# Re Poll

**IN THE MATTER OF:**

**The Investment Dealer and Partially Consolidated Rules**

**and**

**Lineo Poll**

2025 CIRO 16

Canadian Investment Regulatory Organization
Hearing Panel (Ontario District)

Heard: February 25, 2025, in Toronto, Ontario via videoconference
Decision: February 25, 2025
Reasons for Decision: March 18, 2025

**Hearing Panel:**
Robert P. Armstrong, K.C., Chair, Guenther W. K. Kleberg and Michael Coulter

**Appearances:**
Michael Mantle, Enforcement Counsel
Kevin Richard, for Lineo Poll
Lineo Poll (present)

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## REASONS FOR DECISION ON ACCEPTANCE OF SETTLEMENT

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### 1. INTRODUCTION

[1] This matter involves a Settlement Hearing held on February 25, 2025, via Webex videoconference. The parties had entered into a settlement agreement on February 13, 2025 (the **Settlement Agreement**). The Settlement Agreement sets out the agreed facts and the terms of the settlement, which are summarized below.

### 2. The Agreed Facts

#### (i) Personal Financial Dealings

[2] The Respondent was involved in a divorce proceeding with his wife, which he discussed with his client X.F., including certain financial problems he was experiencing. X.F. offered to help the Respondent by lending him some money. X.F. provided two payments of US $50,000 to the Respondent. The first payment was made in March 2015. The second payment was made in June 2015. The Respondent did not disclose these arrangements to the Compliance Department of Scotia Capital. The Respondent signed employee attestations that he had no existing conflicts of interest. In July 2020, the loans made by X.F. to the Respondent were fully repaid without loan interest.

#### (ii) The Referral Arrangement

[3] In the period between mid-2019 to February 10, 2021, the Respondent was involved in outside business activities (**OBA**) with X.F. Scotia Capital was not advised of these activities, which the Respondent was obligated to disclose and to seek approval. X.F. was not a client of Scotia Capital at the time.

[4] X.F.'s business involved providing assistance to individuals and businesses with mortgages, necessary credit lines, and obtaining favourable foreign exchange rates in Brazil. The Respondent referred approximately 15 persons to X.F. Four of these persons were clients of Scotia Capital.

[5] The Respondent received a total compensation of R$16,757 in 2020 and 2021 for this referral business. This amounted to CAN$4,600. The Respondent did not seek approval from Scotia Capital for his involvement in these activities. He also signed an employee statement that he did not have any outside business activity during that period.

**3. Other Considerations**

[6] It is noted that the Respondent has no previous discipline record.

[7] The Respondent acknowledges that because of his failure to disclose the loans he received and the referrals he provided to X.F. Scotia Capital was not able to determine whether there was a conflict of interest, and if so, how to resolve it.

[8] Finally, it is clear that by entering into the Settlement Agreement, the Respondent has saved CIRO the time and expense involved in a fully contested hearing.

**4. Contraventions**

[9] It is agreed that on the basis of the above facts, the Respondent has committed the following contraventions of the CIRO rules:

(i) between March 2015 and June 2019, the Respondent engaged in personal financial dealings with a client, contrary to Dealer Member Rule 43.

(ii) between mid-2019 and February 2021, the Respondent engaged in an outside business activity without the knowledge or approval of his firm, contrary to Dealer Member Rule 18.14.

**5. The Sanctions and Costs**

[10] The parties have agreed that the appropriate sanctions are as follows:

(i) the Respondent shall pay a fine in the amount of $25,000;

(ii) the Respondent shall pay disgorgement in the amount of $4,600;

(iii) the Respondent shall pay costs in the amount of $5,000; and

(iv) the Respondent shall successfully complete the Conduct and Practice Handbook (**CPH**) examination as a condition of being re-registered with CIRO.

[11] On acceptance of the Settlement Agreement by the Hearing Panel, the Respondent agrees to pay the above amounts immediately unless otherwise agreed to between Enforcement Staff and the Respondent.

