

Re MF Global Canada Co

IN THE MATTER OF:

THE DEALER MEMBER RULES OF THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

AND

MF GLOBAL CANADA CO

2009 IIROC 11

Investment Industry Regulatory Organization of Canada
Hearing Panel (Pacific District Council)

Heard: January 28, 2009
Decision: February 14, 2009
(9 paras.)

Hearing Panel:

Leon Getz, Q.C., Chris Lay and Bob Sutherland

Appearances:

Lorne Herlin, for the Investment Industry Regulatory Organization of Canada
Gary Snarch for MF Global Canada Co.

REASONS FOR DECISION

Introduction

1. We were constituted as a panel to consider, pursuant to Rule 20.36 of the Investment Industry Regulatory Organization of Canada (“IIROC”), whether to accept a settlement agreement that has been negotiated between the IIROC’s Enforcement Department and MF Global Canada Co. (“MF Global”). At the conclusion of the hearing held for this purpose in Vancouver, B.C. on January 14, 2009, and after considering the submissions of counsel for IIROC and for MF Global and the terms of the settlement agreement (the “Settlement Agreement”), we accepted the Settlement Agreement.
2. We note in passing that the IIROC Rules do not seem to contain any provision that requires us to give reasons for our acceptance of the Settlement Agreement though it is possible that the general law imposes this obligation. Whatever the case may be, these are our reasons for accepting the Settlement Agreement.

The Settlement Agreement

3. The Settlement Agreement is annexed to this Decision. It contains:
 - a. a summary of the facts that gave rise to the negotiations that resulted in the Settlement Agreement;
 - b. an acknowledgement by MF Global that it had:

- i. allowed an individual, identified as SZ, to act as an advisor and trade in foreign exchange contracts in British Columbia without being registered in any capacity; and
- ii. it had failed to provide three specific clients with the requisite disclosure concerning the referral fees that it paid to SZ in relation to their accounts

in each case in contravention of applicable provisions of the securities laws of British Columbia and the provisions of Bylaw 29.1 of the Investment Dealers' Association of Canada (the "IDA"), a predecessor organization of IIROC.

c. MF Global's agreement to:

- i. pay a fine of \$25,000;
- ii. pay \$5,000 on account of IIROC's costs in connection with this matter.

4. The principles that govern us, and that we applied in deciding that we should accept the Settlement Agreement, are set out in the following passage from the decision in *Re Milewski*:

A District Council considering a settlement agreement will tend not to alter a penalty that it considers to be within a reasonable range, taking into account the settlement process and the fact that the parties have agreed. It will not reject a settlement unless it views the penalty as clearly falling outside a reasonable range of appropriateness.

Analysis

5. We have been influenced by several considerations.
6. The agreed fine of \$25,000 is consistent with the recommendation's contained in the IDA's Disciplinary Sanctions Guidelines. Section 1.5 of the Guidelines deals with the subject of compliance with applicable securities laws and recommends, for infractions of the kind that took place here, a minimum fine of \$25,000.
7. In concluding that that the minimum recommended fine is the appropriate one in this case we have been influenced, in particular, by the facts referred to in paragraph [65] of the Settlement Agreement. Moreover, the evidence presented to us indicated that MF Global derived no benefit from its transgressions.
8. In all of the circumstances, and having regard to the principles outlined in *Re Milewski*, it was our view that the agreed sanctions, taken as a whole, fall within a reasonable range of appropriateness.
9. We accordingly accepted the Settlement Agreement.

Leon Getz, Panel Chair

Chris Lay, Panel Member

Bob Sutherland, Panel Member

As of January 28, 2009:

* * * * *

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. The Enforcement Department Staff (Staff) of the Investment Industry Regulatory Organization of Canada (IIROC) has conducted an investigation (the Investigation) into the conduct of MF Global Canada Co. (the Respondent).

2. The Investigation was commenced by Enforcement Department Staff of the Investment Dealers Association of Canada (IDA) prior to May 30, 2008. 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 the IDA and IIROC, effective June 1, 2008, the IDA has retained IIROC to provide services for the IDA to carry out its regulatory functions.
3. The Investigation discloses matters for which the Respondent may be disciplined by a hearing panel appointed pursuant to IIROC Transitional Rule No.1 (the Hearing Panel).

II. Joint Settlement Recommendation

4. The Respondent consents to be subject to the jurisdiction of IIROC.
5. Staff and the Respondent consent and agree to the settlement of these matters by way of this settlement agreement (the Settlement Agreement) in accordance with IIROC Dealer Member Rules 20.35 to 20.40, inclusive, and Rule 15 of the Dealer Member *Rules of Practice and Procedure*.
6. The Settlement Agreement is subject to acceptance by the Hearing Panel.
7. The Settlement Agreement shall become effective and binding upon the Respondent and Staff as of the date of its acceptance by the Hearing Panel.
8. 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.
9. If the Hearing Panel accepts the Settlement Agreement, the Respondent waives its right under IIROC rules and any applicable legislation to a disciplinary hearing, review or appeal.
10. 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.
11. The Settlement Agreement will become available to the public upon its acceptance by the Hearing Panel.
12. 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.
13. Staff and the Respondent jointly recommend that the Hearing Panel accept the Settlement Agreement.

III. Statement of Facts

(i) Acknowledgment

14. 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

The Respondent

15. The Respondent was formerly known as, among other things, Refco Canada Co.
16. The Respondent is, among other things, a dealer in foreign currency options contracts.

