Re Conlin

IN THE MATTER OF:

The Mutual Fund Dealer Rules

and

Patrick Joseph Conlin

2024 CIRO 54

Canadian Investment Regulatory Organization
Hearing Panel (Ontario District)

Heard: April 26, 2024 in Toronto, Ontario (via videoconference)
Decision: April 26, 2024
Reasons for Decision: June 4, 2024

Hearing Panel:
Emily Cole, Chair
Samuel Mah, Industry Representative
Eugene Park, Industry Representative

Appearances:
Samantha Wu, Enforcement Counsel
Jennie Brodski, Enforcement Counsel
Patrick Joseph Conlin (absent and not represented by counsel)

REASONS FOR DECISION

INTRODUCTION

¶ 1 This case is about a dealing representative who exceeded his registration authority (or acted beyond the terms of his registration).

¶ 2 Patrick Joseph Conlin (the Respondent) was registered with Investors Group Financial Services Inc. (IGFS). He was not registered with Investors Group Securities Inc. (IGSI), an investment dealer affiliated with IGFS. The Respondent completed know your client information (KYC) information to open accounts at IGSI and recommended non-mutual fund securities to an investor.

¶ 3 In addition, the Respondent failed to process transactions requested by a client resulting in losses. Finally, the Respondent failed to cooperate with an investigation by the Mutual Fund Dealers Association of Canada (MFDA), now the Canadian Investment Regulatory Organization (CIRO).

¶ 4 We accepted the facts alleged as having been proven pursuant to Rule 7.3.4 of the MFDA Rules[1]. Based on those facts and the evidence filed at the hearing, we found the Respondent engaged in the following misconduct:

Allegation #1: Between December 2020 and June 2021, the Respondent:

[1] effective January 1, 2023, the Mutual Fund Dealer (MFD) Rules

(a) completed Know Your Client information on account opening documents to open accounts for investors at an investment dealer where he was not registered; and

(b) provided recommendations to an investor in respect of non-mutual fund securities outside the Dealer Member,

contrary to the Dealer Member's policies and procedures and MFD Rules 1.1.1, 2.1.1, and 1.1.2 (as it relates to Rule 2.5.1).

Allegation #2: Between June 2021 and July 5, 2021, the Respondent failed to process transactions requested by a client, contrary to MFD Rule 2.1.1.

Allegation #3: Commencing on February 4, 2022, the Respondent failed to cooperate with an investigation by the MFDA into the Respondent's conduct, contrary to MFD Rule 6.2.1.

¶ 5 We imposed the following sanctions:

(a) a permanent prohibition on the Respondent's authority to conduct securities related business while in the employ of or associated with any Dealer Member of CIRO, pursuant to MFD Rule 7.4.1.1(e);

(b) a fine of $75,000, pursuant to MFD Rule 7.4.1.1(b); and

(c) costs of $10,000, pursuant to MFD Rule 7.4.2.

BACKGROUND

¶ 6 The Respondent failed to appear at the first appearance on March 8, 2024. The Hearing Panel was satisfied, based on affidavit evidence of the process server and MFDA Senior Investigator, Stephen Davis (Mr. Davis), that the Respondent was properly served with the December 21, 2023 Notice of Hearing and had adequate notice of the first appearance date. The Panel made an order, pursuant to MFD Procedural Rule 4.2(1)(b) to that effect. The first appearance proceeded in accordance with MFD Rule 7.3.4 and the hearing on the merits was scheduled for April 26, 2024.

¶ 7 On April 26, 2024, the Respondent failed to appear at the merits hearing. The Panel was satisfied by affidavit evidence that the Respondent was properly served and had adequate notice of the allegations against him and the date of the hearing. We proceeded under MFD Rule 7.3.4. We accepted the alleged facts as proven and together with the evidence filed, we found the Respondent engaged in misconduct and imposed the sanctions set out above.

ANALYSIS

¶ 8 Based on the facts set out in the Notice of Hearing and the evidence contained in the affidavits of Mr. Davis, affirmed on April 24, 2024; Catherine Kelly, Senior Manager, Compliance Investigations at IG Wealth Management (IGWM), affirmed on April 22, 2024; and a client JG (Client JG), affirmed on April 22, 2024, we found on a balance of probabilities that the Respondent:

(a) completed KYC information on account opening documents to open accounts for investors at an investment dealer where he was not registered; and

(b) provided recommendations to an investor in respect of non-mutual fund securities outside the Dealer Member,

contrary to the Dealer Member's policies and procedures and MFD Rules 1.1.1, 2.1.1, and 1.1.2 (as it relates to Rule 2.5.1).

