# Re Gold

**IN THE MATTER OF:**

**The Investment Dealer and Partially Consolidated Rules**

**and**

**Jason Andrew Gold**

2025 CIRO 08

Canadian Investment Regulatory Organization
Hearing Panel (Ontario District)

Heard: January 23, 2025 in Toronto, Ontario
Decision: January 23, 2025
Reasons for Decision: January 29, 2025

**Hearing Panel:**
Martin L. Friedland C.C., K.C., Chair, Steven Garmaise and Nick Pallotta

**Appearances:**
Joe Kelly, Senior Enforcement Counsel
Jason Gold (present)

---

## REASONS FOR DECISION ON ACCEPTANCE OF SETTLEMENT

---

### INTRODUCTION

[1] On November 11, 2024, Enforcement Staff ("Staff") of the Canadian Investment Regulatory Organization ("CIRO") and the Respondent Jason Andrew Gold ("Mr. Gold") entered into a Settlement Agreement (the "Settlement Agreement").

[2] On December 19, 2024, Staff issued a Notice of Application, requesting a settlement hearing.

[3] On January 23, 2025, a settlement hearing was held to review the Settlement Agreement.

[4] Mr. Gold admits in paragraph 4 of the Settlement Agreement that between August 2019 and October 2021, he engaged in unapproved outside business activities ("OBAs") contrary to Dealer Member Rule 18.14. Mr. Gold did not inform this Dealer Member of such activity or obtain its approval.

[5] Rule 18.14 (1)(c) of the Dealer Member Rules specifically provides that a Registered Representative or Investment Representative must inform the Dealer Member of the outside business activity and obtain the Dealer Member's approval to engage in such outside business activity prior to engaging in such outside business activity.

[6] At the end of the hearing, the Panel concluded that the Settlement Agreement should be accepted, with reasons to follow.

[7] These are our reasons for accepting the Settlement Agreement.

**AGREED FACTS**

[8] Mr. Gold's Dealer Member in August 2019 was Gravitas Securities Inc., at the time, a Dealer Member of the Investment Industry Regulatory Organization of Canada ("IIROC"), a predecessor of CIRO.

[9] Mr. Gold was an Investment Representative and the assistant to a Registered Representative, Darren Carrigan ("Mr. Carrigan"), beginning in August 2019 until Mr. Gold resigned on June 6, 2022. Mr. Gold was also a client of Mr. Carrigan.

[10] A disciplinary hearing against Mr. Carrigan, involving comparable conduct alleged in the present case, was heard on December 13, 2024, after a settlement agreement between Enforcement Staff and Mr. Carrigan had been finalized on November 22, 2024. That panel accepted the settlement agreement and issued their reasons for accepting it on January 17, 2025, a few days before the present hearing. See *Re Carrigan*.[1]

[11] The transactions involving both Mr. Gold and Mr. Carrigan relating to the cannabis business are complex, and we adopt paragraph 3 of the *Re Carrigan* decision:

> The facts are fully set out in the Settlement Agreement. In summary, The Respondent's [i.e. Carrigan's] OBAs involved him in being a shareholder, directly or indirectly, in Anahit International Corp. ("Anahit"), which operated in the cannabis business, New Wave Holdings Corp., which acquired Anahit, Anahit Therapeutics Limited ("Anahit Therapeutics"), CanBud Distribution Corp. ("CanBud") and Zenith Exploration Inc. ("Zenith"), without disclosing such activities to his dealer, Gravitas Securities Inc. ("Gravitas") or obtaining Gravitas's consent to engage in such activities.

[12] Neither Mr. Carrigan nor Mr. Gold is now working in the securities industry.

**TERMS OF SETTLEMENT**

[13] The terms of settlement for Mr. Gold, set out in paragraph 25 of the Settlement Agreement, are as follows:

> The Respondent agrees to the following sanctions and costs:
>
> a. fine in the amount of $20,000; and
> b. costs in the amount of $5,000.

[14] The terms of settlement for Mr. Carrigan, set out in paragraph 43 of the *Carrigan* settlement agreement, are as follows:

> The Respondent agrees to the following sanctions and costs:
>
> a. fine in the amount of $35,000;
> b. costs in the amount of $5,000; and

[1] 2025 CIRO 03

c. 6-month prohibition of approval in any capacity with CIRO commencing on February 1, 2023.

**ACCEPTANCE OF THE SETTLEMENT AGREEMENT**

[15] As stated above, the Panel accepted the terms of the Settlement Agreement. A panel can either accept or reject a Settlement Agreement. It cannot modify it.

