

**PROVINCE OF NEW BRUNSWICK**

**IN THE MATTER OF the Securities Act, R.S.N.B. 1973, c.S-6, as amended,**

**- and -**

**IN THE MATTER OF the  
Registration of Reginald Roussel**

**DECISION AND ORDER**

Hearing : Friday, June 16, 1995, 1:30 p.m.

Tribunal : Donne W. Smith, Jr., Administrator

Counsel : Edouard O. LeBlanc, Deputy Administrator - for the Office of the  
Administrator

J.C. Marc Richard, Barrister & Solicitor - for Reginald Roussel

## I INTRODUCTION:

This decision follows a hearing conducted pursuant to subsection 12(1) of the Securities Act (the "Act") on June 16, 1995. The hearing was requested by Reginald Roussel (the "Respondent"), a registered salesperson under the Act. In a letter dated April 20, 1995 I advised the Respondent's employer, Investors Group Financial Services Inc. ("Investors") of my receipt of an investigative report from the Deputy Administrator of Securities, Edouard LeBlanc, following an extensive investigation into complaints against sales practices conducted by the Respondent. Upon reviewing the Deputy Administrator's report, I ordered the immediate and indefinite suspension of the Respondent's registration. At the same time I offered the Respondent an opportunity to make representations to me before any final decision was made on his registration status. By letter of May 4 his counsel requested such an opportunity.

A letter dated June 7, 1995 sent by the Deputy Administrator to the Respondent's counsel constitutes the notice of hearing. The purpose of the hearing was to consider, pursuant to section 12 of the Act, whether in the public interest the current suspension from registration of the Respondent be continued or cancelled or whether conditions be attached to his registration if reinstated. The letter also confirmed that the allegations described in the Deputy Administrator's investigative report dated April 13, 1995, (the "Report") would form the basis of the hearing. That Report alleges misconduct and breaches of the Securities Act by the Respondent, including deliberate misrepresentations of material facts regarding the nature, risks, and returns on investments which prevented clients from making informed investment decisions; failure to disclose fees; failure to provide a prospectus; and deliberate disregard of client instructions. The Report also alleges that the Respondent lied to the Deputy Administrator during the course of the investigation.

## II FINDINGS OF FACT:

From the investigative report of April 13, 1995 derive my findings of fact. The Report appears thorough and complete and the Deputy Administrator is to be commended for it. Appendices include complainants' statements; the transcript of a recorded conversation between the Respondent and two complainants; the transcript of the Respondent's interview with the Deputy Administrator; copies of letters sent by the Respondent to his Division and Regional Managers at Investors; as well as reporting letters to Investors' compliance officer. Reference is also made to the availability of non-transcribed audio tapes made by the Deputy Administrator during interviews with all other complainants.

At the start of the hearing counsel for the Respondent advised that he would not bring evidence to contradict the Deputy Administrator's allegations but rather would speak to the circumstances surrounding the violations and possible administrative penalties. As a consequence, for purposes of this decision, I take the allegations described in the Report as being factual and a basis upon which to make this decision. It is important, nevertheless, to briefly summarize the facts.

On or about February 1, 1995 the Office of the Administrator received the first of several complaints regarding the sales activities of the Respondent, Reginald Roussel. Between February and April the Deputy Administrator interviewed seven complainants who were at all material times, clients of the Respondent. Their complaints were similar in nature, namely, that the Respondent did not properly or fully inform them of the nature of the investments he recommended nor give them a prospectus as required by the Act. The majority of complainants are unsophisticated investors of very modest means, recently retired and seeking

security of capital producing a modest income. Their investment experience in most cases was limited to bank deposits, guaranteed investment certificates and Canada Savings Bonds.

Almost all of the complainants were unfamiliar with the concept of a mutual fund and almost all made their investments in an Investors mutual fund through the Respondent during 1993 and 1994.

