



Manitoba
Financial Services
Agency

THE REAL ESTATE SERVICES ACT)
("RESA"))
Section 59(1))

Order No. 2850
February 22, 2024

THE REAL ESTATE BROKERS ACT)
("REBA"))
Section 11(1))

TEDDY BEYENE

WHEREAS:

- (A) On June 13, 2023, The Manitoba Securities Commission ("Commission") issued a Notice of Hearing ("Notice") giving notice of its intention to hold a hearing to consider, inter alia, whether or not it was in the public interest to order, pursuant to section 11(1) of the REBA, that the registration of Teddy Beyene ("BEYENE") as a real estate salesperson be suspended or cancelled;
- (B) On January 30, 2024, Staff of the Commission and BEYENE entered into a Settlement Agreement (the "Settlement Agreement"), which is subject to the approval of the Commission. A copy of the Settlement Agreement is attached as Schedule A;
- (C) BEYENE has consented to the issuance of this Order and has waived his right to a full hearing;
- (D) On February 22, 2024, the Commission held a hearing ("Settlement Hearing") to consider whether or not to approve the Settlement Agreement;
- (E) At the Settlement Hearing, the Commission approved the Settlement Agreement and the Commission is of the opinion that it is in the public interest to make this Order.

IT IS ORDERED THAT:

1. The Settlement Agreement as set out in Schedule "A" (the Settlement Agreement), is hereby approved.

2. BEYENE shall be barred from applying for, or becoming registered, in any capacity under the RESA for a period of four (4) months, beginning from the date of this Order.
3. Conditions of registration as determined by the Registrar of the Manitoba Securities 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 the RESA.
4. BEYENE must successfully complete an educational course or other program, to be determined by the Registrar of Real Estate of the Manitoba Securities Commission, within twelve (12) months of BEYENE becoming registered in any capacity under the RESA.
5. BEYENE will make a voluntary payment to the Commission in the amount of \$30,000.00 (thirty thousand dollars), which amount must be paid in full, within ninety (90) days from the date of this Order.
6. BEYENE will pay to the Commission \$10,000.00 (ten thousand dollars) for the costs of and incidental to the investigation and enforcement of these proceedings, which amount must be paid in full, within ninety (90) days from the date of this Order.
7. BEYENE not be permitted to be registered in any capacity under the RESA until BEYENE has satisfied, in full, each of the payment obligations indicated at items 5. and 6. in this Order, and as they are set out above.

BY ORDER OF THE COMMISSION



Director

SCHEDULE "A"

SETTLEMENT AGREEMENT

BETWEEN:

TEDDY BEYENE

and

STAFF OF THE MANITOBA SECURITIES COMMISSION

**The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba
R3C 4K5**

SETTLEMENT AGREEMENT

A. Introduction

A.1 By way of Notice of Hearing, Statement of Allegations of Staff and Amended Statement of Allegations of Staff of the Manitoba Securities Commission (collectively, the "Pleadings"), notice was given to Beyene, and for the Commission to consider whether:

- (a) Beyene made repeated false and inaccurate statements to MPI in order to collect IRI Benefits, to which he was not entitled, and while he continued to work as a real estate salesperson;
- (b) Beyene made false and inaccurate statements to Investigation Staff when responding to Staff's request that Beyene provide a response of MPI's findings of fraud against Beyene;
- (c) Beyene engaged in general conduct unbecoming of a real estate salesperson during the course of his duties as a real estate salesperson;
- (d) Beyene engaged in professional misconduct during the course of his duties as a real estate salesperson;
- (e) Beyene's conduct, as set out above, was contrary to the public interest;
- (f) Pursuant to s. 11(1) of the REBA and s. 59(1) of the RESA, Beyene's registration should be cancelled, suspended or terms and conditions should be attached to his registration;
- (g) Beyene should pay the costs of the investigation into matters referred to in these allegations and pays costs of the hearing; and

A.2 Discussions have been held between the Respondent and Staff in an effort to settle all issues in connection with the Pleadings. A settlement has been reached based on the terms and conditions set forth in this Settlement Agreement.

A.3 Pursuant to the settlement, Staff agree to recommend to the Commission that the proceedings against the Respondent be resolved and disposed of in accordance with the terms and conditions of this Settlement Agreement as set forth below. The Respondent consents to the settlement and to the making of the consent order referred to in Part D below, on the terms and conditions set forth in this Settlement Agreement.