¶ 9 We also found that the Respondent failed to process transactions requested by a client, contrary to MFD Rule 2.1.1, and he failed to cooperate with an investigation by the MFDA into the Respondent's conduct, contrary to MFD Rule 6.2.1.

¶ 10 The facts as set out in Enforcement Staff (Staff)'s written submissions appear below:

A. Registration History

¶ 11 The Respondent's registration history established that he was only registered to advise or trade in mutual funds, exchange-traded funds, guaranteed investment certificates, and high interest savings accounts at the Dealer Member. At no time was the Respondent registered or permitted to trade or advise in non-mutual fund securities in client accounts at IGSI or at all.

¶ 12 From August 28, 2019 until his employment was terminated on October 19, 2021, the Respondent was registered in Ontario as a dealing representative with IGFS (the Dealer Member), a Dealer Member of CIRO, formerly a member of the MFDA. The Respondent is not currently registered in the securities industry in any capacity.

B. The Respondent Completed Investment Dealer Account Documents and Advised in Respect of Non-Mutual Fund Securities

Dealer Member's Policies and Procedures

¶ 13 At all material times, the Dealer Member's policies and procedures permitted its Approved Persons to assist clients with completing account applications for clients of IGSI, an investment dealer affiliated with the Dealer Member. While the Dealer Member permitted its Approved Persons to record biographical information (name, age and address) on IGSI account applications, it prohibited its Approved Persons from "act[ing] 'in furtherance of a trade' on IIROC accounts," including discussing, assessing, or recording KYC information of IGSI's clients. The Dealer Member advised its Approved Persons that completing a client's KYC information on IGSI account forms exceeded the scope of their mutual fund registration and prohibited its Approved Persons from providing advice concerning stocks.

The Respondent Facilitated the Transfer of Client JG's Personal and Corporate Accounts

¶ 14 In or around December 2020, Client JG was a client of an investment dealer (A Ltd.), where Client JG held investments in a Registered Retirement Savings Plan (RRSP). JG's company (JG Ltd.) also held an investment account at A Ltd.

¶ 15 Client JG, who owned and operated construction and millwork companies, knew and trusted the Respondent. The Respondent had acted as an account manager at a bank affiliated with A Ltd. (the Bank) for one of Client JG's companies, where he provided banking and lending services. Client JG had also worked for the Respondent's family members on construction projects.

¶ 16 After the Respondent left his position at the Bank to act as a dealing representative with the Dealer Member, the Respondent represented to Client JG that he was "with IG Wealth Management" and solicited Client JG to transfer his personal and corporate accounts from A Ltd. to the Dealer Member, where the Respondent would service the accounts.

¶ 17 Through the time of Client JG's dealings with the Respondent, Client JG had limited investment knowledge and relied on the Respondent for investment recommendations and advice, as described below.

¶ 18 The Respondent never informed Client JG that he could not give investment advice regarding non-mutual fund securities such as stocks and investment trusts. Nor did the Respondent explain to Client JG that:

a) IGSI and the Dealer Member were different organizations; and

b) the Respondent could not act as consultant on IGSI accounts.

¶ 19 On December 21, 2020, the Respondent met with Client JG and recommended that Client JG transfer his RRSP and JG Ltd.'s investment accounts from A Ltd. to IGWM, and the Respondent would service the accounts. Client JG agreed to the transfer based on the Respondent's recommendation.

¶ 20 On December 24, 2020, the Respondent met with Client JG and prepared New Account Application Forms (the IGSI NAAFs) to open an RRSP account for Client JG, and an account for JG Ltd. at IGSI, as well as Transfer Authorization Forms (the IGSI TAFs) to transfer the investments held in Client JG's RRSP account and JG Ltd.'s account at A Ltd. in-kind to the accounts at IGSI.

¶ 21 Contrary to the Dealer Member's policies and procedures described above, and beyond the terms of the Respondent's registration, the Respondent discussed with Client JG and recorded Client JG and JG Ltd.'s

information in the KYC information sections of the IGSI NAAFs and signed the IGSI NAAFs as the consultant on the accounts at IGSI.

¶ 22 The Respondent submitted the IGSI NAAFs and IGSI TAFs to IGSI for processing. The IGSI NAAFs were processed by IGSI and an RRSP account for Client JG, and an account for JG Ltd. were opened at IGSI.

