

IN THE MATTER OF THE SECURITIES ACT
R.S.N.S. 1989, CHAPTER 418, AS AMENDED (“Act”)

- AND -

IN THE MATTER OF
SCOTIA SECURITIES INC.

STATEMENT OF ALLEGATIONS

Staff of the Nova Scotia Securities Commission (“Commission”) makes the following allegations:

1. Scotia Securities Inc. (“Scotia”) is an extra provincial corporation located in Toronto, Ontario and is registered as a Mutual Fund Dealer with the Commission.
2. Darren Wayne Ruck (“Ruck”) is a resident of Dartmouth, Nova Scotia.
3. On December 14, 2004 Ruck was informed via email by a registrations officer at Scotia that he held registration as a salesperson with the Commission.
4. In February, 2005, staff at Scotia head office learned that Ruck was not registered as a salesperson with the Commission, that his application had not yet been filed with the Commission, and that he had been misinformed by registration staff that he was registered.
5. On February 11, 2005, Ruck was registered as a salesperson with the Commission.
6. Between December 14, 2004 and February 11, 2005, Ruck sold \$2,298.00 in mutual funds without being registered to do so. Scotia failed to ensure that Ruck was registered with the Commission, thereby breaching section 31(1)(a) of the Act.
7. Between July, 2005 and September, 2006, Scotia failed to notify the Commission within five business days that eight of its salespersons terminated registration, thereby contravening Section 39(1)(c) of the Act. In particular:
 - a. Carol MacKinnon terminated registration with Scotia on July 1, 2005. The Commission was notified of this termination on November 10, 2005.
 - b. Hugh McMullen terminated registration with Scotia on July 1, 2005. The Commission was notified of this termination on November 10, 2005.

- c. Carol MacDonald terminated registration with Scotia on July 29, 2005. The Commission was notified of this termination on November 3, 2005.
 - d. Christine Matte terminated registration with Scotia on September 9, 2005. The Commission was notified of this termination on November 3, 2005.
 - e. Rodney Barton terminated registration with Scotia on September 29, 2005. The Commission was notified of this termination on October 11, 2005.
 - f. Britta Eckart-John terminated registration with Scotia on November 30, 2005. The Commission was notified of this termination on January 6, 2006.
 - g. Kimberley Skinner terminated registration with Scotia on January 3, 2006. The Commission was notified of this termination on January 23, 2006.
 - h. Desmond Munden terminated registration with Scotia on September 22, 2006. The Commission was notified of this termination on October 5, 2006.
8. In summary, Scotia acted in a manner which contravened sections 31(1)(a) and 39 (1) (c) of the Act and in a manner contrary to the public interest.

DATED this 18th day of May 2007.

" M. Lianne Bradshaw"

M. Lianne Bradshaw
Investigator,
Nova Scotia Securities Commission