

**Re Sarkissian**

**IN THE MATTER OF:**

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

**AND**

**SARKIS SARKISSIAN**

2009 IIROC 54

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

Hearing: December 8, 2009  
Decision: January 19, 2010  
(24 pars.)

**Hearing Panel:**

Me Claire Richer (Chair), Ms. Danielle Le May, Ms. Elaine C. Phenix

**Appearances:**

Me Sébastien Dyotte, Legal Counsel for IIROC

Me John Bracaglia, Legal Counsel for Respondent

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**PENALTY DECISION**

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**I. Preamble**

¶ 1 In a unanimous decision dated September 16, 2009<sup>1</sup> ("Decision of September 2009"), rendered following a disciplinary hearing held over 17 days by virtue of the Notice of Hearing of August 2, 2007 ("Notice of Hearing") issued by IIROC, this Hearing Panel ("Hearing Panel") found the Respondent guilty of the forty-four (44) counts published in the Notice of Hearing.

¶ 2 For the facts and its analysis of the matter, the Hearing Panel refers the reader to its Decision of September 2009.

¶ 3 It should be noted that on the hearing day of October 17, 2008, counsel for the Respondent argued the Hearing Panel's loss of jurisdiction following the judgment rendered in *Taub v. Investment Dealers Association of Canada* in July 2008<sup>2</sup>.

¶ 4 The Hearing Panel had, in a decision dated November 3, 2008, confirmed that it still had jurisdiction;

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<sup>1</sup> Staff of IIROC and Sarkis Sarkissian, OCRCVM, September 16, 2009, C. Richer, D. Le May and É. C. Phénix, 38 pages

<sup>2</sup> Ontario Superior Court of Justice (Div. Court), No 303/07, July 15<sup>th</sup>, 2008

however, the Respondent petitioned for review of the decision before the Bureau de décision et de révision en valeurs mobilières du Québec (BDRVM). Respondent's petition was heard by the BDRVM on February 11, 2009, which took it under advisement while, from the bench, ordering the disciplinary hearing to continue. The BDRVM dismissed the Respondent's request for review in a decision dated December 4, 2009.

¶ 5 The penalty hearing was held on December 8, 2009. **Neither Counsel for the Respondent, nor Respondent were present, as said counsel had implied to the IIROC Counsel the day before.**

## II. **Penalty Hearing**

¶ 6 The penalty hearing held on December 8, 2009 concerned the 44 counts detailed in the Notice of Hearing (see **Appendix I of this decision for the full text of the charges in the matter, as published by IIROC**).

¶ 7 For the purposes of this penalty decision, we have grouped the 44 counts in the same way as in the Decision of September 2009, namely:

- Counts 1 to 5 - Failure to learn and remain informed of the essential facts relative to his clients
- Counts 6 to 13 and 23 to 39 - Transactions not permitted under the terms of the approval granted by IIROC to the Respondent as a registered representative (mutual funds)
- Counts 14 to 17 - Failure to use due diligence when accepting instructions given by an agent
- Counts 18 to 22 and 40 - Participation in a scheme
- Counts 41 and 42 - Off-book transactions not recorded in the books of iForum
- Counts 43 and 44 - Failure to provide the information required by IIROC

¶ 8 At the hearing, IIROC's counsel delivered his arguments on the penalties sought. He began with a procedural overview for the benefit of the Hearing Panel. He then reminded the panel of the seriousness of the Respondent's misconduct, and of the latter's lack of credibility as the Hearing Panel itself had emphasized in its Decision of September 2009, more specifically in paragraph 6.

¶ 9 He also drew the Hearing Panel's attention to certain passages from the book of authorities and the thirty-odd decisions filed in support of his argument, notably with respect to the disciplinary sanction guidelines advocated by IIROC.

¶ 10 Finally, IIROC's counsel formulated suggestions regarding the nature and quantum of the discipline penalties to be imposed on the Respondent, taking into account the aggravating and mitigating factors, as applicable. He was insistent that the Respondent should not be allowed to return to the industry and that the Hearing Panel's decision should send a message that would have a clear deterrent effect.