**6. Submissions of Enforcement Counsel**

[12] Enforcement Counsel referred this panel to a number of cases of other hearing panels, which provide a useful framework for arriving at a reasonable disposition in this case. The leading case with respect to settlement hearings is *Re Milewski* ,[1]. In *Re Milewski,* it was emphasized that hearing panels will "...not lightly interfere with a negotiated settlement." The hearing panel in *Re Milewski* added the following comments:

> 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 the settlement unless it views the penalty as clearly falling outside a reasonable range of appropriateness.

[1] [1999] I.D.A.C.D. No. 17

[13] In *Re Deutsche Bank Securities Ltd.*[2] , the hearing panel made the following useful statement:

> It is clear from jurisprudence emanating from the courts and from Hearing Panels of IIROC, Investment Dealers Association and the Mutual Funds Dealers Association, that our task is not to decide whether we would have arrived at the same decision as that reached by the parties. Rather, our duty is to determine whether the penalty is a reasonable one and that it meets the objectives of the disciplinary process which are to maintain the integrity of the investment industry...

[14] In *Re Lilly*,[3] , the hearing panel observed that "...no case has the same facts and circumstances, it is an art not a science, (adjusting for particular facts and circumstances) to determine what is an acceptable range for penalties in a situation..."

[15] In *Re Bereskin*,[4] the hearing panel in that case said that hearing panels will consider whether the proposed sanctions:

> ...strike a reasonable balance between fairness to the respondent in the circumstances and the need to protect the investing public, the industry membership, the integrity of the discipline process, the integrity of the securities markets, and prevention of a repetition of the offence.

[16] Enforcement Counsel also referred to a number of earlier cases, which had some similarities to the present case. While no two cases are identical, it is useful to consider what previous hearing panels have ordered in somewhat similar cases.

[17] In respect of the issue of personal financial dealings, counsel referred to the following cases:

(i) *Re Coccimiglio*[5]

(ii) *Re Siska*[6]

(iii) *Re Sabet*[7]

(iv) *Re Small*[8]

[18] In *Re Coccimiglio,* the respondent was engaged in personal financial dealings with a client. He borrowed $200,000 interest-free which he later repaid, the respondent agreed to a fine of $25,000 and costs of $1,000. In *Re Siska*, the respondent received personal loans from five (5) clients at Scotia Capital. The respondent was terminated. He repaid the loans in full. He agreed to a $15,000 fine and costs of $3,000. In *Re Sabet*, the respondent accepted a $200,000 bridge loan from a client for a real estate deal. The loan was repaid. The respondent agreed to pay a $15,000 fine and $2,000 in costs. He also agreed to rewrite the CPH examinations. There is one other issue in the *Re Sabet* case which is not relevant to the issues in this case. In *Re Small*, the respondent borrowed $6,300 from a client between March and October 2019. The respondent agreed to pay a $20,000 fine, $2,500 in costs and agreed to rewrite to CPH examinations.

[19] In respect of the issue of outside business activity, Enforcement Counsel cited *Re Barreca*[9]. In that case, the respondent was engaged in a referral arrangement with an MFDA advisor. He received a total payment of $18,000 for this arrangement. He agreed to repay the funds and agreed to a fine of $15,000 and costs of $1,500.

**7. Submissions of Counsel for Mr. Poll**

[20] Counsel for Mr. Poll confirmed that his client supported the Settlement Agreement, and that Counsel generally agreed with the submissions of Enforcement Counsel.

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[2] 2013 IIROC 07
[3] 2020 IIROC 21
[4] 2010 IIROC 38 at para 13
[5] 2019 IIROC 27
[6] 2015 IIROC 13
[7] 2021 IIROC 3
[8] 2021 IIROC 28
[9] 2020 IIROC 28

## 8. Conclusion

[21] This panel has no difficulty in concluding that this settlement should be approved. There is no doubt on the evidence before us that the Respondent engaged in personal financial dealings with a client and that he engaged in outside business activities without the knowledge or approval of his firm, contrary to written assurances that he had no outside business activity or referral arrangements.

