Unofficial English Translation

Re King

IN THE MATTER OF:

The Rules of the Investment Industry Regulatory Organization of Canada

and

The By-Laws of the Investment Dealers Association of Canada

and

Bernard Patrick King

2013 IIROC 11

Hearing Panel
Of the Investment Industry Regulatory Organization of Canada
(Québec District)

Hearing held on December 12, 2012
Decision rendered on March 18, 2013

Hearing Panel
Me Alain Arsenault, Chair, Mr. Jean W. Jeannot, Mr. François Gervais
Appearances
Me Martin Hovington, for IIROC
Me David Gray, for the Respondent Bernard Patrick King

DECISION

¶ 1 After investigation, Staff of the Investment Industry Regulatory Organization of Canada (hereinafter, "IIROC") has concluded that Mr. Bernard Patrick King (hereinafter, "the Respondent") did commit the following violations:

Count 1

On October 1, 2007 and June 15, 2009, Respondent made deceptive representations to one of his clients, twice confirming to him in writing that the capital invested in the ROC PREF III Corp. security was guaranteed, contrary to IIROC Dealer Member Rule 29.1 (formerly IDA By-Law 29.1);

Count 2

On February 24, 2010 and March 3, 2012, Respondent failed to use due diligence by neglecting to send his employer, an IIROC dealer member, the complaints of two of his clients, contrary to IIROC Dealer Member Rule 2500B.2, Rule 3100 and Rule 3100 Part I A(c).

¶ 2 On October 11 and 15, 2012, the Respondent and IIROC signed a Settlement Agreement, a copy

of which is attached hereto to form an integral part hereof;

¶ 3 By this Settlement Agreement, the Respondent acknowledges his guilt relative to both counts and agrees to the following terms of settlement:

1- An aggregate fine in the amount of $30,000;

2- Strict supervision for a period of nine (9) months;

3- Successful completion of the Conduct and Practices Handbook Course within six (6) months following the Hearing Panel's decision.

4- Costs in the amount of $5,000.

¶ 4 Pursuant to this agreement, a settlement hearing was scheduled for December 12, 2012, at the IIROC office, in accordance with Rule 15 of the IIROC Rules of Practice and Procedure.

¶ 5 During the hearing, the Respondent, present and represented by Me David Gray, and IIROC, represented by Me Martin Hovington, asked the Hearing Panel to accept the Settlement Agreement concluded between them.

¶ 6 To this effect, IIROC Rule 20.36 limits the powers of the Hearing Panel to either accepting or rejecting a settlement agreement. In no case may the Hearing Panel modify the content of the agreement.

¶ 7 Moreover, though the Hearing Panel is not bound by the Settlement Agreement concluded between the parties, it may not set it aside simply because it would not have imposed the same penalties after a discipline hearing.

¶ 8 In *Re Rao*[1], the Hearing Panel reiterated the following principle in paragraph 10:

> "¶ 10 There is a further principle to the same effect found in the decision of *Re Graydon Elliot Capital Corporation*, [2007] IDAC No. 43, at paragraph 9, which reads as follows:
>
> > "The Panel accepts that its role under the By-laws in reviewing a Settlement Agreement is not the same as its role considering penalty following a hearing on the merits. As has been said in a number of cases, in considering a Settlement Agreement, the Panel should not simply substitute its discretion to that of Staff in negotiating the settlement. The Panel must be cognizant of the importance of the settlement process, and it should not interfere lightly in a negotiated settlement. We acknowledge that the settlement process is one of negotiation and compromise and the penalty imposed may be somewhat different than one imposed following a hearing where similar findings are made and the Panel determines the penalty."

¶ 9 The Québec Court of Appeal had already ruled along the same lines, in *Poulin* c. *La Reine*[2]

> [TRANSLATION]
>
> "[10] While the judge is not bound by the joint suggestion of the parties, he may not disregard it unless it is unreasonable, contrary to the public interest, or likely to bring the administration of justice into disrepute […]"

¶ 10 The factual background of this case is well summarized in paragraphs 16 to 47 of the Settlement Agreement between the parties.

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[1] [2011] IIROC 12

[2] 2010 QCCA 1854. See also *Re Vorstadt,* [2012] IIROC 15, at par. 8.