[16] The conduct in the present case is serious.

[17] It is particularly serious because Mr. Gold and Mr. Carrigan were each disciplined in 2019 for comparable activities. See *Re Carrigan and Gold*.[2] Paragraphs 4 and 5 of the reasons in that case state:

> Carrigan (working in the investment industry since 2008) was employed as a Registered Representative in the period between September 2013 to March 2014 (the Relevant Period). Gold (working in the investment industry since 1998) was employed as an Investment Representative. Both worked together at Hampton Securities Ltd. ("Hampton") in the Relevant Period, and both continue to work in the investment industry.
>
> During the Relevant Period, Carrigan and Gold facilitated suspicious trading by a group of related clients and insiders of two TSXV-listed issuers (the Clients).

[18] The penalties imposed in that earlier proceeding were significant. Mr. Carrigan paid a fine of $50,000 and costs of $7,500 and had to successfully complete the Trader Training Course within six months of the approval of the settlement agreement. Mr. Gold had to pay a fine of $20,000 and costs of $7,500, and also had to successfully complete the Trader Training Course.

[19] In Mr. Gold's favour, in the present hearing there was no evidence of harm to clients.

[20] Moreover, Mr. Gold cooperated with CIRO, and by entering into the Settlement Agreement, he has saved CIRO the time, resources, and expenses associated with conducting a full hearing on the allegations.

[21] The penalty of $20,000 is a significant amount of money, particularly for one who is no longer in the industry. It provides a significant measure of specific deterrence to Mr. Gold and general deterrence to others.

[22] The penalty is consistent with CIRO's Sanction Guidelines and not out of line with comparable cases: see *Re Laroche*[3], *Re MacEachern*[4], *Re Blackmore*[5], *Re Pariak-Lukic*[6], and *Re Trueman*[7].

[23] Of particular importance is the fact that the penalty is in line with the penalty imposed in the *Re Carrigan* case. Mr. Carrigan's conduct was considerably more serious than Mr. Gold's conduct.

[24] Further, Mr. Gold is not currently registered in the securities industry and would have to apply for admittance should he seek to return to the industry. His two contraventions, both matters of public record, would make such a return more difficult.

---

[2] 2019 IIROC 31
[3] 2012 IIROC 26
[4] 2014 IIROC 37
[5] 2014 IIROC 43
[6] 2015 ONSEC 18
[7] 2016 IIROC 29

[25] Hearing panels should respect settlements worked out by the parties. A panel does not know what led to a settlement, what was given up by one party or the other in the course of the negotiations, and what interest each party has in agreeing to resolve the matter. The panel cannot go beyond the settlement agreement. There are almost always facts that play a role in the settlement which are not set out in the settlement agreement or brought to the attention of the panel. See *Re Donnelly*[8] at paragraphs 7 and 8[9].

[26] As a panel stated in *Re Keshet*[10] at paragraph 7, to take one of many such cases: "It is well established that hearing panels should not interfere lightly in negotiated settlements and should not reject a settlement agreement unless it views the proposed penalty clearly falling outside a reasonable range of appropriateness." There are many similar statements by MFDA and IIROC panels, stemming from the leading decision of *Re Milewski*[11], which stated:

> A District Council considering a settlement agreement will tend not to alter a penalty that it considers to be within a reasonable range, taking into account the settlement process and the fact that the parties have agreed. It will not reject a settlement unless it views the penalty as clearly falling outside a reasonable range of appropriateness.

[27] The penalty and the costs agreed to in this case fall within "a reasonable range of appropriateness."

[28] For the above reasons, the Panel accepted the Settlement Agreement.

Dated at Toronto, Ontario this 29th day of January 2025.

"Martin Friedland"
Martin L. Friedland, C.C., K.C., Chair

"Steven Garmaise"
Steven Garmaise

"Nick Pallotta"
Nick Pallotta

[8] 2016 IIROC 23
[9] 2016 IIROC 23 at paras 7 and 8
[10] [2014] MFDA File No. 201419
[11] [1999] I.D.A.C.D. No. 17

CIRO · OCRI
Canadian Investment Regulatory Organization
Organisme canadien de réglementation des investissements

**IN THE MATTER OF**
**THE INVESTMENT DEALER AND PARTIALLY CONSOLIDATED RULES AND THE DEALER MEMBER RULES**
**AND**
**JASON ANDREW GOLD**

# SETTLEMENT AGREEMENT

## PART I – INTRODUCTION

1. The Canadian Investment Regulatory Organization ("CIRO")[1] will issue a Notice of Application to announce a settlement hearing pursuant to sections 8215 and 8428 of the Investment Dealer and Partially Consolidated Rules (the "Investment Dealer Rules") to consider whether a hearing panel should accept this Settlement Agreement between Enforcement Staff and Jason Gold ("Gold" or the "Respondent").

