

IIROC NOTICE

Enforcement Notice Decision

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IN THE MATTER OF Georges Benarroch, Linda Kent, Marjorie Ann Glover, and Credifinance Securities Limited – Penalty

Following a penalty hearing held on February 16, 2011, in Toronto, Ontario, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) found that, based upon an Agreed Statement of Facts and Violations, Georges Benarroch, Linda Kent, Marjorie Ann Glover and Credifinance Securities Limited were liable as follows:

- (a) Georges Benarroch and Linda Kent, while Registered Representatives with Credifinance Securities Limited (“Credifinance”), and particularly from in or about January 2003 to in or about March 2006, failed to properly perform their gatekeeper responsibilities in connection with trading in Credifinance client accounts in the shares of Magnum D’Or Resources Inc. (“Magnum”) and Osprey Gold Corp. (“Osprey”) and engaged in financial and business transactions with Credifinance clients in relation to the distribution and sale of shares of Magnum and Osprey, which was unbecoming and detrimental to the public interest, contrary to By-law 29.1 of the IDA;
- (b) Marjorie Ann Glover, while a Registered Representative and Chief Compliance Officer with Credifinance Securities Limited, and particularly from in or about January 2003 to in or about March 2006, failed to exercise due diligence and failed to adequately



supervise the conduct of Georges Benarroch and Linda Kent in respect of their dealings with Credifinance clients, and in particular their dealings in shares in Magnum and Osprey, which conduct was a failure in her role as gatekeeper and was unbecoming a registrant and detrimental to the public interest, contrary to By-law 29.1 of the IDA; and

(c) Credifinance Securities Limited, while a Member of the IDA, and particularly from in or about January 2003 to in or about March 2006, failed in its role as a gatekeeper in that it failed to supervise the conduct of Georges Benarroch and Linda Kent and failed to supervise the transactions in Georges Benarroch's and Linda Kent's clients' accounts, which conduct was unbecoming a Member and detrimental to the public interest, contrary to By-law 29.1 of the IDA.

The Hearing Panel imposed the following penalties:

- Georges Benarroch – a fine of \$250,000 and a suspension from any registration with IIROC for 15 years
- Linda Kent – a fine of \$50,000, disgorgement of \$170,000, and a suspension from any registration with IIROC for 2 years
- Marjorie Ann Glover – a fine of \$50,000, a suspension for 5 years from any registration with IIROC which permits a supervisory role, and a suspension from any registration with IIROC for 1 year
- Credifinance Securities Limited - a fine of \$50,000 and the firm is permanently expelled from registration with IIROC

And the Hearing Panel required the Respondents to pay costs as follows:

- \$50,000 by Georges Benarroch
- \$25,000 by Linda Kent
- \$25,000 by Marjorie Ann Glover

The Decision and Reasons on Penalty can be found at

<http://docs.iroc.ca/DisplayDocument.aspx?DocumentID=C566ADD962464DB4A6E3ABFABE0278EB&Language=en>

IIROC formally initiated the investigation into the Respondents' conduct in January 2004. The violations occurred when the individual Respondents were Registered Representatives with the Toronto Branch of Credifinance Securities Limited, then a member firm of the IDA. The



respondents Georges Benarroch, Linda Kent and Marjorie Ann Glover are no longer registrants of an IIROC-regulated firm.

IIROC is the national self-regulatory organization which oversees all investment dealers and trading activity on debt and equity marketplaces in Canada. Created in 2008 through the consolidation of the Investment Dealers Association of Canada (IDA) and Market Regulation Services Inc. (RS), IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while maintaining efficient and competitive capital markets.

IIROC carries out its regulatory responsibility through setting and enforcing rules regarding the proficiency, business and financial conduct of dealer firms and their registered employees and through setting and enforcing market integrity rules regarding trading activity on Canadian equity marketplaces.