

Re Driver

IN THE MATTER OF:

**The Rules of the Investment Industry Regulatory Organization of
Canada**

and

Zubin Justin Driver

2020 IIROC 17

Investment Industry Regulatory Organization of Canada
Hearing Panel (Pacific District)

Heard: February 25, 2020

Decision: February 25, 2020

Written Reasons: June 15, 2020

Hearing Panel:

Winton Derby, Q.C., Chair and Douglas Stewart

Appearance:

Stacy Robertson, Senior Enforcement Counsel

Rod Anderson, Counsel for the Respondent

Zubin Justin Driver (absent)

REASONS FOR ACCEPTANCE OF SETTLEMENT AGREEMENT

PRELIMINARY MATTER

¶ 1 Counsel for IIROC Enforcement Staff and the Respondent consented to this hearing being conducted with two Hearing Panel members in the absence of Mr. Lloyd Costley.

OVERVIEW

¶ 2 The Staff of the Investment Industry Regulatory Organization of Canada (“IIROC”) and the Respondent entered into a Settlement Agreement, which they had negotiated pursuant to Rule 8215 of the IIROC Consolidated Enforcement, Examination and Approval Rules (“Consolidated Rules”). They submitted the Settlement Agreement to this Hearing Panel, pursuant to Rule 8200 and Rule 8215 of the Consolidated Rules for approval or rejection. After considering the material filed and the submissions made by counsel, we issued an order accepting the Settlement Agreement. These are our reason for making that order.

THE CONTRAVENTION

¶ 3 The Respondent admitted the following contraventions in the Settlement Agreement:

- a. Between May 2013 and July 2014, the Respondent acted contrary to Dealer Member Rule 200.2(m)(iii) by accepting trading instructions in a client account from a person other than the client, without the client’s written authorization; and

- b. In April 2014, the Respondent acted contrary to Dealer Member Rule 29.1 when he failed to follow his firm's policies and procedures regarding the receipt and use of confidential information regarding a proposed reverse takeover target of a public company.

THE CIRCUMSTANCES

¶ 4 The circumstances are set out, in detail, in paragraphs 3 to 69 of the Settlement Agreement. It is attached as Appendix "A" to these Reasons for Decision.

DUTY OF THE HEARING PANEL UPON A SETTLEMENT HEARING

¶ 5 As Stated in *Re Deutsche Bank Securities Ltd.*, 2013 IIROC 07, it is clear from jurisprudence emanating from the courts and from IIROC hearing panels, Investment Dealers Association and the Mutual Fund Dealers Association, that our task is not to decide whether, in this case, we would have arrived at the same decision as that reached by the parties. Rather, our duty is to determine whether the penalty is reasonable in that it meets the objectives of the disciplinary process, which are to maintain the integrity of the investment industry. We cite from the recent decision of the hearing panel in *Re CIBC World Markets*, 2011 IIROC 38:

13. Finally, hearing panels will not lightly interfere with a negotiated settlement. As was said in re *Milewski*, [1999] IDACD No. 17,
 - ... 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 reasonable range of appropriateness.
14. Or, as put by Winkler J. (albeit in another context) in *Gilbert v. CIBC.*, [2004] O.J. 4260:
 - There is a presumption of fairness when proposed class settlement negotiated at arms length... is presented to the court for approval. A court will only reject a proposed settlement when it finds that the settlement does not fall within a range of reasonableness.
 - The test to be applied is whether the settlement is fair and reasonable... This allows for a range of possible results and there is no perfect settlement. Settlement is a product of compromise, which by definition, necessitates give and take.
15. In our view, the settlement, negotiated as it was by the parties assisted by capable counsel, does not clearly fall "outside a range of appropriateness" and it should therefore be, and was, accepted by the panel.

¶ 6 We share the opinion expressed by the hearing panel in re *Vorstadt*, 2012 IIROC 15 that the settlement process is an important one which should be "encouraged and supported".