## PART II – JOINT SETTLEMENT RECOMMENDATION

2. Enforcement Staff and the Respondent jointly recommend that the hearing panel accept this Settlement Agreement in accordance with the terms and conditions set out below.

## PART III – AGREED FACTS

3. For the purposes of this Settlement Agreement, the Respondent agrees with the facts as set out in Part III of this Settlement Agreement.

### Overview

4. Between August 2019 and October 2021, Gold engaged in unapproved outside business activities ("OBAs"), contrary to Dealer Member Rule 18.14.

5. Gold joined Gravitas Securities Inc. ("Gravitas"), at the time a Dealer Member of IIROC, in August 2019. At that time, he failed to disclose and seek approval for OBAs in which he was involved.

6. Gold did not inform Gravitas about his involvement with private companies, and his involvement with the purchase and sale of a public company.

7. Gold was an Investment Representative and the assistant to a Registered Representative, Darren Carrigan ("Carrigan"), at Gravitas, beginning in August 2019 until Gold resigned on June 6, 2022. Gold was also a client of Carrigan.

**The Outside Business Activities**

**(i) Anahit**

8. Anahit International Corp. ("Anahit"), which operated in the cannabis industry, was founded in 2017 by Carrigan and two of his associates. Gold was involved in Anahit and had 1,250,000 shares of Anahit in an account at Gravitas.

9. On or around April 16, 2020, Carrigan emailed several parties, including Gold, informing them that Anahit had entered into a letter of intent to be acquired by New Wave Holdings Corp.

10. Before the transaction was completed, Gold, Carrigan, and Carrigan's holding companies 2688449 Ontario Ltd. and 2688453 Ontario Ltd. ("2688453 Ltd."), agreed to sell or transfer shares of Anahit in private transactions.

11. Gold did not disclose to Gravitas any of the above-referenced activity involving Anahit.

**(ii) CanBud**

12. While working at a Dealer Member in the spring of 2019 before he joined Gravitas, Gold invested in private company Cannabis Clonal Corporation ("Cannabis Clonal"), which changed its name to CanBud Distribution Corp. ("CanBud") in September 2019. On October 9, 2020, CanBud commenced trading as a public company (CBDX) on the CSE. On October 14, 2020, Gold received 450,000 CanBud shares into his personal account at Gravitas originating from his investment in Cannabis Clonal in 2019, before it became CanBud and before it commenced trading as a public company.

13. In or around November 2020, Carrigan was approached by CanBud regarding a business venture in the Caribbean.

14. In or around November 18, 2020, Carrigan transferred 75 of his 100 shares of Carrigan's private company, 2688453 Ltd., to four of his clients including Gold, who received 13 shares.

15. On December 4, 2020, CanBud agreed to purchase 100% of the shares of 2688453 Ltd. On December 7, 2020, a CanBud press release represented this was an arm's-length transaction. However, Gold was a shareholder of CanBud before it became a public company. Carrigan's client, MSS, was the CEO of CanBud.

16. On April 15, 2021, Gold received consideration shares from CanBud's purchase of 2688453 Ltd. Shortly afterwards, Gold sold all of his shares.

17. In or around October 2021, CanBud announced that it would issue 3,040,000 common shares at a deemed price of 5 cents per share for a total price of $152,000 to cancel the agreement. The CFO of CanBud instructed Gold and the other shareholders of 2688453 Ltd. to transfer ownership of 2688453 Ltd. to a third party, FS, in trust, for a total consideration of $5.00.

18. Gold did not disclose to Gravitas any of the above-referenced activity involving 2688453 Ltd. and CanBud.

**(iii) Zenith**

19. In or around October 2020, Gold participated in off-market transactions, which were announced by Zenith Exploration Inc. ("Zenith") on October 14, 2020.

20. Gold, Carrigan, and Carrigan's client MS, together acquired a controlling interest in Zenith, and MS was appointed as a director and CEO.

21. Gold did not inform Gravitas about his involvement with Zenith.

22. On October 27, 2020, it was announced that Gold, Carrigan, and MS, were selling their entire shareholding in Zenith in an off-market transaction. Gold did not inform Gravitas about this sale.

