Re Bradshaw

IN THE MATTER OF:

The Mutual Fund Dealer Rules

and

Stephanie Bradshaw

2024 CIRO 66

Canadian Investment Regulatory Organization
Hearing Panel (Alberta District)
Heard electronically July 3, 2024 in Edmonton, Alberta
Decision: July 3, 2024
Reasons for Decision: August 13, 2024

Hearing Panel:
Robert Stack, Chair,
Richard Sydenham, Industry Representative
Richard Bergeron, Industry Representative

Appearances:
Maria Di Clemente, Enforcement CounselStephanie Bradshaw, Respondent

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REASONS FOR DECISION

I. BACKGROUND

¶ 1 On March 25, 2024, Staff of the Canadian Investment Regulatory Organization ("**CIRO**") ("**Staff**"), issued a Notice of Settlement Hearing ("**NSH**") in relation to the conduct of one of its Approved Persons, Stephanie Bradshaw (the "**Respondent**"). The alleged misconduct related to her handling of pre-authorized contribution ("**PAC**") processes. The NSH asked a hearing panel of the Alberta District Hearing Committee (the "**Hearing Panel**") to approve a settlement negotiated with the Respondent.

¶ 2 On March 25, 2024, Staff entered into a settlement agreement with the Respondent (the "**Settlement Agreement**"). The Settlement Agreement indicated that Staff would schedule a "settlement hearing" to help determine, pursuant to Mutual Fund Dealer Rule 7.4.4.3, whether the Hearing Panel would accept the Settlement Agreement.

¶ 3 A hearing did take place on July 3, 2024 (the "**Hearing**"). At the Hearing, the Hearing Panel did endorse the Settlement Agreement. What follows are its reasons for doing so.

II. DISCLOSURE OF MISCONDUCT IN THE SETTLEMENT AGREEMENT

¶ 4 At the Hearing, the Staff asked for an order that the Hearing Panel review the Settlement Agreement in camera pursuant to Rule 15.2(2) of the Mutual Fund Dealer Rules of Procedure. The Hearing Panel did order that the Hearing be conducted in private until a decision was reached on the Settlement Agreement.

¶ 5 The Settlement Agreement was then presented to the Hearing Panel for review. It contained the following admissions by the Respondent:

> 4. (a) Between April 19, 2018 and February 14, 2020, the Respondent:

i. set-up and cancelled pre-authorized contributions in the accounts of clients without their knowledge or authorization; and

ii. cancelled, rather than amended, pre-authorized contributions in the account of a client and set-up new pre-authorized contributions;

in order to meet sales targets or to qualify for a bonus based on Dealer Member sales incentives, contrary to Mutual Fund Dealer Rule 2.1.1.

¶ 6 The Settlement Agreement further disclosed the further facts and admissions as set out below:

a. From February 9, 2016 to June 10, 2021, the Respondent was registered in Alberta with Scotia Securities (the "**Dealer Member**").

b. On November 9, 2021, the Dealer Member terminated the Respondent as a result of the conduct described in the above admission.

c. During her tenure with the Dealer Member, the Respondent would deal with investments made by way of “PAC” procedures. The Settlement Agreement discloses that a PAC is a type of trade authorization by which a client authorizes recurring contributions from the client's bank account to the client's investment account. The funds are then used for the acquisition of pre-selected mutual funds. PACs require that an approved person such as the Respondent have an Investment Direction Form ("**IDF**") filled out that confirms the date and details of the client's instructions.

d. The Dealer Member compensated approved persons through an incentive process for sales revenue, including revenue derived from PACs. However, the Dealer Member would not award revenue if the PAC was set up and cancelled on the same day. Throughout the time in question, the Dealer Member also had rules in place against the creation of false records.

e. Between April 19, 2018, and February 14, 2020, the Respondent set up and cancelled 40 PACs in the accounts of 29 clients without the clients' knowledge or authorization.

f. This misconduct involved creating false IDFs indicating the client approved of the PAC when in fact there was no such approval.

g. In all cases, the Respondent cancelled the PACs before contributions from client banking accounts to client investment accounts took place. However, the Respondent did enjoy increased recognition for sales revenue as a result of the creation of the false PACs.

