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Contact:
Natalija Popovic
Enforcement Counsel
Enforcement Division
(416) 943-5878

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BULLETIN # 2803
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Discipline

Discipline Penalties Imposed on Rocco Meliambro - Violation of Policy 2

Person Disciplined	The Ontario District Council (District Council) of the Investment Dealers Association of Canada (Association) has imposed a discipline penalty on Rocco Meliambro, at the relevant time a Branch Manager with Moss, Lawson & Co. Limited (now HSBC Securities (Canada) Inc.), a member of the Association.
By-laws, Regulations, Policies Violated	On December 6, 2000, the District Council considered, reviewed and accepted a settlement agreement that had been negotiated by Association Enforcement Division staff with Mr. Meliambro. Pursuant to the settlement agreement, Mr. Meliambro admitted that during the period between September 1995 through September 1996 he failed to properly supervise Jeffrey Neil Turcotte, a registered representative who was under the Respondent's supervision, in respect of the account of Mr. Turcotte's client, in that he failed to i) review the previous day's trading for lack of suitability; and ii) maintain evidence of his supervisory reviews of the work of Mr. Turcotte. Specifically, the Respondent failed to i) identify and appropriately question the daily transactions which resulted in the client's margin account from September 1995 to September 1996; and ii) evidence any of his supervisory reviews for the period in question, contrary to the Association's Policy II, Sections I.B1., III.A.2 and III.B.
Penalty Assessed	The discipline penalty assessed against Mr. Meliambro is a fine in the amount of \$8,000.00 and that he re-write the exam based on the Branch Manager's Course. In addition, Mr. Meliambro is required to pay \$1,000.00 toward the Association's costs of investigation of this matter.
Summary of Facts	In July 1995, Mr. Turcotte, a Registered Representative over whom Mr. Meliambro had supervisory responsibility opened a margin account for an elderly client which indicated investment objectives to be 50% income, 25% medium term and 25% speculative investments. In September 1995

Mr. Turcotte started purchasing shares of speculative securities, namely Tee-Comm Electronics Inc. and Multi Corp. Inc., in the margin account. In October 1995 Mr. Turcotte purchased, sold and re-purchased shares of these securities in the margin account; by month end 48% of the margin account consisted of speculative securities.

In November 1995, Mr. Turcotte advised this client to change the investment objectives in the margin account to 75% long term and 25% speculative trading in order to more closely conform to the trading that had already occurred in the account. Mr. Meliambro was responsible for the daily supervision of Mr. Turcotte's work. Several transactions completed by Mr. Turcotte were outside of the stated investment objectives but were not reviewed for lack of suitability or questioned by Mr. Meliambro.

In addition, Mr. Meliambro failed to maintain evidence of his supervisory reviews for the period in question. Mr. Meliambro currently works as a Branch Manager at Yorkton Securities Inc. in Ottawa.

For disciplinary information regarding Jeffrey Turcotte please see Association Bulletin No. 2781.

Suzanne M. Barrett
Association Secretary