OTHER DECISIONS

¶ 7 Decisions in other cases are of assistance by helping to indicate what might be a reasonable range of monetary decisions and suspensions in this matter.

¶ 8 We were referred to and considered the following additional decisions regarding the role of the panel on settlement hearings:

- i. *Re Clark*, [1999] I.D.A.C.D. No. 40 at p. 4
- ii. *Re Milewski*, [1999] I.D.A.C.D. No. 17 at p. 12
- iii. *Re Edward Jones*, 2016 IIROC 42
- iv. *Re Heakes*, 2019 IIROC 09.

¶ 9 The Panel was referred to the following decisions dealing with penalties:

- i. *Re Roy*, 2011 IIROC 9
- ii. *Re Higgs*, 2010 IIROC 3
- iii. *Re Mackie Research Capital Corporation and McCarthy*, 2019 IIROC 29
- iv. *Re Walker and Foster & Associates*, 2017 IIROC 24
- v. *Re Ballanger*, 2018 IIROC 26.

¶ 10 The Panel reviewed and considered the above noted decisions.

PENALTY CONSIDERATION

¶ 11 IIROC Staff set out factors to be considered as follows:

- i. IIROC has published a detailed set of guidelines referred to as the Dealer Member Disciplinary Sanction Guidelines to assist hearing panels in determining appropriate penalties
Settlement Book, Tab 10
- ii. The Sanction Guidelines identify factors to consider when assessing a penalty. These factors are either aggravating or mitigating factors in assessing the appropriate penalty.
- iii. The aggravating factors applicable to this case are:
 - a. Proper safeguarding of confidential information by Registered Representatives (“RRs”) and member firms is critical to the integrity of the capital markets (see *Re Mackie Research Capital Corporation and McCarthy*, paras 47 and 49 and *Re Ballanger*, paras 26 to 28).
 - b. Failure to disclose the possession of confidential information to one’s firm is a serious contravention (see *Re Walker and Foster & Associates*, para 16 and *Re Ballanger*, para 31).
 - c. The Respondent knew that the person providing trading instructions for AW’s accounts was an insider of the securities being traded which would have led to different supervision obligations by the firm if the trading authorization was properly documented on AW’s accounts. The firm was denied the opportunity to conduct proper supervision in relation to the trades in AW’s accounts (see Settlement Agreement, paras 12, 46, 56, and 57).
 - d. The conduct involved several trades in both the Respondent’s own account and a client’s account at the direction of an insider of the company being traded (see Settlement Agreement, paras 51 and 59).
- iv. The mitigating factors in this case are as follows:
 - a. The Respondent has no prior disciplinary record with IIROC (see Settlement Agreement, para 68).
 - b. The Respondent accepted his conduct was in breach of IIROC Rules and entered into a Settlement Agreement with IIROC.
 - c. The trades that occurred while the Respondent was in possession of confidential information were not profitable as the price of the security dropped on the first day of trading in the security after it was halted on the disclosure of the reverse takeover (see Settlement Agreement, paras 59 to 63).

- d. The Respondent was fined \$10,000 by his firm for breach of IIROC Rule 200(m)(iii), which he has paid (see Settlement Agreement, para. 69).

¶ 12 In the cases referred to at the hearing, the range of suspension varied from no suspension to 1 ½ years. The proposed one month suspension was reasonable given:

- i. no prior misconduct before or after;
- ii. the Respondent is still employed in his current capacity; and
- iii. a longer suspension would significantly impair his ability to continue working which would impair his ability to pay the fine.

TERMS OF SETTLEMENT

¶ 13 The Respondent agrees to the following sanctions and costs:

- i. Fine of \$20,000.00;
- ii. Suspension from approval in any capacity for 30 days; and
- iii. Costs of \$1,500.00.

¶ 14 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 Staff and the Respondent.

DECISION

¶ 15 After considering the able submissions of senior counsel, the circumstances in this matter, and the earlier panel decisions, we reached the conclusion that the settlement proposed in this case was reasonable.

