

New
Nouveau  Brunswick

-PERSONAL-

December 5, 1996

Mr. Jean-Marc Vienneau
473 rue Acadie
RR #2, Box 200
Beresford, New Brunswick
E0B 1H0

RE: In the Matter of the Securities Act
and Jean-Marc Vienneau

Dear Sir:

On November 7, 1996 the Deputy of Administrator of Securities presented me with his report following an investigation into the activities of Jean-Marc Vienneau, Midland Walwyn Capital Inc. ("Midland") and the distribution in New Brunswick of American Manor Corporation ("AMC") units consisting of common shares and warrants. The Deputy Administrator also presented me with a Settlement Agreement executed by yourself and the Deputy Administrator on October 28 and November 5, 1996 respectively. Finally, he provided me a copy of a letter from Marie Oswald, Vice-President & Manager, Compliance of Midland dated November 4, 1996 and a cheque in the amount of \$12,500.00 payable to the Minister of Finance.

The Deputy Administrator's investigation report along with the Settlement Agreement discloses certain violations by you of *Securities Act* (the "Act") regulations and acceptable industry practice. More particularly, it discloses, and you acknowledge, that 500,000 units of American Manor Corporation consisting of one common share and one purchase warrant, were distributed without prospectus or exemption from prospectus, contrary to the Act, to 5 investors, including yourself, your wife and two individuals of significant high net worth. As a consequence of these distributions you received commissions totalling \$12,500.00.

The investigation report further discloses that the above-noted trades were also effected contrary to the internal policies of Midland in that the trades did not receive the prior review and approval of the Corporate Finance and Advisory Committee of Midland. The purpose of such review and approval is to ensure, amongst other things, that appropriate regulatory approvals had been received prior to distribution. As an approved manager of Midland's Bathurst, New Brunswick branch, one should conclude that you knew or ought to have known of the existence and applicability of such policies.

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In the Settlement Agreement you acknowledge your improper conduct as described in the investigation report. There is no evidence that Midland was aware of the AMC trades but when it was so advised it co-operated fully with the Deputy Administrator in his investigation. Midland has also offered each investor an opportunity to re-purchase or redeem AMC units at their original purchase price should the investors believe they were misinformed or wronged by the transaction. This Office has received no complaint from individual investors involved in the distribution.

With regard to the issuer, American Manor Corporation, the Deputy Administrator's investigation report concluded that it did not attempt to conceal its trades in New Brunswick but sought exemptive relief immediately upon discovery that such relief was necessary under the Act. The Deputy Administrator recommends that American Manor Corporation be cautioned as to the possibility of sanctions for future improper distributions in New Brunswick.

After due consideration of the investigation report and the Settlement Agreement I have concluded that it would be in the public interest to accept the recommendations and terms of agreement as reached between yourself and the Deputy Administrator. Pursuant to the terms of the Settlement Agreement you should consider this document as a Letter of Reprimand to be placed on your public registration file. Should disciplinary action under the Act be taken against you in the future for whatever reason, you are given notice that this Letter of Reprimand may be a factor in determining appropriate administrative sanctions.

Pursuant to the Settlement Agreement you agree to forfeit the sum of \$12,500.00 to the Minister of Finance, which sum represents the sales commissions earned by you for the improper distributions of AMC units in New Brunswick. The cheque received from Midland is accepted as fulfilling this undertaking.

A copy of this letter will be forwarded to Midland Walwyn Capital Inc. as well as the Deputy Administrator. Should you have questions about this decision please contact me no later than December 31, 1996.

Sincerely,



Donne W. Smith, Jr.
Administrator

DWS/ch

cc: Edouard O. LeBlanc, Deputy Administrator
Marie Oswald, V.P. & Manager, Compliance
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