Approval of SZ as a Trading Agent

17. SZ was a self-described “home based investment consultant”. In early October 2005, SZ met with AB, a registered representative who is employed by the Respondent at its Vancouver branch office. In the course of their meeting, SZ indicated that he wanted to be a referral agent. Referral agents introduce and refer prospective foreign exchange trading clients to the Respondent.
18. AB gave SZ the necessary application, which SZ completed with AB’s assistance. AB then sent the completed application to the Respondent’s Toronto head office for processing.
19. On or about October 10, 2005, the Respondent entered into an introducing agreement with SZ. In consideration for SZ acting as a referral agent, the Respondent agreed to remit to SZ a commission for each buy or sale transaction that was placed on behalf of a client that SZ had referred to the Respondent.
20. As detailed below, three individuals, FC, GL, and LP, each designated SZ as both their referral agent and their trading agent. In his capacity as trading agent, SZ was authorized to purchase and sell securities on behalf of FC, GL, and LP.

The FC Account

21. On or about October 21, 2005, FC and SZ met with AB. AB helped FC complete an account application which he then sent to the Respondent’s Toronto head office for processing.
22. The account application that FC completed, among other things, indicated that:
 - she was an unemployed 43 year old;
 - her annual income was under \$25,000;
 - her net worth was between \$100,000 to \$249,999;
 - she had 7 years experience in trading securities;
 - she had no experience trading options, commodities, futures, and currencies; and
 - SZ was the referral agent for the account.
23. On or about October 21, 2005, FC also executed a Limited Power of Attorney which designated SZ as the trading agent for her account.
24. On or about October 25, 2005, the Respondent opened an account for FC (the FC Account).
25. On October 25, 2005, FC deposited \$10,000 US into the FC Account.
26. On October 30, 2005, trading in the FC Account began.

27. Between October 31, 2005 and November 17, 2005, the FC account actively traded foreign exchange contracts. Particulars of these transactions are set out in Schedule "A", which is attached to and forms part of this Settlement Agreement.
28. By November 4, 2005, the value of the assets in the FC Account had increased to \$18,743 US. On that day FC withdrew \$6,000 US from the FC Account.
29. By November 17, 2005, the value of the FC Account had been reduced to \$48 US.
30. SZ placed all of the transactions for the FC Account through the Respondent's electronic trading system.

The GL Account

31. In September 2005, GL informed AB that he wished to open an account. After receiving the completed form, AB reviewed it to ensure that it had all the required information and he then sent it to the Respondent's Toronto head office.
32. The Account Application that GL completed, among other things, indicated that:
 - he was an unemployed 49 year old;
 - his annual income was under \$25,000;
 - his net worth was between \$25,000 to \$49,999;
 - he had no experience trading securities, options, commodities, and futures; and
 - he had 2 years experience trading currencies.
33. On or about October 31, 2005, the Respondent opened an account for GL (the GL Account).
34. On or about November 4, 2005, GL executed a:
 - Referral Agent Designation and Disclosure form which designated SZ as the referral agent for the GL Account; and
 - Limited Power of Attorney form which authorized SZ to act as the trading agent for the GL Account.
35. Between November 4, 2005 and November 24, 2005, the GL Account actively traded foreign exchange contracts (the GL Account Transactions). Particulars of the GL Account Transactions are set out in Schedule "B", which is attached to and forms part of this Settlement Agreement.
36. On November 4, 2005, the value of the GL Account was \$11,083.80 US.
37. By November 8, 2005, the value of the GL Account had diminished to \$1,400 US.
38. By November 24, 2005, the GL Account was worth \$52 US.
39. SZ placed all of the GL Account Transactions through the Respondent's electronic trading system.

The YP Account

40. On or about November 4, 2005, YP and SZ met with AB. AB helped YP complete an account application, which he then sent to the Respondent's Toronto head office for processing.
41. The account application that YP completed, among other things, indicated that:
 - she was an unemployed 44 year old;

- her annual income was under \$25,000;
- her net worth was between \$250,000 to \$1,000,0000;
- she had 3 years experience trading securities;
- she had no experience trading options, commodities, futures, and currencies; and
- SZ was the referral agent for the account.

42. On or about November 4, 2005, YP also executed a Limited Power of Attorney which designated SZ as the trading agent for the account.
43. On November 8, 2005, the Respondent opened an account for YP (the YP Account).
44. Between November 8, 2005 and November 16, 2005, the YP Account actively traded foreign exchange contracts (the YP Account Transactions). Particulars of the YP Account Transactions are set out in Schedule "C", which is attached to and forms part of this Settlement Agreement.
45. On November 8, 2005, YP deposited \$20,120.72 US into the YP Account.
46. By November 14, 2005, the value of the YP Account had increased to \$27,412.62 US and on that day YP withdrew \$6,000.
47. By November 16, 2005, the value of the YP Account had diminished to \$3,025.07 US.
48. SZ placed all of the YP Account Transactions through the Respondent's electronic trading system.

Conducted Business Consistent With that of a Registrant

49. Notwithstanding the fact that SZ was not registered in British Columbia in any capacity, the Respondent permitted him to act as an advisor and trade in foreign exchange contracts for the FC Account, the GL Account, and the YP Account.
50. In order to be eligible to be approved as a registrant an individual must, among other things, meet various educational and experience requirements.

Failure to Adequately Disclose Referral Agent Fees

51. As noted above, in his capacity as a referral agent, SZ solicited and introduced potential foreign exchange clients to the Respondent. In consideration for acting as a referral agent, the Respondent agreed to pay SZ, \$5.00 US per \$100,000 traded round turn.
52. In total, SZ earned approximately \$4,000 in commissions for being the referral agent for the FC Account, the GL Account, and the YP Account.
53. Pursuant to, among other things, section 53 of the *Securities Rules*, B.C. Reg. 194/97, a client must be informed of all referral fees that are paid to a person for the referral of that client. If the amount of the fee is not determinable, then the client must be informed of the method of calculating the fee.
54. The Trading Agreement that GL, YP, and FC each completed in order to open their respective accounts, contains one paragraph that deals with referral fees. The paragraph states:

Trader understands and acknowledges that {the Respondent} may compensate Referring Agent for introducing Trader to {the Respondent} and that such compensation may be on a per-trade

basis or other basis. Further, the Trader has a right to be informed of the precise nature of such remuneration.