¶ 7 The Settlement Agreement further disclosed:

a. In relation to four investors, the Respondent created PACs after the client had expressly asked for their existing PACs to be cancelled.

b. In relation to two of these investors, the Respondent created false PACs after having told her clients that she had cancelled existing PACs as per their instructions.

c. The Dealer Member had in force rules that required approved persons to amend PACs when a client requested changes to their pre-authorization details. Despite this, the Respondent, on several occasions, cancelled and then recreated a PAC when an amendment would have been appropriate. The Respondent’s conduct was again driven by a desire to have additional sales revenue attributed to her and thereby increasing her bonus.

¶ 8 The Settlement Agreement listed the following additional factors relevant to sanction:

a. The Respondent's conduct did create the appearance of additional sales revenue, which was a factor used to determine her annual bonus during the relevant period. However, it is not possible to determine exactly how much of an increase she received in bonus compensation as a result of the misconduct.

b. When the misconduct came to light, the Dealer Member deducted $11,333 from amounts payable to the Respondent.

c. As the PACs were all cancelled before any contributions were made, there is no evidence of client loss. No clients complained as the misconduct was apparently identified through other means.

d. The Respondent does not have any prior history of regulatory misconduct with CIRO or its predecessor regulator, the Mutual Fund Dealers Association.

e. By entering into the Settlement Agreement, the Respondent saved CIRO the time, resources and expenses associated with a contested hearing on the merits of the allegations or on sanction.

¶ 9 The Hearing Panel considered the above information from the Settlement Agreement, and nothing else, when deciding whether to approve the sanction terms of the Settlement Agreement.

III. PROPOSED TERMS OF SETTLEMENT

¶ 10 The Settlement Agreement proposes that the misconduct should result in the following consequences:

a. the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with any CIRO Dealer Member for a period of 12 months, commencing on the date that this settlement agreement is accepted by a Hearing Panel, pursuant to Mutual Fund Dealer Rule 7.4.1.1(c);

b. the Respondent shall pay a fine of $10,000 in certified funds pursuant to Mutual Fund Dealer Rule 7.4.1.1(b);

c. the Respondent shall pay costs in the amount of $5,000 in certified funds pursuant to Mutual Fund Dealer Rule 7.4.2;

d. the payment by the Respondent of the fine and costs described above in subparagraphs (b) and (c) shall be in certified funds as follows:

   i. $5,000 (costs) shall be paid upon acceptance of the Settlement Agreement;

   ii. $1,000 (fine) shall be paid in ten equal monthly installments, commencing on or before the last business day of the month of the acceptance of the Settlement Agreement and thereafter;

e. if the Respondent fails to make any of the payments of the costs and fine described above in subparagraph (d) when the payments become due, then any outstanding balance of the fine and costs owed by the Respondent shall become immediately due and payable to CIRO;

f. the Respondent shall in the future comply with Mutual Fund Dealer Rule 2.1.1; and

g. the Respondent shall attend on the date set for the Settlement Hearing. ("**Sanction Terms**")

IV. PANEL JURISDICTION IN RELATION TO SETTLEMENT AGREEMENTS

¶ 11 When a settlement agreement has been referred to it under CIRO Rule 7.4.4.3, a hearing panel can either accept or reject the agreement, nothing else. Panels of CIRO, and its predecessor entities, have concluded that a hearing panel reviewing an agreed set of facts, admissions and sanctions is not to determine what the correct penalty is or what it thinks the penalty should be. Its role is to determine whether the penalty to which the parties have agreed is within a reasonable range of outcomes. The panel must also be satisfied that the misconduct described in the settlement agreement constitutes a contravention of the CIRO Bylaw, the Mutual Fund Dealer Rules or Policies, or provincial securities regulation.