¶ 11 As **aggravating factors**, counsel invoked, among others:

- a) the harm to the clients and their vulnerability: the clients involved in the scheme were pensioners and had little knowledge of the securities industry; all, or almost all of the clients lost their pension funds;
- b) the reprehensibility of the actions: the actions taken by the Respondent were done so with full knowledge of the applicable regulations and their powers. The Respondent willfully turned a blind eye;
- c) the degree of participation: the Respondent was active throughout the material period and participated at every stage;
- d) the benefits: by acting as he did, the Respondent received commissions to which he was

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<sup>3</sup> Sarkis Sarkissian v. IIROC, Bureau de décision et de révision en valeurs mobilières, December 4, 2009, A. Gélinas, C. St-Pierre and G. La Haye, 28 pages

not entitled;

- e) admission of responsibility: the Respondent never admitted his wrongdoing with respect to any of the 44 counts; for example, he always denied that the pensioners were his clients and even claimed that it was the latter who were at fault. The Respondent also claimed that he was unfamiliar with the IIROC regulations, whereas he had undertaken contractually to respect them;
- f) isolated incidents: the misconduct occurred over several years in every case, namely between 2002 and 2004, and even in 2005 in some cases;
- g) failure to appear at the penalty hearing on December 8, 2009: neither the Respondent nor his legal counsel were present at the penalty hearing.

¶ 12 As **mitigating factors**, IIROC's counsel acknowledged that, despite his good will, he was unable to identify any, barring the fact that the Respondent has no prior disciplinary record; what's more, in the opinion of IIROC's counsel, given the seriousness of the violations, this factor loses its effect.

¶ 13 IIROC's counsel suggested the following penalties as appropriate in the circumstances, given i) the absence of mitigating factors that might explain the Respondent's conduct, ii) loss of the deterrent effect of a ban on approval, considering that the Respondent is no longer part of the industry, and iii) the need to send a clear message to the industry that resignation or withdrawal from the organization is not a means of evading one's obligations and responsibilities as a former industry member:

- a) a permanent ban on approval as a registered representative;
- b) a fine of \$50,000 on counts 1 to 5;
- c) a fine of \$30,000 on counts 6 to 13 and 23 to 39;
- d) a fine of \$50,000 on counts 14 to 17;
- e) a fine of \$300,000 on counts 18 to 22 and 40;
- f) a fine of \$30,000 on counts 41 and 42;
- g) a fine of \$15,000 on counts 43 and 44; and
- h) payment of part of IIROC's costs in the matter, in the amount of \$299,000.

### **III. Analysis and penalties**

¶ 14 The discretionary power of the Hearing Panel to impose sanctions on the Respondent arises from IIROC Dealer Member Rule 20.33 (1); this section stipulates that if, upon conclusion of a disciplinary hearing, the Hearing Panel is of the opinion that the Approved Person has failed in its duty, the Hearing Panel may impose the penalties set out at 20.33(2), including a fine and a permanent ban on approval.

¶ 15 To this end, IIROC has compiled Disciplinary Sanction Guidelines to help determine which sanctions are reasonable in the circumstances. The Hearing Panel has consulted these guidelines.

¶ 16 The Hearing Panel agrees that it is not bound by these guidelines and that they may not be applied arbitrarily. However, as the Hearing Panel stated in the matter of *IDA and Richard Reynaud Gareau* in 2005, "*In the context of professional discipline, as in most other contexts of discipline, the Panel's responsibility is to individualize the penalty to the precise circumstances of the particular case. This is what we intend to attempt to do*" (2005 I.D.A.C.D. No.25 Bulletin No. 3448, August 8, 2005). The Hearing Panel intends to do the same.

¶ 17 The Hearing Panel recalls the remarks of the Ontario District Council in Mills (IDA No 7, April 17, 2001), namely:

*"Industry expectations and understandings are particularly relevant to general deterrence. If a penalty is less than industry understandings would lead its Members to expect for the conduct under consideration, it may undermine the goals of the Association's disciplinary*

*process; similarly, excessive penalties may reduce respect for the process and concomitantly diminish its deterrent effect. Thus the responsibility of the District Council in a penalty hearing is to determine a penalty appropriate to the conduct and respondent before it, reflecting that its primary purpose is prevention rather than punishment."*

¶ 18 The Hearing Panel considers that this remark is still appropriate and that it should serve as a guide when imposing penalties, while adapting it to the circumstances and to applicable current practice.