55. No further disclosure was made by the Respondent to GL, YP, and FC with respect to the compensation paid by the Respondent to SZ for acting as a referral agent. In particular, the Respondent did not disclose the method of calculating the fee it paid YZ.

IV. Contraventions

64. The Respondent admits to the following contraventions:

- i. between October and November 2005, the Respondent allowed SZ to act as an advisor and trade in foreign exchange contracts in British Columbia on behalf of the FC Account, the GL Account, and the YP Account, without SZ being registered in British Columbia in any capacity, contrary to section 34 of the *Securities Act*, RSBC 1996, c. 418 and, accordingly, contrary to IDA By-law 29.1; and
- ii. between October and November 2005, the Respondent failed to provide three clients, GL, YP, and FC, with the requisite disclosure regarding the referral fees that the Respondent paid SZ in relation to their accounts, contrary section 53 of the *Securities Rules*, B.C. Reg. 194/97 and, accordingly, contrary to IDA By-law 29.1.

65. In determining the terms of settlement, Staff has taken into account the following factors:

- i. the Respondent fully co-operated with Staff throughout the course of the investigation of this matter; and
- ii. after Staff brought the facts that are set out in this Settlement Agreement to the Respondent's attention, the Respondent modified its policies and procedures in order to prevent the reoccurrence of like conduct.

VI. Terms of Settlement

66. The Respondent agrees to the following terms of settlement:

- a) payment of a \$25,000.00 fine; and
- b) payment of a portion of Staff's costs of this proceeding in the amount of \$5,000.00.

67. Unless otherwise stated, any monetary penalties and costs imposed upon the Respondent are payable immediately upon the effective date of the Settlement Agreement.

68. 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.

69. *This Settlement Agreement may be signed in counterparts.*

AGREED TO by the Respondent at the City of Toronto in the Province of Ontario, this 28th day of January, 2009.

“Witness signature” _____

“Respondent's signature” _____

Witness**Respondent**

AGREED TO by Staff at the City of Vancouver in the Province of British Columbia, this 2nd day of February, 2009.

“Witness signature”

“Lorne herlin”

Witness**Lorne Herlin**

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, as of this
28th day of January, 2009, by the following Hearing Panel:

Per: “Leon Getz”

Panel Chair

Per: “Chris Lay”
Panel Member

Per: “Bob Sutherland”
Panel Member

**Schedule “A”
Activity in the FC Account**

Currency	Volume	Date	Sold	Bought	Net Profit/Loss
GBP/USD	100,000	10/31/05 11/02/05	1.7735	1.7716	\$181.40
GBP/USD	100,000	10/31/05 11/02/05	1.7730	1.7711	\$181.40
GBP/USD	200,000	11/01/05 11/02/05	1.7707	1.7696	\$211.40
GBP/USD	200,000	11/01/05 11/02/05	1.7707	1.7697	\$191.40
USD/CAD	100,000	11/01/05 11/01/05	1.1767	1.1771	-\$36.89
EUR/USD	100,000	11/01/05 11/01/05	1.2024	1.2010	\$140.00
USD/CAD	100,000	11/01/05 11/02/05	1.1766	1.1763	\$25.50
EUR/USD	100,000	11/02/05 11/02/05	1.2040	1.2019	\$210.00
EUR/USD	100,000	11/02/05 11/02/05	1.2040	1.2018	\$220.00
EUR/USD	200,000	11/02/05 11/02/05	1.2042	1.2038	\$80.00

Currency	Volume	Date	Sold	Bought	Net Profit/Loss
EUR/USD	200,000	11/02/05 11/02/05	1.2067	1.2037	\$600.00
GBP/USD	200,000	11/02/05 11/02/05	1.7751	1.7705	\$920.00
EUR/USD	200,000	11/03/05 11/04/05	1.1982	1.1963	\$368.00
EUR/USD	200,000	11/03/05 11/04/05	1.1948	1.1945	\$60.00
GBP/USD	200,000	11/03/05 11/04/05	1.7682	1.7680	\$40.00
GBP/USD	200,000	11/04/05 11/04/05	1.7682	1.7659	\$460.00
GBP/USD	200,000	11/04/05 11/04/05	1.7678	1.7672	\$120.00
EUR/USD	200,000	11/04/05 11/04/05	1.1982	1.1949	\$660.00
GBP/USD	200,000	11/04/05 11/04/05	1.7678	1.7671	\$140.00
GBP/USD	200,000	11/04/05 11/04/05	1.7696	1.7666	\$600.00
GBP/USD	200,000	11/04/05 11/04/05	1.7491	1.7487	\$80.00
EUR/USD	200,000	11/04/05 11/04/05	1.1820	1.1818	\$40.00
EUR/USD	200,000	11/06/05 11/06/05	1.1810	1.1807	\$60.00
EUR/USD	200,000	11/06/05 11/06/05	1.1810	1.1809	\$20.00
EUR/USD	200,000	11/06/05 11/06/05	1.1810	1.1807	\$60.00
GBP/USD	200,000	11/06/05 11/07/05	1.7397	1.7516	-\$2,380.00
GBP/USD	200,000	11/06/05 11/07/05	1.7397	1.7516	-\$2,380.00
GBP/USD	200,000	11/06/05 11/07/05	1.7397	1.7511	-\$2,280.00
GBP/USD	200,000	11/06/05 11/07/05	1.7397	1.7511	-\$2,280.00
EUR/USD	200,000	11/07/05 11/07/05	1.1822	1.1811	\$220.00
EUR/USD	100,000	11/07/05 11/07/05	1.1793	1.1795	-\$20.00
EUR/USD	100,000	11/07/05 11/07/05	1.1794	1.1792	\$20.00
EUR/USD	100,000	11/07/05 11/07/05	1.1801	1.1800	\$10.00
EUR/USD	100,000	11/07/05 11/07/05	1.1798	1.1795	\$30.00