The complaint of Stuart and Cecile Garrett of Bathurst was the first to be investigated by the Deputy Administrator and, because a conversation between them and the Respondent was taped, has the greatest significance. The Report discloses that soon after retiring in September, 1993 while seeking a secure investment for his retirement package, Mr. Garrett was persuaded by the Respondent to invest in mutual funds sponsored by Investors. Mr. Garrett stated that he understood his investments were in guaranteed investment certificates ("GIC's"). The Respondent did not otherwise explain the nature of this investment, that there were risks, or fees payable nor did he ever provide a prospectus describing what turned out to be a purchase of mutual funds. Security of capital was his primary concern. It was not until July, 1994 when he received a semi-annual statement from Investors that Mr. Garrett noticed the terms "fund" and "unit price". This statement also reflected a \$5,000 drop in the value of his original \$55,000 investment. When confronted with these discoveries and Mr. Garrett's request to "get out" of the funds, the Respondent persuaded Mr. Garrett to wait in the hope that some of his losses might be recovered in any market upswing.

The next semi-annual statement received in January, 1995 did show some improvements. However, Mr. Garrett's confidence in both his investment and the Respondent dissipated completely. He continued to express his great displeasure at being misled to invest

in something which he considered risky. He requested another meeting on January 27 which, unbeknownst to the Respondent, was tape recorded.

At this meeting Mr. Garrett again accused the Respondent of misleading him. The transcript indicates a heated and oftentimes confusing exchange. It was evident that Mr. Garrett had little or no understanding of mutual funds, particularly the fundamental long term nature of this type of investment. It was also evident that Mr. Garrett's primary interest was always a risk-free investment with maximum security. A loss of several thousand dollars was traumatic to this complainant.

From the transcript it is also evident that the Respondent repeatedly confused Mr. and Mrs. Garrett about the nature of and return on their investment. Whether this was deliberate, in order to frustrate and wear down the Garretts, as the Deputy Administrator alleges, or whether the Respondent himself was confused and unable to explain the nature of the investment, it is easily concluded that his conduct was inappropriate. The Respondent never contradicted the complainants repeated statements that their primary consideration was complete security of capital. He acknowledged at the January 27 meeting that he did not give them the option of investing in GIC's even though they were available through Investors. It is clear from the transcript that fees were rarely, if ever, fully disclosed. He did not provide his clients with a prospectus or any disclosure documents. Despite Mr. Garrett's explicit instructions on January 27 to redeem, it was not until February 3 that the Respondent finally acted. This occurred after Mr. Garrett contacted this Office to complain about the Respondent's actions and after the Respondent asked Mrs. Garrett to persuade her husband to change his mind. In the end, the

evidence shows that Mr. Garrett lost at redemption approximately \$5,000.00 of his invested capital plus the interest he would have realized from a GIC if one had initially been purchased for them by the Respondent.

The Report also indicates that Cécile Garrett purchased mutual fund units through the Respondent. After her retirement she invested \$5,000.00 in February, 1994; another \$5,000.00 in April; and in August transferred over \$14,000.00 when her guaranteed investment certificates matured.

John Hudon, also of Bathurst, first invested in the Income Portfolio Fund in January, 1993. While knowing little about mutual funds, he was aware that some banks offer no-load funds, having once invested a small amount in one. Mr. Hudon complained that he was very clear in his instructions to the Respondent that he not be charged any fees. While he did not pay any for his initial investment in the Income Portfolio fund, fees of \$175.00 were charged for a second investment in the Retirement Plus Portfolio fund. Mr. Hudon also claimed that the Respondent neither showed him nor gave him a prospectus or explained any risks or fees associated with the funds.

Florient and Isabelle Arseneau of Petit Rocher first invested with the Respondent in March, 1993. In their statement to the Deputy Administrator they claimed they only agreed to invest after being reassured that their money would be as safe as if it were in a caisse populaire. Mr. Arseneau is 62 years old, having retired approximately 5 years ago. His investments with Investors approximated \$110,000.00. Mrs. Arseneau, a retired teacher, invested \$55,000.00 through the Respondent in May, 1993 upon the maturity of GIC's.