Sun Life Financial Investment Services (Canada) Inc. (Re) 2015 LNCMFDA 112 at para. 7.

Ho (Re), [2018] Hearing Panel of the Central Regional Council, MFDA File No. 2017120, Reasons for Decision dated March 5, 2018 at para. 25.

¶ 12 In considering whether a proposed penalty is within a reasonable range, CIRO (and predecessor MFDA) panels have considered general sanction factors such as the following:

a. the seriousness of the allegations proved 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 the seriousness of the improper activity;

e. the harm suffered by investors as a result of the Respondent's activities;

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 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 deter not only those involved in the case being considered, but also any others who participate in the capital markets, from engaging in similar improper activity;

j. the need to alert others to the consequences of inappropriate activities to those who are permitted to participate in the capital markets; and

k. previous decisions made in similar circumstances.

Milewski (Re), [1999] I.D.A.C.D. No. 17 at p. 12, Ontario District Council Decision dated July 28, 1999 at p. 25.

Laverdiere (Re), [2010] Hearing Panel of the Pacific Regional Council, MFDA File No. 200936, Panel Decision dated May 12, 2010, at para. 22.

¶ 13 When reviewing a set of sanctions jointly proposed by parties, panels should consider the following factors:

a. whether acceptance of the Settlement Agreement would be in the public interest and whether the penalties 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 addresses the issues of both specific and general deterrence;

d. whether the proposed settlement 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 the MFDA (now CIRO);

g. whether the Settlement Agreement will foster confidence in the regulatory process itself.

Jacobson (Re), [2007] Hearing Panel of the Prairie Regional Council, MFDA File No. 200712, Reasons for Decision dated July 13, 2007, at para. 68

V. REASONABLENESS OF THE PROPOSED SANCTION TERMS

¶ 14 The Panel unanimously concluded that the misconduct described in the Settlement Agreement did violate Mutual Fund Dealer Rule 2.1.1 and was serious in nature. This misconduct amounted to a misrepresentation to the Dealer Member regarding the Respondent’s financial performance, and it involved the

misuse of forms intended to record client instructions. It also involved the misuse of personal information from clients including, we understand, banking information.

¶ 15 While we do not know how much the Respondent gained from her misconduct, she agreed that it would have a positive impact on her bonus as intended. Further, while there was no investor harm, in our view there was some investor risk. Investor banking information was used to create the false appearance of additional sales revenue. Had something happened to the Respondent after she created a false PAC or were she not able to cancel the PAC in time, it is possible that contributions would have been made against the wishes of the client. Further, in some cases, the Respondent acted contrary to instructions to cancel PACs.

¶ 16 At the same time, it seems the Dealer Member did claw back some compensation from the Respondent, and this may have reduced any gain that she received. Further, she appears to have recognized that her conduct was seriously inappropriate insomuch as she agreed to enter into the Settlement Agreement and not contest the allegations against her.

¶ 17 In terms of decisions dealing with similar circumstances, Staff cited three cases:

(i) *Subzwari (Re)*, 2022, LNCMFDA 41: The Respondent set up 22 PACs in the accounts of 20 clients without authorization. To do so, he made use of false or misleading information on account forms. The hearing panel ordered an 18-month prohibition on acting in the capacity of approved person, ordered a $4,000 fine and $2,500 in costs. Relevant to this decision was the fact that the individual was terminated before he received a bonus and had an inability to pay.

(ii) *Pattenden (Re)*, 2014, LNCMFDA 65: The Respondent created 15 PACs in the accounts of 15 different clients without the clients' knowledge or authorization. The Respondent also had an inability to pay, was new to the industry, and did not benefit from the misconduct. The panel ordered a one-year prohibition against acting as an approved member, a $5,000 fine and $1,500 for costs.