¶ 11 At the hearing, each party's legal counsel therefore focused on the aggravating and mitigating circumstances that justify the terms of settlement agreed to in the Settlement Agreement.

¶ 12 The aggravating circumstances that were raised are as follows:

- The clients who were victims of Respondent's misconduct are two (2) elderly gentlemen;
- The clients who were victims of Respondent's misconduct suffered financial losses;
- Each of the alleged violations occurred over a period of approximately two (2) years;
- Respondent exhibited negligence by not sending his employer, an IIROC dealer member, the complaints lodged by two of his clients.

¶ 13 The mitigating circumstances raised are the following:

- The two (2) clients who were victims of the Respondent's misconduct were compensated;
- The Respondent derived no personal financial gain from the misconduct;
- The Respondent had 13 years of experience in the investment industry when the violations occurred and had no prior history of regulatory misconduct;
- There was an interval of two years between each violation;
- The violations that occurred constitute isolated incidents;
- At the time the Settlement Agreement was negotiated, the Respondent was already under close supervision, on a voluntary basis;
- The Respondent has admitted his misconduct and his liability in regard to the violations that occurred;
- The Respondent had committed to compensating the clients who were victims of his misconduct;
- The Respondent has cooperated fully in the IIROC's investigation.

¶ 14 The legal counsel for IIROC then presented to the Hearing Panel several decisions which, in their opinion, establish the reasonableness of the penalties proposed by the parties, among them *Armstrong (Re)*[3], *McQuarrie (Re)*[4], *Babb (Re)*[5], *Lafleur (Re)*[6], *Phillips (Re)*[7], *Re Vorstadt*[8] and *Sullivan (Re)*[9].

¶ 15 In *Armstrong (Re)*, the Respondent had committed the following violations:

1- He executed unauthorized trades in a client's account;

2- He failed to inform his manager of his client's complaint.

¶ 16 In this matter, the Hearing Panel accepted a settlement agreement that provided the following penalties:

1- A fine of $5000 for the unauthorized trades;

2- A fine of $4,000 for the failure to forward the complaint;

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[3] [1999] I.D.A.C.D. No. 7.
[4] [2002] IDA.
[5] [2000] IDA.
[6] [2002] IDA.
[7] [2010] IIROC No. 14.
[8] op. cit., note 2.
[9] [2005] I.D.A.C.D. No. 42.

3- Costs in the amount of $2000, payable to the IDA.

¶ 17 In *McQuarrie (Re)*, the Respondent had committed the following violations:

1- He made four (4) unauthorized trades in a client's account;

2- He issued three (3) false or misleading communications to the same client.

¶ 18 In this matter, the Hearing Panel accepted a Settlement Agreement that provided the following penalties:

1- Fine of $15,000;

2- Successful completion of the Conduct and Practices Handbook Exam;

3- Costs in the amount of $3000 payable to the IDA.

¶ 19 In *Babb (Re)*, the Respondent had committed the following violations:

1- He omitted to sell a portfolio in a client's account, which led to a loss for the client;

2- He did not inform his employer of the incident, or of the complaint that resulted;

3- He failed to inform his subsequent employer of the litigation pending;

4- He promised to compensate the client, without the authorization of either of his employers;

5- To reassure his client regarding the promised compensation, he sent him a series of letters in which he incorrectly stated his account balances.

¶ 20 In this matter, the hearing panel accepted a settlement agreement which provided the following penalties:

1- A $10,000 fine;

2- Suspension of approval for a period of six (6) months;

3- Successful completion of the Conduct and Practices Handbook Exam;

4- Strict supervision for a period of twelve (12) months;

5- Costs in the amount of $4000 payable to the IDA;

¶ 21 In *Lafleur (Re)*, the respondent had committed the following violations:

1- Over a five (5)-month period while he was a branch manager, he did not inform his employer of a trading error and the client complaint that resulted;

2- He solicited financial assistance from a client.