Like Mr. and Mrs. Garrett, Mr. and Mrs. Arseneau complained that they were not made aware of the true nature of their investment nor the risks or fees involved. A prospectus was neither shown nor left with them nor was any copy of contracts they signed. Like the Garretts upon receiving their statements in July, 1994 they expressed concern to the Respondent about the drop in the mutual fund value. Their complaints to Investors regional office in Moncton, regarding the Respondent's handling of their account was met with some indifference. The Deputy Administrator's Report states that the Regional Manager, George Cormier, expressed support for the Respondent in urging Mr. and Mrs. Arseneau not to redeem. When they again approached Mr. Cormier in December, 1994 about a further drop in value, he allegedly dismissed their complaints and again strongly defended the Respondent's integrity and the manner in which the investments were handled. Finally, in March, 1995 Mr. and Mrs. Arseneau were able to redeem and transfer to another financial institution. Mr. Arseneau claims he lost more than \$10,000.00 as a consequence of the Respondent's misrepresentations. Mrs. Arseneau claims a loss of approximately \$5,000.00.

Another complainant and client of the Respondent's was Hubert Roy, currently 62 years old and a resident of Pointe-Verte, New Brunswick. Mr. Roy invested approximately \$50,000.00. When approached by the Respondent in March, 1994 Mr. Roy insisted he wanted absolutely no risk. Mr. Roy stated that the payment of fees was not mentioned by the Respondent nor was a copy of a prospectus ever given to him, only sales brochures and a receipt. When Mr. Roy complained to Investor's Regional Manager, George Cormier, in the fall of 1994 about having been misled, he was not apparently received sympathetically. In February, 1995 Mr. Roy finally succeeded in having his investment transferred from an Investors mutual fund to an Investors GIC.

The seventh complainant is Nick Kovats of Bathurst. Retired from a window and door installation business, he first invested \$10,000.00 with the Respondent in 1989. This was followed in 1990 with an additional \$42,000.00 and in 1994 with \$82,000.00. Like the other complainants Mr. Kovats stated that he was never given or shown a prospectus nor did he appreciate his investments were in mutual funds. In 1990 he expressed concern to the Respondent about the solvency of Central Guarantee Trust and his GIC. As a consequence when it matured he invested it with the Respondent. As with his earlier investment he claimed he never understood its true nature but rather believed that it was a GIC. Again, in February, 1994 when he transferred \$82,000.00 from a bank GIC, he instructed the Respondent to ensure that it was covered by deposit insurance and that no fees be charged. While his relationship with the Respondent is older than that of other complainants, it appears that like them Mr. Kovats is an unsophisticated investor, either easily confused or uninformed about the nature of his investments.

The Report and registration file from this Office disclose that the Respondent, Reginald Roussel, is 43 years old and resides in Bathurst. He was first registered as a salesperson under the Act in 1985 to sell scholarship savings plans with Canadian American Financial Corp. (Canada) Limited. Having successfully completed the Investment Funds Institute of Canada mutual funds course in 1987, he transferred to Investors Syndicate Limited, now Investors Group Financial Services Inc., a registered mutual fund dealer. Our records show that he has been continually registered and employed by Investors since that date.

The Respondent was interviewed under oath by the Deputy Administrator on March 23, 1995. A transcript of that interview, in French, is included with his Report. The interview



concentrated on the complaints of Mr. and Mrs. Garrett. As the Report discloses the Respondent at first maintained that all the allegations against him were false, that at point of sale he fully and completely explained risks, fees, and investment properties of mutual funds to all his clients including Mr. and Mrs. Arseneau, Mr. Hudon, Mr. Roy and Mr. Kovats. He maintained that a prospectus was provided for each investor at least prior to the sale of each fund. Not being aware that his conversation of January 27 with Mr. and Mrs. Garrett had been recorded, he denied under oath making any of the following statements to Mr. and Mrs. Garrett:

