

Re Gilbert

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

Charline Gilbert

2014 IIROC 23

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

Hearing and decision rendered: May 8, 2014
Reasons issued: June 11, 2014

Hearing Panel

The Honourable Benjamin J. Greenberg, Q.C., Chair, Mr. Yves Julien and Mr. Jacques Lemay

Appearances

Me Sébastien Tisserand, Counsel for IIROC

Me Marius Ménard, Counsel for the RESPONDENT

DECISION ON SETTLEMENT AGREEMENT

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BACKGROUND

¶ 1 In the matter before us, the RESPONDENT was charged on three counts to which she initially pleaded not guilty. Originally, the three counts read as follows:¹

"Count 1

Between March 7, 1994 and May 16, 2013, the Respondent made false statements to the IDA, now IIROC, in her applications for registration/approval as a registered representative and in her communications with the various regulatory bodies, by stating that she held a master's degree and/or a doctorate when she had not earned these degrees, thereby engaging in conduct unbecoming or detrimental to the public interest, contrary to By-law 29.1 of the IDA (now IIROC Dealer Member Rule 29.1);

Count 2

Since 2005, Respondent has misrepresented herself to her clients and participated in publicity and presentations to the public as a person with a master's degree and/or a doctorate in finance, and used the abbreviations corresponding to these degrees on her business cards and other promotional documents, whereas she had not earned these degrees and/or titles, thereby engaging in conduct unbecoming or detrimental to the public interest under the terms (of – sic) IDA By-law 29.1 (now IIROC Dealer Member Rule 29.1);

Count 3

When she was hired, on or around May 17, 2004, and/or when she applied for accreditation as an associate portfolio manager on or around September 3, 2004, Respondent presented her employer, an IIROC-regulated firm, with an attestation of a university degree, whereas she knew or ought to have known that this attestation contained false information, with the intention that her employer accept the document as a true copy of the original document and act accordingly, thereby engaging in conduct unbecoming or detrimental to the public interest pursuant to IDA By-law 29.1 (now IIROC Dealer Member Rule 29.1).

I. PARTICULARS AND HISTORY IN THE MATTER²

¶ 2 For 19 years, RESPONDENT falsely stated to the IDA, and then to IIROC, as well as to her employers, IIROC-regulated firms, that she held a master's degree whenever she applied for approval or transfer. Subsequently, she falsely stated to these same parties that she held a doctorate in finance.

¶ 3 Between 2000 and 2004, RESPONDENT prepared or participated in the preparation of a false attestation of a master's degree, whereas she never earned the degree, nor was she ever enrolled in the program, and communicated this document to her employers so that they might consider it as true;

¶ 4 Finally, between 2004 and 2013, RESPONDENT prepared or had prepared business cards which she used, made presentations to the public, and had published newspaper and magazine articles containing abbreviations for master's and/or doctoral degrees, whereas she knew that this information was deceptive or might mislead the public.

¶ 5 RESPONDENT's **APPROVAL HISTORY** is summarized as follows in said **NOTICE OF HEARING**³:

"On or around May 15, 1991, Respondent was approved by the Commission des valeurs mobilières du Québec (CVMQ) as a representative of a mutual fund dealer on behalf of

¹ See description of the three Counts on page 2 of the **NOTICE OF HEARING** dated January 20, 2014.

² See paragraphs 1, 2 and 3 on pages 2 and 3 of the aforesaid **NOTICE OF HEARING**.

³ See paragraphs 4 to 33 of the **NOTICE OF HEARING**.

CIBC Securities Inc.;

On or around July 23, 1993, Respondent left her job with CIBC Securities Inc.;

On or around August 18, 1993, Respondent submitted to the CVMQ a uniform application for registration as a mutual funds representative with BNP (Canada) Valeurs Mobilières inc. (BNP (Canada));

In support of her application, Respondent appended a résumé which states that she holds a master's in economics, dating from 1993, from Laval University, Faculty of Business Administration, Economics Department;

The Respondent also signed a sworn statement before a commissioner of oaths, that all the statements in her application, including the appendices, were accurate;

On the basis of this, on or around September 10, 1993, the CVMQ approved Respondent's transfer as a mutual funds representative for BNP (Canada);

On or around March 7, 1994, the IDA, on the basis of the documents supplied and the Respondent's sworn statement, also approved her restricted license as a mutual funds representative with BNP (Canada);

On or around August 4, 1994, once she passed the Canadian Securities Course, BNP (Canada) applied to the Montréal Exchange and to the IDA for approval of the Respondent as a representative with unrestricted practice;

In support of the application, Respondent submitted a uniform application for registration/approval for individuals, dated April 13, 1994, but received on August 5, 1994, containing a statement sworn before a commissioner of oaths to the effect that all statements made and appendices supplied were accurate;

One of these appendices was the Respondent's résumé in which she also stated that she had a master's in economics from Laval University, Faculty of Business Administration, Economics Department, dating from 1993. However, in the sworn uniform application for registration, Respondent stated that she held a "master's in international economics", dating from 1993;