¶ 16 We therefore accept the settlement.

Dated at Vancouver, the province of British Columbia, this 15 day of June, 2020.

Winton Derby

Douglas Stewart

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Investment Industry Regulatory Organization of Canada (“IIROC”) will issue a Notice of Application to announce that it will hold a settlement hearing to consider whether, pursuant to Section 8215 of the Consolidated Enforcement, Examination and Approval Rules of IIROC, a hearing panel (“Hearing Panel”) should accept the settlement agreement (“Settlement Agreement”) entered into between the staff of IIROC (“Staff”) and Zubin Justin Driver (“Respondent”).

PART II – JOINT SETTLEMENT RECOMMENDATION

2. 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. The Respondent is a Registered Representative (“RR”) who currently works at the Vancouver office of Mackie Research Capital Corporation (“Mackie”), an IIROC Dealer Member.
5. Between May 2013 and July 2014, the Respondent accepted trading instructions from a person who was not the named account holder without any written authorization from that individual. The Respondent knew that the unauthorized individual was an insider or held senior positions with some of the companies whose shares traded in the account. For some of the transactions the Respondent ought to have known that the unauthorized individual may have had knowledge of undisclosed information that may have been material about a subject company.
6. In the same time period, through the unauthorized individual, the Respondent became aware of undisclosed information related to one of the companies and purchased shares of that company in his own account before the information was disclosed in a news release.

Registration History

7. The Respondent was born in 1978. He entered the securities industry as a back office employee at Canaccord Capital Corporation (“Canaccord”) in 2003. He became an RR’s assistant in 2007 and then an RR in his own right at Canaccord in December 2008.
8. The Respondent left Canaccord in July 2013 to join another Dealer Member, Jordan Capital Markets Inc. (“Jordan Capital”). Jordan Capital was acquired by Mackie in June 2015.
9. The Respondent continues to work at Mackie as an RR.

The Insider

10. One of the Respondent’s clients at Canaccord was a Vancouver resident who was born in 1979 (the “Insider”). The Insider was an investor relations representative, and a Director of certain publicly traded companies.
11. The Insider provided investor relations services in his own name and, after 2011, through a private corporate entity (“Mammoth Advisory”) of which he was the President and sole Director.
12. The Insider became a client of the Respondent in 2008. The New Client Application Form (“NCAF”) for the Insider’s accounts indicated that he was an Insider or Control Person of publicly listed companies.
13. The Insider and the Respondent also met socially and the Respondent considered the Insider to be a friend.
14. In July 2018, the Insider entered into a Settlement Agreement with the British Columbia Securities Commission in which he acknowledged that between February 2014 and April 2014, with knowledge of undisclosed material information, he funded and directed trading of shares of a company that he was a Director of, in the account of another individual.

The Client

15. AW was a resident of North Vancouver who was born in 1984. She had some investment and savings accounts at other institutions that were funded with the assistance of her family. She earned an annual income from all sources of approximately \$50,000 working as an administrative assistant at a residential care facility, while she was also pursuing a career as a musician.
16. AW was in a romantic relationship with the Insider that commenced in 2010 and ended in July 2014.
17. The Respondent knew that AW and the Insider were in a romantic relationship. Some of the social meetings between the Respondent and the Insider included AW and the Respondent’s wife.

