

# NOTICE / NEWS RELEASE

*For immediate release*

## **Enforcement Notice Decision 12-0348**

*For further information, please contact:*

*Enforcement Contact:*

Carmen Crépin  
Vice President, Québec  
514 878-2854  
[ccrepin@iiroc.ca](mailto:ccrepin@iiroc.ca)

*Media Contact:*

David Thomas  
Director, Public Affairs  
416 943-6921  
[dthomas@iiroc.ca](mailto:dthomas@iiroc.ca)

## **IN THE MATTER of Benoît Beaulne – Discipline Decision – Liability and Penalty**

**November 26, 2012 (Montréal, Que.)** – Following a disciplinary hearing held on September 12, 2012, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) found that Benoît Beaulne committed the following violations:

1. Between October 2008 and April 25, 2010, Mr. Beaulne failed to exercise due diligence to ensure that his investment recommendations in leveraged Exchange-Traded Funds constituted a suitable investment for two of his clients given their financial and personal circumstances and their investment objectives, contrary to IIROC Dealer Member Rule 1300.1 (a), (p) and (q);
2. Between June 2008 and April 25, 2010, Mr. Beaulne failed to exercise due diligence to ensure that he had sufficient knowledge of the features and risks inherent in leveraged Exchange-Traded Funds before recommending such an investment to two of his clients, contrary to IIROC Dealer Member Rule 1300.1 (a).

The Hearing Panel assessed the following penalties against Mr. Beaulne:

- a) A fine of \$30,000;
- b) Disgorgement of \$1,490.72 in fees collected;
- c) A two-year suspension of approval in any capacity with an IIROC-regulated firm; and
- d) Upon expiration of the two-year suspension, having repeated or repeating the CPH course before seeking re-approval and, in the event of re-approval, strict supervision for a period of twelve months.



The Hearing Panel also ordered Mr. Beaulne to pay costs in the amount of \$10,000.

The Hearing Panel's decision dated October 31, 2012 is available at

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=0167C14C39A94E23B564F2334CFD9767&Language=en>.

Documents related to ongoing IIROC enforcement proceedings – including Reasons and Decisions of Hearing Panels – are posted on the IIROC website as they become available. Click here to search and access all IIROC enforcement documents.

IIROC formally initiated the investigation into Mr. Beaulne's conduct in July 2010. The violations occurred when Mr. Beaulne was a Registered Representative with the Montréal branch of Laurentian Bank Securities Inc., an IIROC-regulated firm. Mr. Beaulne is no longer a Registered Representative with 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 and Market Regulation Services Inc., 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 responsibilities 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.

IIROC investigates possible misconduct by its member firms and/or individual registrants. It can bring disciplinary proceedings which may result in penalties including fines, suspensions, permanent bars, expulsion from membership, or termination of rights and privileges for individuals and firms.

All information about disciplinary proceedings relating to current and former member firms is available in the [Enforcement section](#) of the IIROC website. Background information regarding the qualifications and disciplinary history, if any, of advisors currently employed by IIROC-regulated firms is available free of charge through the [IIROC AdvisorReport](#) service. Information on how to make investment dealer, advisor or marketplace-related complaints is available by calling 1.877.442.4322.

-30-