¶ 23 Between January and February 2021, investments were transferred in-kind from Client JG's RRSP account and JG Ltd.'s account at A Ltd. to IGSI.

¶ 24 The Dealer Member was unaware of the Respondent completing KYC information for Client JG and JG Ltd. on the IGSI NAAFs and signing the IGSI NAAFs as the consultant on the accounts at IGSI.

¶ 25 The Respondent opened at the Dealer Member an RRSP account for Client JG and an account for JG Ltd., and on or about March 12, 2021, the Respondent prepared and submitted to the Dealer Member a TAF to transfer in cash the holdings in Client JG's RRSP account from IGSI to the Dealer Member. Client JG's investments in his RRSP account at IGSI were redeemed, and the redemption proceeds plus other cash totaling approximately $219,176 were transferred to JG's RRSP account at the Dealer Member.

¶ 26 The Respondent never facilitated transfer of assets from JG Ltd.'s account at IGSI to the Dealer Member.

The Respondent Recommended Selling Non-Mutual Fund Securities

¶ 27 Beginning in March 2021, Client JG asked the Respondent for advice about investing in his RRSP account at the Dealer Member. Client JG also asked the Respondent for investment advice in respect of JG Ltd.'s account that at the time was held at IGSI.

¶ 28 On June 11, 2021, the Respondent, contrary to the Dealer Member's policies and procedures, provided Client JG with recommendations to sell stocks and investment trusts held in the account of JG Ltd. at IGSI based on the performance of the securities, and recommended that Client JG invest the sale proceeds in a mutual fund in JG Ltd.'s account.

¶ 29 The Dealer Member was unaware of the Respondent providing recommendations to Client JG in respect of stocks and investment trusts that were held in JG Ltd.'s account at IGSI, outside the Dealer Member. Providing recommendations in these investments was not permitted by the Dealer Member.

C. The Respondent Failed to Follow Client Instructions

¶ 30 On June 21, 2021, Client JG instructed the Respondent to:

a) transfer $55,371 from JG Ltd.'s account at IGSI to JG's RRSP account at the Dealer Member; and

b) use monies in JG's RRSP account at the Dealer Member totaling $275,000 to purchase a mutual fund.

¶ 31 The Respondent failed to process the transactions as instructed by Client JG, and on or about July 5, 2021, Client JG contacted the Respondent to query why the monies had not been invested. The Respondent did not respond.

¶ 32 On or about August 4, 2021, Client JG complained to the Dealer Member that the Respondent had failed to process the transactions as Client JG instructed and informed it that he incurred losses as a result.

¶ 33 The Dealer Member assigned another Approved Person to service Client JG's account. It also determined that losses arising from Client JG and JG Ltd.'s assets not being invested totaled $24,286.96 and offered this amount as compensation to Client JG. Client JG has not accepted this compensation offer yet.

¶ 34 As a result of the Respondent's conduct described above, Client JG has lost trust in investment organizations and their advisors.

D. The Respondent Failed to Cooperate with an MFDA Investigation

¶ 35 On August 12, 2021, the Dealer Member reported to the MFDA that it received a complaint from Client JG that the Respondent had failed to process trades as Client JG instructed, resulting in Client JG's assets not being invested for a period of time.

¶ 36 Subsequently, Staff commenced an investigation into the Respondent's conduct.

¶ 37 On January 20, 2022, Staff informed the Respondent that Staff was commencing an investigation after receiving information regarding Client JG's complaint alleging that, despite requests to invest his assets, the Respondent did not submit investment instructions to process the trades. Staff requested that the Respondent provide a statement in response to the allegations by February 4, 2022.

¶ 38 On February 4, 2022, the Respondent called Staff to request an extension until February 11, 2022 to respond to Staff's request.

¶ 39 The Respondent did not respond by February 11, 2022, and on February 15, 2022, Staff emailed the Respondent a letter reiterating its request that the Respondent provide a statement, this time by no later than February 17, 2022. The Respondent did not respond.

¶ 40 On July 26, 2022, Staff sent a letter and email to the Respondent, requesting that the Respondent attend an interview by videoconference with Staff in relation to the matters under investigation. Staff requested that the Respondent contact Staff within ten business days to schedule the interview.

¶ 41 On August 9, 2022, the Respondent acknowledged receipt of the interview request letter, and requested additional information about the interview. Staff provided the Respondent with the information on the same day.

¶ 42 On August 29, 2022, Staff emailed the Respondent to schedule an interview by videoconference.