(iii) *Chatterjee (Re)*, 2024 CIRO 51: The Respondent cancelled rather than amended 31 PACs without the clients' knowledge or authorization. The Respondent actually received instructions to make amendments before proceeding with the cancellation and re-creation of the PACs. However, there was no client harm and gain attributable to the misconduct was difficult to identify. The hearing panel ordered a one-year prohibition, $12,500 fine, and $5,000 costs.

¶ 18 In this case, the number of PACs was greater than in any of the cited decisions. There was no evidence of inability to pay. The Panel has no reason to conclude that the combination of sanctions negotiated between Staff and the Respondent is not appropriate in the circumstances as within a reasonable range. We would in general expect the Sanction Terms to effect both specific and general deterrence.

VI. CONCLUSION

¶ 19 The Hearing Panel therefore exercised its jurisdiction under Mutual Fund Dealer Rule 7.4.4.3 to approve the Settlement Agreement. It then directed that the Hearing be again open to the public and marked the Settlement Agreement as an exhibit.

DATED at Edmonton, Alberta, this 13 day of August 2024.

"Robert Stack"
Robert Stack, Chair

"Richard Sydenham"
Richard Sydenham, Industry Representative

"Richard Bergeron"

Appendix "A"
Settlement Agreement

IN THE MATTER OF:

The Mutual Fund Dealer Rules

and

Stephanie Bradshaw

SETTLEMENT AGREEMENT

1. 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 Alberta District Hearing Committee (the "Hearing Panel") of CIRO should accept the settlement agreement (the "Settlement Agreement") entered into between Staff of CIRO ("Staff") and Stephanie Bradshaw (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.

2. CONTRAVENTIONS

¶ 4 The Respondent admits to the following violations of the Mutual Fund Dealer Rules:[1]

a. Between April 19, 2018 and February 14, 2020, the Respondent:

(i) set-up and cancelled pre-authorized contributions in the accounts of clients without their knowledge or authorization; and

(ii) cancelled, rather than amended, pre-authorized contributions in the account of a client and set-up new pre-authorized contributions;

in order to meet sales targets or to qualify for a bonus based on Dealer Member sales incentives, contrary to Mutual Fund Dealer Rule 2.1.1.

3. TERMS OF SETTLEMENT

¶ 5 Staff and the Respondent agree and consent to the following terms of settlement:

a. the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with CIRO Dealer Member for a period of 12 months, commencing on the date that this settlement agreement is accepted by a Hearing Panel, pursuant to Mutual Fund Dealer Rule 7.4.1.1(c);

b. the Respondent shall pay a fine of $10,000 in certified funds pursuant to Mutual Fund Dealer Rule 7.4.1.1(b);

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

c. the Respondent shall pay costs in the amount of $5,000 in certified funds pursuant to Mutual Fund Dealer Rule 7.4.2;

d. the payment by the Respondent of the fine and costs described above in subparagraphs (b) and (c) shall be in certified funds as follows:

(i) $5,000 (costs) shall be paid upon acceptance of the Settlement Agreement;

(ii) $1,000 (fine) shall be paid in ten equal monthly installments, commencing on or before the last business day of the month of the acceptance of the Settlement Agreement and thereafter;

e. if the Respondent fails to make any of the payments of the costs and fine described above in subparagraph (d) when the payments become due, then any outstanding balance of the fine and costs owed by the Respondent shall become immediately due and payable to CIRO;

f. the Respondent shall in the future comply with Mutual Fund Dealer Rule 2.1.1; and

g. 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 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.

4. AGREED FACTS

Background

¶ 8 From February 9, 2016 to June 10, 2021, the Respondent was registered in the securities industry.

¶ 9 From February 9, 2016 to June 10, 2021, the Respondent was registered in Alberta as a dealing representative with Scotia Securities Inc. (the "Dealer Member"), a Dealer Member of CIRO (formerly a Member of the MFDA).

¶ 10 On or about November 9, 2021, the Dealer Member terminated the Respondent as a result of the conduct described herein, and the Respondent is not currently registered in the securities industry in any capacity.

