

**BETWEEN:**

**ONTARIO SECURITIES COMMISSION**

**(Applicant)**

**-and-**

**MARC BRUNET**

**(Respondent)**

**APPLICATION FOR ENFORCEMENT PROCEEDING**

(Subsections 127(1) and 127(4.0.1) of the *Securities Act*, RSO 1990, c S.5)

**A. OVERVIEW**

1. The Applicant, the Ontario Securities Commission (the **Commission**), requests that the Capital Markets Tribunal (the **Tribunal**) make orders in the public interest against the Respondent, Marc Brunet (**Brunet**) based on a conviction by the Ontario Court of Justice (**OCJ**) for engaging in securities fraud, unregistered trading, and illegal distribution. This order is sought without providing the Respondent an opportunity to be heard pursuant to s. 127(4.0.1) of the Ontario *Securities Act*, RSO 1990, c S.5 (the **Act**).

2. In 2021, Brunet was convicted of three counts of contravening Ontario securities law under s. 122(1)(c) of the Act for engaging in fraud contrary to s. 126.1(1)(b) of the Act, unregistered trading contrary to s. 25(1) of the Act, and illegal distribution contrary to s. 53(1) of the Act. Brunet's conviction was based on findings that between October 2010 and summer 2014, Brunet fraudulently solicited nearly \$1.06 million worth of investments from 31 investors in Multicast Networks Holdings Inc. (**MCN**), for which company he was the sole officer and director. In soliciting these investments, Brunet made false representations to investors and improperly diverted investor funds.

3. Brunet was sentenced to 30 months in jail for his breach of s. 126.1(1)(b) of the Act, and 6 months in jail for each breach of ss. 25(1) and 53(1) of the Act, with the

sentences running concurrently to each other. Additionally, restitution orders totalling \$706,316.09 were imposed against Brunet, jointly with his wife, Helene Brunet.

4. The Tribunal has jurisdiction to make orders in the public interest on an *ex parte* basis under ss. 127(1) and 127(4.0.1) of the Act where, as here, a person or company has been convicted in any jurisdiction of an offence under laws respecting securities or derivatives.

5. The order requested herein is in the public interest. It is necessary to restrain potential future misconduct by the Respondent that exposes Ontario investors to unacceptable risks and to deter others from engaging in securities misconduct such as unregistered trading, illegal distribution, and fraud.

## **B. GROUNDS**

### **OCJ Proceeding and Sentence**

6. Pursuant to an Information sworn February 1, 2018 (the **Information**), Brunet was charged with three counts of contravening Ontario securities law under s. 122(1)(c) of the Act: unregistered trading contrary to s. 25(1) of the Act; illegal distribution contrary to s. 53(1) of the Act; and fraud contrary to s. 126.1(1)(b) of the Act.

7. Brunet was convicted of all three counts on June 16, 2021, and on December 1, 2021, was sentenced to 30 months in jail for his breach of s. 126.1(1)(b) of the Act, 6 months in jail for his breach of s. 25(1) of the Act, and 6 months in jail for his breach of s. 53(1), with all sentences running concurrently to each other. Additionally, 28 restitution orders totalling \$706,316.09 were imposed against Brunet, jointly with his wife Helene Brunet.

## OCJ Findings

8. The Commission relies on the following findings made by the OCJ:

- (a) in 2005, Brunet incorporated MCN and was the sole officer and director of the company. MCN was dissolved on October 8, 2011 for non-compliance;
- (b) between October 2010 and summer 2014, Brunet solicited nearly \$1.06 million worth of investments from 31 investors in MCN. The investments were primarily MCN share purchases, but also included two separate cash loans from two investors. Many of the investments were deposited into Helene's personal bank accounts in Canada and the United States;
- (c) investors were led to believe that their money would be used to develop streaming technology as well as a streaming business;
- (d) Brunet traded in MCN shares for a business purpose in that he:
  - i. promoted the securities and MCN's purported business activities;
  - ii. carried on selling MCN shares with repetition and regularity;
  - iii. prepared subscription agreements, and gave instructions on how they were to be completed;
  - iv. signed and delivered share certificates; and
  - v. was compensated for the trading by using investor funds to pay for personal expenses;
- (e) Brunet was not registered to trade in securities at the relevant time;
- (f) the sale of MCN shares constituted a distribution;
- (g) no prospectus was ever filed with the Commission in respect of the distribution. No exemption from the prospectus requirement was granted by the Commission, and no exemptions applied;

(h) in soliciting investments in MCN, Brunet committed the following dishonest acts:

- i. sold shares in MCN after it had dissolved, with the knowledge that the company no longer existed;
- ii. failed to disclose the dissolution of MCN to existing investors;
- iii. represented that MCN was actively publicly trading on the GXG exchange when, in reality, it was not listed on any exchange;
- iv. represented that shares in MCN granted a legal interest in several other “Multicast Network” companies (which companies did carry on some business activities) when, in reality, there were no legal corporate structures in place linking MCN with these companies; and
- v. comingled investor funds with personal funds and used investor funds for personal expenses and other business ventures in which the MCN investors had no interest; and

(i) as a result of Brunet’s misconduct, MCN investors lost nearly \$750,000.

### **Jurisdiction of the Tribunal**

9. The investments made in MCN were securities under the Act.

10. Pursuant to paragraph 2 of s. 127(4.0.1) of the Act, if a person or company has been convicted in any jurisdiction of an offence under laws respecting securities and derivatives, the Tribunal may make any of the orders described in paragraphs 1 to 8.5 of s. 127(1) of the Act against the Respondent without giving the Respondent an opportunity to be heard.

11. Brunet has been convicted by the OCJ of offences under Ontario securities laws.

12. Subsection 127(4.0.4) of the Act allows the Tribunal to make an order under s. 127(4.0.1) even if the circumstances arose before s. 127(4.0.1) came into force.

13. It is in the public interest to make the requested orders against the Respondent to protect investors and safeguard the integrity of Ontario's capital markets.

### **C. ORDER SOUGHT**

14. The Commission requests that the Tribunal make the following orders against Brunet:

- (a) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Brunet shall cease permanently;
- (b) pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Brunet is prohibited permanently;
- (c) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Brunet permanently;
- (d) pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Brunet shall resign any positions that he holds as a director or officer of any issuer or registrant;
- (e) pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Brunet is prohibited permanently from becoming or acting as a director or officer of any issuer or registrant;
- (f) pursuant to paragraph 8.5 of subsection 127(1) of the Act, Marc is prohibited permanently from becoming or acting as a registrant or promoter; and

(g) such other order or orders as the Tribunal considers appropriate.

February 4, 2026

**ONTARIO SECURITIES COMMISSION**

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