

Re Snitzler

IN THE MATTER OF:

The Mutual Fund Dealer Rules

and

Jordan Michael Snitzler

2025 CIRO 07

Canadian Investment Regulatory Organization
Hearing Panel (Saskatchewan District)

Heard: December 30, 2024 in Regina, Saskatchewan, electronically by video conference

Decision: December 30, 2024

Reasons for Decision: January 29, 2025

Hearing Panel:

Richard L. Yaffe, K.C., Chair

Annette Stephens, Industry Representative

Eric Wray, Industry Representative

Appearances:

Tyler Beazer, Enforcement Counsel

Anna Markiewicz, Counsel for Jordan Michael Snitzler

Jordan Michael Snitzler, Respondent (present)

REASONS FOR DECISION ON ACCEPTANCE OF SETTLEMENT

INTRODUCTION

[1] Jordan Michael Snitzler (the “Respondent”) admits to violating the Mutual Fund Dealer Rules by:

- obtaining, possessing and using to process transactions, three pre-signed account forms in respect of three clients; and
- altering and using to process transactions, 30 account forms in respect of 26 clients, by altering information on the account forms without having the clients initial the alterations to show that the alterations were authorized, or by submitting for processing account forms containing information that had been altered without the client initials;

contrary to Mutual Fund Dealer Rule 2.1.1.

[2] The purpose of this Hearing was to determine whether a hearing panel (the “Hearing Panel”) of the Saskatchewan District Hearing Committee of the Canadian Investment Regulatory Organization (“CIRO”) should accept the settlement agreement (the “Settlement Agreement”) entered into between the staff of CIRO

("Staff") and the Respondent pursuant to Mutual Fund Dealer Rule 7.4.4.3(a).

[3] Staff and the Respondent consent and agree to the terms of the Settlement Agreement and jointly recommend that the Hearing Panel accept the Settlement Agreement;

[4] The Hearing Panel approved the Settlement Agreement.

ANALYSIS

1. FACTS

[5] The facts are as follows:

[6] The Respondent has been registered in the securities industry since approximately August 2009.

[7] Between July 1, 2021 and December 27, 2023, the Respondent was registered in Saskatchewan and Alberta as a dealing representative with Investia Financial Services Inc. ("Investia"), a Dealer Member of CIRO (formerly a Member of the Mutual Fund Dealers Association of Canada (the "MFDA")). Investia designated the Respondent as a Branch Manager.

[8] On December 27, 2023, the Respondent resigned from Investia;

[9] Since January 25, 2024, the Respondent has been registered in Saskatchewan, Alberta, British Columbia and Ontario as a dealing representative with Designed Securities Ltd., a Dealer Member of CIRO;

[10] At all material times, the Respondent conducted business in the Regina, Saskatchewan area.

[11] At all material times, Investia's policies and procedures prohibited its dealing representatives from obtaining, possessing or using blank or incomplete pre-signed account forms.

[12] Between June 3, 2019 and June 2, 2021, the Respondent obtained, possessed and used to process transactions, three pre-signed account forms in respect of three clients.

[13] The pre-signed account forms included one transfer form and two fund application forms.

[14] At all material times, Investia's policies and procedures prohibited its dealing representatives from altering or correcting any information on account forms without having the client initial the alteration and show that the alteration was authorized by the client.

[15] Between December 6, 2016 and June 28, 2021, the Respondent altered and used to process transactions, 30 account forms in respect of 26 clients, by altering information on the account forms without having the clients initial the alterations to show that the alterations were authorized, or by submitting for processing account forms containing information that had been altered without the client initials.

[16] The altered account forms included:

- a) two systematic instruction forms;
- b) 12 account application forms;
- c) five transfer forms;
- d) one order instruction form;
- e) six order entry forms;
- f) one Know-Your-Client ("KYC") update form;
- g) one subscription form;
- h) one reinvestment form; and

- i) one confirmation of identity form.

[17] The alterations made to the account forms included changes to: investment instructions and amounts, transfer amounts; pre-authorized contribution amounts; fund names and codes; clients' net worth information; load types; risk tolerance; plan types; beneficiary designation information; account numbers; and dates.

2. Investia's Investigation

[18] In October 2022, during a branch review, Investia discovered some of the pre-signed and altered account forms described above. As a result, Investia conducted a full review of the client files maintained by the Respondent and discovered the remaining pre-signed and altered account forms.