On or around August 22, 1994, under decision 94-E-2907, the CVMQ registered the Respondent as a representative with unrestricted practice for BNP (Canada);

On or around September 8, 1994, still on the basis of the information and documents appended to the Respondent's sworn uniform application for registration/approval, the IDA approved her registration as a representative with unrestricted practice for BNP (Canada), conditional on proof of successful completion of the Canadian Investment Management course by no later than March 8, 1997;

On or around September 16, 1994, the IDA granted an amended application for approval of the Respondent as a representative with unrestricted practice for BNP (Canada), subject to six months of supervision by the branch manager effective September 8, 1994;

On or around May 9, 1997, the Respondent left her job with BNP (Canada);

On or around May 12, 1997, the Respondent filed an application for transfer with the Montréal Exchange for approval as a registered representative on behalf of Capital Midland Walwyn Inc. (Midland Walwyn);

On or around June 25, 1997, the Montréal Exchange accepted the Respondent's transfer;

On or around August 26, 1998, further to the sale of part of Midland Walwyn's activities, the IDA approved the transfer en bloc of the registered representatives, including the Respondent, to

Merrill Lynch Canada inc. (Merrill Lynch);

On or around September 6, 2002, following the sale of Merrill Lynch's activities, the Montréal Exchange accepted the transfer en bloc of the registered representatives, including the Respondent, to CIBC World Markets Inc. (CIBC WM)

On or around April 7, 2003, the IDA also accepted the transfer en bloc of the registered representatives, including the Respondent, from Merrill Lynch to CIBC WM, retroactively to December 28, 2001;

On or around May 14, 2004, Respondent resigned from CIBC WM in order to join RBC Dominion Securities Inc. (RBC Dominion);

On or around May 17, 2004, RBC Dominion asked the Montréal Exchange to accept the transfer of the Respondent from CIBC WM to the Québec City branch of RBC Dominion.

On or around May 17, 2004, Respondent signed another application for transfer with the Montréal Exchange, stating under oath that she had no changes to make to her earlier sworn registration forms;

On or around June 4, 2004, the Montréal Exchange consequently approved the Respondent's transfer application;

In the interim, on or around May 27, 2004, Respondent also submitted to the IDA a Uniform Application for Registration /Approval, form I-U-2002, sworn before a commissioner of oaths, in support of a request for transfer to RBC Dominion;

In this form, Respondent claims this time to have obtained a master's degree in finance (Master in Finance) from York University in 1994;

On or around September 3, 2004, on the basis of the information supplied by the Respondent, the IDA approved Respondent's transfer as a registered representative (retail) for RBC Dominion, retroactively to May 20, 2004;

In the interim, on or around August 3, 2004, Respondent sent the IDA an application for registration approval as an associate portfolio manager on behalf of RBC Dominion;

In this application, Respondent stated under oath that she had the following qualifications: "Bac fin" for Bachelor of Finance, "Maîtrise Fin" for Master of Finance, and "PhD Fin" for Doctorate in Finance;

Consequently, on or around September 3, 2004, the IDA accepted the change in the Respondent's approval as a registered representative (retail) and as an associate portfolio manager for RBC Dominion, effective September 2, 2004;

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

¶ 6 Regarding the "**DECEPTIVE ADVERTISING**", this element is summarized as follows in said **NOTICE OF HEARING**⁴:

"On or around April 12, 2004, the IDA published Bulletin 3270 entitled "By-Laws and Regulations – By-law 29.7 Advertisements, Sales Literature and Correspondence", following approval by the Board of Directors of the Association of amendments to By-law 29.7, to be effective August 1, 2004;

By-law 29.7 provided that "(...) no registered or approved persons shall issue or send any advertisement, sales literature or correspondence in connection with its or his or her business

⁴ See paragraphs 34 to 46 of the **NOTICE OF HEARING**.

which: (a) contains any untrue statement or omission of a material fact or is otherwise false or misleading”;

However, since her hiring in 2004, Respondent had been using the abbreviation “M.Sc.Fin.”, and since 2005, the abbreviation “Ph.D.”, on her business cards issued by her employer, RBC Dominion. Moreover, Respondent was already using the abbreviation “M.Sc.Fin.” on her business cards issued by her previous employer, CIBC WM;

During this period, Respondent also used these professional abbreviations in her external communications and in advertising documents that were disseminated to the public. The following elements are non-exhaustive examples of Respondent’s use of these abbreviations;

On or around January 23, 2008, Respondent indicated in a promotional document advertising a conference to the public that she held the accreditations “M.Sc.Fin.” and “Ph.D.”, after her name;

On or around July 29, 2008, Respondent produced a bid for an investment management service in which she added after her signature the accreditations “M.Sc.Fin.” and “Ph.D.”;

In 2009, Respondent supplied a résumé for the RBC Dominion website, which indicated that she had held a Master of Finance in international finance from York University-Toronto since 1984, and a Doctorate in Finance from the University of Toronto since 2004. Respondent then allowed the RBC Dominion website to post that she held the professional titles “M.Sc.Fin.” and “Ph.D.”, referring to her appended résumé;