Currency	Volume	Date	Sold	Bought	Net Profit/Loss
EUR/USD	100,000	11/07/05 11/07/05	1.1798	1.1793	\$50.00
EUR/USD	100,000	11/07/05 11/07/05	1.1800	1.1797	\$30.00
EUR/USD	100,000	11/07/05 11/07/05	1.1803	1.1799	\$40.00
EUR/USD	200,000	11/07/05 11/07/05	1.1800	1.1797	\$60.00
EUR/USD	200,000	11/07/05 11/07/05	1.1802	1.1820	-\$360.00
EUR/USD	100,000	11/07/05 11/07/05	1.1727	1.1811	-\$846.40
EUR/USD	100,000	11/07/05 11/07/05	1.1727	1.1810	-\$836.40
EUR/USD	100,000	11/07/05 11/07/05	1.1727	1.1800	-\$730.00
EUR/USD	100,000	11/07/05 11/08/05	1.1737	1.1729	\$80.00
USD/JPY	100,000	11/08/05 11/08/05	117.87	117.86	\$8.48
EUR/USD	100,000	11/08/05 11/08/05	1.1736	1.1734	\$20.00
EUR/USD	100,000	11/08/05 11/08/05	1.1715	1.1736	-\$210.00
EUR/USD	100,000	11/08/05 11/08/05	1.1738	1.1735	\$30.00
EUR/USD	100,000	11/08/05 11/08/05	1.1738	1.1736	\$20.00
EUR/USD	100,000	11/08/05 11/08/05	1.1760	1.1748	\$120.00
GBP/USD	50,000	11/08/05 11/08/05	1.7416	1.7409	\$35.00
GBP/USD	100,000	11/08/05 11/08/05	1.7416	1.7405	\$110.00
EUR/USD	150,000	11/08/05 11/08/05	1.1783	1.1775	\$120.00
GBP/USD	150,000	11/08/05 11/08/05	1.7420	1.7416	\$60.00
GBP/USD	100,000	11/08/05 11/08/05	1.7437	1.7431	\$60.00
EUR/USD	100,000	11/08/05 11/08/05	1.1793	1.1789	\$40.00
EUR/USD	100,000	11/08/05 11/09/05	1.1761	1.1794	-\$336.40
GBP/USD	100,000	11/08/05 11/09/05	1.7396	1.7447	-\$510.00
EUR/USD	100,000	11/09/05 11/09/05	1.1750	1.1746	\$40.00

Currency	Volume	Date	Sold	Bought	Net Profit/Loss
USD/CAD	150,000	11/09/05 11/09/05	1.1864	1.1862	\$25.29
EUR/USD	150,000	11/09/05 11/09/05	1.1767	1.1764	\$45.00
EUR/USD	200,000	11/10/05 11/10/05	1.1762	1.1758	\$80.00
USD/CAD	200,000	11/10/05 11/10/05	1.1874	1.1872	\$33.69
GBP/USD	200,000	11/10/05 11/10/05	1.7445	1.7459	-\$280.00
GBP/USD	100,000	11/10/05 11/10/05	1.7459	1.7446	\$130.00
EUR/USD	100,000	11/10/05 11/10/05	1.1777	1.1774	\$30.00
GBP/USD	100,000	11/10/05 11/10/05	1.7505	1.7490	\$150.00
USD/CAD	100,000	11/10/05 11/10/05	1.1827	1.1813	\$118.37
EUR/USD	100,000	11/10/05 11/10/05	1.1766	1.1764	\$20.00
GBP/USD	100,000	11/10/05 11/10/05	1.7470	1.7452	\$180.00
GBP/USD	100,000	11/10/05 11/10/05	1.7426	1.7417	\$90.00
GBP/USD	100,000	11/11/05 11/11/05	1.7425	1.7416	\$90.00
EUR/USD	100,000	11/11/05 11/11/05	1.1727	1.1708	\$190.00
GBP/USD	100,000	11/13/05 11/13/05	1.7435	1.7425	\$100.00
EUR/USD	100,000	11/13/05 11/13/05	1.1764	1.1761	\$30.00
USD/CAD	100,000	11/13/05 11/14/05	1.1912	1.1911	\$8.39
USD/CAD	100,000	11/14/05 11/14/05	1.1905	1.1903	\$16.80
USD/CAD	100,000	11/14/05 11/14/05	1.1909	1.1908	\$8.40
GBP/USD	100,000	11/14/05 11/14/05	1.7345	1.7486	-\$1,410.00
GBP/USD	50,000	11/14/05 11/14/05	1.7358	1.7355	\$15.00
EUR/USD	50,000	11/14/05 11/14/05	1.1673	1,1688	-\$75.00
EUR/USD	50,000	11/14/05 11/14/05	1.1703	1.1692	\$55.00
EUR/USD	50,000	11/14/05 11/15/05	1.1706	1.1704	\$6.80

