



CIRO · OCRI

Canadian Investment
Regulatory
Organization

Organisme canadien
de réglementation
des investissements

Order

File No. 202336

**IN THE MATTER OF
THE MUTUAL FUND DEALER RULESⁱ
and
Lorne Stuart Allison**

ORDER

WHEREAS on December 18, 2023, the Canadian Investment Regulatory Organization (“CIRO”) issued a Notice of Hearing pursuant to Mutual Fund Dealer Rules 7.3 and 7.4 in respect of a disciplinary proceeding commenced against Lorne Stuart Allison (the “Respondent”);

AND WHEREAS the first appearance in this hearing was held electronically by videoconference on March 15, 2024, and the parties were ordered to re-attend at a further appearance on April 2, 2024, during which the parties consented to scheduling the hearing on its merits to take place on October 17, 2024, and the Respondent was ordered to serve on Staff and file a Reply to the Notice of Hearing by April 22, 2024;

AND WHEREAS the Respondent did not serve or file a Reply to the Notice of Hearing;

AND WHEREAS on October 17, 2024, a hearing on the merits was conducted before a hearing panel of the Pacific District Hearing Committee (the “Hearing Panel”) electronically by videoconference;

AND UPON reading the affidavits filed by CIRO Staff (“Staff”) and written submissions of Staff, and hearing the oral submissions of the parties, the Hearing Panel is of the opinion that:

Between September 2020 and February 2021, the Respondent engaged in securities related business that was not carried on for the account or through the facilities of the Dealer Member, contrary to the Dealer Member’s policies and procedures and Mutual Fund Dealer

Rules 1.1.1, 2.1.1, 2.1.4, and 1.1.2 (as it relates to Rule 2.5.1) (formerly MFDA Rules 1.1.1, 2.1.1, 2.1.4, 1.1.2, and 2.5.1).¹

IT IS HEREBY ORDERED THAT:

1. The Respondent is permanently prohibited from conducting securities related business in any capacity while in the employ of or associated with any Dealing Member of CIRO registered as a mutual fund dealer, pursuant to Mutual Fund Dealer Rule 7.4.1.1(e).
2. The Respondent shall pay a fine of \$70,000 on the date of this Order, pursuant to Mutual Fund Dealer Rule 7.4.1.1(b), comprising:
 - a. an amount sufficient to disgorge \$19,846, being the amount obtained by the Respondent from his contravention of the MFDA Rules; and
 - b. a fine of \$50,154.
3. The Respondent shall pay costs in the amount of \$10,000 on the date of this Order, pursuant to Mutual Fund Dealer Rule 7.4.2.

¹ At the time of the misconduct, the Respondent contravened MFDA Rules 1.1.1, 2.1.4, 2.1.1, and 1.1.2 (as it relates to MFDA Rule 2.5.1), which are now incorporated into Mutual Fund Dealer Rules 1.1.1, 2.1.4, 2.1.1, 1.1.2, and 2.5.1 referred to in this proceeding. On January 21, 2021, amendments to MFDA Rule 1.1.1 came into effect; on June 30, 2021, amendments to MFDA Rule 2.1.4 came into effect; and on July 7, 2022, amendments to MFDA Rule 1.1.2 came into effect. As conduct addressed in this proceeding pre-dated the amendments to these Rules, the version of MFDA Rule 1.1.1 that was in effect between January 7, 2004 and January 21, 2021, the version of MFDA Rule 2.1.4 that was in effect between February 27, 2006 and June 30, 2021, and the version of MFDA Rule 1.1.2 that was in effect prior to July 7, 2022, are applicable to this proceeding.

DATED this 26th day of November, 2024.

“Nils Preshaw”

Nils Preshaw,
Chair

“Susan Monk”

Susan Monk,
Industry Representative

“Tammi Walsh”

Tammi Walsh,
Industry Representative

ⁱ Where the rules, by-laws, and policies of the Mutual Fund Dealers Association of Canada (the “MFDA”) that were in force immediately prior to amalgamation of the Investment Industry Regulatory Organization of Canada and the MFDA have been incorporated into the Mutual Fund Dealer Rules, Enforcement Staff have referenced the relevant section of the Mutual Fund Dealer Rules.