



CIRO · OCRI

Canadian Investment
Regulatory
Organization

Organisme canadien
de réglementation
des investissements

Order

File No. 202312

**IN THE MATTER OF
THE MUTUAL FUND DEALER RULES
and
Samantha Jane Cauvier**

ORDER

WHEREAS on June 9, 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 Samantha Jane Cauvier (the “Respondent”);

AND WHEREAS on July 17, 2023, a first appearance was held electronically by videoconference before one public representative of a hearing district hearing committee acting on behalf of a hearing panel of the Ontario District Hearing Committee of CIRO (the “Hearing Panel”), pursuant to Mutual Fund Dealer Rule 7.2.4(b);

AND WHEREAS at the first appearance, an interim appearance was scheduled to take place electronically by videoconference on September 21, 2023 at 10:00 a.m. (Eastern) and on September 20, 2023, the appearance was adjourned on the consent of parties;

AND WHEREAS at the first appearance, the hearing on the merits was scheduled to take place electronically by videoconference on November 14, 2023 at 10:00 a.m. (Eastern) and on November 9, 2023, the hearing on the merits was rescheduled for December 12, 2023;

AND WHEREAS on December 5, 2023, the Respondent entered into a settlement agreement with Staff of CIRO (“Staff”), in which the Respondent agreed to a proposed settlement of matters for which the Respondent could be disciplined pursuant to Rule 7.3 and 7.4.1 of the Mutual Fund Dealer Rules;

AND WHEREAS on December 8, 2023, CIRO provided notice to the public of a Settlement Hearing in respect of the Respondent;

AND WHEREAS Staff and the Respondent made a joint request pursuant to Rule 2.2(1)(a) of the Mutual Fund Dealer Rules of Procedure (the “ROP”) for the abridgement of the 10-day notice period required by Rule 15.2 of the ROP in order to permit the Hearing Panel to proceed with the Settlement Hearing on December 12, 2023 as scheduled;

AND WHEREAS based upon the admissions of the Respondent in the Settlement Agreement, the Hearing Panel is of the opinion that:

(a) Between February 2021 and June 2021, the Respondent:

- i. instructed a client to falsely inform the Dealer Member that the client was a resident of Ontario; and
- ii. in respect of a second client, falsely recorded on account opening documentation that the client was a resident of Ontario,

thereby enabling the Respondent to circumvent the Dealer Member’s prohibition against transacting business in provinces where the Respondent was not registered, contrary to the Dealer Member’s policies and procedures and Mutual Fund Dealer Rules 2.1.1, 2.2.1 and 1.1.2 (as it relates to Rule 2.5.1) (formerly MFDA Rules 2.1.1, 2.2.1, 1.1.2, and 2.5.1).

(b) Between February 2021 and June 2021, the Respondent opened a new account and processed the purchase of mutual funds in respect of a client who resided in a province in which the Respondent was not registered, contrary to the Member’s policies and procedures and Mutual Fund Dealer Rules 1.1.5, 2.1.1

and 1.1.2 (as it relates to Rule 2.5.1) (formerly MFDA Rules 1.1.5, 2.1.1, 1.1.2, and 2.5.1).

IT IS HEREBY ORDERED THAT the 10-day notice period required by Rule 15.2 of the ROP is abridged in accordance with Rules 1.5 and 2.2(1)(a) of the ROP and the Settlement Agreement is accepted, as a consequence of which:

1. The Respondent shall be suspended from conducting securities related business in any capacity while in the employ of or associated with any Dealer Member of CIRO registered as a mutual fund dealer for a period of two months commencing on the date of this Order, pursuant to Mutual Fund Dealer Rule 7.4.1.1(c);

2. The Respondent shall pay a fine in the amount of \$2,500, pursuant to Mutual Fund Dealer Rule 7.4.1.1(b));

3. The Respondent shall pay costs in the amount of \$5,000, pursuant to Mutual Fund Dealer Rule 7.4.2;

4. The payment by the Respondent of the fine and costs shall be made to and received by CIRO in certified funds as follows:

(a) \$5,000 (costs) upon acceptance of the Settlement Agreement by the Hearing Panel;

(b) \$300 (fine) upon acceptance of the Settlement Agreement by the Hearing Panel;

(c) \$500 (fine) on or before January 12, 2024;

(d) \$600 (fine) on or before February 12, 2024;

(e) \$600 (fine) on or before March 12, 2024; and

(f) \$500 (fine) on or before April 12, 2024;

5. If the Respondent fails to make any of the payments of the fine or costs as they become due, then any outstanding balance of the fine and costs owed by the Respondent shall become immediately due and payable to CIRO;
6. The Respondent shall in the future comply Mutual Fund Dealer Rules 1.1.5, 2.1.1, 2.2.1, 1.1.2, and 2.5.1; and
7. 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 Corporate Secretary's Office, Mutual Fund Dealer Division 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 intimate financial and personal information, pursuant to Rules 1.8(2) and (5) of the Mutual Fund Dealer Rules of Procedure.

DATED this 12 day of December, 2023.

"Emily Cole"

Emily Cole,
Chair

"Samuel Mah"

Samuel Mah,
Industry Representative

"Timothy Pryor"

Timothy Pryor,
Industry Representative