AW’s Account at Canaccord

18. Sometime before May 9, 2013, the Insider advised the Respondent that he would be referring AW to the Respondent so that she could open an investment account with him at Canaccord.
19. On May 9, 2013, AW met with the Respondent and opened Canadian Dollar Cash and Margin Short accounts at Canaccord (the "AW Accounts").
20. The Respondent was the RR responsible for the AW Accounts.
21. The NCAF for the AW Accounts recorded the following:
 - a) AW had limited experience in Common Shares and New issues;
 - b) AW had no experience in Margin, Short Selling or Venture Situations;
 - c) AW's worked as an Administrative Assistant at a residential care facility;
 - d) AW's annual income from all sources was \$50,000;
 - e) AW's Net Liquid Assets were \$170,000;
 - f) AW's Net Fixed Assets were \$5,000;
 - g) AW's Investment Objectives were 100% Speculative High Risk;
 - h) AW would be depositing a share certificate in LX Ventures; and
 - i) No person other than AW would have any authorization or financial interest in the AW Accounts.
22. IIROC Dealer Rule 200.2(m)(iii) requires "written authorization or ratification from the client naming the person or company" for every cash and margin account "[w]here trading instructions are accepted from a person or corporation other than the client".
23. AW was aware that the Insider was providing instructions for the AW accounts, however, there was no written authorization naming any other person or company from whom trading instructions could be accepted.

Share Certificate Deposited

24. AW deposited shares but not money into the AW Accounts.
25. During the May 9, 2013 meeting, AW gave the Respondent a share certificate to be deposited into the AW Accounts. The share certificate:
 - a) Was registered to AW;
 - b) Had a registration date of November 12, 2012; and
 - c) Was for 746,667 shares of Intensity Company Inc. (before the name change to LX Ventures).

LX Ventures

26. In March 2012, Intensity Company Inc. a publicly traded company listed on the TSX Venture Exchange, announced that the Insider had been appointed:
 - a) Director;
 - b) Chief Financial Officer and Treasurer; and
 - c) On November 15, 2012, resigned as Chief Financial Officer to become Executive Chairman.
27. In December 2012, Intensity Company Inc. changed its name to LX Ventures Inc. ("LX Ventures").
28. LX Ventures described itself as an incubator that aimed to launch, integrate and acquire early stage high growth technology companies. It was in the business of building businesses.

Transactions in the AW Accounts

29. Shortly after the AW Accounts were opened the Respondent processed the following trades in the accounts, most of which were on the instruction of the Insider:

Settlement Date	Security	Buy / Sell	Shares	Price	Total
May 14, 2013	LX Ventures	Buy	29,000	0.284	(8,240.06)
May 14, 2013	LX Ventures	Sell	(25,000)	0.300	7,370.00
June 5, 2013	LX Ventures	Sell	(25,000)	0.295	7,370.00
June 5, 2013	LX Ventures	Buy	28,500	0.331	(9,419.25)

30. There were also purchases of Caylix Bio Venture Inc. ("Caylix") on May 31, 2013 and June 5, 2013 at the instruction of the Insider.
31. The Insider was the Head of Investor Relations for Caylix.
32. The Caylix transactions resulted in a debit balance of approximately \$19,000.
33. On June 11, 2013, the Insider gave the Respondent a \$20,000 cheque from Mammoth Advisory to be deposited into AW's cash account. The Respondent had the Insider sign a Third Party Funds Deposit form to be submitted to Canaccord's back office. The form indicated that the Insider was AW's boyfriend and was providing the funds as a gift. After he was advised by Canaccord's compliance team that the firm did not permit third party deposits from non-immediate family members, the Respondent requested and received a one-time exception to the firm's rule.
34. AW was unaware of many of the transactions being made in the AW Accounts.
35. The Respondent continued to execute transactions in the Cash Account at the instruction of the Insider as follows:

Settlement Date	Security	Buy / Sell	Shares	Price	Total
June 17, 2013	LX Ventures	Buy	2,500	0.324	(810.06)
July 4, 2013	Caylix	Sell	(15,000)	0.160	2,270.00

Transfer to Jordan Capital

36. In July 2013, the Respondent left Canaccord to join Jordan Capital.
37. Also on July 18, 2013, the Insider opened accounts at Jordan Capital. The Respondent was the RR responsible for the Insider's accounts.
38. On July 23, 2013, AW met the Respondent at a coffee shop to complete the NCAF for her to open an account at Jordan Capital (the "AW Jordan Account"). The Respondent was the RR responsible for AW's Jordan Account.
39. The Respondent did not record the Insider as having any interest in or any authority over AW's Jordan Account.