**Conclusion**

23. An Investment Representative may only have, and continue in, any business activity outside of the Dealer Member in certain circumstances. In failing to inform or obtain approval from Gravitas, Gold engaged in unapproved OBAs.

## PART IV – CONTRAVENTIONS

24. By engaging in the conduct described above, the Respondent committed the following contravention of CIRO requirements:

    i. Between August 2019 and October 2021, Gold engaged in unapproved OBAs contrary to Dealer Member Rule 18.14.

## PART V – TERMS OF SETTLEMENT

25. The Respondent agrees to the following sanctions and costs:

    a. Fine in the amount of $20,000; and

    b. Costs in the amount of $5,000.

26. If this Settlement Agreement is accepted by the hearing panel, the Respondent agrees to pay the amounts referred to above within 30 days of such acceptance unless otherwise agreed between Enforcement Staff and the Respondent.

## PART VI – STAFF COMMITMENT

27. If the hearing panel accepts this Settlement Agreement, Enforcement Staff will not initiate any further action against the Respondent in relation to the facts set out in Part III and the contraventions in Part IV of this Settlement Agreement, subject to the provisions of the paragraph below.

28. If the hearing panel accepts this Settlement Agreement and the Respondent fails to comply with any of the terms of this Settlement Agreement, Enforcement Staff may bring proceedings under Investment Dealer Rule 8200 against the Respondent. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement.

## PART VII – PROCEDURE FOR ACCEPTANCE OF SETTLEMENT

29. This Settlement Agreement is conditional on acceptance by the hearing panel.

30. This Settlement Agreement shall be presented to a hearing panel at a settlement hearing in accordance with sections 8215 and 8428 of the Investment Dealer Rules, in addition to any other procedures that may be agreed upon between the parties.

31. Enforcement Staff and the Respondent agree that this Settlement Agreement will form all the agreed facts that will be submitted at the settlement hearing, unless the parties agree that additional facts should be submitted at the settlement hearing. If the Respondent does not appear at the settlement hearing, Staff may disclose additional relevant facts, if requested by the hearing panel.

32. If the hearing panel accepts this Settlement Agreement, the Respondent agrees to waive all rights under the Rules of CIRO and any applicable legislation to any further hearing, appeal and review.

33. If the hearing panel rejects this Settlement Agreement, Enforcement Staff and the Respondent may enter into another settlement agreement or Enforcement Staff may proceed to a disciplinary hearing based on the same or related allegations.

34. The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the hearing panel.

35. This Settlement Agreement will become available to the public upon its acceptance by the hearing panel and CIRO will post a copy of this Settlement Agreement on the CIRO website. CIRO will publish a notice and news release of the facts, contraventions, and the sanctions agreed upon in this Settlement Agreement and the hearing panel's written reasons for its decision to accept this Settlement Agreement.

36. If this Settlement Agreement is accepted, the Respondent agrees that neither they nor anyone on their behalf, will make a public statement inconsistent with this Settlement Agreement.

37. This Settlement Agreement is effective and binding upon the Respondent and Enforcement Staff as of the date of its acceptance by the hearing panel.

**PART VIII – EXECUTION OF SETTLEMENT AGREEMENT**

38. This Settlement Agreement may be signed in one or more counterparts which together will constitute a binding agreement.

39. An electronic copy of any signature will be treated as an original signature.

**DATED** this "11" day of November, 2024.

"Witness"
Witness

"Jason Gold"
Respondent

"Joe Kelly"
Joe Kelly
Enforcement Counsel on behalf of
Enforcement Staff of the
Canadian Investment Regulatory
Organization

The Settlement Agreement is hereby accepted this "23rd" day of "January", 2025 by the following Hearing panel:

Per: "Martin Friedland"
Chair

Per: "Steve Garmaise"
Industry Member

Per: "Nick Pallotta"
Industry Member

[1] The Canadian Investment Regulatory Organization ("CIRO") has 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 the rules and certain by-laws and policies of the MFDA that were in force immediately prior to amalgamation. Where the rules of IIROC and the rules and by-laws 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.
Section 1105 (Transitional provision) of the Investment Dealer and Partially Consolidated Rules sets out CIRO's continuing jurisdiction, including that CIRO shall continue the regulation of any person subject to the jurisdiction of the Investment Industry Regulatory Organization of Canada that was formerly conducted by the Investment Industry Regulatory Organization of Canada.