[22] In respect of the proposed sanctions, we agree that they meet the test articulated in *Re Milewski* and that they fall within "a reasonable range of appropriateness." We also agree that the range of monetary penalties appear to be within a reasonable range based on the other cases referred to by Enforcement Counsel.

[23] In the result, this panel approves the Settlement Agreement.

Dated at Toronto, Ontario this 18th day of March 2025.

"Robert P. Armstrong"
Robert P. Armstrong, K.C, Chair

"Guenther W. K. Kleberg"

Guenther W. K. Kleberg

"Michael Coulter"

Michael Coulter

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

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

**AND**

**LINEO POLL**

# SETTLEMENT AGREEMENT

## PART I – INTRODUCTION

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

## PART II – JOINT SETTLEMENT RECOMMENDATION

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

## PART III – AGREED FACTS

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

### Overview

4. This matter involves the Respondent's conduct in relation to XF, who between July 2012 and June 2019 was a client of Scotia Capital Inc. (the "Dealer Member").

5. Commencing on July 13, 2012, the Respondent acted as the client's Registered Representative ("RR") at the Dealer Member. The Respondent had previously served as the client's investment advisor at his prior employer. The Respondent and XF were friends and communicated regularly on personal matters.

6. The Respondent acted as the client's investment advisor until the client's account was finally closed on June 21, 2019.

7. In 2015, the Respondent accepted two loans from the client totaling US$100,000.

8. Ultimately, the Respondent repaid XF's loans, without interest, in July of 2020.

9. In addition, between mid-2019 to February 2021, the Respondent engaged in and facilitated an outside business activity ("OBA") with XF without first disclosing to or seeking approval from the Dealer Member.

10. The OBA involved the Respondent referring individuals to XF's Brazil based financial business.

**Background**

11. The Respondent entered the securities industry in approximately 2005 and commenced his employment as an RR at the Dealer Member on November 16, 2011.

12. In November of 2022, the Dealer Member received a letter from a United States law firm which alleged that the Respondent engaged in conduct unrelated to this proceeding.

13. The Dealer Member subsequently commenced an internal investigation into the Respondent's conduct external to the Dealer Member. On April 26, 2023, the Respondent was terminated for the issues that gave rise to this proceeding.

14. The Respondent is currently employed as an investment advisor in Miami, Florida with Andbanc Brokerage LLC, a brokerage regulated by the Financial Industry Regulatory Authority.

**Personal Financial Dealings: The Respondent Borrows US$100,000 from a Client**

15. In 2015, the Respondent was experiencing monetary constraints related to his recent divorce.

16. At the material time, the Respondent acted as XF's RR at the Dealer Member.

17. During their conversations, the Respondent and the client would discuss issues that arose in their personal lives. This included the Respondent talking with the client about his divorce and challenging financial circumstances.

18. XF offered to help the Respondent by providing him with a US$100,000 loan. XF offered to assist the Respondent during a challenging time by providing a loan, which was informal in nature. The Respondent subsequently accepted the money.

19. The Respondent received two US$50,000 loan payments from the client. The first payment occurred in March 2015 and the second payment was given to the Respondent in June 2015.

20. No loan agreement was ever signed between the Respondent and the client.

21. The Respondent did not inform the Dealer Member's compliance department of the payments received from XF.

22. Furthermore, the Respondent signed employee attestations indicating that he had no existing conflicts of interest which included borrowing or receiving money from clients.

23. In July 2020, XF's loan to the Respondent was fully repaid in three separate payments. This included a US$60,000 payment to XF on July 7, 2020, a US$33,000 payment to XF on July 8, 2020, as well as a separate US$7,000 payment to XF's lawyer on July 8, 2020.

**The Referral Arrangement**

24. Between mid-2019 and February 10, 2021, the Respondent engaged in an OBA without first informing or having it approved by the Dealer Member.

25. XF, who was not a client of the Dealer Member at the relevant time, had a financial consultancy business in Brazil. XF's business would assist individuals and corporations with, among other things, mortgages, accessing credit lines, and garnering favourable foreign exchange rates in Brazil.