¶ 19 The Hearing Panel has also reread the stenographic notes of the December 8, 2009 hearing and consulted the authorities and the jurisprudence relative to the imposed penalties cited by IIROC's counsel during his presentation.

¶ 20 The Hearing Panel upholds the arguments of IIROC's counsel to the effect that Respondent's conduct was willful and deliberate and offers no mitigating factor that might incite the Hearing Panel to impose anything other than severe sanctions in the circumstances.

¶ 21 Among other things, the Hearing Panel cannot ignore the large number (44) of violations committed by the Respondent, the different elements of these violations (see paragraph 7 of this decision), the central role played by the Respondent and, not to overlook a very important aspect in this matter, Respondent's refusal to admit to any embezzlement on his part, from the outset of the disciplinary proceedings.

¶ 22 The Hearing Panel is of the opinion that, given the seriousness of the violations, the Respondent should not only be fined for his conduct as a member of IIROC or its predecessor, he should be barred from future approval within the industry, in any capacity.

¶ 23 The Hearing Panel would also like, with this decision, to send a clear message to those who seem to believe that, merely by resigning from IIROC, they can evade their responsibility as a registered representative. On this point, we include below an excerpt from page 26 of the BDRVM decision dated December 4, 2009 in the Sarkissian matter:

[TRANSLATION]

*"In recognizing the validity of the Organization's approach, the Bureau is recognizing that this organization has the power to adopt a regulatory text authorizing it to exercise its jurisdiction over its former members for a period of five years. The Supreme Court of Canada's decision in Cartaway (Cartaway Resources Corp (Re), 2004 1 R.C.S. 672) established that deterrence that plays a role in maintaining order on the financial markets. Indeed, knowing that his conduct is punishable contributes substantially to keeping a person on the straight and narrow.*

*But what kind of confidence can the investing public have in the financial markets if said person can escape all responsibility simply by signing a letter of resignation? As the Court of Appeal said in Letellier (1999, R.J.Q., 2839), it seems unacceptable that a party can free itself unilaterally from its contractual obligations to avoid responsibility."*

#### **IV. Penalties and Decision**

¶ 24 For these reasons, the Hearing Panel

- a) imposes on the Respondent a permanent bar from approval as a registered representative;
- b) orders the Respondent to pay IIROC the following fines:
  - counts 1 to 5: \$50,000
  - count 6 to 13 and 23 to 39: \$30,000
  - counts 14 to 17: \$50,000
  - counts 18 to 22 and 40: \$300,000
  - counts 41 and 42: \$30,000
  - counts 43 and 44: \$15,000
- c) deems the costs claimed excessive and, consequently, orders Respondent to pay IIROC the sum of \$150,000 in partial satisfaction of the costs incurred in this matter.

Signed by the Hearing Panel members this January 19, 2010.

