Re Howes

IN THE MATTER OF:

The Mutual Fund Dealer Rules

and

Sean Joseph Howes

2024 CIRO 52

Canadian Investment Regulatory Organization
Hearing Panel (Nova Scotia District)

Heard: May 2, 2024 in Halifax, Nova Scotia (via videoconference)
Reasons for Decision: May 23, 2024

Hearing Panel:
Noella Martin, K.C., Chair
Ken Wheelans, Industry Representative
Joshua Martin, Industry Representative

Appearances:
Maria Abate, CIRO Enforcement Counsel
Rory Rogers, K.C., Counsel for the Respondent
Calvin DeWolfe, Counsel for the Respondent
Sean Joseph Howes, Respondent (present)

REASONS FOR DECISION

I. INTRODUCTION

¶ 1 At a Settlement Hearing by videoconference on May 2, 2024, this Hearing Panel was asked to accept a settlement agreement dated April 20, 2024 ("Settlement Agreement") negotiated between Staff of the Canadian Investment Regulatory Organization ("CIRO") and Sean Joseph Howes ("Respondent").

¶ 2 Mr. Howes was present before us and was represented by counsel, Rory Rogers and Calvin DeWolfe.

¶ 3 In accordance with Mutual Fund Dealer Rule 7.4.4.3 (formerly section 24.4.3 of By-law No. 1 of the MFDA), the Settlement Agreement was referred to this Hearing Panel for acceptance or rejection. After hearing counsel for CIRO, considering the exhibits filed and the written submissions of Staff of the MFDA, and deliberating, we concluded that we should accept the Settlement Agreement. These are our written reasons for so doing.

II. THE SETTLEMENT AGREEMENT

¶ 4 The Settlement Agreement is attached as Schedule "A" to these Reasons for Decision.

¶ 5 The key portions of the Settlement Agreement entered into with CIRO by the Respondent are as follows:

IV. AGREED FACTS

Registration History

8. Since January 1, 2003, the Respondent has been registered in Nova Scotia as a dealing representative with Desjardins Financial Security Investments Inc. (the "Dealer Member"), a Dealer Member of CIRO (formerly a Member of the MFDA). The Respondent was also registered in the provinces of Alberta, New Brunswick, Ontario, Saskatchewan, and Newfoundland and Labrador.

9. At all material times, the Respondent conducted business in and around the Halifax, Nova Scotia area.

Altered Account Forms

10. At all material times, the Dealer Member's policies and procedures required that any changes or alternations made to forms signed by clients must be accompanied by the client's initials, or the dealing representative must otherwise provide the client's written authorization demonstrating the client's awareness and authorization of the change.

11. Between January 11, 2017 and May 6, 2021, the Respondent altered and used to process transactions 35 account forms in respect of 20 clients, by altering information on the account forms without having the client initial the alterations.

12. The account forms that the Respondent altered included the following: Know Your Client ("KYC") Update Forms, Letters of Direction, New Account Application Forms, Mutual Fund Trade Tickets, Transfer Authorization Forms, Registered Education Savings Plan ("RESP") Grant Application Forms, Systemic Instructions Forms, Internal Transfer Forms, and RESP Educational Assistance Payment Withdrawal Forms.

13. The information that the Respondent altered on the account forms included the following: risk tolerance profile information, investment objectives, investment instructions, net worth information, client gross annual income amounts, fund codes, client banking information and fund details, and account numbers.

Dealer Member's Investigation

14. In May 2021, the Dealer Member completed a full file review of the client files maintained by the Respondent and discovered the account forms described above.

15. As part of its investigation into the Respondent's conduct, the Dealer Member sent letters to affected clients identifying the alterations to the account forms made by the Respondent to ensure that the alterations made were accurate and authorized. No clients raised any concerns to the Dealer Member.

16. Commencing August 10, 2021, the Dealer Member issued a Warning Letter to the Respondent and placed him on close supervision tor a period of twelve months. The Dealer Member also required the Respondent to sign an Undertaking confirming his understanding of the Dealer Member policies and procedures regarding alterations to client account forms.

Additional Factors

17. There is no evidence of clients suffering financial loss of any kind, and no evidence of any lack of client authorization, and no clients have complained to CIRO or the Dealer Member.

18. There is no evidence that the Respondent received any financial benefit from the conduct set out above beyond the commissions or fees he would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

19. The Respondent has not previously been the subject of CIRO disciplinary proceedings.

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

III. GENERAL PRINCIPLES ON THE ACCEPTANCE OF A SETTLEMENT AGREEMENT

¶ 6 At a settlement hearing the role of a Hearing Panel is fundamentally different from its role at a

contested hearing. The often-cited reasoning from the I.D.A. decision of *Milewski (Re)* succinctly sets out the role of the Hearing Panel at a settlement hearing:

> We also note that while in a contested hearing the Panel attempts to determine the correct penalty, in a settlement hearing the Panel "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."
>
> *Milewski (Re)* [1999] I.D.A.C.D. No.17 at p. 10, Ontario District Council Decision dated July 28, 1999.

