

# IIROC NOTICE

## **Enforcement Notice Decision**

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**11-0067**  
**February 15, 2011**

## **IN THE MATTER OF Richard Roy – Settlement**

### **SUMMARY**

On January 13, 2011, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) accepted a Settlement Agreement between IIROC staff and Richard Roy.

The agreement acknowledges that Mr. Roy effected numerous trades without knowing his clients and executed orders from a third party, when he knew that this third party was not authorized to give such orders.

Under the Settlement Agreement, Mr. Roy admits that:

1. he failed to use due diligence to ensure that he learned all the essential facts relative to his clients, contrary to IIROC Dealer Member Rule 1300.1(a) and 1300.1(b); and
2. he accepted and followed instructions from an unauthorized third party, contrary to IIROC Dealer Member Rule 200.1(i)(3).

Pursuant to the Settlement Agreement, Mr. Roy agreed to the following penalties.

- (a) a fine in the aggregate amount of \$20,000;
- (b) a suspension of approval in any capacity for a period of 5 years;



- (c) in the event of his return to the securities industry after the suspension period set forth in this Agreement, a permanent prohibition to act in any management or supervisory capacity; and
- (d) in the event of his return to the securities industry, close supervision for a period of 6 months.

Mr. Roy has also agreed to pay the costs incurred by IIROC in the amount of \$2,500.

The Settlement Agreement dated November 10, 2010 is available at:

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=1BB85095864040169E273653DF46E485&Language=en>

The Hearing Panel's Decision and Reasons for accepting the Agreement are available at:

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=A095C00B7B15447881EA4F45D205530C&Language=en>

The IDA formally initiated the investigation into Mr. Roy's conduct on September 26, 2007. The violations are alleged to have occurred while Mr. Roy was a Registered Representative with the Montreal Branch of Industrial Alliance Securities Inc. Mr. Roy is no longer a registrant with an IIROC-regulated firm.

IIROC is the national self-regulatory organization which oversees all investment dealers and trading activity on debt and equity marketplaces in Canada. Created in 2008 through the consolidation of the Investment Dealers Association of Canada (IDA) and Market Regulation Services Inc. (RS), IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while maintaining efficient and competitive capital markets.

IIROC carries out its regulatory responsibilities through setting and enforcing rules regarding the proficiency, business and financial conduct of dealer firms and their registered employees, and through setting and enforcing market integrity rules regarding trading activity on Canadian equity marketplaces.