¶ 43 On September 19, 2022, Staff emailed the Respondent a letter advising him that he was required to attend an interview with Staff scheduled for October 12, 2022. Staff requested that the Respondent contact Staff before September 30, 2022 to confirm that he would attend the interview.

¶ 44 On October 11, 2022, the Respondent emailed Staff requesting that the interview be postponed. Staff accommodated this request and postponed the interview to October 25, 2022. On October 13, 2022, the Respondent confirmed over email that he was available to attend the interview on this date.

¶ 45 On October 25, 2022, the Respondent called Staff and asked for another postponement of the interview.

¶ 46 Staff ultimately scheduled the interview of the Respondent for December 13, 2022, and on December 6, 2022, Staff provided the Respondent with the information to participate in the interview by videoconference. On December 9, 2022, Staff emailed the Respondent to advise that if the Respondent failed to attend the interview, Staff could seek authorization to commence enforcement proceedings against the Respondent for failing to cooperate.

¶ 47 The Respondent failed to provide a written statement to Staff or attend the interview scheduled on December 13, 2022.

REASONS FOR IMPOSING SANCTIONS

¶ 48 We followed the considerable jurisprudence developed by the courts and securities regulatory tribunals about the principles we should apply and the factors we should consider in determining the appropriate sanctions.

¶ 49 The Supreme Court of Canada (SCC) directed that securities regulatory tribunals must keep in mind the primary goal of securities regulation, which is the protection of the investing public.[2]

¶ 50 The SCC also indicated that sanctions imposed in the securities regulatory context should be protective and preventative, intended to be exercised to prevent likely future harm to the capital markets.[3]

¶ 51 The MFDA followed previous decisions by the SCC and the Ontario Securities Commission (OSC) when it outlined the appropriate role of a hearing panel in determining penalty and provided guidance about the

[2] *Pezim v. British Columbia (Superintendent of Brokers)*, [1994] 2 S.C.R. 557

[3] *Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario* (Securities Commission), [2001] 2 S.C.R. 132

factors we should consider.

¶ 52 The OSC set out succinctly its role, not dissimilar to the role of this Panel, in determining penalties in *Re Mithras Management Ltd, et al.*.[4] The Commission stated at 1610:

> ... [T]he role of this Commission is to protect the public interest by removing from the capital markets -- wholly or partially, permanently, or temporarily as the circumstances may warrant -- those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 of the Act. We are here to restrain, as best we can future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient.

¶ 53 Several previous decisions of industry tribunals, including an MFDA panel in *Re Parkinson*,[5] found the following factors should be taken into account in determining the appropriate sanctions to impose:

(a) the protection of the investing public;

(b) the integrity of the securities market;

(c) specific and general deterrents;

(d) the protection of the governing body's membership; and

(e) the protection of the integrity of the governing body's enforcement processes.

¶ 54 Moreover, the SCC in *Re Cartaway Resources Corp.*[6] indicated that general deterrence is an appropriate consideration in making orders that are both protective and preventative. At para. 61 of that case, the Court stated:

> In a word, a general deterrent is preventative. It is therefore reasonable to consider general deterrence as a factor, albeit not the only one, in imposing a sanction under s. 162. The respective importance of general deterrence as a factor will vary according to the breach of the Act and the circumstances of the person charged with breaching the Act.

¶ 55 Previous tribunals have set out a number of additional factors that should be considered in determining penalty.[7] They include:

- The seriousness of the allegations proved against the Respondent;
- The Respondent's past conduct, including prior sanctions;
- The Respondent's experience in the capital markets;
- The level of the Respondent's activity in the capital markets;
- Whether the Respondent recognizes the seriousness of the improper activity;
- The harm suffered by investors as a result of the Respondent's activities;
- The benefits received by the Respondent as a result of the improper activity;
- The risk to investors and the capital markets in the jurisdiction, were the Respondent to continue to operate in capital markets in the jurisdiction;
- The damage caused to the integrity of the capital markets in the jurisdiction by the

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[4] (1990) 13 O.S.C.B. 1600

[5] 2005 MFDA Case No. 200501

[6] (2004) 1 S.C.R. 672

[7] *See Belteco Holdings Inc. (1998)*, 21 O.S.C.B. 7743; *M.C.J.C Holdings and Michael Cowpland (2002)*, 25 O.S.C.B. 1133; *Lamoureux (Re)*, [2002] A.S.C.D. No. 125; and *Tonnies (Re)*, 2005 LNCMFDA 7 at paras. 44-48.