On or around October 26, 2011, Respondent signed a letter on RBC Dominion letterhead displaying after her signature the accreditations “M.Sc.Fin.” and “Ph.D.”;

On or around December 7, 2011, IIROC published Rules Notice 11-0349 entitled “Guidance Note – Guidelines for the review, supervision and retention of advertisements, sales literature and correspondence”, to replace the previously cited notice dated April 12, 2004, to provide guidance on the dissemination and communication of information and advertising by any means of communication (website, social media, blogs, etc.);

On or around January 11, 2012, Respondent prepared an offer of service in which the accreditations “M.Sc.Fin.” and “Ph.D.” are mentioned after her name;

Between June 30 and September 30, 2012, Respondent prepared six portfolio evaluations for six different clients, mentioning the accreditations “M.Sc.Fin.” and “Ph.D.” after her name;

On or around November 24, 2012, Respondent participated in an article published in the newspaper “Le Soleil”, which states that [TRANSLATION]“she earned a degree in business administration with a concentration in finance, economics and insurance, a master’s in finance”;

On or around February 13, 2013, Respondent made a presentation to potential clients in which the accreditations “M.Sc.Fin.” and “Ph.D.” are stated after her name.

¶ 7 As might be expected, the lies that the RESPONDENT had circulated for nearly twenty years were eventually exposed, as described in the aforesaid **NOTICE OF HEARING**.⁵

“In January 2013, RBC Dominion organized an in-house conference for branch managers, notably in order to share best practices on the use of titles and designations, and with the recommendation to verify titles that are not awarded by the CSI;

On or around January 21, 2013, the manager of the RBC Dominion branch in Québec City,

⁵ See paragraphs 47 to 65 of the NOTICE OF HEARING.

where the Respondent was posted, asked all of the registered representatives to submit, by February 1, 2013, proof of their titles and accreditations, other than those conferred by CSI;

On or around January 24, 2013, Respondent replied to the request by stating that the relevant documents had already been submitted when she was hired in 2004 and when she applied for registration as a portfolio manager;

The same day, after a fruitless internal search and a renewed request from RBC Dominion, Respondent declared that she would request an attestation of the doctorate, while maintaining that she had already provided the attestation for her master's degree;

On January 29, 2013, Respondent informed her employer that she had made a request for an attestation of her doctorate, but that it would take approximately 5 to 8 days;

The same day, her branch manager asked her to also send her a copy of her master's degree, as it was missing from her file;

On February 1, 2013, Respondent informed her employer that the attestation of the master's degree would be submitted early the following week;

On February 4, 2013, Respondent informed her employer that she would hand in her file the next day, but that she was still waiting to receive her attestation of the doctorate;

On or around February 8, 2013, Respondent remitted to her employer a copy of an attestation dated February 15, 2000, from Laval University, to the effect that she had satisfied the requirements of the Master of Finance program and that consequently, Laval University in collaboration with York University had awarded her a Master of Finance diploma on June 30, 1984; [Emphasis added]

On or around February 11, 2013, Respondent went to see her branch manager and confirmed to her that she had in her possession the original of the attestation of the master's degree, and that she had begun her doctorate in 2002 at the University of Toronto, but had switched and completed everything at York University in 2007, which documents would be submitted shortly;

On or around February 14, 2013, following a request from RBC Dominion, York University disputed the Respondent's claims that she had obtained either a master's degree or a doctoral degree from that establishment. York University's records show that Respondent never obtained any diploma from that university;

Consequently, the same day, RBC Dominion dismissed the Respondent for misrepresentation regarding her diplomas and for having allowed misleading information to be published on the firm's website and on the Respondent's business cards;

On or around March 13, 2013, Respondent wrote to the IIROC Registration Department on letterhead from a new IIROC-regulated firm, to request her transfer, explaining that she had completed a bachelor's degree in business administration (concentration finance) at Laval University, jointly with York University, and that the mention master's degree in international economics – 1993, on the form she submitted to the IDA in 1994, as well as on the 2004 form, should have read [TRANSLATION] “master's degree in finance, international in nature through twinning with another university”;

As for her doctorate, Respondent stated that [TRANSLATION] “mentions regarding a Ph.D. included in one version of my résumé arose from the fact that I had in fact considered enrolling in this training, but ultimately rejected the idea for personal reasons,” in so doing admitting that she never obtained a doctorate in finance;

On or around April 15, 2013, Respondent sent IIROC a certified true attestation from Laval University, conferring her a certificate in economics on June 30, 1983, as well as an attestation

of a Bachelor of Business Administration, on February 28, 1985;

On May 16, 2013, Respondent stated under oath, and repeatedly, in a filmed interview, that she held a master's degree in business administration, option finance, from Laval University, but admitted that she did not have a doctorate in finance;

On May 17, 2013, Laval University reviewed the attestation supplied by the Respondent and according to its [TRANSLATION] "institutional databases and our records, Ms. Charline Gilbert was never admitted, enrolled, and by the same token never graduated from a master of business administration program or master of finance program";