- a. "But I did tell you, you would get about between 1% to 2% more per year average."
- b. "If you are not taking it out you are going to do an average of 7%, 8%, 9% or whatever, depending on the rate of return on GIC".
- c. "No., no. On five years, I am sure I can guarantee that you are going to do much better".
- d. "But even if you leave it with us, you will have it (all \$55,000.00 back) by the end -- before the end of the year".
- e. "Well, I mean, its like the price will always be between four \$4. And something and \$5., you know, about \$5.45 or whatever. It will always be between \$4.50 and \$5.50. Or it could -- much more".
- f. "But on five years you are going to do more than 6%".
- g. "I know they (the funds) will all do better, because those goes with the rate of interest".
- h. The reason for not offering GIC's last year was "Because I was sure, and I'm still sure of what you could do if you would stay for five years".

- I. "But in five years in a bond fund or mortgage fund you will get a return over and above the rate of GIC because its the same money going on the GIC".
- j. "...suppose you would have been with us for three years then you wouldn't be at risk".
- k. "Oh the unit value doesn't vary with the political stuff, it will vary with the interest rate".

Some of these statements were improper and misleading, if not strictly fraudulent misrepresentations as defined by the Act.

After reviewing the complete Report I find the Deputy Administrator's observations and conclusions cogent and persuasive. He argues that the Respondent deliberately lied to this Office under oath when, on March 23, he stated with confidence that he did remember the details of his January 27 meeting with Mr. and Mrs. Garrett and that he did not make any of the statements quoted above. When informed that the meeting had been taped he suddenly could no longer recall within any certainty what he had said. The Respondent then acknowledged that perhaps all material facts had not been disclosed to some clients during busy portions of the year. He could no longer remember specifically giving any prospectus to Mr. and Mrs. Garrett.

I also agree with the Deputy Administrator's observation that the Respondent took inordinate steps to prevent Mr. and Mrs. Garrett from redeeming their mutual fund investments. The temptation to choose self interest over client interest is one which all registrants confront on a daily basis. Another is the danger that persuasion becomes obfuscation resulting in

misrepresentation. It is clear that ultimately the Respondent succumbed to self interest. As the Deputy Administrator states at page 11 of his Report, the Respondent "aggressively imposed his own investment philosophy upon the Garretts...in time Roussel continuously chipped away at the Garretts determination to redeem. Roussel intended to wear down the Garretts, to have them abandon their initial investment objective of total security, to have them abandon their current attempt to redeem and to have them instead submit to his preferred way of investing their money."

### **III SUBMISSIONS:**

At the hearing, the Deputy Administrator limited his submissions to a brief review of the facts as acknowledged by the Respondent and disclosed in the Report, and to arguments on penalty. Mr. LeBlanc stressed again that it was seven, mostly retired, investors who suffered the consequences of the Respondent's misrepresentations and fraudulent acts. These acts included his deliberate disregard of the wishes and instructions of his clients; his failure to fully disclose the nature of their investment or their risks; and his deliberate deceitfulness and disregard of this Office when it proceeded to conduct an investigation. The Deputy Administrator noted that losses to these clients as a result of being placed in improper investments totals over \$14, 000.00. The Respondent's abuse of his clients' trust caused substantial emotional pain and financial hardship.

Speaking to sanctions, the Deputy Administrator compared the Respondent's breaches of the Act with those found who have occurred in previous administrative actions. In particular,

he referred me to the Matter of Fernand Robichaud and Donald MacKay, Orders and Reasons given by the Administrator on July 23, 1992. These two registrants distributed real estate limited partnership when neither were qualified or registered to do so. They participated in a scheme to share commissions with other salespersons who were similarly not licensed and all earned substantial profits. Both registrants were suspended from registration for 14 months, ordered to retake proficiency courses, and contribute \$4,000.00 each towards expenses incurred by the Office of the Administrator in conducting the investigation.

