT AGREEMENT WITH THE NOVA SCOTIA SECURITIES COMMISSION RESULTED IN BURNS FRY LIMITED REPAYING CANADIAN DOLLARS \$227,500 IN COMMISSIONS EARNED IN THE TRADES, AND A CDN. \$50,000 ADMINISTRATIVE PENALTY. NO SANCTIONS, SUSPENSIONS OR RESTRICTIONS WERE IMPOSED. NESBITT THOMSON INC. AND BURNS FRY LIMITED MERGED IN OCTOBER, 1994 WITH THE SURVIVING FIRM NAMED NESBITT BURNS INC., THE PARENT OF THE APPLICANT.
Firm Statement	THE SETTLEMENT AGREEMENT WITH THE NOVA SCOTIA SECURITIES COMMISSION RESULTED IN BURNS FRY LIMITED REPAYING CANADIAN DOLLARS \$227,500 IN COMMISSIONS EARNED IN THE TRADES, AND A CDN. \$50,000 ADMINISTRATIVE PENALTY. NO SANCTIONS, SUSPENSIONS OR RESTRICTIONS WERE IMPOSED. NESBITT THOMSON INC. AND BURNS FRY LIMITED MERGED IN OCTOBER, 1994 WITH THE SURVIVING FIRM NAMED NESBITT BURNS INC., THE PARENT OF THE APPLICANT.

Disclosure 30 of 30

Reporting Source:	Firm
Affiliate:	NESBITT THOMSON INC./BURNS FRY LIMITED
Current Status:	Final



Allegations:	NESBITT THOMSON INC., BURNS FRY LIMITED AND 5 OTHER MEMBERS OF THE TSE WERE ALLEGED TO HAVE VIOLATED SEC.8.34 OF THE GENERAL BY LAW OF THE TSE BY FAILING TO FULLY AND PROPERLY SUPERVISE THEIR EMPLOYEES WHO HAD UNINTENTIONALLY VIOLATED SEC.11.11 OF THE GENERAL BY LAW. SEC.11.11 PROHIBITS A MEMBER OF THE TSE WHILE INVOLVED IN A DISTRIBUTION OF A LISTED SECURITY FROM BIDDING FOR OR PURCHASING THE DISTRIBUTED SECURITY FOR ITS OWN ACCOUNT OR SOLICITING PURCHASE ORDERS FROM CLIENTS FOR THAT SECURITY EXCEPT AS SPECIFICALLY PROVIDED. NESBITT THOMSON INC. AND BURNS FRY LIMITED MERGED IN OCTOBER, 1994 WITH THE SURVIVING FIRM NAMED NESBITT BURNS INC., THE PARENT OF THE APPLICANT.
Initiated By:	TORONTO STOCK EXCHANGE
Date Initiated:	01/01/1993
Docket/Case Number:	
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Reprimand
Other Sanction(s)/Relief Sought:	ORDER REQUIRING NESBITT THOMSON INC. AND BURNS FRY LIMITED TO IMPLEMENT WRITTEN PROCEDURES TO ENSURE FULL COMPLIANCE WITH SEC.11.11 OF THE GENERAL BY LAWS OF THE TSE AND ALL FUTURE AMENDMENTS THERETO.
Resolution:	Settled
Resolution Date:	12/01/1993
Sanctions Ordered:	
Other Sanctions Ordered:	REPRIMAND
Sanction Details:	THE OFFER OF SETTLEMENT SUBJECTED NESBITT THOMSON INC. AND BURNS FRY LIMITED TO: 1. A REPRIMAND; AND 2. AN ORDER REQUIRING IT TO IMPLEMENT WRITTEN PROCEDURES TO ENSURE FULL COMPLIANCE WITH SEC.11.11 OF THE GENERAL BY LAWS OF THE TSE AND ALL FUTURE AMENDMENTS THERETO.
Firm Statement	THE OFFER OF SETTLEMENT SUBJECTED NESBITT THOMSON INC. AND BURNS FRY LIMITED TO: 1. A REPRIMAND; AND 2. AN ORDER REQUIRING IT TO IMPLEMENT WRITTEN PROCEDURES TO ENSURE FULL COMPLIANCE WITH SEC.11.11 OF THE GENERAL BY LAWS



OF THE TSE AND ALL FUTURE AMENDMENTS THERETO.

End of Report



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