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For distribution to relevant parties within your firm

BULLETIN # 2742
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Discipline

Discipline Penalties Imposed on Randall Harrett – Violation of By-law 29.1 – Conduct Unbecoming

Person Disciplined	The Ontario District Council of the Investment Dealers Association of Canada has imposed discipline penalties on Randall Harrett at the relevant times a Registered Representative and Chief Financial Officer with Nikko Securities Co. Canada Ltd., a Member of the Association.
By-laws, Regulations, Policies Violated	On July 6, 2000, the District Council considered, reviewed and accepted a Settlement Agreement that had been negotiated by the Association Enforcement Division staff with Mr. Harrett. Under the Settlement Agreement Mr. Harrett agreed that he improperly attempted to transfer corporate funds to a client account to eliminate a debit balance he had inadvertently created and thereby engaged in business conduct which is unbecoming or detrimental to the public interest contrary to By-law 29.1.
Penalty Assessed	The discipline penalty assessed against Mr. Harrett is an Order of a fine of \$20,000 to be paid to the Association within one year of the date of acceptance of this Settlement Agreement by the District Council. Also, Mr. Harrett is suspended from receiving approval from acting as an officer with any Member of the Association for a period of ten years, commencing December 28, 1998. Then, if Mr. Harrett seeks re-registration for approval with the Association, he must re-write and pass the Conduct and Practices Handbook examination administered by the Canadian Securities Institute.
Summary of Facts	An error occurred in October, 1997 at Nikko Securities Co. Canada Ltd. when a cancellation order for a stock purchase was not executed properly. The shares subsequently were placed in a client account that should have been reconciled by Randall Harrett immediately. However, Harrett did not properly reconcile this account and erroneously placed the shares in the account of the client who cancelled the order. When the error was later discovered by Nikko staff, Randall Harrett attempted to transfer

corporate funds to the client account to conceal the error.

Susanne M. Barrett
Association Secretary