Consequently, neither Laval University nor York University are prepared to certify that Respondent really obtained a master's degree in finance. Respondent simply enrolled in winter 2012 in a "non-degree studies (graduate)" program and took the course "Problèmes économiques internationaux" [International Economic Problems], but her student record was closed after an absence of more than 10 months;

Finally, a sample attestation of diploma is available in Word format, unprotected, on the Laval University website. This model matches the attestation supplied by the Respondent in an attempt to show that she had a master's in finance from Laval University. [Emphasis added]

¶ 8 The late-breaking Settlement Agreement concluded between the parties is to the effect that the RESPONDENT agrees to plead guilty on all three counts, inasmuch as the third count is amended by replacing the following words at the start:

"When she was hired, on or around May 17, 2004, and/or when she applied for accreditation as an associate portfolio manager on or around September 3, 2004, Respondent presented her employer, an IIROC-regulated firm, with an attestation of a university degree"

by:

"On or around February 8, 2013, Respondent remitted to her employer a copy of an attestation dated February 15, 2000, from Laval University, to the effect that she had satisfied the requirements of the Master of Finance program and that, consequently, Laval University in collaboration with York University had awarded her a Master of Finance diploma on June 30, 1984."

¶ 9 That said, the Parties have agreed to jointly recommend that the HEARING PANEL accept the SETTLEMENT AGREEMENT and impose the following penalties:

- A. Surrender of RESPONDENT's registration and prohibition from reapproval in any capacity with IIROC for a period of 10 years;
- B. RESPONDENT shall pay a fine of \$10,000; and
- C. RESPONDENT shall pay IIROC costs to a maximum of \$5,000.

II. MISSION OF THE HEARING PANEL

¶ 10 Our mission is not that of an appeal body. It is not our role to question whether, after hearing both parties in the matter in first instance, we would have ruled or not as the Parties have agreed in their Settlement Agreement.

¶ 11 Neither is it up to us to question whether the content of the Settlement Agreement is too lenient or too harsh. That is not our role either in this instance.

¶ 12 Even if we were of the opinion that, having heard the matter in first instance, our ruling on penalties would have been harsher or more lenient than the content of the Settlement Agreement, that would not be our mission either.

¶ 13 What we must ask ourselves is:

Considering all of the facts in the matter, the mitigating factors, the aggravating factors and the applicable case law, is the content of the Settlement Agreement lenient or harsh to the point of being unreasonable, detrimental to the public interest, and likely to bring the administration of IIROC's disciplinary process into disrepute?⁶

III. PLAINTIFF'S POSITION

¶ 14 Through Me Tisserand, we are informed that PLAINTIFF is of the opinion that, considering all the facts in the matter, namely the age of the RESPONDENT, her state of health, the mitigating and aggravating circumstances as well as the applicable case law, the Settlement Agreement is just and fair toward the RESPONDENT and also satisfies IIROC's disciplinary process guidelines.

IV. RESPONDENT'S POSITION

¶ 15 For his part, Counsel for the RESPONDENT echoes PLAINTIFF's position and affirms that the Settlement Agreement is just and fair.

V. ANALYSIS AND DISCUSSION

¶ 16 In regard to the components of the Settlement Agreement negotiated between the Parties, considering the RESPONDENT's current age of 55, the ten-year suspension will run until age 65. Therefore, for all practical purposes, the ten-year suspension becomes a lifetime suspension. It would be extremely difficult, if not impossible, for the RESPONDENT to reenter the securities industry at age 65, the age when most Québec workers have already taken their retirement.

¶ 17 Consequently, the aspect of the Settlement Agreement concerned with the length of the suspension is harsh.

¶ 18 On the other hand, the \$10,000 fine and \$5,000 in costs are rather lenient compared to other similar violations. The case law⁷ shows us – for similar types of violations – fines and costs that range from sometimes less to sometimes more than those agreed to in this matter. Usually, the costs incurred by IIROC for this type of investigation and disciplinary proceedings by far exceed the amount of \$5,000.

¶ 19 As for the **AGGRAVATING FACTORS**, the lying went on for an extended period, spanning nearly twenty years. Consequently, this was not a thoughtless action. It was intentional, planned, and even after the lies had been proven, the RESPONDENT continued to claim her innocence. It was not until the very eve of the Disciplinary Hearing in the matter that she faced reality.

¶ 20 In addition to her lies, we remind you of the 9th paragraph of the excerpt from the Notice of Hearing cited in paragraph [7] above, which reads as follows:

“On or around February 8, 2013, Respondent remitted to her employer a copy of an attestation dated February 15, 2000, from Laval University, to the effect that she had satisfied the requirements of the Master of Finance program and that consequently, Laval University in collaboration with York University had awarded her a Master of Finance diploma on June 30, 1984”

¶ 21 In comparing this paragraph with the last paragraph of the same excerpt of the Notice of Hearing cited in paragraph 7 above, it is apparent to us that the copy of the attestation dated February 15, 2000, which the RESPONDENT supplied to RBC on or around February 8, 2013 was falsified, fraudulently downloaded and

⁶ By analogy with the established principles of criminal law, when the prosecution and the defense agree and make a joint recommendation to the Court regarding the appropriate sentence for an accused person who either pleads guilty or is found guilty. See the Québec Court of Appeal judgment in *Paradis c. R.* and the other cases cited therein, 2009 QCCA 1312.