The Deputy Administrator argued that the Respondent's violations of the Act are more severe and, therefore, the penalties should be proportionately greater. Deterrence to others should also be a consideration. In contrast to the Matter of Donald MacKay and Fernand Robichaud, it is highly unlikely any administrative action would have occurred without clients reporting directly to this Office. In this current matter there are substantial client losses as a result of the violations, and there have been deliberate misrepresentations. Throughout his Report and in his submission, the Deputy Administrator strongly characterized the Respondent as a person having "a propensity to lie". Consequently, he recommended that the Respondent be suspended from registration for a further 18 months; that any reinstatement of registration be made conditional upon the Respondent's current and continuing cooperation in investigating complaints of other clients; that restitution be negotiated with his clients; that he contribute \$1,000.00 towards the costs of the investigation; that the Respondent retake an investment funds course; and that he be permitted to distribute securities in the future only under the strictest supervisory arrangements.

On behalf of the Respondent, Mr. Richard highlighted some of the circumstances which he believed contributed toward violations of the Securities Act. While an engineer by profession, Mr. Roussel had only the minimal training as required by the Act with little continuing education provided by Investors. Apart from the course on investment funds which he completed in 1987 he had only attended two weeks of local and on-the-job training followed by one additional week at head office in 1987. The Respondent has worked diligently to create a very large clientele, over 700, most of whom reside in the Bathurst area. Problems started to develop because the Respondent found it difficult to service all of them. However, counsel submits that Mr. Roussel had never been advised until recently about any client complaints, and he took exception to the Deputy Administrator's characterization of the Respondent's actions as demonstrating "a propensity to lie".

Mr. Richard argued that the complaints, especially those of Mr. and Mrs. Garrett, must be viewed in context. There is a tendency on the part of some investors to complain in any market downturn. While he acknowledged that the Respondent waived his right to call evidence to contradict the allegations of the complainants, he argued that a formal examination of them at a hearing might disclose inconsistencies or exaggerations. Furthermore, Mr. Roussel did not steal from clients and he honestly believed that his advice to the complainants was in their best interest. His actions, Mr. Richard submitted, might be characterized as over-zealousness, rather than an intent to commit fraud. Mr. Richard advised that a significant reason for the Respondent's difficulty was pressure and competitiveness within the securities industry which affected Mr. Roussel's health. A diagnosis of depression in 1992 was successfully treated but he suffered a relapse in 1994.

After the end of the hearing, Mr. Richard indicated his client's intention, regardless of the outcome, to resign from Investors and the securities industry and to return to the engineering profession. This decision, he said, brings great relief to the Respondent who feels the lifting of a heavy weight off his shoulders. Counsel agreed with all of the Deputy Administrator's recommendations on sanctions including the continued suspension from registration and the proposed conditions should reinstatement ever be sought.

#### **IV DECISION AND ORDER:**

The outcome of this matter is as clear as are tragic the consequences. At the hearing I accepted the Deputy Administrator's recommendation, in which the Respondent's counsel concurred, that Mr. Roussel's registration as a salesperson under the Securities Act be suspended for an additional 18 months. I indicated that this Order would be confirmed in writing at which time I would dispose of other recommendations regarding any future reinstatement of registration.

The consequences of violating provisions of the Securities Act must be clear and unequivocal to all registrants. More significantly, New Brunswick investors including those who brought this matter to the Deputy Administrator's attention, must have confidence that their interests remain the primary focus of both the securities industry and this Office.

That Reginald Roussel committed fraudulent acts as defined by Section 1 of the Securities Act is admitted. Such acts include:

- "a. any intentional misrepresentation by word or conduct or in any other manner of a material fact, either past or present, and an intentional omission to disclose any such fact,
- "b. a promise or representation as to the future that is beyond reasonable expectation and not made in good faith," ...
- "e. a course of conduct or business that is calculated or put forward with intent to deceive the public or the purchaser or the vendor of a security, as to the nature of a transaction or as to the value of the security,
- "f. the making of a materially false statement in any application, information, material or evidence submitted or given to the Administrator, his representative or the Registrar under the Provisions of this Act or the regulations, or in any prospectus or return filed with the Minister,"

Additionally, section 14 of the Act imposes a mandatory duty on each registrant receives an order for a security, to provide each prospective purchaser with a prospectus before the contract for the sale of a security is executed, failing which, an offence has occurred.