B. Statement of Facts

Background

- B.1 Teddy Beyene ("Beyene") is a resident of the City of Winnipeg, in the Province of Manitoba.
- B.2 At all material times, Beyene was registered as a real estate salesperson under The REBA with Re/Max Professionals ("Re/Max").
- B.3 Beyene is currently seeking to become registered with a new brokerage under The RESA.

(I) DETAILS RELATED TO MPI CLAIM ISSUE

Accident, and Information that Beyene provided to MPI

1. On December 14, 2019, Beyene was involved in a motor vehicle accident (the "Accident").
2. Pursuant to the Accident, on January 5 and 6, 2020, Beyene completed two loss of function reports (the "LOF Reports") with a case manager of the Manitoba Public Insurance Corporation ("MPI") and applied for MPI Income Replacement Indemnity Benefits ("IRI Benefits").
3. In the LOF Reports, Beyene indicated, among other things, that because of the Accident, he was unable to drive a motor vehicle in any capacity, and that he was unable to work in any capacity.
4. Between January 30, 2020 and March 6, 2020, Beyene was contacted on five occasions by the MPI case manager assigned to his case, where during each occasion Beyene was requested to provide updates on his ability to drive, and ability to return to work.
5. On each occasion of being contacted by the MPI case manager, Beyene indicated he was unable to drive and unable to work, and that he had not driven and had not worked, since the MPI case manager's previous contacting of Beyene ("Additional Information Provided by Beyene" with the LOF Reports, the "Claim").
6. Beyene ultimately collected IRI Benefit payments from MPI totaling \$15,911.48 in relation to the Claim.

MPI Investigation and Surveillance of Beyene

7. Between January 21, 2020 and January 31, 2020 ("Investigation Period"), MPI conducted an investigation of Beyene in relation to the Claim.

8. MPI's investigation, which included video surveillance, showed that Beyene on occasion, had driven his vehicle, and had conducted real estate transactions during the Investigation Period, while continuing to collect IRI Benefits.

MPI Finds Beyene Provided False and Inaccurate Information

9. MPI's investigation ultimately concluded that Beyene's assertions in the LOF Reports and Additional Information Provided by Beyene to MPI were inconsistent with Beyene's functional abilities as demonstrated during MPI's five days of surveillance of Beyene.

10. MPI found that Beyene had knowingly provided false and inaccurate information to MPI in relation to the Claim.

11. The MPI investigation also found that on one occasion, where Beyene had indicated to MPI that he was attending at his doctor's office, Beyene had actually been at the time, caught on surveillance, conducting a showing for a real estate transaction.

12. On May 6, 2020, MPI suspended any further IRI Benefits to Beyene and required Beyene to reimburse the full amount of IRI Benefits which he had collected ("MPI's Decision")

13. Beyene did not contest MPI's Finding, reimbursed MPI in full, and paid the IRI Benefits back to MPI.

Staff Learn of MPI's Findings and Contact Beyene

14. Investigation Staff of Commission ("Investigation Staff") learned of MPI's findings and MPI's Decision initially by an MPI Media Release.

15. Investigation Staff contacted Beyene, requesting a response regarding MPI's findings of fraud against Beyene.

16. Beyene indicated to Investigation Staff that he did not intend to make fraudulent declarations to MPI in his Claim, but rather had made mistakes in his reporting, citing that he did not correctly understand the questions being asked of him, and that English was his second language.

17. Investigation Staff concluded that Beyene's reasons provided to Staff were completely inconsistent with Beyene's various assertions in the LOF Reports and Additional Information Provided by Beyene to MPI.

18. Investigation Staff also concluded that Beyene's reasons did not account for the instance where Beyene had indicated to MPI that he was attending at his doctor's office, but where Beyene had actually been at the time, on surveillance, conducting a showing for a real estate transaction.

(II) DETAILS RELATED TO GENERAL CONDUCT UNBECOMING

19. On several occasions, Beyene has engaged in verbally abusive, hostile and intimidating behavior toward co-workers and industry partners, including use of vulgar profanities, and exhibiting this behavior in front of clients during the course of his duties as a real estate salesperson.

20. Despite repeated warnings from his employer at the relevant times, additional instances of the conduct as described in paragraph 19 occurred.