⁷ See *IDA v. Amiruddin Gillani*, [1999] I.D.A.C.D., No. 21, *IDA v. James Michael Brennan*, [2004] I.D.A.C.D., No. 18 and *IIROC v. Dirk Christian Lohrisch*, 2010 IIROC 31, in which the violations were very similar to the matter before us and the penalties were \$12,500, \$5,000 and \$40,000 respectively, and the costs, \$1,750, \$7,500 and \$27,000.

pasted together by her, from the sample attestation of diploma available in an unprotected WORD version on the Laval University website. One more aggravating factor.

¶ 22 There is also the prejudice that was caused to her employers and to the approval process of the self-regulatory organizations. Also an aggravating factor.

¶ 23 Let us not forget her lack of cooperation in the disciplinary process as well, another aggravating factor.

¶ 24 As for the **MITIGATING FACTORS**, Counsel for the RESPONDENT argues that she had no disciplinary history during all of the years she spent in the securities industry.

¶ 25 Yet, there are those who consider this more as a lack of an aggravating factor rather than the existence of a mitigating factor. In either case, it is the first time that the RESPONDENT has faced a disciplinary body and that is in her favour.

¶ 26 Another mitigating factor is the fact that none of her clients suffered any losses that might link directly to the RESPONDENT's actions.

¶ 27 A further mitigating factor is the internal sanctions imposed against the RESPONDENT by RBC Dominion Securities Inc. ("**RBC**").

¶ 28 In addition, the RESPONDENT has not worked in the securities industry for more than a year, since her last employer, RBC, dismissed her on or around February 14, 2013, the very same day RBC discovered and confirmed the lies. Since then, she has suffered a substantial loss of income, which constitutes a mitigating factor.

¶ 29 The fact that she has pleaded guilty, even if it was at the very end of the disciplinary process, is also a mitigating factor. Likewise her age and her state of health must also be considered mitigating factors.

¶ 30 As for her state of health, before the matter was settled on the eve of the Disciplinary Hearing, which was set for May 6, 7 and 8, 2014, on April 29, 2014, Counsel for the RESPONDENT wrote to the chair of the Hearing Panel in these terms:

[TRANSLATION]

"Mr. Chair:

Ms. Gilbert's physician informs us that her state of health does not permit her to attend the hearing set for this May 6, 7 and 8.

We are awaiting the appropriate medical certificates and the reasons justifying her physician's opinion. We will send you the described medical proof as soon as we receive it.

We consequently request that the hearing panel postpone the hearing to a later date to be determined."

¶ 31 The same day, the Chair of the HEARING PANEL replied by email to Me Ménard, Counsel for the RESPONDENT, asking him to supply the medical proof that was mentioned before 3 p.m. on May 1, 2014.

¶ 32 This led Counsel for the RESPONDENT to reply by letter dated May 1, 2014, in which he wrote:

[TRANSLATION]

"Mr. Chair:

Ms. Gilbert's psychiatrist is not comfortable emitting an opinion on the latter's capacity to participate in the hearing, or on the risks to her health of doing so. For the moment, we are unable to provide you with the announced attestations.

Moreover, please take note that we are engaged in serious settlement talks with IIROC regarding the matter cited above."

¶ 33 It is clear that the RESPONDENT is experiencing health problems, so that is one more mitigating factor.

¶ 34 In the SETTLEMENT AGREEMENT dated May 7, 2014, Staff of the PLAINTIFF and the RESPONDENT jointly recommend that the HEARING PANEL accept the SETTLEMENT AGREEMENT.

¶ 35 After mature reflection and deliberation, all three members of the HEARING PANEL have come to the conclusion, as stated above, that the elements of the Settlement Agreement are harsh with respect to the suspension, yet not so harsh from the standpoint of the financial penalty and costs.

¶ 36 Nevertheless, the overall Settlement Agreement is not unreasonable in either direction, to the point where one would be justified in rejecting the Settlement.

¶ 37 Consequently, the SETTLEMENT AGREEMENT, including the penalties agreed between the Parties, will be approved and ratified by the HEARING PANEL.

VI. FINAL DISPOSITION

¶ 38 This **UNANIMOUS DECISION ON THE SETTLEMENT REACHED BETWEEN THE PLAINTIFF AND THE RESPONDENT** shall be signed by the members of the HEARING PANEL in multiple copies. Each of these signed copies shall be equally valid and authentic and shall avail for all legal purposes.

