



NEWS RELEASE

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IDA Hearing Panel fines Standard Securities Capital Corporation \$162,500 and Mark Marcello \$47,500 and suspends him from acting as UDP for three months

March 7, 2008 (Toronto, Ontario) - A Hearing Panel of the Investment Dealers Association of Canada (IDA) appointed pursuant to By-law 20 has accepted a Settlement Agreement imposing penalties on Standard Securities Capital Corporation (Standard), an IDA Member firm, and Mark Marcello, at all material times (and currently) an approved person with Standard.

Following a settlement hearing, the Hearing Panel considered, reviewed and accepted a Settlement Agreement negotiated between staff of the IDA, Standard and Mr. Marcello. Pursuant to the Agreement, Standard and Mr. Marcello admitted the following:

- In 2004, Standard violated by-law 29.3A, Regulation 1300.2 and Policy 2 by failing to maintain and implement an effective sales compliance program in that it: (i) failed to develop and/or implement adequate policies and procedures regarding maintaining evidence of daily and monthly supervisory reviews; (ii) failed to develop and/or implement adequate policies and procedures to ensure compliance with OSC Policy 33-601 (grey and restricted list requirements); (iii) engaged in inappropriate business conduct in that it failed to maintain evidence that it gave priority to orders for the accounts of customers over all other orders for the same security at the same price, including orders for employee accounts.
- Standard and Mr. Marcello also violated By-law 29.1, Regulation 1300.1, 1300.2 and Policy 2 in: (i) between May 2002- November 2004 failing to adequately supervise a client account; (ii) between March 2003 and March 2006 failing to adequately supervise or inform themselves relating to an employee's outside business activities; (iii) between March 2003 and March 2006 failing to adequately supervise and failing to learn and remain informed of essential facts relative to a client account operated by a Standard employee and in which the employee had a financial interest; and (iv) between July 2003 and February 2007 failing to adequately supervise and learn and remain informed of essential facts relative to two client accounts operated by a Standard employee and in which the employee had a financial interest.

- Between May 2002 and April 2004, Mr. Marcello also violated Regulation 1300.1(a) by failing to use due diligence to learn the essential facts relative to a client and orders accepted on behalf of the client and to ensure that such orders were within the bounds of good business practice.

These matters were referred to Enforcement staff in 2005 following an IDA 2004 sales compliance review of Standard.

For its misconduct, Standard is required to pay a fine of \$162,500 and engage a compliance consultant to evaluate its compliance program and make recommendations if necessary to address any outstanding compliance issues. Mr. Marcello is to pay a fine of \$47,500 and is suspended from acting as UDP for three months.

Standard will pay costs of \$62,500 and Mr. Marcello will pay costs of \$10,000.

In accepting the Settlement Agreement, the Hearing Panel noted that Standard had already been fined \$80,000 by Market Regulation Services Inc. (RS) for certain events arising from the conduct of the same individuals that were responsible for the events that caused concern about the level of supervision in 2004 in this case. The Hearing Panel also noted that the appointment of a compliance consultant is a failsafe measure to ensure that compliance problems at Standard have been cleaned up.

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. It is IDA policy to ensure that where relevant, referrals to the appropriate policing authority are made.