¶ 22 In this matter, the hearing panel accepted a settlement agreement which provided the following penalties:

1- A $15,000 fine;

2- Suspension of approval from acting in a supervisory capacity for a period of seven (7) years;

3- Successful completion of the Conduct and Practices Handbook Exam;

4- Close supervision for a period of twelve (12) months, with submission of monthly supervision reports;

5- Costs in the amount of $3000 payable to the IDA;

¶ 23 In *Phillips (Re)*, the respondent had committed the following violations:

1- He made four (4) unauthorized trades in a client's account, which resulted in a gross loss of $39,000;

2- He personally covered losses caused by 50 discretionary trades that he effected without authorization, in the account of another client;

3- He executed discretionary trades, without authorization, in the account of the third client;

4- He led a client to believe that she was still receiving income from a $100,000 bond, when he knew that the bond had been sold;

5- He used the $100,000 bond to cover certain discretionary trades effected in the client's account, without her knowledge or consent;

6- He injected personal funds in the accounts of certain clients to cover the losses caused by his discretionary trading;

7- He falsified a client's signature on an account guarantee agreement in favour of another client;

8- He gave a client his personal guarantee concerning the results of trades in a position, and reimbursed the client with personal cheques to cover the losses that resulted from the trades.

¶ 24 In this matter, the hearing panel accepted a settlement agreement that provided the following penalties:

1- A $15,000 fine on count 1;

2- A $25,000 fine on counts 2 and 3;

3- A $10,000 fine on count 4;

4- A $15,000 fine on counts 4, 5 and 6;

5- A $25,000 fine on count 7;

6- A $10,000 fine on count 8;

7- A permanent ban on approval;

8- Costs in the amount of $25,000 payable to IIROC.

¶ 25 In *(Re) Vorstadt*, the respondent had committed the following violations:

1- He fabricated a letter that was supposed to have come from Manulife Financial, in which he gave false or misleading information regarding the warranty terms of an investment product that he had recommended to a client;

2- He printed the letter on Manulife Financial letterhead and forged the signature of a Manulife Financial employee.

¶ 26 In this matter, the hearing panel accepted a settlement agreement that provided the following penalties:

1- A $40,000 fine;

2- A ban on approval for a period of seven (7) months;

3- Costs in the amount of $5,000 payable to the IDA.

¶ 27 In *Sullivan (Re)*, the respondent had committed the following violations:

1- He facilitated a loan between some clients and his son's company, without informing his employer;

2- He did not forward to his employer the complaint received from a client;

3- He indicated to a client that he would personally make up the difference if the latter incurred any losses.

¶ 28 In this matter, the hearing panel accepted a settlement agreement that provided the following penalties:

1- A $10,000 fine on count 1;

2- A $5000 fine on count 2;

3- A $10,000 fine on count 3.

4- Successful completion of the Conduct and Practices Handbook Exam;

5- Close supervision for a period of six (6) months;

6- Costs in the amount of $10,000 payable to the IDA.

¶ 29 In the matter before us, the Hearing Panel must analyze the content of the Settlement Agreement concluded between the parties in light of the objectives below, which must guide the determination of penalties:

- protection of the investing public;
- protection of the rights and privileges of membership in IIROC;
- protection of the integrity of the IIROC process;
- protection of the integrity of the securities markets;
- prevention of any repetition of the type of conduct under consideration[10].

¶ 30 Based on these objectives, the applicable jurisprudence, and IIROC's *Dealer Member Disciplinary Sanction Guidelines,* more particularly as it pertains to Misrepresentations, the Hearing Panel has decided, after deliberation, that the sanctions proposed in the Settlement Agreement entered into between the parties are within the bounds of what is reasonable for the type of misconduct alleged against the Respondent in this matter.

¶ 31 The Hearing Panel nevertheless wishes to make clear at this point, that it hesitated a good deal before declaring that the penalties agreed to in the Settlement Agreement were reasonable, notably for the following reasons:

1- The unapportioned aggregate fine does not allow comparison with other penalties imposed for similar behaviour;

2- The penalties proposed in the Settlement Agreement seem severe compared to the penalties imposed in similar cases, and are at the upper limit of the range of reasonable penalties.

¶ 32 Nevertheless, the Hearing Panel finds the Settlement Agreement on the whole consistent with the public interest. Consequently,it accepts the Settlement Agreement in order to give full effect to it.

FOR THESE REASONS, THE HEARING PANEL:

ACCEPTS and GIVES EFFECT to the Settlement Agreement signed on October 11 and 15, 2012 by IIROC and the Respondent Bernard Patrick King.

Montréal, this 18th day of March 2013

Me Alain Arsenault, Chair

Mr. Jean W. Jeannot, Panel Member

Mr. François Gervais, Panel Member

[10] *Derivative Services Inc,* [2000] I.D.A.C.D. No.26, on page 3.