Me Claire Richer, Chair of the Hearing Panel

Danielle Le May, Panel Member

Élaine C. Phénix, Panel Member

## APPENDIX 1

### Full Text of the Charges in the Matter

#### **I. FAILING TO LEARN AND REMAIN INFORMED OF THE ESSENTIAL FACTS RELATIVE TO HIS CLIENTS**

1. Toward September 2002, while a registered representative (mutual funds) in the employ of former IDA Member firm iForum Securities Inc., the Respondent failed to use due diligence to learn and remain informed of the essential facts relative to his client MD, in that he opened an account for this client and signed his new client account form without obtaining from the client the relevant personal and financial information that concerned him, and without making sure that the recorded facts were true and accurate, thereby contravening Association Regulation 1300.1 (a).
2. Toward December 2002, while a registered representative (mutual funds) in the employ of former IDA Member firm iForum Securities Inc., the Respondent failed to use due diligence to learn and remain informed of the essential facts relative to his client JR, in that he opened an account for this client and signed his new client account form without obtaining from the client the relevant personal and financial information that concerned him, and without making sure that the recorded facts were true and accurate, thereby contravening Association Regulation 1300.1 (a).
3. Toward December 2002, while a registered representative (mutual funds) in the employ of former IDA Member firm iForum Securities Inc., the Respondent failed to use due diligence to learn and remain informed of the essential facts relative to his client RT, in that he opened an account for this client and signed his new client account form without obtaining from the client the relevant personal and financial information that concerned him, and without making sure that the recorded facts were true and accurate, thereby contravening Association Regulation 1300.1 (a).
4. Toward February 2003, while a registered representative (mutual funds) in the employ of former IDA Member firm iForum Securities Inc., the Respondent failed to use due diligence to learn and remain informed of the essential facts relative to his client AL, in that he opened an account for this client and signed his new client account form without obtaining from the client the relevant personal and financial information that concerned him, and without making sure that the recorded facts were true and accurate, thereby contravening Association Regulation 1300.1 (a).
5. Toward July 2003, while a registered representative (mutual funds) in the employ of former IDA Member firm iForum Securities Inc., the Respondent failed to use due diligence to learn and remain informed of the essential facts relative to his client GM, in that he opened an account for this client and signed his new client account form without obtaining from the client the relevant personal and financial information that concerned him, and without making sure that the recorded facts were true and accurate, thereby contravening Association Regulation 1300.1 (a).

#### **II. INVESTMENTS IN LUCKY 1 ENTERPRISES INC. AND LASVEGASFROMHOME.COM ENTERTAINMENT INC.**

**Transactions not permitted under the terms of the approval granted by the Association to the Respondent as a registered representative (mutual funds)**

**Lucky 1 Enterprises Inc.**

6. Toward November 2002, while employed with former Member firm iForum Securities Inc., following instructions given by his client MD to a mandatory, the 3 Respondent effected trades in the accounts of said client, for a value of \$377,894.40 and concerning 400,000 shares in Lucky 1 Enterprises Inc., a security other than a mutual fund security, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby contravening Association Bylaw 18.7 and By-law 29.1.
7. Toward December 2002, while employed with former Member firm iForum Securities Inc., following instructions given by his client FG to a mandatory, the Respondent effected trades in the accounts of said client, for a value of \$372,072 and concerning 400,000 shares in Lucky 1 Enterprises Inc., a security other than a mutual fund security, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby contravening Association By-law 18.7 and By-law 29.1.
8. Toward February 2003, while employed with former Member firm iForum Securities Inc., following instructions given by his client JR to a mandatory, the Respondent effected trades in the accounts of said client, for a value of \$313,530 and concerning 350,000 shares in Lucky 1 Enterprises Inc., a security other than a mutual fund security, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby contravening Association By-law 18.7 and By-law 29.1.
9. Toward December 2002, while employed with former Member firm iForum Securities Inc., following instructions given by his client RT to a mandatory, the Respondent effected trades in the accounts of said client, for a value of \$325,563 and concerning 350,000 shares in Lucky 1 Enterprises Inc., a security other than a mutual fund security, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby contravening Association By-law 18.7 and By-law 29.1.
10. Toward February 2003, while employed with former Member firm iForum Securities Inc., following instructions given by his client JNT to a mandatory, the Respondent effected trades in the accounts of said client, for a value of \$100,131.50 and concerning 100,000 shares in Lucky 1 Enterprises Inc., a security other than a mutual fund security, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby contravening Association Bylaw 18.7 and By-law 29.1.
11. In December 2003, while employed with former Member firm iForum Securities Inc., the Respondent effected trades in the account of his client AL, for a total value of \$150,000 and concerning 250,000 shares in Lucky 1 Enterprises Inc., a security other than a mutual fund security, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby contravening Association Bylaw 18.7 and By-law 29.1.
12. In August 2003, while employed with former Member firm iForum Securities Inc., the Respondent effected trades in the account of his client GM, for total value of \$300,000 and concerning 300,000 shares in Lucky 1 Enterprises Inc., a security other than a mutual fund security, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby contravening Association Bylaw 18.7 and By-law 29.1.

**LasVegasFromHome.com Entertainment inc.**

13. Around May 2002, while employed with former Member firm iForum Securities Inc., the Respondent accepted orders from his client RB to purchase a total of 300,000 debentures in LasVegasFromHome.com Entertainment inc., for a total of \$300,000, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), prohibited him from accepting such orders, thereby contravening Association By-law 18.7 and By-law 29.1.