Respondent's improper activities;

- The need to deter not only those involved in the case being considered, but also any others who participate in the capital markets, from engaging in similar improper activity;
- The need to alert others to the consequences of inappropriate activities to those who are permitted to participate in the capital markets; and
- Previous decisions made in similar circumstances.

¶ 56 In determining the appropriate penalty, we are also governed by the principle of proportionality. The penalty must be proportionate to the seriousness of the misconduct and the particular circumstances of the Respondent.[8] This helps CIRO meet its primary objective of investor protection.

¶ 57 In this case, we considered the seriousness of the allegations proven against the Respondent, the harm suffered by Client JG as a result of the Respondent's improper conduct, the Respondent's failure to recognize the seriousness of the improper conduct, the risk to investors and the capital markets in the jurisdiction, were the Respondent to continue to operate; the damage caused to the integrity of the capital markets in the jurisdiction by the Respondent's improper activities, general and specific deterrence, and previous decisions made in similar circumstances.

Seriousness of the Misconduct

¶ 58 The Respondent engaged in some of the most serious types of misconduct: trading beyond the scope of his registration, failing to follow client instructions resulting in losses, and failure to cooperate with an investigation.

¶ 59 MFD Rule 1.1.1 creates a closed system where an Approved Person is only permitted to conduct securities related business for the account of the Dealer Member and through its facilities to ensure appropriate review and supervision of trading activity. MFD Rule 1.1.1 protects primarily the interests of Dealer Member clients, but also the interests of Dealer Members and Approved Persons.[9]

¶ 60 The registration requirement serves an essential gate-keeping mechanism ensuring that only those who are properly qualified trade in securities on behalf of the public. In *Re Limelight Entertainment Inc.*[10], the OSC discussed the importance of registration requirements:

> The requirement that an individual be registered in order to trade in securities is an essential element of the regulatory framework with the purpose of achieving the regulatory objectives of the Act. Registration serves an important gate-keeping mechanism ensuring that only properly qualified and suitable individuals are permitted to be registrants and to trade with or on behalf of the public. Through the registration process, the Commission attempts to ensure that those who trade in securities meet the applicable proficiency requirements, are of good character, satisfy the appropriate ethical standards and comply with the Act.

¶ 61 The Respondent's dishonesty holding himself out as a consultant on non-mutual fund securities to Client JG was a blatant breach of the Respondent's duty to act fairly, honestly and in good faith with his clients. It goes without saying that the Respondent would have been well aware he was misleading Client JG and acting beyond the scope of his registration.

¶ 62 The public places their trust in advisors to be who and what they say they are. Investors must be able to depend on individuals engaging in securities related business to have the necessary qualifications to act on their behalf. We find that a permanent prohibition on the Respondent's authority to conduct securities related business while in the employ of or associated with any Dealer Member of CIRO is necessary to protect the public.

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[8] *Re Harrigan,* 2019 MFDA Case No. 201415 at para. 5

[9] *Re Wemple*, 2017 MFDA Case No. 201654 at paras. 13-15

[10] *Re Limelight Entertainment Inc.*, 2008 LNONOSC 78 at para. 135

¶ 63 An MFDA hearing panel found that engaging in securities related business without the approval or knowledge of the Member is serious misconduct:[11]

> Conducting securities related business ... without the approval or knowledge of the Member is serious misconduct. The Member loses its ability to supervise the transactions and to assess the suitability of the transactions for the investors. The misconduct can have dire consequences for the investors involved as the off-book investments may not be suitable for the investors or even legitimate investments. The misconduct may bring the Member or the mutual fund industry into disrepute.

¶ 64 To add insult to injury the Respondent not only held himself out as an advisor but then failed to follow the instructions his client gave him. Again, having placed his trust in the Respondent, Client JG was entitled to expect that the Respondent would follow his instructions. Instead, the Respondent failed to carry out the trades requested resulting in losses. Failing to follow a client's instructions is also very serious misconduct.[12]

¶ 65 Finally, the Respondent displayed a complete and utter disregard for the regulator. He failed to appear for his interview, failed to file a reply and opted not to participate in his own hearing. MFDA hearing panels repeatedly found that failure to cooperate is very serious misconduct.

¶ 66 As stated by the Ontario Divisional Court, "[f]undamentally, every professional has an obligation to co-operate with his self-governing body."[13]

¶ 67 In *British Columbia Securities Commission v. Branch*[14], the SCC found that it was reasonable for a securities regulator to compel individuals under its jurisdiction to attend oral examinations to answer questions relevant to an investigation.