¶ 7 A Hearing Panel, pursuant to Mutual Fund Dealer Rule 7.4.4.3 (formerly section 24.4.3 of MFDA By-law No. 1), has two options with respect to a settlement agreement; it can only accept or reject the settlement agreement.

¶ 8 It is clear from the jurisprudence emanating from the Courts and previous MFDA hearing panels that this Hearing Panel's task is not to decide whether we would have arrived at the same decision as that reached by the parties in this case. Rather, it is this Hearing Panel's responsibility to determine whether the penalty agreed upon falls within a reasonable range of appropriateness having regard to the conduct of the Respondent. If the negotiated settlement maintains the integrity of the investment industry, it is our duty to accept it.

¶ 9 In deciding whether to accept or reject the proposed Settlement Agreement in this matter, we have taken into account the following considerations as set out by previous decisions of Courts and MFDA hearing panels:

(a) Whether acceptance of the Settlement Agreement would be in the public interest;

(b) Whether the Settlement Agreement is reasonable in proportion to the conduct of the Respondent as set out in the Settlement Agreement;

(c) Whether the Settlement Agreement addresses the issues of both specific and general deterrents;

(d) Whether the proposed Settlement Agreement will prevent the type of conduct described in the Settlement Agreement from occurring again 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.

Re: Professional Investments (Kingston) Inc. (Re), [2009] MFDA, Ontario Regional Council, File No. 200836, Hearing Panel Decision dated March 24, 2009, at page 9.

Re: Melvin Robert Penny (Re), [2009] MFDA, Atlantic Regional Council, File No. 200831, Hearing Panel Decision dated May 13, 2009, at page 8.

Re: Alden M. Kaley (Re), MFDA, Atlantic Regional Council, File No 200911, Hearing Panel Decision dated August 21, 2009, at page 6.

¶ 10 We have also considered the factors that previous Hearing Panels have stated should be considered in determining whether a penalty is appropriate. These factors include the following:

(a) The seriousness of the allegations proven against the Respondent;

(b) The Respondent's past conduct, including prior sanctions;

(c) The Respondent's experience and level of activity in the Capital Markets;

(d) Whether the Respondent recognizes that the conduct was improper and has demonstrated remorse;

(e) The harm suffered by investors as a result of the Respondent's conduct;

(f) The benefits received by the Respondent as a result of the improper activity;

(g) The risk to investors and the capital markets in the jurisdiction were the Respondent to continue to operate in the capital markets in the jurisdiction;

(h) The damage caused to the integrity of the capital markets in the jurisdiction by the Respondent's improper activities;

(i) The need to determine whether not only those involved in the case being considered, but also any others participating in the capital markets engaged in a similar improper activity;

(j) The need to alert others to the consequences of inappropriate activity to those who are permitted to participate in the capital markets; and

(k) Previous decisions made in similar circumstances.

Re: Lamoureux (Re), [2002] A.S.G.D. No. 125 at para. 11.

Re: In the matter of Robert Roy Parkinson [2005] MFDA Ontario Regional Council, File No. 200509, Hearing Panel Decision dated February 21, 2006, at pp. 25-26.

Re: Alden M. Kaley (Re), [2009] MFDA Atlantic Regional Council, File No. 200911, Hearing Panel Decision dated September 28, 2009, at page 7.

¶ 11 We have also been guided by the MFDA Sanction Guidelines, which came into effect on November 15, 2018, and the new CIRO Sanction Guidelines, which came into effect on February 1, 2024.

IV. STANDARD OF CONDUCT

¶ 12 Mutual Fund Dealer Rule 2.1.1 prescribes the standard of conduct applicable to registrants in the mutual fund industry. The Rule requires, among other things, that:

> Each Member and Approved Person of a Member shall: deal fairly, honestly and in good faith with its clients; observe high standards of ethics and conduct in the transaction of business; and not engage in any business conduct or practice which is unbecoming or detrimental to the public interest.

Altered Forms Are Not Permissible

¶ 13 When an Approved Person alters information on an account form without having the client initial the form to show that the client is aware of the change and has authorized it, the Approved Person engages in conduct that is contrary to Mutual Fund Dealer Rule 2.1.1.

Hillsdon (Re), [2022] Hearing Panel of the Central Regional Council, MFDA File No. 202124, Hearing Panel Decision dated January 18, 2022, at para. 8, SBA, Tab 6.