SETTLEMENT AGREEMENT

I. BACKGROUND

1. Enforcement Staff of the Investment Industry Regulatory Organization of Canada (Staff) and Mr. Bernard King (the Respondent) consent and agree to the settlement of these matters by way of this settlement agreement (Settlement Agreement);

2. The Enforcement Department of the Investment Industry Regulatory Organization of Canada (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 (IDA) and Market Regulation Services Inc. Pursuant to the Administrative and Regulatory Services Agreement between the IDA and IIROC, which came into force June 1, 2008, the IDA has retained IIROC to provide the necessary services for the IDA to carry out its regulatory functions;

4. The Respondent consents and agrees to be subject to IIROC's jurisdiction;

5. The Investigation disclosed matters for which the Respondent may be disciplined by a Hearing Panel appointed pursuant to Part C of Schedule C.1 to Transition Rule No. 1 of IIROC (the Hearing Panel).

II. JOINT SETTLEMENT RECOMMENDATION

6. Staff and the Respondent jointly recommend that the Hearing Panel accept the Settlement Agreement;

7. The Respondent admits to the following contraventions of IIROC Rules and Guidance and IDA By-Laws, Regulations or Policies:

   a) On October 1, 2007 and June 15, 2009, Respondent made deceptive representations to one of his clients, twice confirming to him in writing that the capital invested in the ROC PREF III Corp. security was guaranteed, contrary to IIROC Dealer Member Rule 29.1 (formerly IDA By-Law 29.1);

   b) On February 24, 2010 and March 3, 2012, Respondent failed to use due diligence by neglecting to send his employer, an IIROC dealer member, the complaints of two of his clients, contrary to IIROC Dealer Member Rule 2500B.2, Rule 3100 and Rule 3100 Part I A(c).

8. Staff and the Respondent have accepted the following terms of settlement:

   a) a fine in the amount of $30,000;

   b) strict supervision for a period of nine (9) months;

   c) successful completion of the Conduct and Practices Handbook Course within six (6) months following the Hearing Panel's decision.

9. The Respondent agrees to pay IIROC costs in the amount of $5,000.

III. STATEMENT OF FACTS

(i) Acknowledgment

10. 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

SUMMARY OF THE RESPONDENT'S ALLEGED MISCONDUCT

11. Twice, Mr. King confirmed in writing to one of his retired clients that the ROC PREF III Corp. (ROC) security was capital-guaranteed when it was not. The second time, Respondent repeated the deceptive

information to his client knowing that the security issuer's financial position had deteriorated;

12. Subsequently, the client sent a copy of his written complaint to the Respondent to inform the latter of his dissatisfaction. Though he had personally received a copy of a complaint that concerned him, albeit addressed to the Autorité des marchés financiers (AMF), Respondent did not forward it to his superiors;

13. Approximately two (2) years later, namely on March 3, 2012, another client of the Respondent, this one 90 years old, was dissatisfied with his shareholding in a company that was on the brink of bankruptcy. His dissatisfaction was such that he demanded from Respondent the sum of $15,000 and asked to speak to his manager. However, despite this verbal expression of dissatisfaction, Respondent did not quickly inform his manager of the existence of this client's complaint, and attempted instead to settle the complaint by himself.

THE RESPONDENT

14. The Respondent has been employed in the securities industry as a registered representative (retail) since July 1994;

15. On June 1, 2008, Respondent became a registrant of IIROC;

16. Respondent has been employed with TD Waterhouse Canada Inc. (TD) since February 1996, where he holds the position of registered representative (retail). He is currently under close supervision.