¶ 11 At all material times, the Respondent carried on business in the Edmonton, Alberta area.

Unauthorized Establishing and Cancelling of Pre-Authorized Contributions

¶ 12 A pre-authorized contribution ("PAC") is a type of trade authorized by a client whereby the client arranges for recurring contributions to be made from the client's bank account or similar account to the client's investment account at the Dealer Member, and instructs the Dealer Member to use the contributions to purchase one or more pre-selected mutual funds in the client's investment account.

¶ 13 As part of the process for establishing or amending PACs in client accounts, the Approved Person must complete an Investment Direction Form ("IDF") for the client account which includes, among other things, the date of the client instruction, the contribution details, and a description of the mutual fund to be purchased through the PAC.

¶ 14 In circumstances where an Approved Person receives a PAC request from a client by telephone, fax, or

email, the Approved Person must document additional information in respect of the instructions received from the client.

¶ 15 At all material times, the Dealer Member maintained a sales incentive program whereby an Approved Person's performance and bonus were evaluated based on sales revenue generated by, among other things, the establishment of PACs. Prior to the 2019 fiscal year, sales revenue was known as Sales Dollars and Sales Revenue Dollars (SRDs) and, thereafter, Customer Advice Results ("CARs").

¶ 16 When a PAC was established, the Dealer Member awarded sales revenue for the full PAC amount. However, no sales revenue would be awarded when a PAC was set up on the same date an existing PAC was cancelled within the same account.

¶ 17 Between April 19, 2018 and February 14, 2020, the Respondent set up and cancelled 40 PACs in the accounts of 29 clients without the clients' knowledge or authorization.

¶ 18 In all instances, the Respondent created IDFs and client notes that falsely indicated that the clients had approved the purchase of the PACs within their accounts. During this time, the Dealer Member's policies and procedures prohibited its Approved Persons from creating false or misleading records.

¶ 19 The details of the unauthorized PACs established by the Respondent using IDF forms and client notes containing false or misleading information are as follows:

Client	PAC No.	PAC Set Up Date	PAC Cancellation Date
JS	1 (Account 1)	August 23, 2019	August 26, 2019
	2 (Account 2)	August 23, 2019	August 26, 2019
MS	3	April 12, 2019	April 15, 2019
RS	4	April 12, 2019	April 15, 2019
TW	5	January 27, 2020	January 29, 2020
KB	6	April 19, 2018	April 30, 2018
	7	April 19, 2018	April 30, 2018
HW	8	October 15, 2018	December 7, 2018
SN	9	May 10, 2019	May 13, 2019
	10	May 10, 2019	May 13, 2019
CC	11	May 10, 2019	May 13, 2019
EP	12	August 30, 2019	September 3, 2019
GA	13	September 12, 2019	September 13, 2019
	14	September 12, 2019	September 13, 2019
JA	15 (Account 1)	September 12, 2019	September 13, 2019
	16 (Account 2)	September 12, 2019	September 13, 2019

Client	PAC No.	PAC Set Up Date	PAC Cancellation Date
SB	17	April 4, 2019	April 8, 2019
MC	18 (Account 1)	July 22, 2019	July 23, 2019
	19 (Account 2)	July 22, 2019	July 23, 2019
JF	20	January 16, 2020	January 17, 2020
AG	21 (Account 1)	November 28, 2019	December 2, 2019
	22 (Account 2)	November 28, 2019	December 2, 2019
KH	23 (Account 1)	September 25, 2018	October 19, 2018
	24 (Account 2)	September 25, 2018	October 22, 2018
MH	25	September 24, 2019	September 25, 2019
RI	26	January 24, 2019	February 4, 2019
JL	27 (Account 1)	September 5, 2019	September 6, 2019
	28 (Account 2)	September 5, 2019	September 6, 2019
JM	29	September 25, 2019	September 26, 2019
RM	30 (Account 1)	July 3, 2019	July 4, 2019
	31 (Account 2)	February 14, 2020	February 18, 2020
SP	32	January 3, 2020	January 6, 2020
MP	33	April 26, 2019	April 29, 2019
NP	34	April 26, 2019	April 29, 2019
WP	35	January 31, 2020	February 3, 2020
SR	36	September 25, 2018	January 7, 2019
KR	37 (Account 1)	August 21, 2019	August 22, 2019
	38 (Account 2)	August 21, 2019	August 22, 2019
EU	39	May 16, 2019	May 17, 2019
JY	40	June 28, 2019	July 2, 2019