Geng (Marshal) Liu (Re), [2022] Hearing Panel of the Pacific Regional Council, MFDA File No. 202218, Hearing Panel Decision dated July 19, 2022, at para. 8, SBA, Tab 7.

Borrero (Re), [2019] Hearing Panel of the Central Regional Council, MFDA File No. 201897, Hearing Panel Decision dated February 7, 2019, at para. 15, SBA, Tab 8.

¶ 14 Approved Persons have previously been warned against altering information on an account form without having the client initial the form to show that the client was aware of the change and had authorized it.

MFDA Notice #MSN-0066, dated October 31, 2007 (Updated March 4, 2013, and January 26, 2017), SBA, Tab 9.

MFDA Bulletin #0661-E, dated October 2, 2015, SBA, Tab 10.

¶ 15 The creation or use of altered forms is considered serious misconduct. As the Hearing Panel explained in *Wong (Re)*:

> The reason for the stringency associated with the rules regarding pre-signed and altered forms is clear. [...][T]he preparation and preservation of an audit trail is essential in the securities and mutual fund

industries. An Approved Person must be able to support the claim that trades or transactions were based on client instructions.

Any departure from the required standard will result in a determination that the dealing representative has contravened the MFDA Rules and will result in penalty. Ignorance of the rule, negligence, or mere carelessness affords no defence. The breach is much like a simple speeding ticket: travelling in excess of the posted limit is an offence. No excuse exonerates the speeder. Likewise, no excuse exonerates a dealing representative who obtains a pre-signed form from a client and then completes and uses it, or who alters a properly executed form without the alteration being initialed [sic] by the client.

Wong (Re), [2021] Hearing Panel of the Pacific Regional Council, MFDA Hearing No. 201943, Hearing Panel Decision (Misconduct) dated February 22, 2021, at paras. 27-28, SBA, Tab 11.

¶ 16 The prohibition against altering account forms without obtaining client initials applies regardless of whether:

(a) the client was aware, or authorized the use, of the altered account forms; or

(b) the forms were used by the Approved Person for discretionary trading or other improper purposes.

MFDA Bulletin #0661-E, *Supra*, SBA, Tab 10.

Applicable Rules and Provisions

¶ 17 The following rules and provisions are applicable in this matter:

Provision	**Description**
CIRO By-law No. 1, Section 14.6	Continuing Jurisdiction and Discipline and Enforcement under the Rules
Mutual Fund Dealer Rules, Rule 1A	Application, Interpretation, Exemptions and Definitions
Mutual Fund Dealer Rules 7.4.1.1, 7.4.1.4, and 7.4.2	Disciplinary Powers, Jurisdiction and Costs
Mutual Fund Dealer Rule 7.4.4	Settlement Agreements
MFDA Rule 2.1.1 Mutual Fund Dealer Rule 2.1.1	Standard of Conduct

¶ 18 Mutual Fund Dealer Rule 2.1.1 is a rule of general application which prescribes the standard of conduct applicable to Members and Approved Persons. The Rule is designed to protect the public interest by requiring registrants in the mutual fund industry to adhere to a high standard of conduct in the transaction of business.

Admission

¶ 19 In the present case, as stated in paragraph 4 of the Settlement Agreement, the Respondent admits that:

(a) Between January 11, 2017, and May 6, 2021, the Respondent altered and used to process transactions, 35 account forms in respect of 20 clients by altering information on the account forms without having the clients initial the alterations, contrary to Mutual Fund Dealer Rule 2.1.1.

V. THE SERIOUSNESS OF THE VIOLATION IN THIS MATTER

¶ 20 The conduct in this matter is serious.

¶ 21 The Respondent altered and used to process transactions, 35 account forms in respect of 20 clients by altering information on the account forms without having the clients initial the alterations.

¶ 22 The Respondent and Staff have agreed to the following penalties if the Settlement Agreement is accepted by the Hearing Panel:

(a) The Respondent shall pay a fine in the amount of $20,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to Mutual Fund Dealer Rule 7.4.1.l(b);

(b) The Respondent shall pay costs in the amount of $2,500 in certified funds upon the 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.

¶ 23 The Hearing Panel agrees that the penalties proposed in the Settlement Agreement are consistent with those issued in previous MFDA decisions under similar circumstances.

¶ 24 After considering the submissions and upon reviewing the relevant authorities, in our opinion the Settlement Agreement negotiated between the parties is in keeping with the purpose of the MFDA Rules which are intended to enhance investor protection and to promote public confidence in the Canadian Mutual Fund Industry.

¶ 25 We believe that the penalties provided for in the Settlement Agreement are within the range of reasonableness under the circumstances, will specifically deter the Respondent, Mr. Howes, and will also deter others from engaging in similar misconduct, thereby protecting the investing public and fostering confidence in the Mutual Fund Industry in Canada.