(III) DETAILS RELATED TO PROFESSIONAL MISCONDUCT

21. On several occasions, Beyene has engaged in an unacceptable level of competence related to missing or incomplete paperwork and delays in submitting documentation during the course of his duties as a real estate salesperson, potentially jeopardizing the closing of real estate transactions and negatively affecting industry partners.

22. Despite repeated warnings from his employer at the relevant times, Additional instances of the conduct as described in paragraph 21 occurred.

C. Acknowledgements

C.1 Beyene acknowledges that:

- (a) 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;
- (b) He made false and inaccurate statements to Investigation Staff when responding to Staff's request that Beyene provide a response of MPI's allegations against Beyene;
- (c) He engaged in general conduct unbecoming of a real estate salesperson during the course of his duties as a real estate salesperson;
- (d) He engaged in professional misconduct during the course of his duties as a real estate salesperson; and
- (e) His conduct, as set out above, was contrary to the public interest.

D. Terms of Settlement

D.1 In order to effect a resolution of the issues raised by the Pleadings, Staff and the Respondent have entered into this Settlement Agreement. Upon this basis, Staff seek an order ("Consent Order") from the Commission that:

- a) Beyene shall be barred from applying for, or becoming registered, in any capacity under the RESA for a period of four (4) months, beginning from the date of the Consent Order.
- b) conditions of registration as determined by the Registrar of the Manitoba Securities 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 the RESA.
- c) Beyene must successfully complete an educational course or other program, to be determined by the Registrar of Real Estate of the Manitoba Securities Commission, within twelve (12) months of Beyene becoming registered in any capacity under the RESA.
- d) Beyene will make a voluntary payment to the Commission in the amount of \$30,000.00 (thirty thousand dollars), which amount must be paid in full, within ninety (90) days from the date of the Consent Order.
- e) Beyene will pay to the Commission \$10,000.00 (ten thousand dollars) for the costs of and incidental to the investigation and enforcement of these proceedings, which amount must be paid in full, within ninety (90) days from the date of the Consent Order.
- f) Beyene not be permitted to be registered in any capacity under the RESA until Beyene has satisfied, in full, each of the payment obligations indicated at items D1 e) and D1 d) in these terms of settlement, and as they are set out above.

E. Procedure for Approval of Settlement

- E.1 The approval of this Settlement Agreement and the making of the Consent Order set out in this Settlement Agreement shall be sought at a public hearing.
- E.2 Staff and the Respondents agree that if this Settlement Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted to the Commission in connection with the Notice of Hearing and the Respondents hereby waive their rights to a full hearing and appeal of this matter.
- E.3 If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or the Consent Order referred to in Part D above is not made by the Commission, Staff will be entitled to proceed with whatever steps it is entitled by law to take, including but not restricted to the commencement of a hearing before the Commission, unaffected by this Settlement Agreement or the settlement discussions. In the event that such steps are taken, the Respondents shall have all the usual rights of an

individual subject to such proceedings. If this Settlement Agreement is not approved or the Consent Order set out in Part D above is not made by the Commission, the terms of this Settlement Agreement shall remain confidential and will not be raised in this or any other proceeding and any admissions contained in this Settlement Agreement shall be considered as without prejudice communications and in furtherance of settlement discussions, which will not be binding upon the parties and which will be inadmissible in any proceeding whatsoever.

- E.4 Staff and the Respondents agree that if this Settlement Agreement is approved by the Commission and the Consent Order made upon the terms set out in this Settlement Agreement, this Settlement Agreement will be a public document. The Consent Order and/or approved Settlement Agreement may form the basis for parallel orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to the Respondents. Respondents should contact the securities regulator of any other jurisdictions in which the Respondents may intend to engage in any securities related activities, prior to undertaking such activities.
- E.5 The Respondents agree that they will not raise in any proceeding this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as a basis for an attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other challenge that may be available.
- E.6 If this Settlement Agreement is approved by the Commission and the Consent Order is made upon the terms set out in this Settlement Agreement, the parties hereto will not make any statement inconsistent with this Settlement Agreement.

DATED at Winnipeg, Manitoba, this 24th day of January, 2024

[Signature]
Witness

[Signature]
Teddy Beyene

DATED at Winnipeg, Manitoba, this 30th day of January, 2024

Staff of the Manitoba Securities Commission

Per: [Signature]
Chris Besko, Director