

BRITISH COLUMBIA SECURITIES COMMISSION
Securities Act, RSBC 1996, c. 418

Citation: Re Branconnier, 2017 BCSECCOM 347

Date: 20171116

Reciprocal Order

Rene Joseph Branconnier

Section 161 of the *Securities Act*, RSBC 1996, c. 418

- [1] This is an order under sections 161(1) and 161(6)(c) of the *Securities Act*, RSBC 1996, c. 418 (the BC Act).
- [2] Section 161(1)(6) facilitates cooperation between the Commission and other securities regulatory authorities, self-regulatory bodies and exchanges. The executive director of the Commission has applied for an order reciprocating in British Columbia the market prohibition sanctions imposed by the Alberta Securities Commission (ASC) against Rene Joseph Branconnier (Branconnier) on February 2, 2016 in *Re Global 8 Environmental Technologies, Inc.*, 2016 ABASC 29 (the ASC orders).
- [3] The ASC orders are effective until the later of (i) February 2, 2036 and (ii) the date on which all monetary orders under sections 199 and 202 of the *Alberta Securities Act* for which Branconnier is responsible have been paid in full to the ASC.
- [4] Branconnier was provided the opportunity to be heard and made written submissions to the Commission. He submitted that the orders should not be reciprocated. He also sought certain carve-outs from the ASC orders.
- [5] The Commission will make a reciprocal order under section 161(1)(6) when such an order will, in the public interest, protect investors and the capital markets in British Columbia. Although the order in British Columbia is based on findings and sanctions in another jurisdiction, the Commission must be able to regulate a cross-border securities industry with highly mobile funds, people and information.
- [6] Among other things, the ASC found that Branconnier, as a BC resident, illegally distributed securities, made prohibited representations and misleading or untrue statements and acted contrary to the public interest. The ASC found that he would pose a grave risk to investors and the capital markets were he not to receive significant restrictions on his future capital markets activity in Alberta. We find that it is in the public interest to make similar orders, restricting Branconnier from participating in the capital markets in British Columbia.
- [7] Branconnier submitted that, if the Commission makes orders against him, there should be a carve-out to permit him to purchase shares of and become, or act as, a director or

officer of an issuer of which he owns all of the issued shares. The executive director did not respond to this submission.

- [8] Branconnier sought carve-outs from the ASC to permit him to trade or purchase certain securities and to permit him to act as a director and officer of a non-reporting issuer of which he was the sole shareholder. The ASC granted a limited carve-out from the trading and purchasing ban, which the executive director has included in the order he seeks. We find that limited carve-out to be appropriate.
- [9] The ASC found that it did not have any information about what sorts of activity Branconnier planned to engage in through a company of which he was the sole shareholder or his purpose in seeking a carve-out from the director and officer ban. The ASC found that it could not conclude on the material before it that such a carve-out would be appropriate in the public interest.
- [10] Branconnier submitted that the orders sought by the executive director to prohibit him from trading and acting in a management or consultative capacity would effectively prohibit him from using an issuer of which he owns all the issued shares to engage in any future activities similar to those subject to the ASC orders. The ASC imposed the same sanctions the executive director seeks and was unable to conclude that a carve-out was in the public interest in the circumstances. We have no further information why a carve-out would be appropriate. On the material before us, we cannot conclude that such a carve-out would be in the public interest.
- [11] Branconnier also submitted that if the Commission reciprocates the ASC orders, the orders should terminate on February 2, 2036 and not be tied to the payment of monetary orders to the ASC. We agree that, in the circumstances, the termination of our orders should not be tied to the payment to the ASC of its monetary orders.
- [12] After providing Branconnier with an opportunity to be heard and considering the submissions of the parties, we find that it is in the public interest to order that:
1. under section 161(1)(d)(i), Branconnier resign any position he holds as a director or officer of any issuer or registrant;
 2. until February 2, 2036:
 - a) under sections 161(1)(b)(ii), Branconnier cease trading in, and is prohibited from purchasing, securities, except that he may trade or purchase securities through a registered dealer, if he gives the registered dealer a copy of this order, in:
 - i. registered retirement savings plans, registered retirement income funds, registered education savings plans or tax-free savings accounts (as defined in the *Income Tax Act* (Canada)) or locked-in retirement accounts for the benefit of one or more of Branconnier, his spouse and his dependent children;

- ii. one other account for Branconnier's benefit; or
 - iii. both
- b) under section 161(1)(c), all of the exemptions set out in the BC Act, the regulations or a decision do not apply to Branconnier;
 - c) under section 161(1)(d)(ii), Branconnier is prohibited from becoming or acting as a director or officer of any issuer or registrant; and
 - d) under section 161(1)(d)(iv), Branconnier is prohibited from acting in a management or consultative capacity in connection with the securities market.

November 16, 2017

For the Commission

Nigel P. Cave
Vice Chair

George C. Glover, Jr.
Commissioner