

# INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

IN THE MATTER OF:

**THE RULES OF THE INVESTMENT INDUSTRY REGULATORY  
ORGANIZATION OF CANADA (IIROC)**

**AND**

***MARC ROGER LATTA***

## SETTLEMENT AGREEMENT

### I. INTRODUCTION

1. IIROC Enforcement Staff and the Respondent, Marc Roger Latta (“Latta”), consent and agree to the settlement of this matter by way of this settlement agreement (“the Settlement Agreement”).
2. The Enforcement Department of IIROC has conducted an investigation (“the Investigation”) into the conduct of the Respondent.
3. On June 1, 2008, IIROC consolidated the regulatory and enforcement functions of the Investment Dealers Association of Canada and Market Regulation Services Inc. Pursuant to the Administrative and Regulatory Services Agreement between IDA and IIROC, effective June 1, 2008, the IDA has retained IIROC to provide services for IDA to carry out its regulatory functions.
4. The Respondent consents to be subject to the jurisdiction of IIROC.
5. The Investigation discloses matters for which the Respondent may be disciplined by a hearing panel appointed pursuant to IIROC Transitional Rule No.1, Schedule C.1, Part C (“the Hearing Panel”).

### II. JOINT SETTLEMENT RECOMMENDATION

6. Staff and the Respondent jointly recommend that the Hearing Panel accept this Settlement Agreement.
7. The Respondent admits to the following contraventions of IIROC Dealer Member Rules, Guidelines, IDA By-Laws, Regulations or Policies:

- a) Latta has admitted to providing financial compensation to his client A.V. for losses in his account, without the knowledge or approval of his firm contrary to Dealer Member Rule 29.1
8. Staff and the Respondent agree to the following terms of settlement:
- a) A fine in the amount of \$10,000.00; and
  - b) Costs payable to IIROC in the amount of \$2,000.00.

**III. STATEMENT OF FACTS**

**(i) Acknowledgment**

9. Staff and the Respondent agree with the facts set out in this Section III and acknowledge that the terms of the settlement contained in this Settlement Agreement are based upon those specific facts.

**(ii) Factual Background**

**Overview**

10. This matter arises from the conduct of Marc Latta, a Registered Representative with Raymond James Ltd. (“Raymond James”). Latta has admitted to providing financial compensation to his client A.V. (the “Client”) for losses in the Client’s account, without the knowledge or approval of his firm.

**Registration History**

11. On June 1, 2008, the Respondent became a regulated person of IIROC.
12. Latta is currently a Registered Representative with Raymond James Ltd. His registration history is as follows:

October 2005 – present	<b>Raymond James, Vancouver</b>	Registered Representative Securities, retail
April 2004 – October 2005	<b>Berkshire Securities International, Vancouver</b>	Registered Representative Securities, retail
May 1999 – April 2004	<b>TWC Securities Inc., Vancouver</b>	Registered Representative Securities, retail
August 1995 – May 1999	<b>Manulife Securities Incorporated, Vancouver</b>	Registered Representative retail

13. Latta does not have a disciplinary history with IIROC.

## Details

14. In March of 2012, IIROC received a notice from Raymond James which indicated that a customer complaint had been filed against Latta. In a letter dated March 12, 2012 lawyers for the Client alleged that Latta had:
  - a) exposed the Client's investments to a greater degree of risk than the Client had agreed to accept; and
  - b) Latta had offered to personally repay money that had been lost in the account as a result.
15. Between February of 2006, and September of 2012, the Client's account had lost roughly \$100,000.00 in value.
16. Latta acknowledged that he had provided \$5,000.00 to the Client in compensation for losses in his account, without Raymond James' knowledge.
17. The Client deposited the \$5,000 received from Latta into his bank account. The Client then obtained a bank draft from his bank and deposited the funds into his account at Raymond James. Subsequently, the Client refused to complete a Declaration of Source of Funds Form requested by Raymond James numerous times over a period of months. The Client then engaged litigation counsel and initiated a complaint against Latta.
18. Latta was not attempting to take advantage of a vulnerable client. The Client is a sophisticated and financially well-off professional. The Client was aware of his ability to:
  - a) make a complaint to IIROC;
  - b) seek compensation from Raymond James; and
  - c) seek compensation from Latta.
19. In January of 2013, Latta and Raymond James entered into a compensation agreement in connection with Latta's handling of the account, in which the Client is to receive \$80,000.00.
20. Latta is aware that providing compensation to a client without his firm's knowledge constitutes misconduct. In a letter to IIROC, Latta immediately accepted responsibility for his actions, expressed remorse for his conduct and actively cooperated with IIROC throughout.
21. Latta has already received the following disciplinary action from Raymond James:
  - a) A fine of \$15,000.00;
  - b) A rewrite of the Conduct and Practices Handbook exam; and

c) A period of close supervision for 6 months.

#### **IV. TERMS OF SETTLEMENT**

22. This settlement is agreed upon in accordance with IROC Dealer Member Rules 20.35 to 20.40, inclusive and Rule 15 of the Dealer Member Rules of Practice and Procedure.
23. The Settlement Agreement is subject to acceptance by the Hearing Panel.
24. The Settlement Agreement shall become effective and binding upon the Respondent and Staff as of the date of its acceptance by the Hearing Panel.
25. The Settlement Agreement will be presented to the Hearing Panel at a hearing (“the Settlement Hearing”) for approval. Following the conclusion of the Settlement Hearing, the Hearing Panel may either accept or reject the Settlement Agreement.
26. If the Hearing Panel accepts the Settlement Agreement, the Respondent waives his right under IROC rules and any applicable legislation to a disciplinary hearing, review or appeal.
27. If the Hearing Panel rejects the Settlement Agreement, Staff and the Respondent may enter into another settlement agreement; or Staff may proceed to a disciplinary hearing in relation to the matters disclosed in the Investigation.
28. The Settlement Agreement will become available to the public upon its acceptance by the Hearing Panel.
29. Staff and the Respondent agree that if the Hearing Panel accepts the Settlement Agreement, they, or anyone on their behalf, will not make any public statements inconsistent with the Settlement Agreement.
30. Unless otherwise stated, any monetary penalties and costs imposed upon the Respondent are payable immediately upon the effective date of the Settlement Agreement.
31. Unless otherwise stated, any suspensions, bars, expulsions, restrictions or other terms of the Settlement Agreement shall commence on the effective date of the Settlement Agreement.

**AGREED TO** by the Respondent at the City of Vancouver in the Province of British Columbia, this 16th day of December, 2013.

Sean Boyle  
**WITNESS**

Marc Latta  
**RESPONDENT**

**AGREED TO** by the Staff at the City of Vancouver in the Province of British Columbia, this 16th day of December, 2013.

Young Row  
**WITNESS**

**TAYEN GODFREY**  
Enforcement Counsel on behalf of  
Staff of the Investment Industry  
Regulatory Organization of Canada

**ACCEPTED** at the City of Vancouver in the Province of British Columbia, this 16th day of December, 2013 , by the following Hearing Panel:

Per: Linda Murray  
Panel Chair

Per: Robert Travers  
Panel Member

Per: Brian Field  
Panel Member