¶ 68 L'Heureux-Dubé J., in concurring reasons in *Branch* described the relationship between a registrant and the regulator. In exchange for the privilege of registration, a registrant has corresponding obligations:

> ...although activity in the securities sphere is of immense economic value to society generally, it must be remembered that participants engage in this licensed activity of their own volition and ultimately for their own profit. In return for permitting persons to obtain the fruits of participation in this industry, society requires that market participants also undertake certain corresponding obligations in order to safeguard the public welfare and trust. Participants must conform with the extensive regulations and requirements set out by the provincial securities commissions. Many of these requirements are fundamental to maintaining an efficient, competitive market environment in a context where imperfect information is endemic. They are also essential to prevent and deter abuses of such asymmetries of information, and therefore to maintain the integrity of the securities system and protect the public interest.

¶ 69 The Respondent's failure to cooperate with the MFDA investigation was also serious because it hinders the self-regulatory organization's ability to investigate the conduct of participants in the mutual fund industry who are subject to its jurisdiction and could undermine its ability to fulfill its regulatory mandate of protecting the public. In *Re Dixon*[15], the MFDA hearing panel stated:

> The Panel considered that the failure of an Approved Person to cooperate with an MFDA investigation by among other things, not complying with a request by an MFDA investigator made pursuant to s. 22.1 of the By-law is serious misconduct. It subverts the ability of the MFDA to perform its regulatory function by fully investigating a matter and determining all of the facts.

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[11] *Re Qi*, 2013 MFDA Case No. 201253 at para. 11

[12] *Re Cummins*, 2017 MFDA Case No. 201645 at para. 32*; Re Leonard*, 2020 MFDA Case No. 201919 at para. 21

[13] *Artinian v. College of Physicians and Surgeons of Ontario (1990)*, 73 O.R. (2d) 704 (Div. Ct.) at p. 4

[14] [1995] 2 SCR 3 [*Branch*]

[15] 2017 MFDA Case No. 201728 at para. 12

Further, the failure to provide information requested in an investigation undermines the integrity of the industry's self-regulatory system and the effectiveness of its operations, including the MFDA's mandate to protect the public.

The Harm Suffered by Client JG as a Result of the Respondent's Improper Conduct

¶ 70 The Respondent failed to follow Client JG's instructions resulting in losses of $24,286.96.

Whether the Respondent Recognizes the Seriousness of the Improper Conduct

¶ 71 The Respondent's complete failure to recognize the seriousness of his improper conduct is demonstrated by his failure to cooperate or engage with the hearing process.

The Risk to Investors and the Capital Markets in the Jurisdiction where the Respondent to Continue to Operate

¶ 72 As discussed, the registration requirement is a gatekeeper designed to protect the public. In this case, a single investor suffered losses of $24,286.96. Left unchecked, the Respondent's unauthorized trading activity could affect more investors and cause more losses.

The Damage Caused to the Integrity of the Capital Markets by the Respondent's Improper Conduct

¶ 73 When one individual engages in serious misconduct, particularly when it is client facing, it harms the reputation of all advisors.

General and Specific Deterrence

¶ 74 A permanent prohibition on the Respondent's authority to conduct securities related business while in the employ of or associated with any Dealer Member of CIRO will provide specific deterrence to the Respondent and send a message of general deterrence to others contemplating similar misconduct.

Previous Decisions Made in Similar Circumstances

¶ 75 Staff provided us with several decisions that addressed securities related business outside the Dealer Member and failure to cooperate with an MFDA investigation. The sanctions we ordered are consistent with the penalties imposed by CIRO and MFDA hearing panels in previous cases involving similar circumstances.

CONCLUSION

¶ 76 Based on all of the evidence we found that the Respondent engaged in misconduct as alleged in the Notice of Hearing and ordered the following sanctions:

(a) a permanent prohibition on the Respondent's authority to conduct securities related business while in the employ of or associated with any Dealer Member of CIRO, pursuant to MFD Rule 7.4.1.1(e);

(b) a fine of $75,000, pursuant to MFD Rule 7.4.1.1(b); and

(c) costs of $10,000, pursuant to MFD Rule 7.4.2.

DATED at Toronto, Ontario this 4th day of June 2024.

"Emily Cole"
Emily Cole, Chair

"Samuel Mah"
Samuel Mah, Industry Representative

"Eugene Park"
Eugene Park, Industry Representative