**Failure to use due diligence when accepting instructions given by a mandatary**

14. Toward November 2002, while employed with former Member firm iForum Securities Inc., as a registered representative (mutual funds), the Respondent agreed to act in accordance with the power of attorney given by his client MD to Me SL, an attorney with whom the Respondent was acquainted, when he knew or should have known that said client had signed said power of attorney without knowing his mandatary and without understanding the tenor and the implications of said power of attorney, thereby engaging in business conduct unbecoming or detrimental to the public interest, and contrary to Association By-law 29.1.
15. Toward December 2002, while employed with former Member firm iForum Securities Inc., where he was a registered representative (mutual funds), the Respondent agreed to act in accordance with the power of attorney given by his client RT to Me SL, an attorney with whom the Respondent was acquainted, when he knew or should have known that said client had signed said power of attorney without knowing his mandatary and without understanding the tenor and the implications of said power of attorney, thereby engaging in business conduct unbecoming or detrimental to the public interest, and contrary to Association Bylaw 29.1.
16. Toward February 2003, while employed with former Member firm iForum Securities Inc., where he was a registered representative (mutual funds), the Respondent agreed to act in accordance with the power of attorney given by his client JR to Me SL, an attorney with whom the Respondent was acquainted, when he knew or should have known that said client had signed said power of attorney without knowing his mandatary and without understanding the tenor and the 5 implications of said power of attorney, thereby engaging in business conduct unbecoming or detrimental to the public interest, and contrary to Association Bylaw 29.1.
17. Toward December 2003, while employed with former Member firm iForum Securities Inc., where he was a registered representative (mutual funds), the Respondent agreed to act in accordance with the power of attorney given by his client AL to Me SL, an attorney with whom the Respondent was acquainted, when he knew or should have known that said client had signed said power of attorney without knowing his mandatary and without understanding the tenor and the implications of said power of attorney, thereby engaging in business conduct unbecoming or detrimental to the public interest, and contrary to Association Bylaw 29.1.

**Participation in a stratagem**

18. Toward November 2002, while employed with former Member firm iForum Securities Inc., where he was a registered representative (mutual funds), the Respondent engaged in conduct unbecoming or detrimental to the public interest, contrary to Association By-law 29.1, by participating in a stratagem by which his client MD acquired shares in Lucky 1 Enterprises Inc., in return for substitution in his locked-in retirement account of a large portion of his pension totalling \$377,894.40, to benefit an individual with whom the Respondent had done business and whose holding company was a client of the Respondent and a shareholder of Lucky 1 Enterprises Inc., all without the knowledge and the

understanding of the client MD and to his detriment.

19. Toward December 2002, while employed with former Member firm iForum Securities Inc., where he was a registered representative (mutual funds), the Respondent engaged in conduct unbecoming or detrimental to the public interest, contrary to Association By-law 29.1, by participating in a stratagem by which his client FG acquired shares in Lucky 1 Enterprises Inc., in return for substitution in his locked-in retirement account of a large portion of his pension totalling \$372,072, to benefit an individual with whom the Respondent had done business and whose holding company was a client of the Respondent and a shareholder of Lucky 1 Enterprises Inc., all without the knowledge and the understanding of the client FG and to his detriment.
20. Toward December 2002, while employed with former Member firm iForum Securities Inc., where he was a registered representative (mutual funds), the Respondent engaged in conduct unbecoming or detrimental to the public interest, contrary to Association By-law 29.1, by participating in a stratagem by which his client RT acquired shares in Lucky 1 Enterprises Inc., in return for substitution in his locked-in retirement account of a large portion of his pension totalling \$325,563, to benefit an individual with whom the Respondent had done business and whose holding company was a client of the Respondent and a shareholder of Lucky 1 Enterprises Inc., all without the knowledge and the understanding of the client RT and to his detriment. 6
21. Toward February 2003, while employed with former Member firm iForum Securities Inc., where he was a registered representative (mutual funds), the Respondent engaged in conduct unbecoming or detrimental to the public interest, contrary to Association By-law 29.1, by participating in a stratagem by which his client JR acquired shares in Lucky 1 Enterprises Inc., in return for substitution in his locked-in retirement account of a large portion of his pension totalling \$313,530, to benefit an individual with whom the Respondent had done business and whose holding company was a client of the Respondent and a shareholder of Lucky 1 Enterprises Inc., all without the knowledge and the understanding of the client JR and to his detriment.
22. Toward February 2003, while employed with former Member firm iForum Securities Inc., where he was a registered representative (mutual funds), the Respondent engaged in conduct unbecoming or detrimental to the public interest, contrary to Association By-law 29.1, by participating in a stratagem by which his client JNT acquired shares in Lucky 1 Enterprises Inc., in return for substitution in his locked-in retirement account of a large portion of his pension totalling \$100,131.50, to benefit an individual with whom the Respondent had done business and whose holding company was a client of the Respondent and a shareholder of Lucky 1 Enterprises Inc., all without the knowledge and the understanding of the client JNT and to his detriment.

