



## NEWS RELEASE

*For immediate release*

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### **IDA fines Roger Racine \$30,000 for failure to supervise**

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 Roger Racine, at all material times Manager of the Laval branch of Scotia Capital Inc. (Scotia), an IDA Member firm.

Following a Settlement Hearing held on June 7, 2006 the Hearing Panel considered, reviewed and accepted a Settlement Agreement between staff of the IDA's Enforcement Department and Mr. Racine. Under the terms of the Agreement, Mr. Racine admitted that between April 2002 and December 2003 he:

- failed to use due diligence in his supervisory capacity to learn the essential facts relative to every client and every account accepted when approving new options accounts for seven clients, as well as changes in their investment objectives and risk tolerances, contrary to Policy No. 2;
- failed to exercise adequate supervision of transactions effected by a representative under his supervision in the options accounts of eight clients without ensuring the appropriateness of the trades, and had authorized modifications to the options strategies used in the accounts, contrary to Policy No. 2; and
- failed to question or verify that the representative had met the firm's requirements for prior authorizations to execute trade strategies, as applicable, prior to the registration of large numbers of contracts, contrary to By-law 29.27(b) and Policy No. 2.

Mr. Racine is fined \$30,000 and \$5,000 in costs; suspended from his registration as Branch Manager for six months; and as a condition of re-approval, he must successfully re-write and pass the *Branch Managers Course* and *Options Supervisors Course*.

Mr. Racine remains employed at Scotia as a Registered Representative.

For a complete summary of facts, please see IDA Bulletin 3565 at [www.ida.ca](http://www.ida.ca) or [www.accovam.ca](http://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.