WRITTEN GUARANTEES OF CAPITAL RETURN AND FAILURE TO FORWARD TWO COMPLAINTS TO TD

17. On or around January 31, 2003, A, a retiree, opened cash brokerage account number 8H2236 with TD. The Respondent was the registered representative assigned to this brokerage account;

18. On the New Account Application Form for account number 8H2236, A's investment knowledge was termed fair;

19. When account number 8H2236 was opened, A consented to a 100% medium risk profile;

20. A's information was updated on February 19, 2004 and again on October 1, 2009. These updates show no change in the level of A's investment knowledge, nor in his risk tolerance;

21. On or around November 17, 2004, B, who was 82 years old at the time, opened a Canadian cash brokerage account with TD, with the number 8I1777-A, and a registered account with the number 8I1777-T. The Respondent was the registered representative assigned to these brokerage accounts;

22. On or around March 7, 2005, Respondent recommended to A that he purchase eight hundred (800) preferred shares of ROC at a price of $25 per share, for a total of $20,000. A accepted the recommendation and the transaction was executed in his brokerage account;

23. On or around March 7, 2005, the ROC security was attributed a provisional rating of P-1 by Standard & Poor's (S&P), making it a superior quality risk;

24. The "Risk Factors" section of the February 28, 2005 prospectus on the ROC security states the following:

"An investment in Preferred Shares is subject to certain risk factors, including:

> *(i) there can be no assurance that the Company will be able to achieve its capital repayment objective or its distribution objective;*
>
> *(ii) there is no guarantee that the Credit Linked Note will earn any return and the Credit Linked Note could be subject to losses, including the fact that if defaults occur with respect to the Reference Companies in the CLN Portfolio, the principal amount of the Credit Linked Note may be reduced, possibly to zero;*
>
> *(iii) there can be no assurance that the Preferred Shares or the Credit Linked Note will maintain their rating by S&P and relatively few defaults by Reference Companies in the CLN Portfolio may result in the rating on the Preferred Shares or the Credit Linked Note*

being lowered. Any lowering or withdrawal of such ratings may have a negative effect on the market value of the Preferred Shares;

(iv) (...)"

25. On September 28, 2007, observing the drop in the market value of the ROC security, A sent the Respondent an email in which he states the following:

    [TRANSLATION]

    (i) "(...) Unless I am mistaken, the capital is guaranteed at maturity for all of my mutual funds except WORL SPLIT (sic) *so I will wait for ROC PREF III (...)"*

26. On October 1, 2007, in reply to A's email, Respondent wrote that ROC has a guarantee while specifying that World Capital does not;

27. On or around September 25, 2008, a press release issued by ROC announced that S&P had lowered its security's rating from P-2 (low), which means an investment of satisfactory quality, to P-4 (high), which means an investment of adequate quality but that has been placed on CreditWatch with negative implications;

28. Despite the publication of this press release, the Respondent did not inform A that the financial position of the ROC security's issuer had deteriorated, whereas he knew that his client was expecting a return of the invested capital;

29. On June 12, 2009, A sent the following email to the Respondent regarding the ROC security:

    [TRANSLATION]

    (i) « (...) The value of ROC PREF III and BMO DYN have (sic) *also declined considerably, confirm me* (sic) *that the capital is guaranteed at maturity. »*

30. On June 15, 2009, Respondent replied to A in writing that the ROC security has a guarantee, despite the substantial drop in the ROC security's rating and the fact that there is no guarantee;

31. Yet, on or around December 18, 2009, the ROC fund manager redeemed all the preferred shares at a price of $6.55 per share, in accordance with the early redemption clause in the ROC prospectus;

32. Brokerage account number 8H2236, belonging to A, was then credited with an amount of $5,239.62, thus realizing a capital loss of $14,760.38. This capital loss represents 73% of the capital that A invested in the ROC security;

33. On December 22, 2009, B purchased 600 preferred shares from the issuer YPG Holding 6.9% PFD (hereinafter called Yellow Media) for a total of $15,000. The transaction was executed in cash account number 8I1777-A;

34. On February 24, 2010, A sent an email to the Respondent informing him that he would find attached a copy of the complaint sent to the AMF;

35. The complaint of February 16, 2010 indicates that A was not just complaining about the behaviour of the ROC security's issuer, but also alleged the following points of fact:

    (i) A alleged that Respondent had confirmed to him that the capital portion of the ROC security was guaranteed at maturity;

    (ii) A wondered about the legal remedies available to him against Respondent's employer in order to recover the capital loss incurred following early redemption of the ROC shares.

36. Points (i) and (ii) should have made it clear to the Respondent that his own behaviour was at the source of A's dissatisfaction, and that it was not leveled solely at the issuer of the ROC security. Consequently, Respondent should have forwarded the written complaint to his branch manager promptly, but he did not;

37. It was only on or around June 9, 2010 that TD learned of the existence of A's complaint, namely after the AMF sent it a copy thereof;

38. On July 8, 2010, B purchased 25,000 debentures from the issuer Yellow Media 6.25% for a total value of $25,000. The transaction was executed in registered account number 8I1777-T.