VII. CONCLUSIONS

¶ 39 **FOR ALL THESE REASONS:**

WE, THE MEMBERS OF THE HEARING PANEL, APPROVE AND ACCEPT THE SETTLEMENT AGREEMENT REACHED BETWEEN THE PARTIES ON MAY 7, 2014 AND IMPOSE UPON THE RESPONDENT THE PENALTIES AGREED BETWEEN THE PARTIES, AS FOLLOWS:

A. SURRENDER OF THE RESPONDENT'S REGISTRATION AND PROHIBITION FROM REAPPROVAL IN ANY CAPACITY WITH IROC FOR A PERIOD OF 10 YEARS FROM THIS DATE;

B. RESPONDENT SHALL IMMEDIATELY PAY IROC A FINE OF \$10,000; AND

C. RESPONDENT SHALL IMMEDIATELY PAY IROC COSTS TO A MAXIMUM OF \$5,000.

VIII. SIGNATURES PAGE

Signed at Montréal (Québec), this 11th day of June, 2014

Benjamin J. Greenberg

Yves Julien

Jacques Lemay

SETTLEMENT AGREEMENT

I. BACKGROUND

1. The Enforcement Staff of IROC and the Respondent, Charline Gilbert, consent and agree to the settlement of these matters by way of this settlement agreement ("the Settlement Agreement");
2. The Enforcement Department Staff ("Staff") of the Investment Industry Regulatory Organization of Canada ("IROC") has conducted an investigation ("the Investigation") into the conduct of Charline Gilbert.

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 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) Between March 7, 1994 and May 16, 2013, the Respondent made false statements to the IDA, now IIROC, in her applications for registration/approval as a registered representative and in her communications with the various regulatory bodies, by stating that she held a master's degree and/or a doctorate when she had not earned these degrees, thereby engaging in conduct unbecoming or detrimental to the public interest, contrary to By-law 29.1 of the IDA (now IIROC Dealer Member Rule 29.1);
 - b) Since 2005, Respondent has misrepresented herself to her clients and participated in publicity and presentations to the public as a person with a master's degree and/or a doctorate in finance, and used the abbreviations corresponding to these degrees on her business cards and other promotional documents, whereas she had not earned these degrees and/or titles, thereby engaging in conduct unbecoming or detrimental to the public interest under the terms of IDA By-law 29.7 (now IIROC Dealer Member Rule 29.7);
 - c) On or around February 8, 2013, Respondent remitted to her employer, an IIROC-regulated firm, a copy of an attestation dated February 15, 2000 to the effect that she had satisfied the requirements of a joint Master of Finance program, whereas she knew or ought to have known that this attestation contained false information, with the intention that her employer accept the document as a true copy of the original document and act accordingly, thereby engaging in conduct unbecoming or detrimental to the public interest pursuant to IDA By-law 29.1 (now IIROC Dealer Member Rule 29.1).
8. Staff and the Respondent have accepted the following terms of settlement:
 - a) Surrender of her registration and prohibition from reapproval in any capacity with IIROC for a period of 10 years from this date;
 - b) A fine of \$10,000 payable immediately.
9. The Respondent also 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 and acknowledge that the terms of the settlement contained in this Settlement Agreement are based upon those specific facts.

(ii) Factual background

11. For nearly 20 years, Respondent misrepresented to her supervisory agencies, her employers and the general public, that she held graduate degrees. Subsequently, Respondent also misrepresented to everyone that she held a postgraduate degree for close to 10 years, and the Respondent used a document knowing

that it contained false information in an attempt to convince her employer that she did indeed hold a graduate-level degree.

APPROVAL HISTORY

12. Respondent was first approved by the Commission des valeurs mobilières du Québec (CVMQ) as a representative of a mutual funds dealer on or around May 15, 1993, then as a mutual funds representative on or around August 18, 1993;
13. Respondent was subsequently approved without interruption as a representative of a full service dealer from August 22, 1994 until May 13, 2013 inclusively;
14. On June 1, 2008, Respondent became a registrant of IIROC;
15. Respondent is no longer a registrant with an IIROC-regulated firm.

SWORN STATEMENTS

16. On or around August 5, 1994, Respondent signed under oath a Uniform Application for Registration/Approval (Form 1-U-85) as a representative of a dealer with an unrestricted practice;
17. In support of her application, Respondent appended a résumé which states that she holds a graduate degree;
18. Form 1-U-85 contains a written caution to the effect that “*filing of any false information or failure to disclose full information required by or on this application may result in its rejection or in disciplinary action taken against the applicant and/or the sponsoring firm within the provisions of the applicable securities and/or commodity futures legislation, regulations and policy statements of the securities regulatory authorities and within the terms of the by-laws, rulings, rules and/or regulations of any one of the self-regulatory organizations to which this application is submitted*”;
19. Form 1-U-85 also contains a sworn declaration that the statements made therein “*contain no misrepresentation*”, in witness whereof the Respondent signed under oath after declaring that she had read all of the questions on the form, and that she was aware of the significance of the answers given and the above cited warning;
20. On or around August 22, 1994, under decision 94-E-2907, the CVMQ registered the Respondent as a representative with unrestricted practice;
21. On or around September 8, 1994, still on the basis of the information and documents appended to the Respondent’s sworn uniform application for registration/approval, the IDA also approved her registration as a representative with unrestricted practice;
22. On or around May 14, 2004, Respondent filled out or had filled out for her Form 1-U-2000, an application for transfer and for approval as a representative of a broker with unrestricted practice, RBC Dominion Securities Inc.
23. Form 1-U-2000 contained the same written caution and the same sworn statement to the effect that any false statement or misrepresentation would incur the liability of the signatory;
24. In this form, the Respondent again claims to hold a graduate degree and swears to it under oath;
25. On or around September 3, 2004, on the basis of the information supplied by the Respondent, the IDA approved Respondent’s transfer as a registered representative (retail) for RBC Dominion Securities Inc., retroactively to May 20, 2004;
26. In the interim, on or around August 3, 2004, Respondent sent the IDA an application for approval as an associate portfolio manager;
27. In this application, Respondent states under oath that she had the following qualifications: “Bac fin” for

