



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

- AND -

**IN THE MATTER OF AN APPLICATION FOR A HEARING AND REVIEW OF A
DECISION OF THE ONTARIO DISTRICT COUNCIL OF THE INVESTMENT
INDUSTRY REGULATORY ORGANIZATION OF CANADA PURSUANT TO
SECTION 21.7 OF THE *SECURITIES ACT*, R.S.O. c. S.5, AS AMENDED**

- AND -

**IN THE MATTER OF DISCIPLINE PROCEEDINGS PURSUANT TO THE BY-LAWS
OF THE INVESTMENT DEALERS ASSOCIATION OF CANADA AND THE DEALER
MEMBER RULES OF THE INVESTMENT INDUSTRY REGULATORY
ORGANIZATION OF CANADA**

BETWEEN

**STAFF OF THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF
CANADA**

- AND -

**GEORGES BENARROCH, LINDA KENT, MAJORIE ANN GLOVER AND
CREDIFINANCE SECURITIES LIMITED**

ENDORSEMENT

**(BASED ON ORAL REASONS GIVEN ON JANUARY 11, 2011 AND
THE ORDER ISSUED JANUARY 24, 2011)**

Hearing: January 11, 2011

Decision: February 9, 2011

Panel: James D. Carnwath - Chair of the Panel
Carol S. Perry - Commissioner

Appearances: Michael Meredith - Counsel for Georges Benarroch, Linda
Jocelyn Loosemore Kent, Majorie Ann Glover and Credifinance
Crawley Meredith Brush LLP Securities Limited

Natalija Popovic - IIROC Staff
Kathryn Andrews
Milton Chan

Amanda Heydon - OSC Staff

**ENDORSEMENT
(BASED ON ORAL REASONS GIVEN ON JANUARY 11, 2011 AND
THE ORDER ISSUED JANUARY 24, 2011)**

[1] The following is an endorsement for the hearing held on January 11, 2011 based on the oral reasons provided on January 11, 2011 and the order issued on January 24, 2011.

[2] At the conclusion of Mr. Benarroch's application for a review of his sanction by IIROC, the panel told the parties that if Mr. Benarroch was successful, we would hear submissions as to how to proceed; that is to say, whether we would exercise our discretion to deal with the sanctioning of Mr. Benarroch or to return it to IIROC for a hearing by another panel as permitted by the statute.

[3] Counsel for Mr. Benarroch submits we have everything we need to dispose of the matter and that fairness dictates we should, under the circumstances of this case, deal with it as the statute permits us to do. He says we are in as good a position as an IIROC panel to apply the appropriate sanction.

[4] With respect, we disagree for two reasons. First, an IIROC panel will have greater familiarity with the IIROC regulations and the Member Disciplinary Sanction Guidelines. Second, this panel could not undertake a sanction hearing until April 2011 at the earliest. Counsel for IIROC tells us a hearing can be scheduled for the week of January 24th, 2011 or in the month of February.

[5] Counsel submits an IIROC panel has no greater expertise than this panel of the Commission. This submission does not take into account the make-up of an IIROC panel consisting of a chair with legal training and two fellow members of Mr. Benarroch. It is no accident that in matters of sanction even greater deference is owed to administrative panels.

[6] Counsel submits that in weighing fairness we should deal with the matter. Fairness to IIROC must also be considered. We find nothing to choose between the two positions as regards fairness.

[7] Counsel submits we have some familiarity with the allegations and the parties' respective position on sanctions. In approaching our obligations in this matter, we considered the adequacy of the reasons, not the adequacy of the sanctions.

[8] In weighing the two choices, we are persuaded that a sanction imposed by his peers, the deference owed to a sanctioning administrative body and administrative expediency all contribute to a result where we exercise our discretion to remit the matter to IIROC before a differently constituted panel.

[9] Counsel for Mr. Benarroch fairly conceded that he makes no submissions that bias on the part of IIROC is an issue.

DATED at Toronto this 9th day of February, 2011.

“James D. Carnwath”

“Carol S. Perry”

James D. Carnwath

Carol S. Perry