¶ 26 After considering all of the above, we unanimously agree that the Settlement Agreement reached in this case was reasonable in the circumstances, is in the public interest, and is hereby accepted by this Hearing Panel pursuant to Mutual Fund Dealer Rule 7.4.4.3 (formerly section 24.4.3 of the MFDA By-law).

DATED at Halifax, Nova Scotia this 23rd day of May 2024

"Noella Martin"

Noella Martin, K.C., Chair

"Ken Wheelans"

Ken Wheelans, Industry Representative

"Joshua Martin"

Joshua Martin, Industry Representative

SCHEDULE "A"

SETTLEMENT AGREEMENT

File No. 202324

IN THE MATTER OF:

The Mutual Fund Dealer Rules[i]

and

Sean Joseph Howes

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 Nova Scotia District Hearing Committee (the "Hearing Panel") of CIRO should accept the settlement agreement (the "Settlement Agreement") entered into between Staff of CIRO ("Staff") and Sean Joseph Howes (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:[1]

(a) Between January 11, 2017 and May 6, 2021, the Respondent altered and used to process transactions 35 account forms in respect of 20 clients, by altering information on the account forms without having the client initial the alterations 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 $20,000 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 the 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:

[1] At the time of the conduct addressed in this proceeding, MFDA Rule 2.1.1 was in effect and is now incorporated into Mutual Fund Dealer Rule 2.1.1 referred to in this proceeding.

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.

¶ 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 Since January 1, 2003, the Respondent has been registered in Nova Scotia[2] as a dealing representative with Desjardins Financial Security Investments Inc. (the "Dealer Member"), a Dealer Member of CIRO (formerly a Member of the MFDA).

¶ 9 At all material times, the Respondent conducted business in and around the Halifax, Nova Scotia area.

Altered Account Forms

¶ 10 At all material times, the Dealer Member's policies and procedures required that any changes or alternations made to forms signed by clients must be accompanied by the client's initials, or the dealing representative must otherwise provide the client's written authorization demonstrating the client's awareness and authorization of the change.

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¶ 12 The account forms that the Respondent altered included the following: Know Your Client ("KYC") Update Forms, Letters of Direction, New Account Application Forms, Mutual Fund Trade Tickets, Transfer Authorization Forms, Registered Education Savings Plan ("RESP") Grant Application Forms, Systemic Instructions Forms, Internal Transfer Forms, and RESP Educational Assistance Payment Withdrawal Forms.

¶ 13 The information that the Respondent altered on the account forms included the following: risk tolerance profile information, investment objectives, investment instructions, net worth information, client gross annual income amounts, fund codes, client banking information and fund details, and account numbers.

Dealer Member's Investigation

¶ 14 In May 2021, the Dealer Member completed a full file review of the client files maintained by the Respondent and discovered the account forms described above.

¶ 15 As part of its investigation into the Respondent's conduct, the Dealer Member sent letters to affected clients identifying the alterations to the account forms made by the Respondent to ensure that the alterations made were accurate and authorized. No clients raised any concerns to the Dealer Member.

¶ 16 Commencing August 10, 2021, the Dealer Member issued a Warning Letter to the Respondent and placed him on close supervision for a period of twelve months. The Dealer Member also required the Respondent to sign an Undertaking confirming his understanding of the Dealer Member policies and procedures regarding alterations to client account forms.

Additional Factors

¶ 17 There is no evidence of clients suffering financial loss of any kind, and no evidence of any lack of client

[2] The Respondent was also registered in the provinces of Alberta, New Brunswick, Ontario, Saskatchewan, and Newfoundland and Labrador.

authorization, and no clients have complained to CIRO or the Dealer Member.

¶ 18 There is no evidence that the Respondent received any financial benefit from the conduct set out above beyond the commissions or fees he would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

¶ 19 The Respondent has not previously been the subject of CIRO disciplinary proceedings.

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

V. ADDITIONAL TERMS OF SETTLEMENT

¶ 21 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.

¶ 22 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.

¶ 23 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.

(a) Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel:

(b) 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;

(c) 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;

(d) 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;

(e) the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to Mutual Fund Dealer Rule 7.4.1.1 (Approved Persons) for the purpose of giving notice to the public thereof in accordance with Mutual Fund Dealer Rule 7.4.5; and

(f) 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.

¶ 24 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.

¶ 25 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.

¶ 26 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.

¶ 27 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 20th day of April, 2024.

"Sean Joseph Howes"
Sean Joseph Howes

"Witness"
Witness - Signature

"Witness"
Witness - Print name

"Maria L. Abate"
Staff of the Canadian Investment Regulatory Organization
Maria L. Abate, Enforcement Counsel

[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.