Bachelor of Finance, “Maîtrise Fin” for Master of Finance, and “PhD Fin” for Doctorate in Finance, in addition to the other registration requirements;

28. Consequently, on or around September 3, 2004, the IDA accepted the change in the Respondent’s approval as a registered representative (retail) and as an associate portfolio manager for RBC Dominion Securities Inc., effective September 2, 2004;
29. Note that the conditions for approval of a representative with the IDA and IIROC do not require a master’s or doctoral degree.

FALSE OR MISLEADING ADVERTISING

30. On or around April 12, 2004, the IDA published Bulletin 3270 entitled *By-Laws and Regulations – By-law 29.7 Advertisements, Sales Literature and Correspondence*, following approval by the Board of Directors of the Association of an amended By-law 29.7 to be effective August 1, 2004;
31. By-law 29.7 provided that “(...) *no registered or approved persons shall issue or send any advertisement, sales literature or correspondence in connection with its or his or her business which: (a) contains any untrue statement or omission of a material fact or is otherwise false or misleading*”;
32. However, since at least 2005 and until February 2013, Respondent used the abbreviations “M.Sc.Fin.”, and “Ph.D.” on her business cards issued by her employer, RBC Dominion Securities Inc.;
33. During this period, Respondent also used these professional abbreviations in her external communications and in advertising documents that were disseminated to clients and to the general public;
34. Moreover, in 2009, Respondent supplied a résumé for the RBC Dominion Securities Inc. website, which indicated that she had held a Master of Finance in international finance from York University-Toronto since 1984, and a Doctorate in Finance from the University of Toronto since 2004. Respondent then allowed the RBC Dominion website to post that she held the professional titles “M.Sc.Fin.” and “Ph.D.”, referring to her appended résumé;
35. On or around December 7, 2011, IIROC published Rules Notice 11-0349, titled “*Guidelines for the review, supervision and retention of advertisements, sales literature and correspondence*”, to replace the above-cited notice dated April 12, 2004, to guide the dissemination and communication of information and advertisements using every available communication method (Internet, social media, blogs, etc.);
36. Between January 11, 2012 and February 13, 2013, Respondent prepared or allowed to be prepared offers of service, client portfolio evaluations, promotional letters and communications in which the accreditations “M.Sc.Fin.” and “Ph. D.” followed her name;
37. Furthermore, between August 2009 and February 2013, Respondent participated in or was the subject of several newspaper articles in which it was stated that she had earned both graduate and postgraduate degrees;
38. Respondent also sat for numerous years on the board of directors of the Laval University Foundation and she mentioned on the foundation website, as well as on *LinkedIn*, that she held both a graduate and a postgraduate degree;

DISCOVERY OF THE LIES

39. In January 2013, RBC Dominion Securities Inc. organized an in-house conference for branch managers, notably in order to discuss best practices for the use of titles and designations, and with the recommendation to check any titles not awarded by CSI;
40. On or around January 21, 2013, the manager of the RBC Dominion Securities Inc. branch in Québec City, to which the Respondent was attached, asked all of the registered representatives to submit, by

- February 1, 2013, proof of their titles and accreditations, other than those conferred by CSI;
41. On or around January 24, 2013, Respondent replied to the request by stating that the relevant documents had already been submitted when she was hired in 2004 and when she applied for approval as a portfolio manager;
 42. The same day, after a fruitless internal search and a renewed request from RBC Dominion Securities Inc., Respondent declared that she would request an attestation of the doctorate, while maintaining that she had already provided the attestation for her master's degree;
 43. On January 29, 2013, Respondent informed her employer that she had made a request for an attestation of her doctorate, but that it would take approximately 5 to 8 days;
 44. The same day, her branch manager asked her to also send her a copy of her master's degree, as it was missing from her file;
 45. On February 1, 2013, Respondent informed her employer that the attestation of the master's degree would be submitted early the following week;
 46. On February 4, 2013, Respondent informed her employer that she would hand in her file the next day, but that she was still waiting to receive her attestation of the doctorate;
 47. On or around February 8, 2013, Respondent remitted to her employer a copy of an attestation dated February 15, 2000, from Laval University, to the effect that she had satisfied the requirements of the Master of Finance program and that consequently, Laval University in collaboration with York University had awarded her a Master of Finance diploma on June 30, 1984;
 48. On or around February 8, 2013, Laval University informed the branch manager that it was impossible for it to have conferred a graduate degree on the Respondent;
 49. On or around February 11, 2013, Respondent went to see her branch manager and confirmed to her that she had in her possession the original of the attestation of the master's degree, and that she had begun her doctorate in 2002 at the University of Toronto, but had switched and completed everything at York University in 2007, which documents would be submitted shortly;
 50. On or around February 14, 2013, following a request from RBC Dominion, York University disputed the Respondent's claims that she had obtained either a master's degree or a doctoral degree from that establishment. York University's records show that Respondent never obtained any diploma from that university;
 51. The same day, RBC Dominion dismissed the Respondent for misrepresentation regarding her diplomas and for having allowed misleading information to be published on the firm's website and on the Respondent's business cards;
 52. On or around March 13, 2013, Respondent wrote to the IIROC Registration Department on letterhead from a new IIROC-regulated firm, to request her transfer, explaining that she had completed a bachelor's degree in business administration (concentration finance) at Laval University, jointly with York University, and that the mention master's degree in international economics – 1993, on the form she submitted to the IDA in 1994, as well as on the 2004 form, should have read [TRANSLATION] *“master's degree in finance, international in nature through twinning with another university”*;
 53. As for her doctorate, Respondent stated that [TRANSLATION] *“mentions regarding a Ph.D. included in one version of my résumé arose from the fact that I had in fact considered enrolling in this training, but ultimately rejected the idea for personal reasons”*, in so doing admitting that she never obtained a doctorate in finance;
 54. Respondent also attached a letter from Desjardins Securities Inc., requesting her reapproval at their Québec City branch. However, shortly after checking with Laval University, Desjardins Securities Inc.

