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Discipline

Discipline Penalties Imposed on Taurus Capital Markets Ltd. – Violation of By-law 29.1

Person Disciplined	The Ontario District Council of the Investment Dealers Association of Canada has imposed a discipline penalty on Taurus Capital Markets Ltd. , a Member of the Association (the Member).
By-laws, Regulations, Policies Violated	On August 10, 2000, the Ontario District Council considered, reviewed and accepted a settlement agreement negotiated between the Member and staff of the Enforcement Division of the Association. The Member has admitted that, as of March 8, 2000 through May 4, 2000, while a Member of the Association, it engaged in business conduct that was unbecoming or detrimental to the public interest in that it failed to have adequate internal controls in place to handle the repatriation of its back office, contrary to By-law 29.1 of the Association.
Penalty Assessed	The discipline penalty assessed against the Member is a fine of \$30,000. The Member is also required to pay \$1,500 towards the Association's costs of investigating this matter.
Summary of Facts	<p>Prior to March 8, 2000 the Member was a Type 4 introducing broker in an introducing broker/carrying broker relationship with Canada Trust Securities Inc. (CTSI). Effective March 8, 2000 the Member repatriated operation of its back office functions from CTSI.</p> <p>The Member experienced problems with the repatriation. The problems revolved around unsettled trades due to high volumes during the relevant time, lack of experienced staff and inadequate preparation, planning and execution of the repatriation, resulting in unresolved differences.</p> <p>The Member notified the Association shortly after March 8, 2000 to advise of the problems with unresolved differences and the actions that it was taking to correct the situation.</p> <p>During the relevant period of time the Member was filing daily reports with the Association indicating unresolved differences of</p>

\$993,000. Following final calculations, the Member reported that unresolved differences rose to \$2,622,000.

The Member had discussions with the Association from April 28, 2000 through to May 3, 2000 in regard to the unresolved differences. Once it was identified that the problem was with the back office, additional experienced staff was hired, including a new CFO, to correct the deficiencies.

The Member corrected all problems concerning unresolved differences on May 4, 2000.

Susanne M. Barrett
Association Secretary