Subsection 12(1) of the Act empowers the Administrator to suspend or cancel a registration when the Administrator is satisfied that such action is in the public interest. The Administrator may also suspend registrations as a consequence of an investigation undertaken pursuant to authority granted to the Administrator or his delegate by section 21. Paragraph 12(1)(f) permits the Administrator to attach to the registration of a salesperson, any conditions which the Administrator deems necessary in the public interest.

As I have stated in similar, though not as serious, occasions in the past the ethical standards and business practices required of those who engage in distributing securities are necessarily high and exacting. The regulator and the regulated industry both demand that only those individuals exhibiting the highest degrees of professional competence and ethical practice be registered to trade. Without these strict requirements and standards public confidence in the securities industry would be lost resulting in great damage not only to the individual investor but also to our capital markets as a whole.

When the sales practices and general conduct of an individual are such that these standards are violated or breached, it is my duty under the Securities Act to seriously question that individual's suitability for participation in the industry. Such is the case with the Respondent. Whatever his circumstance or motives, it is clear that the Respondent subjected seven of his clients to serious misrepresentations which I find to have been fraudulent acts as defined by the Act. In particular, Mr. Roussel did not fully or adequately, if at all, disclose the exact nature of the investment in mutual fund securities; their long term as opposed to short-term investment characteristics; and the circumstances under which fees, if any, might be payable. Of equally serious consequence and a fundamental violation of securities industry principles was Mr. Roussel's failure to provide his clients with a prospectus. If investors are expected to bear the ultimate responsibility for their investment decisions, as is the case under our current law, then disclosure to the investor must be full and complete. A prospectus is the fundamental instrument of disclosure. The Respondent's failure in this is yet another fraudulent act under the Act.



Also of grave concern is Mr. Roussel's deliberate failure to execute the instructions of his clients. Not only did he fail them in the first instance when he invested in less than secure instruments, contrary to instructions and the interests of his clients, he again failed them when he delayed their requests to redeem. He was obstructionistic, deliberately refusing to acknowledge or accept directions. This inexcusable behaviour demonstrates that the Respondent's self-interest replaced his clients' interests.

It is evident that the tape recording of the conversation between the Respondent and Mr. and Mrs. Garrett has had a very significant impact on the outcome of this investigation and hearing. It is doubtful whether the Respondent would have admitted to any wrongful acts if it were not for the overwhelming evidence contained in the recording. Indeed, the Respondent's certainty about his conduct becomes immediately less so when advised of the existence of a tape. While it was helpful in this current investigation, it is disturbing that at least some clients have so little confidence in securities salespersons that they sometimes feel it necessary to secretly record conversations. However, I do not blame Mr. and Mrs. Garrett in the least for doing so as it appears to have been the only method of ensuring accountability from their salesperson. This case should serve as a warning to the industry that while investors may be unsophisticated, they will not tolerate lack of clarity, dishonesty, misrepresentation or gouging.

I wish to acknowledge the cooperation of the seven complainants who came forward to this Office. While some may regret the personal consequences which have befallen Mr. Roussel, they should be commended for their persistence in dealing with a salesperson who failed to place their interest above his own. While their actions in coming forward to this

Office may in the first instance have been motivated by their personal circumstances, in doing so they ultimately served the overall public interest by allowing this Office to address a very serious breach of the Securities Act.