[19] As part of its investigation into the Respondent's conduct, Investia sent out audit letters to the affected clients, along with copies of their transaction history and KYC information, in order to determine the accuracy of the information and whether the transactions were authorized. No clients responded to Investia with any concerns.

[20] On November 21, 2022, Investia placed the Respondent under strict supervision until January 31, 2023. Investia reported that no concerns or further issues were identified while the Respondent was under strict supervision.

[21] On May 5, 2023, Investia issued the Respondent a warning letter in respect of the conduct in the Settlement Agreement.

[22] On November 8, 2023, the Financial and Consumer Affairs Authority of Saskatchewan (the "FCAA") notified Investia that it imposed terms and conditions on the Respondent's registration as a result of the investigation into the conduct described in the Settlement Agreement. This required Investia to place the Respondent on close supervision and prepare monthly close supervision reports on the Respondent's sales activities and dealings with clients.

3. Legal Considerations and Past Cases

[23] Hearing panels have considered the following when determining whether a proposed settlement should be accepted.¹ Hearing panels agree that these factors remain relevant as guidelines in determining whether or not to accept a proposed settlement agreement:

- a) whether acceptance of the settlement agreement would be in the public interest and whether the penalty imposed will protect investors;
- b) whether the settlement agreement is reasonable and proportionate, having regard to the conduct of the Respondent as set out in the settlement agreement;
- c) whether the settlement agreement satisfactorily addresses the issues of both specific and general deterrence with respect to the Respondent and the industry, respectively;
- d) whether the proposed settlement will prevent the type of conduct described in the settlement agreement from occurring in the future;
- e) whether the settlement agreement will foster confidence in the integrity of the Canadian capital markets;
- f) whether the settlement agreement will foster confidence in the integrity of CIRO; and
- g) whether the settlement agreement will foster confidence in the regulatory process itself.

¹ *Sterling Mutuals Inc. (Re)*, Hearing Panel of the Central Regional Council, File No. 200820, Decision and Reasons dated August 21, 2008

[24] CIRO considers the protection of investors to be the primary goal of securities regulation. The goals of securities regulation also include fostering public confidence in the capital markets and the securities industry.²

[25] The penalties that are imposed must be sufficient to affirm public confidence in the regulation of the mutual fund industry, and to ensure deterrence.

[26] The Panel may accept or reject the recommended Settlement Agreement (Mutual Fund Dealer Rule 7.4.4.3). It is accepted practice that hearing panels should not interfere lightly in a negotiated settlement.

[27] The Panel considered the factors listed above. The Panel also considered the precedent cases with similar fact situations and the penalties imposed in those cases, as presented in the submission of CIRO Enforcement Counsel.

4. Mitigating Factors

[28] In considering whether it should accept or reject the proposed settlement, the Hearing Panel took note of the following mitigating factors.

[29] The Respondent's registration remains subject to the terms and conditions imposed by the FCAA, while registered at his current Dealer Member, Designated Securities Ltd.

[30] There is no evidence that the Respondent received any financial benefit from his conduct beyond the commissions or fees the Respondent would have been entitled to receive had the transactions been carried out in the proper manner.

[31] The Respondent has not previously been the subject of disciplinary proceedings commenced by the MFDA or CIRO.

[32] There is no evidence of client financial loss or lack of authorization for the underlying transactions, and no clients have complained to CIRO, Investia or the current Dealer Member, Designated Securities Ltd.

[33] By entering into the Settlement Agreement, the Respondent has saved CIRO the time, resources and expenses associated with conducting a contested hearing on the allegations.

[34] The Respondent was present at the Hearing.

[35] The settlement was agreed upon in accordance with Mutual Fund Dealer Rule 7.4.4 and Rules 14 and 15 of the Mutual Fund Dealer Rules of Procedures.

CONCLUSION

[36] The Respondent admits the facts as set out in the Settlement Agreement constitute misconduct in contravention of Mutual Fund Dealer Rule 2.1.1.