Currency	Volume	Date	Sold	Bought	Net Profit/Loss
EUR/USD	100,000	11/15/05 11/15/05	1.1696	1.1716	-\$200.00
EUR/USD	50,000	11/15/05 11/15/05	1.1645	1.1695	-\$250.00
GBP/USD	20,000	11/15/05 11/15/05	1.7364	1.7347	\$34.00
EUR/USD	20,000	11/15/05 11/15/05	1.1696	1.1694	\$4.00
EUR/USD	20,000	11/15/05 11/15/05	1.1701	1.1698	\$6.00
EUR/USD	40,000	11/15/05 11/15/05	1.1721	1.1719	\$8.00
EUR/USD	40,000	11/15/05 11/15/05	1.1722	1.1721	\$4.00
EUR/USD	50,000	11/15/05 11/15/05	1.1712	1.1722	-\$53.20
USD/JPY	30,000	11/15/05 11/16/05	119.14	119.33	-\$47.77
EUR/USD	30,000	11/16/05 11/16/05	1.1717	1.1711	\$18.00
USD/JPY	30,000	11/16/05 11/16/05	119.15	119.14	\$2.52
EUR/USD	30,000	11/16/05 11/16/05	1.1726	1.1727	-\$3.00
EUR/USD	30,000	11/16/05 11/16/05	1.1724	1.1722	\$6.00
USD/CAD	40,000	11/16/05 11/16/05	1.1916	1.1924	-\$26.85
USD/CAD	30,000	11/16/05 11/16/05	1.1959	1.1922	\$92.82
USD/CAD	50,000	11/16/05 11/16/05	1.1950	1.1960	-41.81
EUR/USD	20,000	11/16/05 11/16/05	1.1646	1.1675	-\$58.00
EUR/USD	20,000	11/16/05 11/16/05	1.1671	1.1692	-\$42.00
EUR/USD	20,000	11/16/05 11/16/05	1.1670	1.1694	-\$48.00
EUR/USD	10,000	11/16/05 11/16/05	1.1694	1.1692	\$2.00
EUR/USD	10,000	11/16/05 11/16/05	1.1680	1.1692	-\$13.92
EUR/USD	10,000	11/16/05 11/16/05	1.1679	1.1677	\$2.00
USD/JPY	10,000	11/16/05 11/16/05	119.08	118.87	\$17.67
EUR/USD	10,000	11/16/05 11/16/05	1.1679	1.1678	\$1.00

Currency	Volume	Date	Sold	Bought	Net Profit/Loss
USD/JPY	10,000	11/16/05 11/16/05	118.89	118.88	\$0.84
EUR/USD	10,000	11/16/05 11/17/05	1.1667	1.1684	-\$17.00
EUR/USD	10,000	11/17/05 11/17/05	1.1669	1.1668	\$1.00
EUR/USD	10,000	11/17/05 11/17/05	1.1666	1.1664	\$2.00
EUR/USD	10,000	11/17/05 11/17/05	1.1665	1.1712	-\$47.00

Schedule "B"
Activity in the GL Account

Currency	Volume	Date	Sold	Bought	Net Profit/Loss
EUR/USD	100,000	11/06/05 11/06/05	1.1809	1.1807	\$20.00
EUR/USD	200,000	11/06/05 11/06/05	1.1811	1.1809	\$40.00
EUR/USD	200,000	11/06/05 11/06/05	1.1811	1.1807	\$80.00
EUR/USD	200,000	11/06/05 11/06/05	1.1811	1.1806	\$100.00
GBP/USD	200,000	11/06/05 11/07/05	1.7421	1.7515	-\$1,880.00
GBP/USD	200,000	11/06/05 11/07/05	1.7421	1.7516	-\$1,900.00
GBP/USD	200,000	11/06/05 11/07/05	1.7421	1.7512	-\$1,820.00
GBP/USD	200,000	11/06/05 11/07/05	1.7421	1.7511	-\$1,800.00
EUR/USD	200,000	11/06/05 11/06/05	1.1821	1.1819	\$40.00
EUR/USD	50,000	11/07/05 11/07/05	1.1794	1.1789	\$25.00
EUR/USD	100,000	11/07/05 11/07/05	1.1793	1.1793	\$0.00
EUR/USD	100,000	11/07/05 11/07/05	1.1795	1.1792	\$30.00
EUR/USD	100,000	11/07/05 11/07/05	1.1802	1.1800	\$20.00
EUR/USD	100,000	11/07/05 11/07/05	1.1798	1.1795	\$30.00
EUR/USD	100,000	11/07/05 11/07/05	1.1798	1.1794	\$40.00
EUR/USD	100,000	11/07/05 11/07/05	1.1800	1.1797	\$30.00

EUR/USD	200,000	11/07/05 11/07/05	1.1803	1.1797	\$120.00
EUR/USD	200,000	11/07/05 11/07/05	1.1803	1.1820	-\$340.00
EUR/USD	200,000	11/07/05 11/07/05	1.1727	1.1811	-\$1,692.80

Currency	Volume	Date	Sold	Bought	Net Profit/Loss
EUR/USD	100,000	11/07/05 11/07/05	1.1727	1.1800	-\$730.00
EUR/USD	100,000	11/07/05 11/07/05	171.16	1.1730	-\$140.00
EUR/USD	100,000	11/07/05 11/08/05	1.1737	1.1730	\$70.00
USD/JPY	100,000	11/08/05 11/08/05	117.87	117.86	\$8.48
EUR/USD	100,000	11/08/05 11/08/05	1.1736	1.1734	\$20.00
EUR/USD	100,000	11/08/05 11/08/05	1.1715	1.1736	-\$210.00
EUR/USD	10,000	11/08/05 11/08/05	1.1742	1.1740	\$2.00
EUR/USD	100,000	11/08/05 11/08/05	1.1737	1.1734	\$30.00
EUR/USD	100,000	11/08/05 11/08/05	1.1738	1.1736	\$20.00
EUR/USD	100,000	11/08/05 11/08/05	1.1758	1.1748	\$100.00
GBP/USD	50,000	11/08/05 11/08/05	1.7413	1.7408	\$25.00
GBP/USD	100,000	11/08/05 11/08/05	1.7404	1.7401	\$30.00
GBP/USD	10,000	11/08/05 11/08/05	1.7425	1.7425	\$0.00
GBP/USD	100,000	11/08/05 11/08/05	1.7426	1.7419	\$70.00
EUR/USD	100,000	11/08/05 11/08/05	1.1779	1.1774	\$50.00
EUR/USD	100,000	11/08/05 11/10/05	1.1778	1.1793	-\$182.00
EUR/USD	50,000	11/08/05 11/08/05	1.1793	1.1789	\$20.00
EUR/USD	100,000	11/08/05 11/08/05	1.1768	1.1793	-\$256.40
EUR/USD	100,000	11/08/05 11/10/05	1.1785	1.1780	\$50.00
USD/CAD	100,000	11/10/05 11/10/05	1.1827	1.1816	\$93.01

