

# NOTICE / NEWS RELEASE

*For immediate release*

## **Enforcement Notice Decision 12-0308**

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## **IN THE MATTER OF Samuel Ryan Scoten – Settlement Accepted**

**October 19, 2012 (Vancouver, B.C.)** – On October 11, 2012, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) accepted a Settlement Agreement, with sanctions, between IIROC staff and Samuel Ryan Scoten.

Mr. Scoten admitted that he solicited and facilitated the purchase of shares without his employer's consent, he engaged in discretionary trading, and that he provided IIROC staff with information that he knew or ought to have known was false.

Specifically, Mr. Scoten admitted to the following violation(s):

- a) Between 2007 and 2009, he solicited and facilitated the purchase of previously issued shares of Asian Coast Development (Canada) Ltd. (ACDL) by some of his clients, without the knowledge or consent of his employer, contrary to Dealer Member Rule 29.1 (prior to June 1, 2008, IDA By-law 29.1).
- b) Between 2008 and 2010, he received compensation for his facilitation of his clients' purchase of previously issued ACDL shares, without his employer's knowledge or consent, contrary to Dealer Member Rule 29.1 (prior to June 1, 2008, IDA By-law 29.1).
- c) In April 2010, he placed discretionary trades for client accounts even though they had not been designated as being discretionary accounts by his employer, contrary to Dealer Member Rules 1300.4 and 1300.5.
- d) In June 2011, he informed IIROC staff that he had not received any compensation for the purchase of previously issued ACDL shares by some of his clients and that he only placed discretionary trades on behalf of two accounts on April 1, 2010, which he knew or ought to have known was false, contrary to



## IIROC Dealer Member Rule 29.1.

Pursuant to the Settlement Agreement, Mr. Scoten agreed to the following penalties:

- a) A three-year prohibition from approval in any capacity;
- b) That he successfully complete the *Conduct and Practices Handbook Course* prior to being eligible for approval in any capacity;
- c) Upon re-approval, a one-year period of strict supervision; and
- d) A \$50,000 fine to IIROC.

Mr. Scoten also agreed to pay costs in the amount of \$5,000.

The Settlement Agreement is available at

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=B62A1B631509412D996478CC022DC428&Language=en>

and the panel's decision will be made available at [www.iiroc.ca](http://www.iiroc.ca).

Documents related to ongoing IIROC enforcement proceedings – including Reasons and Decisions of Hearing Panels – are posted on the IIROC website as they become available. Click [here](#) to search and access all IIROC enforcement documents.

IIROC formally initiated the investigation into Mr. Scoten's conduct in September 2011. The alleged violations occurred when he was a Registered Representative with a Surrey business location of TD Waterhouse Canada Inc., an IIROC-regulated firm. Mr. Scoten is no longer a registrant with an IIROC-regulated firm.

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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 and Market Regulation Services Inc., 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.

IIROC investigates possible misconduct by its member firms and/or individual registrants. It can bring disciplinary proceedings which may result in penalties including fines, suspensions, permanent bars, expulsion from membership, or termination of rights and privileges for individuals and firms.



All information about disciplinary proceedings relating to current and former member firms is available in the [Enforcement section](#) of the IIROC website. Background information regarding the qualifications and disciplinary history, if any, of advisors currently employed by IIROC-regulated firms is available free of charge through the [IIROC AdvisorReport](#) service. Information on how to make investment dealer, advisor or marketplace-related complaints is available by calling 1.877.442.4322.