



NEWS RELEASE

For immediate release

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IDA imposes permanent ban and \$35,000 fine on Christian Guilbault

July 24, 2006 (Montréal, Québec) – A Hearing Panel of the Investment Dealers Association of Canada (IDA), appointed pursuant to By-law 20, has imposed discipline penalties on Christian Guilbault, who was at all material times a Registered Representative Options with the Laval branch of Scotia Capital Inc., an IDA Member firm.

Following a Settlement Hearing held on June 16, 2006 the Hearing Panel considered, reviewed and accepted a Settlement Agreement negotiated between staff of the IDA's Enforcement Department and Mr. Guilbault. Mr. Guilbault admitted that between April 2002 and January 2004 he:

- failed to use due diligence to learn and remain informed of the essential facts relative to every client and every account accepted, when opening accounts for seven clients, contrary to Regulation 1300.1(a);
- recommended and implemented speculative spreading strategies which were unsuitable for clients, contrary to Regulation 1300.1 (c) and (d);
- failed on two occasions to ensure that transactions that were made for six clients were really in the interest of the clients, causing each of them additional losses, contrary to Regulation 1300.1 (b), (c) and (d);
- effected discretionary trades in the accounts of seven clients, contrary to Regulation 1300.4 and Regulation 1300.5;
- listed the same speculative investment goals and same risk tolerance for seven clients without regard for the true investor profile of each, contrary to By-law 29.1;
- effected unauthorized trades in the accounts of two clients, contrary to By-law 29.1;
- failed to obtain the prior approval of the designated officers, in accordance with the Member firm's compliance policies, before carrying out options trades involving more than 99 contracts in the accounts of two clients, contrary to By-law 29.1;
- on a numerous occasions, produced his own reports and submitted them to several clients to illustrate the results of the options strategies effected in their accounts without including the

- open positions, thus providing an incomplete representation of the transactions that had been made as to the results achieved by these strategies, contrary to By-law 29.1 and 29.7; and
- failed to obtain the prior authorization of a designated officer before producing the unofficial reports for his clients, contrary to By-law 29.1 and 29.7.

Mr. Guilbault is permanently prohibited from registration approval in any registered capacity with an IDA Member firm and fined \$35,000 and assessed \$5,000 in costs.

Mr. Guilbault withdrew the motion he had previously filed for a stay of the discipline proceedings, recognizing that he is subject to the IDA's jurisdiction in disciplinary matters and that the Hearing Panel has the power to rule on the acceptance of a Settlement Agreement although he is no longer registered with an IDA Member firm.

For a complete summary of facts, please see IDA Bulletin 3564 at www.ida.ca or www.accovam.ca.

The Investment Dealers Association of Canada (IDA) is the national self-regulatory organization of the securities industry. The IDA's mission is to protect investors, foster market integrity and enhance the efficiency and competitiveness of the Canadian capital markets. The IDA enforces rules and regulations regarding the sales, business and financial practices of its Member firms and their approved persons. Investigating complaints and disciplining Members and approved persons is part of the IDA's regulatory role.