[37] At the conclusion of the Hearing, the Hearing Panel was satisfied that the penalty agreed upon is reasonable and that the public's interest is served by the Settlement Agreement, and we agree unanimously that the Settlement Agreement, which provides as follows, should be accepted:

- a) the Respondent shall pay a fine in the amount of \$18,000;
- b) the Respondent shall pay costs in the amount of \$2,500;
- c) the Respondent shall in future comply with Mutual Fund Dealer Rule 2.1.1.; and

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

d) if at any time a non-party to this proceeding, with the exception of the bodies set out in Mutual Fund Dealer Rule 6.3, requests production of or access to exhibits in this proceeding that contain personal information as defined by CIRO's Privacy Policy, then the Hearings Office of CIRO shall not provide copies of or access to the requested exhibits to the non-party without first redacting from them any and all personal information, pursuant to Rules 1.8(2) and (5) of the Mutual Fund Dealer Rules of Procedure.

Dated at Regina, Saskatchewan this 29th day of January 2025.

"Richard L. Yaffe"

Richard L. Yaffe, K.C., Chair

"Annette Stephens"

Annette Stephens, Industry Representative

"Eric Wray"

Eric Wray, Industry Representative



CIRO · OCRI

Canadian Investment
Regulatory
Organization

Organisme canadien
de réglementation
des investissements

Settlement Agreement

File No. 202426

**IN THE MATTER OF
THE MUTUAL FUND DEALER RULESⁱ
and
JORDAN MICHAEL SNITZLER**

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. The Canadian Investment Regulatory Organization, a consolidation of IIROC and the MFDA (“CIRO”) will announce that it proposes to hold a hearing (the “Settlement Hearing”) to consider whether, pursuant to Mutual Fund Dealer Rule 7.4.4.3, a hearing panel of the Saskatchewan District Hearing Committee (the “Hearing Panel”) of CIRO should accept the settlement agreement (the “Settlement Agreement”) entered into between Staff of CIRO (“Staff”) and Jordan Michael Snitzler (the “Respondent”).
2. Staff and the Respondent consent and agree to the terms of this Settlement Agreement.
3. Staff and the Respondent jointly recommend that the Hearing Panel accept the Settlement Agreement.

II. CONTRAVENTIONS

4. The Respondent admits to the following violations of the Mutual Fund Dealer Rules:
 - (a) between June 3, 2019 and June 2, 2021, the Respondent obtained, possessed and used to process transactions, three pre-signed account forms in respect of three clients, contrary to Mutual Fund Dealer Rule 2.1.1; and
 - (b) between December 6, 2016 and June 28, 2021, the Respondent altered and used to process transactions, 30 account forms in respect of 26 clients, by altering information on the account forms without having the clients initial the alterations to show that the alterations were authorized, contrary to Mutual Fund Dealer Rule 2.1.1.

III. TERMS OF SETTLEMENT

5. Staff and the Respondent agree and consent to the following terms of settlement:
 - (a) the Respondent shall pay a fine in the amount of \$18,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to Mutual Fund Dealer Rule 7.4.1.1(b);
 - (b) the Respondent shall pay costs in the amount of \$2,500 in certified funds upon acceptance of the Settlement Agreement, pursuant to Mutual Fund Dealer Rule 7.4.2;
 - (c) the Respondent shall in the future comply with Mutual Fund Dealer Rule 2.1.1; and
 - (d) the Respondent shall attend on the date set for the Settlement Hearing.
6. The Respondent consents to the Hearing Panel making a confidentiality order on the following terms:

If at any time a non-party to this proceeding, with the exception of the bodies set out in Mutual Fund Dealer Rule 6.3, requests production of or access to exhibits in this proceeding that contain personal information as defined by CIRO's Privacy Policy, then the CIRO Hearing Office shall not provide copies

of or access to the requested exhibits to the non-party without first redacting from them any and all intimate financial and personal information, pursuant to Rules 1.8(2) and (5) of the Mutual Fund Dealer Rules of Procedure.

7. Staff and the Respondent agree to the settlement on the basis of the facts set out in this Settlement Agreement herein.

IV. AGREED FACTS

Registration History

8. The Respondent has been registered in the securities industry since approximately August 2009.

9. Between July 1, 2021 and December 27, 2023, the Respondent was registered in Saskatchewan and Alberta as a dealing representative with Investia Financial Services Inc. ("Investia"), a Dealer Member of CIRO (formerly a Member of the MFDA). Investia designated the Respondent as a Branch Manager.