LX Ventures Subscriptions

(i) September 2013

40. On September 25, 2013, the Respondent emailed the Insider subscription documents for AW to sign. The documents were for Units of LX Ventures to be purchased at \$0.15 per unit and registered to AW's Jordan Account.
41. The Insider returned the subscription documents to the Respondent on September 27, 2013. The

Respondent did not communicate directly with AW regarding the subscription documents for LX Ventures.

42. On September 27, 2013, AW subscribed for 170,000 shares of LX Ventures at a price of \$0.15 per share for a total acquisition cost of \$25,500. These shares were received into AW's Jordan Account and paid for from a credit in the account.
43. On October 11, 2013, the Respondent attempted to facilitate a \$3,400 transfer from one of the Insider's accounts at Jordan to AW's Jordan Account but the transfer was rejected because it was a third party transfer.

(ii) November 2013

44. On November 21, 2013, the Respondent emailed subscription documents to AW for her to sign. The documents were for Units of LX Ventures to be purchased at \$0.35 per unit and registered to an account at Jordan Capital. He instructed AW to fax or scan the pages back to him or give them to the Insider.
45. When the documents were submitted AW subscribed for 32,500 shares of LX Ventures at a price of \$0.35 per share for a total acquisition cost of \$11,375. These shares were received into AW's Jordan Account and paid for from a credit in the account.

CCT Capital Ltd. / Mezzi

46. In February 2014, the Insider was appointed to the Board of Directors of CCT Capital Ltd. ("CCT Capital") a publicly traded company listed on the TSX Venture Exchange. Until that time, the principal business of CCT Capital had been the acquisition and exploration of mineral properties.
47. On February 21, 2014, AW signed documentation to open a margin account at Jordan Capital. The documents required for AW to open the account were emailed to the Insider by the Respondent who gave the Insider instructions on where AW should sign and initial. The Insider witnessed AW's signature and delivered the documents back to the Respondent.

CCT Capital Private Placement & Mezzi Reverse Takeover

48. On March 2, 2014, the Insider emailed the Respondent a 19-page investment deck presentation on a private company called Mezzi and told him that it was the company that he would "next be taking public." The presentation included relevant information about Mezzi's:
 - a) Management team;
 - b) Product line;
 - c) Number of customers;
 - d) Projected Annual sales, product margins and earnings for 2014 to 2016; and
 - e) Wholesale relationships.
49. The information set out in paragraph 48 had not been disclosed in a news release, nor had the fact that there was a plan in place that Mezzi might go public through a reverse takeover of CCT Capital (the "Undisclosed Confidential Information").
50. On March 7, 2014, CCT Capital announced a non-brokered private placement to raise up to \$700,000 in funds by issuing 14,000,000 shares at \$0.05 per share.
51. Between March 12 and April 4, 2014, with knowledge of Undisclosed Confidential Information concerning the pending reverse takeover of CCT Capital by Mezzi, the Insider directed the following purchases of CCT Capital in the AW Accounts:

Transaction	Settlement	Shares	Price	Total
March 12/2014	March 17/2014	20,000	0.17	\$ 3,480
March 13/2014	March 18/2014	19,500	0.15	\$ 3,030
March 25/2014	March 28/2014	10,000	0.24	\$ 2,480
March 25/2014	March 28/2014	6,000	0.23	\$ 1,380
March 27/2014	April 1/2014	4,000	0.23	\$ 920
March 28/2014	April 2/2014	10,000	0.21	\$ 2,180
March 31/2014	April 3/2014	10,000	0.23	\$ 2,405
April 1/2014	April 4/2014	20,000	0.23	\$ 4,751
April 4/2014	April 9/2014	15,000	0.22	\$ 3,380
Total	8 days	114,500		\$ 24,006