26. During the relevant period, the Respondent would refer friends, family, some of which were clients of the Dealer Member, to XF who had credit and/or foreign exchange needs in Brazil.

27. In total, the Respondent referred approximately 15 individuals to XF, 4 of which were Dealer Member clients.

28. In exchange for referring clients to XF, the Respondent received monetary compensation totaling R$16,757 in 2020 and 2021 as described below.

29. XF's referral payments to the Respondent were received on January 10, 2020 (R$8,140), February 9, 2021 (R$5,000), and February 10, 2021 (R$3,617), which amounted to approximately CA$4,600.

30. At no time did the Respondent disclose or seek approval from the Dealer Member's compliance department with respect to the referrals.

31. Moreover, the Respondent signed employee attestations that he did not have an OBA during the relevant period.

**Additional Factors**

32. The Respondent has no prior disciplinary history.

33. The Respondent acknowledges that in not disclosing the payments from XF and the referrals to XF, the Dealer Member was not able to make any determination at the time as to whether there was a conflict of interest, and if so, how to resolve it if it could be resolved.

34. By entering into this Settlement Agreement, the Respondent has saved CIRO the time, resources, and expenses associated with conducting a full hearing on the allegations.

## PART IV – CONTRAVENTIONS

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

    (i) Between March 2015 and June 2019, the Respondent engaged in personal financial dealings with a client, contrary to Dealer Member Rule 43.

(ii) Between mid-2019 and February 2021, the Respondent engaged in an outside business activity, without the knowledge or approval of his firm, contrary to Dealer Member Rule 18.14.

**PART V – TERMS OF SETTLEMENT**

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

(i) A fine in the amount of $25,000;

(ii) Disgorgement in the amount of $4,600;

(iii) Costs in the amount of $5,000; and

(iv) Successfully complete the Conduct and Practices Handbook examination as a condition of being re-registered with CIRO.

37. If this Settlement Agreement is accepted by the hearing panel, the Respondent agrees to pay the amounts referred to above immediately upon such acceptance, unless otherwise agreed between Enforcement Staff and the Respondent.

**PART VI – STAFF COMMITMENT**

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

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

**PART VII – PROCEDURE FOR ACCEPTANCE OF SETTLEMENT**

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

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

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

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

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

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

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

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

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

## PART VIII – EXECUTION OF SETTLEMENT AGREEMENT

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

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

**DATED** this "13" day of "February", 2025.

"Witness"
Witness

"Lineo Poll"
Lineo Poll

"Michael A. M. Mantle"
Michael A. M. Mantle
Enforcement Counsel on behalf of
Enforcement Staff of the
Canadian Investment Regulatory
Organization

The Settlement Agreement is hereby accepted this "25" day of "February" 2025, by the following Hearing panel:

Per: "Robert Armstrong"
Chair

Per: "Michael Coulter"
Industry Member

Per: "Guenther Kleberg"
Industry Member

[1] The Canadian Investment Regulatory Organization ("CIRO") has adopted interim rules that incorporate the pre-amalgamation regulatory requirements contained in the rules and policies of IIROC and the by-law, rules and policies of the MFDA (the "Interim Rules"). The Interim Rules include (i) the Investment Dealer and Partially Consolidated Rules, (ii) the UMIR and (iii) the Mutual Fund Dealer Rules. These rules are largely based on the rules of IIROC and the rules and certain by-laws and policies of the MFDA that were in force immediately prior to amalgamation. Where the rules of IIROC and the rules and by-laws and policies of the MFDA that were in force immediately prior to amalgamation have been incorporated into the Interim Rules, Enforcement Staff have referenced the relevant section of the Interim Rules.
Section 1105 (Transitional provision) of the Investment Dealer and Partially Consolidated Rules sets out CIRO's continuing jurisdiction, including that CIRO shall continue the regulation of any person subject to the jurisdiction of the Investment Industry Regulatory Organization of Canada that was formerly conducted by the Investment Industry Regulatory Organization of Canada.