39. On February 27, 2012, B called the Respondent to discuss his investment in Yellow Media shares and the fact that the financial position of the shares' issuer was deteriorating. Indeed, B had learned through the media that the financial situation of the issuer Yellow Media had deteriorated to the point that a restructuring was being considered, and he was displeased about this. In the face of B's reaction, Respondent suggested a face-to-face meeting, namely on March 3, 2012;

40. On March 3, 2012, as arranged, Respondent went to B's TD Canada Trust branch to discuss the latter's expressed dissatisfaction regarding Yellow Media's deteriorating financial position. At the meeting, B verbally expressed his dissatisfaction to the Respondent, reminding him that at 90 years of age, he could no longer take this kind of risk. However, despite the explanations given by the Respondent, B remained dissatisfied and demanded that Respondent take the following actions:

    (i) He demanded to speak with the Respondent's manager;

    (ii) He demanded that the Respondent reimburse him the amount of $15,000;

41. At that point, Respondent informed B that he did not have the power to decide of his own accord to indemnify him for the amount he was demanding, namely $15,000. He also informed him that his manager was on vacation for ten (10) days;

42. Despite B's verbal expression of dissatisfaction and Respondent's acknowledgment that he did not have the necessary authority to decide on his own to indemnify a client, Respondent did not inform his manager of the existence of B's verbal complaint;

43. Not only did Respondent not inform his manager of the existence of B's complaint, but he attempted rather to resolve it on his own by taking the following actions:

    (i) On March 10, 2012, Respondent had a face-to-face meeting with B at the TD Canada Trust branch, to show him that the recommended investment strategy was suitable since the breakdown of his investments was such that the losses connected with the devaluation of the Yellow Media security were offset by the performance of his other investments;

    (ii) On March 13, 2012, Respondent went to B's home and left information in his mailbox on the inherent features of preferred shares in general, but no specific information on the Yellow Media security or the current financial status of the security's issuer;

    (iii) On March 13, 16, 19, 21, 23 and 28, 2012, as well as on April 2 and 3, 2012, the Respondent communicated with either B or B's son, or with the TD Canada Trust branch manager, to try to resolve B's complaint.

44. In spite of all the steps taken by the Respondent, B stood his ground and remained dissatisfied;

45. As arranged with B beforehand, Respondent contacted B on April 3, 2012 to arrange another meeting with him. It was then that B informed Respondent that a meeting with him would no longer be useful, given that his TD Canada Trust branch manager had already contacted TD head office about him;

46. It was only towards April 3, 2012, that Respondent's manager was finally informed of the existence of B's complaint;

47. Indeed, Respondent willfully chose not to transmit B's complaint to TD, thus preventing the latter from responding to the complaint in a timely and efficient manner;

IV. TERMS OF SETTLEMENT

48. This settlement is agreed to in accordance with Dealer Member Rule 20.35 to 20.40 inclusive, and Rule

15 of the Dealer Member Rules of Practice and Procedure.

49. The Settlement Agreement is subject to acceptance by the Hearing Panel.

50. The Settlement Agreement shall become effective and binding upon the Respondent and Staff from the date of its acceptance by the Hearing Panel.

51. 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.

52. If the Hearing Panel accepts the Settlement Agreement, the Respondent waives his right, under IIROC Rules and any applicable legislation, to a disciplinary hearing, review or appeal.

53. 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.

54. The Settlement Agreement will become available to the public upon its acceptance by the Hearing Panel.

55. 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.

56. Unless otherwise stated, any monetary penalties and costs imposed upon the Respondent are payable immediately on the effective date of the Settlement Agreement. 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 Montreal, Quebec, this 11th day of October 2012.

« DAVID GRAY »	**« BERNARD P. KING »**
WITNESS	**RESPONDENT**

AGREED TO by Staff at Montreal, Quebec, this 15th day of October 2012.

ÉMILIENNE ROBICHAUD	**« MYRIAM GIROUX-DEL ZOTTO »**
WITNESS	**MYRIAM GIROUX-DEL ZOTTO**
	Enforcement Counsel, for Staff of IIROC