



CIRO · OCRI

Canadian Investment
Regulatory
Organization

Organisme canadien
de réglementation
des investissements

**IN THE MATTER OF
THE INVESTMENT DEALER AND PARTIALLY CONSOLIDATED
RULES
AND THE DEALER MEMBER RULES
AND
MICHEL BÉDARD**

NOTICE OF APPLICATION FOR SETTLEMENT HEARING

Enforcement Staff will bring an application to a hearing panel of the Canadian Investment Regulatory Organization (CIRO)¹ requesting that it accept a settlement agreement between Enforcement Staff and Michel Bédard pursuant to sections 8215 and 8428 of the Investment Dealer and Partially Consolidated Rules (the Investment Dealer Rules).

THE SETTLEMENT AGREEMENT

The settlement agreement addresses proposed allegations that Michel Bédard:

- a) executed discretionary trades in the accounts of two clients, without the accounts having been previously approved as discretionary accounts, contrary to the provisions of Dealer Member Rule 1300.4;
- b) falsely represented to his firm, by way of his written notes, that he discussed these trades with two of his clients beforehand, contrary to Consolidated Rule 1400;
- c) failed to use due diligence to ensure that the options traded in the account of one of his clients were suitable for this client, contrary to Dealer Member Rule 1300.1(q);
- d) failed to use due diligence to ensure that the options trading strategy used for two of his clients was within the bounds of good business practice, contrary to Dealer Member Rule 1300.1(o);
- e) failed to provide pre-trade disclosure of charges to two of his clients before executing trades in their accounts, contrary to Dealer Member Rule 29.9(1)(a).

THE SETTLEMENT HEARING

The settlement hearing will be held by videoconference on February 20, 2024, at 9:30 a.m. ET.

The hearing is not open to the public, but the public will be notified if the settlement agreement is accepted. If the settlement agreement is accepted, it will be made public together with the hearing panel's reasons.

DATED the 5th day of December 2023.

(S) National Hearing Officer

NATIONAL HEARING OFFICER
Canadian Investment Regulatory Organization
Suite 2000, 121 King Street West
Toronto, Ontario, M5H 3T9

¹ On January 1, 2023, IIROC and the MFDA were consolidated into a single self-regulatory organization recognized under applicable securities legislation.

The Canadian Investment Regulatory Organization ("CIRO") has adopted interim rules that incorporate the pre-amalgamation regulatory requirements contained in the rules and policies of IIROC and the by-law, rules and policies of the MFDA (the "Interim Rules"). The Interim Rules include (i) the Investment Dealer and Partially Consolidated Rules, (ii) the UMIR and (iii) the Mutual Fund Dealer Rules. These rules are largely based on the rules of IIROC and certain by-laws, rules and policies of the MFDA that were in force immediately prior to amalgamation. Where the rules of IIROC and the rules and by-laws and policies of the MFDA that were in force immediately prior to amalgamation have been incorporated into the Interim Rules, Enforcement Staff have referenced the relevant section of the Interim Rules.

Section 1105 (Transitional provision) of the Investment Dealer and Partially Consolidated Rules sets out CIRO's continuing jurisdiction, including that CIRO shall continue the regulation of any person subject to the jurisdiction of the Investment Industry Regulatory Organization of Canada that was formerly conducted by the Investment Industry Regulatory Organization of Canada