withdrew the application for approval in the Respondent's name;

55. On or around April 15, 2013, Respondent sent IIROC a certified true attestation from Laval University, conferring her a certificate in economics on June 30, 1983, as well as an attestation of a Bachelor of Business Administration, on February 28, 1985;
56. On May 16, 2013, Respondent stated under oath, and repeatedly, in a filmed interview, that she held a master's degree in business administration, option finance, from Laval University, but admitted that she did not have a doctorate in finance;
57. On May 17, 2013, Laval University reviewed the attestation supplied by the Respondent and according to its [TRANSLATION] "*institutional databases and our records, Ms. Charline Gilbert was never admitted, enrolled, and by the same token never graduated from a master of business administration program or master of finance program*";
58. Moreover, Laval University added that [TRANSLATION] "*a master of finance program has never been offered at Laval University,*" contrary to the information appearing on the copy of the attestation submitted by the Respondent to her employer on or around February 8, 2013.
59. It is therefore apparent from this record that Respondent never obtained any graduate or postgraduate degrees, from either Laval, York, or the University of Toronto, and made false statements on her applications for registration/approval, transfer, and in the course of her representations and advertisements to the public and her clients;

MITIGATING AND AGGRAVATING CIRCUMSTANCES

60. The parties have taken into consideration the following elements as mitigating and aggravating factors in determining the proposed sanction;
61. As aggravating factors, consideration was given to:
 - a) The harm caused to the Respondent's employers and to the SRO approval process;
 - b) The Respondent's conduct was intentional and contained elements of deception that were not simple negligence;
 - c) The lengthy period during which the Respondent continually maintained the misrepresentation to her employers and the supervisory agencies;
 - d) Finally, the lack of cooperation in the disciplinary process and the lateness of the Respondent's admission of guilt.
62. As mitigating factors, consideration was given to:
 - a) The absence of any prior disciplinary history;
 - b) The fact that no client suffered any loss in direct connection with the misconduct;
 - c) The internal sanctions imposed on the Respondent by RBC Dominion Securities Inc.;
 - d) The substantial loss of income to the Respondent;
 - e) The Respondent's medical problems; and
 - f) The fact that the Respondent has not been employed in the securities industry for more than a year.

IV. TERMS OF SETTLEMENT

63. This settlement is agreed upon 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.
64. The Settlement Agreement is subject to acceptance by the Hearing Panel.

65. The Settlement Agreement shall become effective and binding upon the Respondent and Staff from the date of its acceptance by the Hearing Panel.
66. 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.
67. If the Hearing Panel accepts the Settlement Agreement, the Respondent waives her right, under IIROC rules and any applicable legislation, to a disciplinary hearing, review or appeal.
68. 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.
69. The Settlement Agreement will become available to the public upon its acceptance by the Hearing Panel.
70. 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.
71. Unless otherwise stated, any monetary penalties and costs imposed upon the Respondent are payable immediately upon the effective date of the Settlement Agreement.
72. Unless otherwise stated, suspensions, prohibitions, expulsions, restrictions and other conditions or terms of the Settlement Agreement shall commence on the effective date of the Settlement Agreement.

AGREED TO by the Respondent, at Québec, Québec, this May 7, 2014.

(s) Marius Ménard

ME MARIUS MÉNARD

COUNSEL FOR THE RESPONDENT

AGREED TO by Staff, at Montréal, Québec, this May 7, 2014.

(s) Linda Vachet

WITNESS

(s) Charline Gilbert

CHARLINE GILBERT

RESPONDENT

(s) Sébastien Tisserand

SEBASTIEN TISSERAND

Enforcement Counsel,

for Staff of IIROC

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