### **III. INVESTMENTS IN MD MULTIMEDIA INC.**

#### **Transactions not permitted under the terms of the approval granted by the Association to the Respondent as a registered representative (mutual funds)**

##### **Private investments**

23. Around April and May 2003, while employed with former Member firm iForum Securities Inc., following instructions given by his client FG to a mandatary, the Respondent effected trades in said client's account for a value of \$50,000 in respect of 1,000,000 shares in MD Multimedia Inc., a security other than a mutual fund security, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby contravening Association By-law 18.7 and

By-law 29.1.

24. Around April and May 2003, while employed with former Member firm iForum Securities Inc., following instructions given by his client RB to a mandatary, the Respondent effected trades in said client's account for a value of \$50,000 in respect of 1,000,000 shares in MD Multimedia Inc., a security other than a mutual fund security, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby contravening Association By-law 18.7 and By-law 29.1. 7
25. Around April and May 2003, while employed with former Member firm iForum Securities Inc., following instructions given by his client JR to a mandatary, the Respondent effected trades in said client's account for a value of \$150,000 in respect of 150,000 debentures in MD Multimedia Inc., a security other than a mutual fund security, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby contravening Association By-law 18.7 and By-law 29.1.
26. Around April and May 2003, while employed with former Member firm iForum Securities Inc., following instructions given by his client RT to a mandatary, the Respondent effected trades in said client's account for a value of \$150,000 in respect of 150,000 debentures in MD Multimedia Inc., a security other than a mutual fund security, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby contravening Association By-law 18.7 and By-law 29.1.

**Trading on the secondary market**

27. In February 2004, while employed with former Member firm iForum Securities Inc., the Respondent entered orders from his client MD to purchase a total of 70,000 shares in MD Multimedia Inc., for a value of \$14,000, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby violating Association By-law 29.1.
28. In February 2004, while employed with former Member firm iForum Securities Inc., the Respondent entered orders from his client FG to purchase a total of 492,000 shares in MD Multimedia Inc., for a value of \$100,145, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby violating Association By-law 29.1.
29. In February 2004, while employed with former Member firm iForum Securities Inc., the Respondent entered orders from his client GM to purchase a total of 850,000 shares in MD Multimedia Inc., for a value of \$170,550, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby violating Association By-law 29.1.
30. In February 2004, while employed with former Member firm iForum Securities Inc., the Respondent entered orders from his client JR to purchase a total of 100,000 shares in MD Multimedia Inc., for a value of \$20,135, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby violating Association By-law 29.1.
31. In February 2004, while employed with former Member firm iForum Securities Inc., the Respondent entered orders from his client RT to purchase a total of 223,000 shares in MD Multimedia Inc., for a value of \$40,070, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to

effect such transactions, thereby violating Association By-law 29.1.