52. The Respondent facilitated each of these transactions when he ought to have known that the Insider was in possession of Undisclosed Confidential Information related to CCT Capital taking Mezzi public.
53. On April 3, 2014, CCT Capital publicly announced that it had closed the private placement and issued 14 Million shares at \$0.05 per share, which were subject to a 4 month hold period. In the same release, CCT Capital also announced that:
- AW had acquired 2,730,000 of its shares;
 - AW now owned and controlled 2,829,500 shares which represented 17.7% of the company's issued and outstanding shares; and
 - AW has advised the company that she holds the shares for investment purposes and has no intention to acquire more.
54. Of the 2,370,000 shares acquired by AW in the private placement:
- 1,600,000 were acquired through her accounts at Jordan that the Respondent was responsible for. They were paid for from profitable trades in the account that were directed by the Insider; and
 - 1,130,000 were acquired shares in the private placement directly from CCT Capital. Unknown to the Respondent, the Insider's company Mammoth Advisory issued a cheque to pay for these shares.
55. Mammoth Advisory and the Insider, together, held roughly the same number of shares of CCT Capital.
56. On April 7, 2014, the Insider was appointed Interim Chairman of CCT Capital.
57. On April 9, 2014, the Respondent exchanged emails with the Insider and his securities lawyer about arranging to file insider reports on behalf of AW.
58. Some of the transactions in AW's accounts both at Canaccord and Jordan were executed without AW's full knowledge and at the direction of the Insider.

59. Between April 9 and April 14, 2014, with knowledge of Undisclosed Confidential Information concerning the pending reverse takeover of CCT Capital by Mezzi, the Respondent made the following purchases of CCT Capital in his own accounts at Jordan:

Transaction	Settlement	Shares	Price	Total
April 9/2014	April 14/2014	11,000	0.22	\$ 2,520
April 10/2014	April 15/2014	4,000	0.22	\$ 880
April 11/2014	April 16/2014	14,000	0.22	\$ 3,181
April 14/2014	April 17/2014	2,000	0.22	\$ 520
Total	4 days	31,000		\$ 7,101

60. On April 23, 2014 CCT Capital requested that IIROC halt trading in its shares pending the release of relevant news regarding the company. Prior to being halted, the shares of CCT Capital last traded at \$0.22 per share.
61. Trading in the shares of CCT Capital was halted until October 29, 2014.
62. On April 25, 2014 CCT Capital announced its intention to acquire Mezzi Canada Inc. (“Mezzi”) a privately held designer and marketer of luxury luggage products. The announcement noted that the business combination would constitute a change in business for the company under the policies of the Exchange.
63. On October 29, 2014, the shares resumed trading under a new symbol MZI. On the first day of trading under this new symbol the shares opened at \$0.20/share and closed at \$0.16 and had a day high of \$0.20 and a day low of \$0.145. The trading by the Respondent in his own account and in the account of AW while in possession of the Undisclosed Confidential Information was not profitable on the first day of trading after the disclosure of the information by the company.
64. The policies and procedures of Jordan Capital provided that if an employee obtains information about a reporting issuer that may be material or has not been generally disclosed, the employee must immediately report the matter to the CCO and refrain from trading in the issuer’s shares or disclosing the information to others.
65. The policies and procedures of Jordan Capital also identified a reverse take-over as something that is likely to be a material fact or material change. The Respondent knew that the company had not issued a news release concerning the Undisclosed Confidential Information when he executed trades in his and AW’s accounts, although he was aware that other members of the investment community knew of the possible Mezzi takeover.
66. The Respondent did not report the Undisclosed Confidential Information to anyone in the compliance department at Jordan Capital and traded the shares of the company in both his own account and the account directed by the Insider while in possession of the Undisclosed Confidential Information.

