



**Manitoba  
Financial Services  
Agency**

February 22, 2024

**IN THE MATTER OF:                    THE REAL ESTATE SERVICES ACT**

- and -

**IN THE MATTER OF:                    TEDDY BEYENE**

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**REASONS FOR DECISION  
OF THE SETTLEMENT HEARING PANEL  
THE MANITOBA SECURITIES COMMISSION**

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**Hearing Date: February 22, 2024**

Panel:

Panel Chair:	Mr. D. Cheop, K.C.
Member:	Mr. A. Babiuk

Appearances:

A. Poushangi	)	Counsel for The Manitoba Securities Commission
J. Kagan	)	Counsel for Teddy Beyene

## **Background**

These proceedings were commenced under a Notice of Hearing and an Amended Statement of Allegations of Staff of The Manitoba Securities Commission (Commission) dated October 18, 2023 issued under subsection 59(1) of *The Real Estate Services Act* (RESA) to consider whether:

- pursuant to subsection 59(1) of RESA, the registration of Teddy Beyene (Beyene) should be cancelled, suspended or terms and conditions should be attached to his registration; and
- Beyene should pay the costs of the investigation and this hearing.

At the time the Notice of Hearing was issued, Beyene was no longer registered with his previous brokerage and was seeking to become registered with a new brokerage.

In the Amended Statement of Allegations, Staff of the Commission alleged that Beyene:

- made repeated false and inaccurate statements to Manitoba Public Insurance (MPI) in order to collect Income Replacement Indemnity (IRI) Benefits in connection with a motor vehicle accident to which he was not entitled and while he continued to work as a real estate salesperson;
- made false and inaccurate statements to Investigation Staff of the Commission when responding to Staff's request that Beyene provide a response of MPI's findings of fraud against Beyene;
- engaged in general conduct unbecoming of a real estate salesperson during the course of his activities as such;
- engaged in professional misconduct during the course of his duties as a real estate salesperson;

all of which was contrary to the public interest.

## **Settlement Agreement**

Subsequent to the issuance of the Notice of Hearing and Amended Statement of Allegations, Staff of the Commission and Beyene negotiated a Settlement Agreement (Settlement Agreement) in connection with this proceeding.

On February 22, 2024 this hearing panel of the Commission met to consider the Settlement Agreement. After reviewing the Amended Statement of Allegations and the Settlement Agreement and hearing the submissions of counsel, the panel accepted the Settlement Agreement and indicated that the reasons for doing so would follow. These are those reasons.

## **Reasons for the Approval of the Settlement:**

The Settlement Agreement was the product of a negotiation between counsel for Staff of the Commission and counsel for Beyene, both of whom recommended acceptance. When considering a settlement agreement, a Commission panel must recognize the negotiation process and give significant weight to the agreement reached by the parties. Our role is to determine if the agreed upon sanctions are within the boundaries of what a reasonable person, aware of the circumstances, would consider to be in a range of reasonable outcomes. There is an extremely high threshold to be met in order for a recommended settlement agreement to be rejected.

The Settlement Agreement sets out a statement of facts agreed to by Staff and Beyene and includes acknowledgements by Beyene that:

- he made false and inaccurate statements to MPI in order to maintain IRI Benefits to which he was not entitled and while he continued to work as a real estate salesperson;
- he made false and inaccurate statements to investigation staff of the Commission when responding to Staff's request that he provide a response to MPI's allegations against him
- he engaged in general conduct unbecoming of a real estate salesperson during the course of his duties as a real estate salesperson;
- he engaged in professional misconduct during the course of his duties as a real estate salesperson; and
- his conduct, as set out above, was contrary to the public interest.

The Settlement Agreement proposed the following sanctions:

1. Beyene shall be barred from applying for, or becoming registered, in any capacity under RESA for a period of four (4) months, beginning from the date of the consent order approving the Settlement Agreement;
2. Conditions of registration as determined by the Registrar of the Commission be imposed on any future registration of Beyene under the RESA, for a period of twenty four (24) months, which period will begin when Beyene becomes registered in any capacity under RESA.
3. Beyene must successfully complete an educational course or other program, to be determined by the Registrar under RESA, within 12 months of becoming registered in any capacity under the RESA.
4. Beyene will make a voluntary payment to the Commission in the amount of \$30,000, which amount must be paid in full, within 90 days from the date of the Consent Order.
5. Beyene will pay to the Commission \$10,000 for the costs of and incidental to the investigation, which amount must be paid in full within 90 days from the date of the Consent Order approving the Settlement Agreement.
6. Beyene will not be permitted to be registered in any capacity under RESA until he has satisfied in full each of the payments referred to in items 4 and 5 above (counsel for Beyene advised the panel that the payments would be made concurrent with the issuance of the consent order).

The threshold issue that a panel must consider in connection with a proposed Settlement Agreement is that its approval would be in the public interest. In our view, the sanctions imposed on Beyene in the Settlement Agreement will have the necessary deterrent effect for the industry as well as to prevent future improper conduct. In this regard, the panel notes that although the false and inaccurate statements Beyene made to MPI in order to maintain IRI benefits did not occur in the connection with his activities as a real estate salesperson, they do reflect negatively on his honesty and integrity, which are core requirements of a registrant and therefore deserve sanction.

Approval of a Settlement Agreement resolves a matter quickly, efficiently and with certainty. A settlement avoids the time and costs associated with a contested hearing process. In addition, a Settlement Agreement itself becomes public so can serve as a general deterrence for others in the industry for future improper conduct.

In the panel's view this Settlement Agreement falls within the acceptable parameters in the circumstances, and as a whole this resolution of this matter is in the public interest and will also serve as a general deterrent to the industry.

For these reasons, the panel concludes it is in the public interest to approve the Settlement Agreement and that the consent order attached to it issue.

"D. Cheop"  
David Cheop  
Panel Chair

"A.W. Babiuk"  
A. Babiuk  
Member