32. In February 2004, while employed with former Member firm iForum Securities Inc., the Respondent entered orders from his client JNT to purchase a total of 215,000 shares in MD Multimedia Inc., for a value of \$44,135, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby violating Association By-law 29.1.
33. From August 2003 to February 2004, while employed with former Member firm iForum Securities Inc., the Respondent entered orders from his client Inter- Franchise inc. to purchase a total of 718,000 shares in MD Multimedia Inc., for a value of \$50,260, and to sell a total of 680,000 shares in MD Multimedia Inc., for a value of \$138,500, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby violating Association By-law 29.1.
34. In February 2004, while employed with former Member firm iForum Securities Inc., the Respondent entered orders from his client BR to sell a total of 1,843,900 shares in MD Multimedia Inc., for a value of \$331,475, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby violating Association By-law 29.1.
35. In February 2004, while employed with former Member firm iForum Securities Inc., the Respondent entered orders from his client JV to purchase 25,000 shares in MD Multimedia Inc., for a value of \$2,880, and to sell 25,000 shares in MD Multimedia Inc., for a value of \$4,750, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby violating Association By-law 29.1.
36. Between February and May 2004, while employed with former Member firm iForum Securities Inc., the Respondent entered orders from his client JPM to purchase a total of 40,000 shares in MD Multimedia Inc., for a value of \$4,800, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby violating Association By-law 29.1.
37. Between February and May 2004, while employed with former Member firm iForum Securities Inc., the Respondent entered orders from his client MA to purchase a total of 45,000 shares in MD Multimedia Inc., for a value of \$5,900, and to sell 29,500 shares in MD Multimedia Inc., for a value of \$5,605, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby violating Association By-law 29.1.
38. In February 2004, while employed with former Member firm iForum Securities Inc., the Respondent entered orders from his client JS to sell 500 shares in MD Multimedia Inc., for a value of \$95, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby violating Association By-law 29.1.
39. In November 2004, while employed with former Member firm iForum Securities Inc., the Respondent entered orders from his client VB to purchase 30,000 shares in MD Multimedia Inc., for a value of \$2,400, whereas the approval granted by the Association to the Respondent, as a registered representative (mutual funds), did not permit him to effect such transactions, thereby violating Association By-law 29.1.

**Participation in a stratagem**

40. Around February 2004, while employed with former Member firm iForum Securities Inc.

as a registered representative (mutual funds), the Respondent engaged in conduct unbecoming or detrimental to the public interest, contrary to Association By-law 29.1, by participating in a stratagem by which 1,950,000 shares in MD Multimedia Inc. were purchased by his six (6) clients MD, JR, RT, JNT, GM and AL in order to benefit other clients of the Respondent with whom the latter had done business, all without the knowledge and the understanding of the aforesaid six (6) clients and to their detriment.

#### **IV. OFF-BOOK TRANSACTIONS**

41. In 2003 and 2004, while a registered representative (mutual funds) in the employ of former Member firm iForum Securities Inc., the Respondent engaged in business conduct unbecoming or detrimental to the public interest, by facilitating the sale of shares in Immobilière Chemin du Golf ltée, which shares were not a mutual fund security and were not recorded in the books of iForum Securities Inc., thereby contravening Association By-law 29.1.
42. On November 3, 2005, while a registered representative (mutual funds) in the employ of former Member firm iForum Securities Inc., and limited to trading mutual fund securities, the Respondent had under his responsibility the accounts of thirtyeight (38) clients of B2B Trust, a federally chartered trust company, where said clients held approximately twenty (20) different securities other than mutual fund securities, with an approximate book value of \$1,962,509, without said securities being recorded in the books of iForum Securities Inc., thereby engaging in business conduct unbecoming and contrary to Association By-law 29.1.

#### **V. FAILURE TO PROVIDE THE INFORMATION REQUIRED BY THE ASSOCIATION**

43. From the time of his approval in 2001 as a registered representative (mutual funds), and until his resignation in 2006, the Respondent failed to provide and to update the information required by the Association on the Uniform Application for Registration/Approval, concerning officer and director positions he held at Placements Davcom inc., Les courtiers d'assurances Epycom inc. and 9064-6753 Québec inc., contrary to Association By-laws 18.3 and 18.11, which have since become By-laws 40.3 (1) and 40.5 (1) and sections A.1(a) and B.1(a) of Policy 8.
44. While a registered representative (mutual funds) in the employ of former Member firm iForum Securities Inc., the Respondent failed to report to the Association in 2001 that he was the object of a civil suit, in which he was condemned to pay \$400,000 in damages in 2005, whereas this information is required by the Association, thereby contravening Association By-laws 18.3 and 18.11, which have since become By-laws 40.3 (1) and 40.5 (1) and sections A.1(a) and B.1(a) of Policy 8.