Currency	Volume	Date	Sold	Bought	Net Profit/Loss
EUR/USD	100,000	11/10/05 11/10/05	1.1761	1.1753	\$80.00
GBP/USD	100,000	11/10/05 11/10/05	1.7470	1.7452	\$180.00
GBP/USD	100,000	11/10/05 11/10/05	1.7426	1.7415	\$110.00
EUR/USD	100,000	11/11/05 11/11/05	1.1693	1.1688	\$50.00
GBP/USD	100,000	11/11/05 11/13/05	1.7451	1.7438	\$127.40
EUR/USD	100,000	11/13/05 11/13/05	1.1764	1.1761	\$30.00
USD/CAD	100,000	11/13/05 11/14/05	1.1912	1.1911	\$8.39
USD/CAD	100,000	11/14/05 11/14/05	1.1905	1.1902	\$25.20
USD/CAD	100,000	11/14/05 11/14/05	1.1909	1.1907	\$16.79
GBP/USD	100,000	11/14/05 11/14/05	1.7343	1.7486	-\$1,430.00
GBP/USD	50,000	11/14/05 11/14/05	1.7359	1.7354	\$25.00
EUR/USD	50,000	11/14/05 11/14/05	1.1673	1.1689	-\$80.00
EUR/USD	50,000	11/14/05 11/14/05	1.1703	1.1693	\$50.00
EUR/USD	50,000	11/14/05 11/15/05	1.1704	1.1701	\$11.80
EUR/USD	80,000	11/15/05 11/15/05	1.1701	1.1715	-\$112.00
USD/CAD	50,000	11/15/05 11/15/05	1.1940	1.1937	\$12.57
EUR/USD	50,000	11/15/05 11/15/05	1.1705	1.1703	\$10.00
USD/CAD	50,000	11/15/05 11/15/05	1.1931	1.1929	\$8.38
EUR/USD	50,000	11/15/05 11/15/05	1.1659	1.1693	-\$170.00
GBP/USD	20,000	11/15/05 11/15/05	1.7360	1.7348	\$24.00
EUR/USD	20,000	11/15/05 11/15/05	1.1696	1.1695	\$2.00

Currency	Volume	Date	Sold	Bought	Net Profit/Loss
EUR/USD	40,000	11/15/05 11/15/05	1.1700	1.1697	\$12.00
EUR/USD	40,000	11/15/05 11/15/05	1.1721	1.1718	\$12.00
EUR/USD	40,000	11/15/05 11/15/05	1.1722	1.1721	\$4.00
EUR/USD	50,000	11/15/05 11/15/05	1.1718	1.1722	-\$23.20
USD/JPY	30,000	11/15/05 11/16/05	119.14	119.31	-\$42.75
EUR/USD	30,000	11/16/05 11/16/05	1.1717	1.1711	\$18.00
USD/JPY	30,000	11/16/05 11/16/05	119.12	119.11	\$2.52
EUR/USD	30,000	11/16/05 11/16/05	1.1726	1.1725	\$3.00
EUR/USD	30,000	11/16/05 11/16/05	1.1724	1.1722	\$6.00
USD/CAD	30,000	11/16/05 11/16/05	1.1960	1.1924	\$90.30
USD/CAD	50,000	11/16/05 11/16/05	1.1948	1.1959	-\$45.99
EUR/USD	20,000	11/16/05 11/16/05	1.1645	1.1674	\$58.00
USD/JPY	20,000	11/16/05 11/16/05	118.94	119.27	-\$55.49
EUR/USD	20,000	11/16/05 11/16/05	1.1696	1.1693	\$6.00
EUR/USD	10,000	11/16/05 11/16/05	1.1694	1.1692	\$2.00
EUR/USD	10,000	11/16/05 11/16/05	1.1680	1.1693	-\$14.92
EUR/USD	10,000	11/16/05 11/16/05	1.1679	1.1677	\$2.00
EUR/USD	10,000	11/16/05 11/16/05	1.1675	1.1668	\$7.00
EUR/USD	10,000	11/16/05 11/16/05	1.1675	1.1675	\$0.00
USD/JPY	10,000	11/16/05 11/16/05	119.08	118.88	\$16.82
EUR/USD	10,000	11/16/05 11/16/05	1.1679	1.1678	\$1.00

Currency	Volume	Date	Sold	Bought	Net Profit/Loss
USD/JPY	10,000	11/16/05 11/16/05	118.89	118.88	\$0.84

USD/JPY	10,000	11/16/05 11/17/05	118.92	118.87	\$4.20
USD/JPY	10,000	11/17/05 11/17/05	119.02	118.99	\$2.52
USD/JPY	10,000	11/17/05 11/17/05	119.02	118.92	\$8.41
GBP/USD	10,000	11/17/05 11/17/05	1.7175	1.7171	\$4.00
EUR/USD	10,000	11/17/05 11/17/05	1.1667	1.1748	-\$81.64
USD/JPY	10,000	11/17/05 11/17/05	118.83	118.73	\$8.42
EUR/USD	10,000	11/17/05 11/18/05	1.1716	1.1749	-\$33.00
EUR/USD	10,000	11/18/05 11/18/05	1.1745	1.1716	\$29.00
EUR/USD	10,000	11/18/05 11/20/05	1.1764	1.1775	-\$11.64
EUR/USD	10,000	11/21/05 11/21/05	1.1807	1.1806	\$1.00
EUR/USD	10,000	11/21/05 11/21/05	1.1814	1.1806	\$8.00
EUR/USD	10,000	11/21/05 11/21/05	1.1827	1.1821	\$6.00
EUR/USD	10,000	11/21/05 11/21/05	1.1827	1.1821	\$6.00
EUR/USD	10,000	11/21/05 11/21/05	1.1817	1.1823	-\$6.00
EUR/USD	10,000	11/21/05 11/21/05	1.1821	1.1822	-\$1.00
EUR/USD	10,000	11/21/05 11/22/05	1.1688	1.1746	-\$58.64
EUR/USD	10,000	11/22/05 11/22/05	1.1700	1.1696	\$4.00
EUR/USD	10,000	11/22/05 11/22/05	1.1703	1.1705	-\$2.00
EUR/USD	10,000	11/22/05 11/22/05	1.1713	1.1711	\$2.00
EUR/USD	10,000	11/22/05 11/22/05	1.1743	1.1739	\$4.00