Transactions at Jordan Capital

67. From July 2013 to July 2014, the Respondent facilitated most of the following transactions in the AW Jordan Account at the direction of the Insider:

Company	Buy Transactions	Buy Days	Sell Transactions	Sell Days
LX Ventures	7	7	34	18
Caylix	14	14	18	14
CCT Capital	9	8	nil	nil
Others	5	4	11	6

Other Relevant Factors

68. The Respondent has no prior disciplinary history with IIROC.
69. The Respondent has paid an internal fine by Mackie of \$10,000 for his breach of Dealer Rule 200.2(m)(iii) regarding his failure to properly document the trading authority on the account.

PART IV – CONTRAVENTIONS

70. By engaging in the conduct described above, the Respondent committed the following contraventions of IIROC's Rules:
 - a. Between May 2013 and July 2014, Respondent acted contrary to Dealer Member Rule 200.2(m)(iii) by accepting trading instructions in a client account from a person other than the client, without the client's written authorization; and
 - b. In April 2014, the Respondent acted contrary to Dealer Member Rule 29.1 when he failed to follow his firm's policies and procedures regarding the receipt and use of confidential information regarding a proposed reverse takeover target of a public company.

PART V – TERMS OF SETTLEMENT

71. The Respondent agrees to the following sanctions and costs:
 - a) Fine of \$20,000;
 - b) Suspension from approval in any capacity for 30 days with suspension to commence on March 9, 2020 or two weeks from acceptance of the Settlement Agreement, whichever date comes first; and
 - c) Costs of \$1,500.
72. 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 Staff and the Respondent.

PART VI – STAFF COMMITMENT

73. If the Hearing Panel accepts this Settlement Agreement, 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.
74. If the Hearing Panel accepts this Settlement Agreement and the Respondent fails to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Rule 8200 against the Respondent. These proceedings may be based on, but are not limited to, the facts set out Part III of this Settlement Agreement.

PART VII – PROCEDURE FOR ACCEPTANCE OF SETTLEMENT

75. This Settlement Agreement is conditional on acceptance by the Hearing Panel.
76. This Settlement Agreement shall be presented to a Hearing Panel at a settlement hearing in accordance with the procedures described in Sections 8215 and 8428, in addition to any other procedures that may be agreed upon between the parties.
77. Staff and the Respondent agree that this Settlement Agreement will form all of 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.
78. If the Hearing Panel accepts the Settlement Agreement, the Respondent agrees to waive all rights under the IIROC Rules and any applicable legislation to any further hearing, appeal and review.

79. If the Hearing Panel rejects the Settlement Agreement, Staff and the Respondent may enter into another settlement agreement or Staff may proceed to a disciplinary hearing based on the same or related allegations.
80. The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the Hearing Panel.
81. The Settlement Agreement will become available to the public upon its acceptance by the Hearing Panel and IIROC will post a full of copy of this Settlement Agreement on the IIROC website. IIROC will also publish a summary of the facts, contraventions, and the sanctions agreed upon in this Settlement Agreement.
82. If this Settlement Agreement is accepted, the Respondent agrees that neither he nor anyone on his behalf, will make a public statement inconsistent with this Settlement Agreement.
83. The Settlement Agreement is effective and binding upon the Respondent and Staff as of the date of its acceptance by the Hearing Panel.

PART VIII – EXECUTION OF SETTLEMENT AGREEMENT

84. This Settlement Agreement may be signed in one or more counterparts which together will constitute a binding agreement.
85. A fax or electronic copy of any signature will be treated as an original signature.

DATED this 25th day of February, 2020.

“Witness” _____

Witness

Zubin Justin Driver (Respondent)

“Witness” _____

Witness

“Stacy Robertson” _____

Stacy Robertson

Enforcement Counsel on behalf of Enforcement
Staff of the Investment Industry Regulatory
Organization of Canada

The Settlement Agreement is hereby accepted this 25th day of February, 2020 by the following Hearing Panel:

Per: “Winton Derby” _____

Panel Member

Per: “Douglas Stewart” _____

Panel Member

Per: No in attendance _____

Panel Member

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