10. On December 27, 2023, the Respondent resigned from Investia.

11. Since January 25, 2024, the Respondent has been registered in Saskatchewan, Alberta, British Columbia and Ontario as a dealing representative with Designed Securities Ltd., a Dealer Member of CIRO.

12. At all material times, the Respondent conducted business in the Regina, Saskatchewan area.

Pre-Signed Account Forms

13. At all material times, Investia's policies and procedures prohibited its dealing representatives from obtaining, possessing or using blank or incomplete pre-signed account forms.

14. Between June 3, 2019 and June 2, 2021, the Respondent obtained, possessed and used to process transactions, three pre-signed account forms in respect of three clients.

15. The pre-signed account forms included one transfer form and two fund application forms.

Altered Account Forms

16. At all material times, Investia's policies and procedures prohibited its dealing representatives from altering or correcting any information on account forms without having the client initial the alteration to show that the alteration was authorized by the client.

17. Between December 6, 2016 and June 28, 2021, the Respondent altered and used to process transactions, 30 account forms in respect of 26 clients, by altering information on the account forms without having the clients initial the alterations to show that the alterations were authorized, or by submitting for processing account forms containing information that had been altered without client initials.

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19. The alterations made to the account forms included changes to: investment instructions and amounts; transfer amounts; pre-authorized contribution amounts; fund names and codes; clients' net worth information; load types; risk tolerance; plan types; beneficiary designation information; account numbers; and dates.

Investia's Investigation

20. In October 2022, during a branch review, Investia discovered some of the pre-signed and altered account forms described above. As a result, Investia conducted a full review of the client files maintained by the Respondent and discovered the remaining pre-signed and altered account forms.

21. As part of its investigation into the Respondent's conduct, Investia sent audit letters to the affected clients, along with copies of their transaction history and KYC information, in order to determine the accuracy of the information and whether the transactions were authorized. No clients responded to Investia with any concerns.

22. On November 21, 2022, Investia placed the Respondent under strict supervision until January 31, 2023. Investia reported that no concerns or further issues were identified while the Respondent was under strict supervision.

23. On May 5, 2023, Investia issued the Respondent a warning letter in respect of the conduct described in the Settlement Agreement.

24. On November 8, 2023, the Financial and Consumer Affairs Authority of Saskatchewan ("FCAA") notified Investia that it imposed terms and conditions on the Respondent's registration as a result of the investigation into the conduct described in the Settlement Agreement. This required Investia to place the Respondent on close supervision and prepare monthly close supervision reports on the Respondent's sales activities and dealings with clients.

Additional Factors

25. The Respondent's registration remains subject to the terms and conditions imposed by the FCAA, while registered at his current Dealer Member, Designed Securities Ltd.

26. The Respondent has not previously been the subject of disciplinary proceedings commenced by the MFDA or CIRO.

27. There is no evidence of client financial loss or lack of authorization for the underlying transactions, and no clients have complained to CIRO or the Dealer Member.

28. By entering into this Settlement Agreement, the Respondent has saved CIRO the time, resources and expenses associated with conducting a contested hearing on the allegations.

V. ADDITIONAL TERMS OF SETTLEMENT

29. This settlement is agreed upon in accordance with Mutual Fund Dealer Rule 7.4.4 and Rules 14 and 15 of the Mutual Fund Dealer Rules of Procedure.

30. The Settlement Agreement is subject to acceptance by the Hearing Panel. At or following the conclusion of the Settlement Hearing, the Hearing Panel may either accept or reject the Settlement Agreement. Settlement Hearings are typically held in the absence of the public pursuant to Mutual Fund Dealer Rule 7.3.5 and Rule 15.2(2) of the Mutual Fund Dealer Rules of Procedure. If the Hearing Panel accepts the Settlement Agreement, then the proceeding will become open to the public and a copy of the decision of the Hearing Panel and the Settlement Agreement will be made available at www.ciro.ca.

31. The Settlement Agreement shall become effective and binding upon the Respondent and Staff as of the date of its acceptance by the Hearing Panel. Unless otherwise agreed, any monetary penalties and costs imposed upon the Respondent are payable immediately, and any suspensions, revocations, prohibitions, conditions or other terms of the Settlement Agreement shall commence upon the effective date of the Settlement Agreement.

32. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel:

- (a) the Settlement Agreement will constitute the entirety of the evidence to be submitted at the settlement hearing, subject to Rule 15.3 of the Mutual Fund Dealer Rules of Procedure;
- (b) the Respondent agrees to waive any rights to a full hearing, a review hearing or appeal, including before the Board of Directors of CIRO or any securities commission with jurisdiction in the matter under its enabling legislation, or a judicial review or appeal of the matter before any court of competent jurisdiction;

- (c) except for any proceedings commenced to address an alleged failure to comply with this Settlement Agreement, Staff will not initiate any proceeding under the Mutual Fund Dealer Rules against the Respondent in respect of the facts and contraventions described in this Settlement Agreement. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any facts and contraventions that are not set out in this Settlement Agreement, whether known or unknown at the time of settlement. Furthermore, nothing in this Settlement Agreement shall relieve the Respondent from fulfilling any continuing regulatory obligations;
- (d) the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to Mutual Fund Dealer Rule 7.4.1.1 for the purpose of giving notice to the public thereof in accordance with Mutual Fund Dealer Rule 7.4.5; and
- (e) neither Staff nor the Respondent will make any public statement inconsistent with this Settlement Agreement. Nothing in this section is intended to restrict the Respondent from making full answer and defence to any civil or other proceedings against the Respondent.

33. If this Settlement Agreement is accepted by the Hearing Panel and, at any subsequent time, the Respondent fails to honour any of the Terms of Settlement set out herein, Staff reserves the right to bring proceedings under Mutual Fund Dealer Rule 7.4.3 against the Respondent based on, but not limited to, the facts set out in this Settlement Agreement, as well as the breach of the Settlement Agreement. If such additional enforcement action is taken, the Respondent agrees that the proceeding(s) may be heard and determined by a hearing panel comprised of all or some of the same members of the Hearing Panel that accepted the Settlement Agreement, if available.

34. If, for any reason, this Settlement Agreement is not accepted by the Hearing Panel, each of Staff and the Respondent will be entitled to any available proceedings, remedies and challenges, including proceeding to a disciplinary hearing pursuant to Mutual Fund Dealer Rules 7.3 and 7.4, unaffected by the Settlement Agreement or the settlement negotiations.

35. The terms of this Settlement Agreement will be treated as confidential by the parties hereto until accepted by the Hearing Panel, and forever if, for any reason whatsoever, this Settlement

Agreement is not accepted by the Hearing Panel, except with the written consent of both the Respondent and Staff or as may be required by law. The terms of the Settlement Agreement will be released to the public if and when the Settlement Agreement is accepted by the Hearing Panel.

36. The Settlement Agreement may be signed in one or more counterparts, which together shall constitute a binding agreement. A facsimile or electronic copy of any signature shall be as effective as an original signature.

DATED this 29th day of November, 2024.

“Jordan Michael Snitzler”

Jordan Michael Snitzler

“Witness”

Witness - Signature

“Witness”

Witness - Print name

“Tyler Beazer”

Staff of the Canadian Investment Regulatory Organization

Tyler Beazer, Enforcement Counsel

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ⁱ On January 1, 2023, the Investment Industry Regulatory Organization of Canada (“IIROC”) and the Mutual Fund Dealers Association of Canada (the “MFDA”) were consolidated into a single self-regulatory organization recognized under applicable securities legislation that is called the Canadian Investment Regulatory Organization (referred to herein as “CIRO”). CIRO adopted interim rules that incorporate the pre-amalgamation regulatory requirements contained in the rules and policies of IIROC and the by-law, rules and policies of the MFDA (the “Interim Rules”). The Interim Rules include (i) the Investment Dealer and Partially Consolidated Rules, (ii) the UMIR and (iii) the Mutual Fund Dealer Rules. These rules are largely based on the rules of IIROC and certain by-laws, rules and policies of the MFDA that were in force immediately prior to amalgamation. Where the rules of IIROC and the by-laws, rules and policies of the MFDA that were in force immediately prior to amalgamation have been incorporated into the Interim Rules, Enforcement Staff have referenced the relevant section of the Interim Rules. Pursuant to Mutual Fund Dealer

Rule 1A and s.14.6 of By-Law No. 1 of CIRO, contraventions of former MFDA regulatory requirements may be enforced by CIRO.