Currency	Volume	Date	Sold	Bought	Net Profit/Loss
EUR/USD	10,000	11/22/05 11/22/05	1.1741	1.1738	\$3.00
EUR/USD	10,000	11/22/05 11/22/05	1.1734	1.1740	-\$6.00
EUR/USD	10,000	11/22/05 11/22/05	1.1737	1.1764	-27.00
EUR/USD	10,000	11/22/05	1.1758		

		11/22/05		1.1779	-\$21.00
EUR/USD	10,000	11/22/05		1.1812	
		11/22/05	1.1813		\$1.00
EUR/USD	10,000	11/22/05	1.1818		
		11/22/05		1.1817	\$1.00
EUR/USD	10,000	11/22/05	1.1820		
		11/22/05		1.1813	\$7.00
EUR/USD	10,000	11/22/05		1.1814	
		11/22/05	1.1816		\$2.00
EUR/USD	10,000	11/22/05	1.1820		
		11/22/05		1.1818	\$2.00
EUR/USD	10,000	11/22/05		1.1811	-\$8.00
		11/22/05	1.1803		
EUR/USD	10,000	11/22/05	1.1794		
		11/22/05		1.1806	-\$12.00
EUR/USD	10,000	11/23/05		1.1814	
		11/23/05	1.1815		\$1.00
EUR/USD	10,000	11/24/05	1.1806		
		11/24/05		1.1801	\$5.00
EUR/USD	10,000	11/24/05		1.1792	
		11/24/05	1.1784		-\$8.00

Schedule "C"
Activity in the YP Account

Currency	Volume	Date	Sold	Bought	Net Profit/Loss
GBP/USD	300,000	11/08/05		1.7458	
		11/10/05	1.7466		\$208.80
GBP/USD	300,000	11/08/05		1.7459	
		11/10/05	1.7464		\$118.80
GBP/USD	100,000	11/08/05		1.7448	
		11/10/05	1.7465		\$159.60
USD/JPY	200,000	11/08/05	117.34		
		11/08/05		117.33	\$17.05
USD/JPY	10,000	11/08/05	117.35		
		11/08/05		117.33	\$1.70
USD/JPY	100,000	11/08/05	117.37		
		11/08/05		117.33	\$34.09
USD/JPY	200,000	11/08/05	117.27		
		11/08/05		117.20	\$119.45
GBP/USD	200,000	11/08/05		1.7425	
		11/08/05	1.7428		\$60.00
USD/JPY	200,000	11/08/05	117.26		
		11/09/05		117.45	-\$323.54
EUR/USD	100,000	11/08/05		1.1764	
		11/08/05	1.1768		\$40.00
GBP/USD	200,000	11/08/05		1.7419	
		11/08/05	1.7422		\$60.00
GBP/USD	10,000	11/09/05		1.7424	

Currency	Volume	Date	Sold	Bought	Net Profit/Loss
		11/09/05	1.7425		\$1.00
GBP/USD	300,000	11/09/05		1.7424	
		11/09/05	1.7427		\$90.00
USD/JPY	200,000	11/09/05	117.38		
		11/09/05		117.45	-\$119.20
GBP/USD	200,000	11/09/05		1.7426	
		11/09/05	1.7427		\$20.00
GBP/USD	200,000	11/09/05		1.7427	
		11/09/05	1.7428		\$20.00
EUR/USD	200,000	11/09/05		1.1767	
		11/09/05	1.1775		\$160.00
USD/CAD	100,000	11/09/05	1.1896		
		11/09/05		1.1877	\$159.97
GBP/USD	100,000	11/09/05		1.7427	
		11/09/05	1.7428		\$10.00
GBP/USD	300,000	11/09/05		1.7422	
		11/09/05	1.7435		\$390.00
GBP/USD	150,000	11/09/05		1.7417	
		11/09/05	1.7420		\$45.00
EUR/USD	200,000	11/09/05		1.1756	
		11/09/05	1.1763		\$140.00
USD/JPY	100,000	11/09/05		117.45	
		11/09/05	117.47		\$17.03
USD/CAD	150,000	11/09/05		1.1864	
		11/09/05	1.1866		\$25.28
USD/CAD	150,000	11/09/05		1.1863	
		11/09/05	1.1869		\$75.83
USD/CAD	300,000	11/09/05		1.1867	
		11/09/05	1.1869		\$50.56
USD/CAD	300,000	11/09/05		1.1860	
		11/09/05	1.1862		\$50.58
EUR/USD	300,000	11/09/05		1.1764	
		11/09/05	1.1768		\$120.00
USD/CAD	150,000	11/09/05		1.1871	
		11/09/05	1.1873		\$25.27
USD/CAD	200,000	11/10/05		1.1872	
		11/10/05	1.1873		\$16.85
EUR/USD	200,000	11/10/05		1.1775	
		11/10/05	1.1780		\$100.00
GBP/USD	200,000	11/10/05		1.7459	
		11/10/05	1.7460		\$20.00
USD/CAD	300,000	11/10/05		1.1859	
		11/10/05	1.1863		\$101.15
GBP/USD	300,000	11/10/05		1.7480	
		11/10/05	1.7465		-\$450.00
EUR/USD	300,00	11/10/05		1.1788	
		11/10/05	1.1781		-\$210.00
GBP/USD	200,000	11/10/05	1.7490		