¶ 20 In all of the above 40 instances, the Respondent cancelled the PACs before any contributions into the investment accounts of the clients had commenced. By cancelling the PACs prior to the start date of the contributions, the Respondent obtained the sales revenue generated by establishing the PACs, even though no contributions were made into the client investment accounts through the PAC.

¶ 21 With respect to clients HW, SN, JS, and KB, the Respondent established the PACs, described above, in each of their accounts after the clients had requested that the Respondent cancel their existing PACs. With

respect to clients HW and SN, the Respondent told the clients that she had cancelled the PACs in their accounts as per their instructions, but had then proceeded to establish new PACs in their accounts without their authorization, as described above.

¶ 22 Since the Respondent cancelled the PACs prior to the start date of the contributions, the clients did not suffer any financial losses.

The Respondent established the 40 unauthorized PACs in order to obtain additional sales revenue credited towards achieving her sales targets at the Dealer Member, which was used to calculate her annual bonus for 2018 through to 2020.

Cancelling, Rather than Amending, Existing PACs and Establishing New PACs

¶ 23 At all material times, when a client requested a change to their existing PAC in their accounts at the Dealer Member, the Dealer Member specified that its Approved Persons amend the PAC rather than delete the PAC and establish a new PAC. The Dealer Member awarded sales revenue based on any net change to the PAC amount.

¶ 24 On or about September 26, 2019, client EP instructed the Respondent to pause a $10,000 PAC for the month of October, 2019.

¶ 25 Rather than amend the PAC based on client EP's instructions, the Respondent instead cancelled the PAC and established a new PAC, to start on November 1, 2019, reflecting the change requested by client EP.

¶ 26 On or about October 10, 2019, client EP instructed the Respondent to pause the PAC until January 2020 and change the dollar amount of the PAC to $5,000 per month.

¶ 27 Rather than amend the PAC based on client EP's instructions, the Respondent instead cancelled the PAC and established a new PAC, to start in January, 2020, reflecting the change requested by client EP.

¶ 28 The Respondent engaged in the conduct described above in order to receive sales revenue for the full PAC amounts, rather than sales revenue based on any net change to the existing PAC amount.

Additional Factors

¶ 29 The Respondent's sales revenue generated, in part, by the conduct described above, was used to determine the Respondent's bonus. Due to the fact that sales revenue is only one factor used by the Dealer Member to determine the bonus, the exact amount of the bonus attributable to the conduct could not be quantified by the Dealer Member.

¶ 30 As a result of an investigation by the Dealer Member into the conduct described above, the Dealer Member imposed a penalty on the Respondent by deducting $11,333 from amounts payable to the Respondent.

¶ 31 There is no evidence of any client loss, and no clients have complained to the Dealer Member, the MFDA or CIRO.

¶ 32 The Respondent has not previously been the subject of MFDA or CIRO disciplinary proceedings.

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

5. ADDITIONAL TERMS OF SETTLEMENT

¶ 34 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.

¶ 35 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.

¶ 36 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.

¶ 37 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.

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.

¶ 38 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.

¶ 39 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.

¶ 40 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.

¶ 41 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 25th day of March, 2024.

"Stephanie Bradshaw"
Stephanie Bradshaw

"Witness" "Witness"
Witness - Signature Witness - Print name

"Maria Di Clemente"
Staff of the Canadian Investment Regulatory Organization
Maria Di Clemente, Enforcement Counsel