This investigation raises once again as an issue this Office's ongoing concern regarding the adequacy of supervision and support being provided by dealers to individual salespersons. It also brings into question the degree of respect held by the securities industry for the investor. Mr. Richard argued that, apart from initial education in 1987, Mr. Roussel received no ongoing training. It is certainly clear that Mr. Roussel had been permitted to develop a client-base well beyond his capacity. This could be interpreted as evidence of a desire to create greater income rather than provide adequate service to clients. Certainly, this investigation raises issues with regard to the treatment of client complaints. It is not acceptable that any complaint should be dismissed without full investigation. If there had been an unbiased review by the Respondent's managers in 1994, the consequences which have become so disastrous for Mr. Roussel might have been avoided.

Finally, I wish to comment on Mr. Roussel and his personal circumstances. I very much appreciate that a consequence of this Order is to deprive Mr. Roussel, at least during the next 18 months, from an ability to earn what until now has been a well-compensated income in the securities industry. Even though his counsel has agreed with the Deputy Administrator's recommendations to impose this lengthy suspension, it still remains for me to determine whether the public interest is served in agreeing to it. Case law is clear that in order to deprive a registrant of a livelihood there must be clear and cogent evidence and the conclusions must

be reached pursuant to a strict interpretation of my authority under the Securities Act. I believe these requirements have been met.

It should be acknowledged that the Respondent did not contest the allegations and that he is prepared to accept the consequences of his actions. It is clearly evident that his professional life was out of control and some of his clients suffered significantly as a consequence. Mr. Roussel's decision to resign entirely from the securities industry, at least at this moment, is also to be acknowledged.

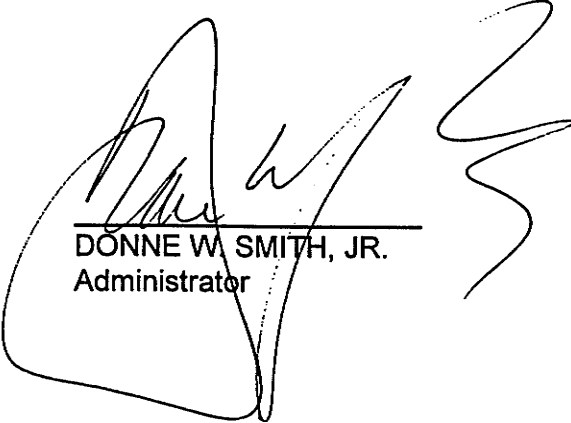
In conclusion, I find clear evidence that Reginald Roussel committed fraudulent acts as defined by the Securities Act. I further find that these violations have rendered him currently unsuitable for registration as a salesperson under the Act. I confirm my original Order of April 20, 1995 in which the Respondent's registration was suspended indefinitely. This suspension will remain in effect for a further 18 months from the date of the hearing, June 16, 1995. Because all registrations expire on October 31 of each year, the effect of this Order is that Mr. Roussel's registration will be cancelled after October 31, 1995. Should Mr. Roussel ever wish to be registered under the Act, a new application will be considered but only subject to the following conditions:

1. subsequent to a time calculated 18 months from June 16, 1995;
2. upon receipt of proof of the Respondent's successful completion, within the previous 12 months of the application, of an investment funds course;
3. the payment, pursuant to subsection 25(2) of the Act, to the Minister of Finance, of the sum of \$1,000.00 as contribution toward the costs and expenses incurred by this Office in conducting this investigation;

4. the demonstration by the Respondent of his cooperation in any future investigation involving complaints from former clients;
5. consideration of the extent to which the seven clients named herein received restitution for their losses incurred by Mr. Roussel's fraudulent acts;
6. receipt of a written undertaking by the Respondent's broker/employer to closely supervise his sales activities in a manner approved by the Administrator.

Because this Order confirms an oral decision rendered on June 16, I ask the Deputy Administrator and the Respondent's counsel to bring any discrepancies to my attention within the next 10 days. Otherwise, the Respondent is reminded that the Securities Act provides avenues of appeal from this decision and order should he so wish to pursue them.

DATED at Saint John, New Brunswick, this 10th day of July, 1995.



DONNE W. SMITH, JR.  
Administrator