Currency	Volume	Date	Sold	Bought	Net Profit/Loss
		11/10/05		1.7484	\$120.00
GBP/USD	300,000	11/10/05 11/10/05	1.7488	1.7484	\$120.00
GBP/USD	300,000	11/10/05 11/10/05	1.7482	1.7477	\$150.00
EUR/GBP	300,000	11/10/05 11/10/05	0.6734	0.6737	-\$157.34
EUR/USD	200,000	11/10/05 11/10/05	1.1777	1.1773	\$80.00
GBP/USD	400,000	11/10/05 11/10/05	1.7505	1.7503	\$80.00
EUR/USD	400,000	11/10/05 11/10/05	1.1783	1.1779	\$160.00
EUR/USD	400,000	11/10/05 11/10/05	1.1785	1.1780	\$200.00
GBP/USD	300,000	11/10/05 11/10/05	1.7505	1.7498	\$210.00
EUR/USD	200,000	11/10/05 11/10/05	1.1785	1.1777	\$160.00
EUR/USD	200,000	11/10/05 11/10/05	1.1785	1.1772	\$260.00
GBP/USD	400,000	11/10/05 11/10/05	1.7510	1.7495	\$600.00
USD/CAD	400,000	11/10/05 11/10/05	1.1828	1.1817	\$372.00
USD/CAD	300,000	11/10/05 11/10/05	1.1830	1.1809	\$532.54
EUR/USD	500,000	11/10/05 11/10/05	1.1761	1.1754	\$350.00
EUR/USD	400,000	11/10/05 11/10/05	1.1755	1.1743	\$480.00
USD/JPY	500,000	11/10/05 11/10/05	117.83	117.81	\$84.88
EUR/USD	400,000	11/10/05 11/10/05	1.1758	1.1749	\$360.00
GBP/USD	300,000	11/10/05 11/10/05	1.7472	1.7470	\$60.00
EUR/USD	300,000	11/10/05 11/10/05	1.1753	1.1741	\$360.00
GBP/USD	300,000	11/11/05 11/11/05	1.7425	1.7417	\$240.00
USD/JPY	300,000	11/11/05 11/14/05	117.76	118.92	-\$2,960.24
GBP/USD	100,000	11/11/05 11/11/05	1.7430	1.7421	\$90.00
GBP/USD	300,000	11/11/05 11/11/05	1.7430	1.7422	\$240.00
USD/JPY	300,000	11/11/05	117.80		

Currency	Volume	Date	Sold	Bought	Net Profit/Loss
		11/15/05		118.95	-\$2,968.18
GBP/USD	100,000	11/11/05 11/13/05	1.7422	1.7415	\$67.40
GBP/USD	300,000	11/11/05 11/13/05	1.7422	1.7415	\$202.20
GBP/USD	300,000	11/13/05 11/14/05	1.7467	1.7457	\$300.00
EUR/USD	200,000	11/13/05 11/13/05	1.1771	1.1768	\$60.00
USD/CAD	100,000	11/13/05 11/13/05	1.1920	1.1916	\$33.57
USD/CAD	200,000	11/13/05 11/14/05	1.1912	1.1911	\$16.79
USD/CAD	300,000	11/14/05 11/14/05	1.1907	1.1906	\$25.20
EUR/USD	200,000	11/14/05 11/14/05	1.1761	1.1757	\$80.00
USD/CAD	200,000	11/14/05 11/14/05	1.1905	1.1902	\$50.40
USD/CAD	200,000	11/14/05 11/14/05	1.1910	1.1909	\$16.79
EUR/USD	200,000	11/14/05 11/16/05	1.1675	1.1768	-\$1,885.60
GBP/USD	100,000	11/14/05 11/16/05	1.7191	1.7497	-\$3,065.20
GBP/USD	200,000	11/14/05 11/16/05	1.7217	1.7487	-5,410.40
EUR/USD	100,000	11/14/05 11/14/05	1.1703	1.1693	\$100.00
GBP/USD	200,000	11/14/05 11/14/05	1.7390	1.7395	-\$105.20
USD/CAD	100,000	11/14/05 11/14/05	1.1938	1.1937	\$8.38
USD/CAD	200,000	11/14/05 11/14/05	1.1935	1.1932	\$50.27
GBP/USD	200,000	11/15/05 11/15/05	1.7356	1.7389	-\$660.00
USD/CAD	200,000	11/15/05 11/15/05	1.1931	1.1926	\$83.82
EUR/USD	200,000	11/15/05 11/15/05	1.1696	1.1694	\$40.00
GBP/USD	200,000	11/15/05 11/15/05	1.7315	1.7338	-\$460.00
GBP/USD	100,000	11/15/05 11/15/05	1.7348	1.7346	\$20.00
EUR/USD	100,000	11/15/05 11/15/05	1.1681	1.1677	\$40.00
GBP/USD	100,000	11/15/05		1.7344	

Currency	Volume	Date	Sold	Bought	Net Profit/Loss
		11/15/05	1.7361		\$170.00
EUR/USD	100,000	11/15/05 11/15/05	1.1693	1.1682	\$110.00
EUR/USD	200,000	11/15/05 11/15/05	1.1697	1.1696	\$20.00
UR/USD	200,000	11/15/05 11/15/05	1.1700	1.1697	\$60.00
GBP/USD	100,000	11/15/05 11/16/05	1.7219	1.7374	-\$1,552.60
GBP/USD	100,000	11/15/05 11/15/05	1.7351	1.7365	-\$142.60
EUR/USD	200,000	11/15/05 11/15/05	1.1722	1.1721	\$20.00
EUR/USD	200,00	11/15/05 11/15/05	1.1718	1.1722	-\$92.80
EUR/USD	200,000	11/16/05 11/16/05	1.1717	1.1715	\$40.00
EUR/USD	200,00	11/16/05 11/16/05	1.1724	1.1721	\$60.00
EUR/USD	100,000	11/16/05 11/16/05	1.1694	1.1688	\$60.00
EUR/USD	50,000	11/16/05 11/16/05	1.1683	1.1675	\$40.00
GBP/USD	50,000	11/16/05 11/16/05	1.7175	1.7190	-\$75.00

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