IN THE MATTER OF

THE MUTUAL FUND DEALER RULES[i]

and

Henry Griffioen

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 Ontario District Committee (the "**Hearing Panel**") of CIRO should accept the settlement agreement (the "**Settlement Agreement**") entered into between Staff of CIRO ("**Staff**") and Henry Griffioen (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 MFDA Rules and Mutual Fund Dealer Rules:

   (a) between November 2017 and September 2020, the Respondent engaged in securities related business that was not carried on for the account or through the facilities of the

Dealer Member by facilitating the sale of promissory notes to clients and another individual, contrary to MFDA Rule 1.1.1;[1] and

(b) in or about February 2018 and June 2018, the Respondent created false notes on an account form and in the Dealer Member's system, 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 be permanently prohibited from conducting securities related business in any capacity while in the employ of or associated with any CIRO Dealer Member commencing on the date the Settlement Agreement is accepted, pursuant to Mutual Fund Dealer Rule 7.4.1.1(e);

(b) the Respondent shall pay a fine in the amount of $75,000 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, pursuant to Mutual Fund Dealer Rule 7.4.2; and

(d) the Respondent will attend by videoconference on the date set for the Settlement Hearing.

6. Staff and the Respondent agree to the settlement on the basis of the facts set out in this Settlement Agreement.

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[1] On January 21, 2021, amendments to MFDA Rule 1.1.1 came into effect. As the conduct in this proceeding pre-dated the amendments to that Rule, the version of MFDA Rule 1.1.1 that was in effect between February 23, 2001 and January 20, 2021 is applicable to this proceeding.

IV. AGREED FACTS

Overview

7. Between November 2017 and September 2020, unbeknownst to the Dealer Member and without its approval, the Respondent facilitated the sale of investments outside the Dealer Member in promissory notes to at least six clients and another individual (collectively, the "**Investors**"). The Investors invested a total of approximately $1,160,000 in the Promissory Notes.

8. In or about December 2021, the Investors ceased receiving payments and suffered financial losses of their principal amounts invested plus some or all of the interest they were entitled to pursuant to the Promissory Notes.

Registration History

9. From November 29, 1996 to June 20, 2021, the Respondent was registered in Ontario as a dealing representative with Quadrus Investments Services Ltd. (the "**Dealer Member**"), a Dealer Member of CIRO (formerly a Member of the MFDA).

10. At all material times, the Respondent conducted business in the London, Ontario area.

11. The Respondent is not currently registered in the securities industry in any capacity.

12. On September 1, 2019, the Respondent disclosed to the Dealer Member an outside activity involving a company called "Won Company". The Respondent disclosed or represented to the Dealer Member, among other things, that he held a 5% ownership in the company; the company's business was lending monies to individuals for mortgages and auto repairs; and that he had "[zero] say in the company" and the outside activity was "only an investment."

13. On September 17, 2019, the Dealer Member approved this outside activity based on the above information disclosed by the Respondent.

Securities Related Business Outside the Dealer Member

14. Advantagewon Capital Corp. ("**Advantagewon**") was a company incorporated by individual MW, who was an acquaintance of the Respondent. Advantagewon's business involved providing loans to individuals to pay for their car related expenses. Palify Lending ("**Palify**"), which was also incorporated by individual MW, was a corporation through which loans from individuals were made to Advantagewon to fund its business.

15. Between approximately 2017 and 2020, the Respondent invested a total of approximately $600,000 in Advantagewon, either directly or through Palify.

16. Between November 2017 and September 2020, the Respondent facilitated the sale of promissory notes to the Investors. The Respondent represented to the Investors that the investment was in Advantagewon. The Investors entered into promissory notes for this investment with Palify, which, as described above, was a company through which individuals loaned monies to Advantagewon.

17. The Respondent did not explain, and the Investors did not understand, that their loans and the corresponding promissory notes were with Palify as opposed to Advantagewon directly.

18. When describing Advantagewon and the investment opportunity to the Investors, the Respondent represented the following:

(a) the investment opportunity was only open to friends and family;

(b) the principal investment could be returned at any time;

(c) the investment was a good investment because Advantagewon loaned money to individuals for car related expenses, which gave Advantagewon a mechanics lien that ranked above all other credit for repayment; and

(d) the Investors would receive a fixed percentage-based interest rate of 15% per annum, calculated and payable monthly.

19. The Respondent facilitated the sale of the promissory notes to the Investors in the total amount of approximately $1,160,000, as set out below:

Investors	Amount Invested
Client AB	$80,000 on January 3, 2018 $20,000 on March 26, 2018 $60,000 on November 26, 2018
Client JM	$200,000 on February 21, 2018 $100,000 on July 24, 2019
Clients PC and EC	$100,000 in or about July 2018
Clients QB and MLB	$200,000 on November 20, 2018 $100,000 on April 5, 2019 $100,000 on March 12, 2020
Individual EV	$200,000 on September 28, 2020
Total:	**$1,160,000**

20. The Respondent engaged in one or more of the following activities in relation to the purchase by each of the Investors of the promissory notes:

(a) raised and discussed with the Investors the opportunity to invest;

(b) discussed with the Investors the terms and features of the investment;

(c) organized and together with Investors attended meetings with individual MW for the Investor to obtain additional information about Advantagewon and the investment;

(d) provided promotional materials about Advantagewon;

(e) provided the promissory notes to the Investors for signature and in some instances provided the signed promissory notes and the Investors' cheques to individual MW on behalf of the Investors; and

(f) communicated with the Investors and individual MW regarding completing paperwork to facilitate the investment by the Investors.

21. Some of the clients redeemed holdings from their mutual fund accounts at the Dealer Member to purchase the Promissory Notes. The Respondent processed the redemptions at the Dealer Member to fund the purchases.

22. At no time did the Respondent disclose to the Dealer Member or obtain its approval to facilitate the sale of the promissory notes as described above.

23. None of the purchases of the promissory notes were carried on for the account of the Dealer Member or processed through its facilities.

24. In January 2021, Advantagewon was put into a court supervised receivership, and its assets were sold to another company. The proceeds from the sale were substantially used to satisfy the debts owed by Advantagewon to its principal secured creditor. No proceeds remained to satisfy the debts owed to other creditors of Advantagewon, including Palify, which was Advantagewon's largest unsecured creditor.

25. Accordingly, the Investors who purchased the promissory notes described above suffered financial losses of the principal amounts of their investments, plus some or all of the interest payable pursuant to the promissory notes. The Respondent also lost his investment in Advantagewon.

False Notes

26. In or about February 2018, client JM redeemed holdings in his mutual fund account with the Dealer Member to invest in a promissory note. When processing the redemption, the Respondent recorded a note that the purpose of the redemption was to pay for home renovations, which was false, since the proceeds were intended for the purchase of a promissory note. The Respondent was aware of the true purpose of the redemption at the time that he processed the trade.

27. In or about July 2018, clients EC and PC redeemed holdings from their mutual fund accounts with the Dealer Member to invest in a promissory note. The Respondent recorded on the redemption form that the purpose of the redemptions was to pay for travel, which was false, since the proceeds were intended for the purchase of a promissory note. The Respondent was aware of the true purpose of the redemption at the time that he processed the trades.

Additional Factors

28. The Investors collectively suffered the loss of their principal investments totalling $1,160,000.

29. The Respondent lost his investment of approximately $600,000.

30. As an investor of Advantagewon, the Respondent stood to benefit from the investments of others, which facilitated the business of Advantagewon.

31. There is no evidence that the Respondent received any direct financial benefit as a result of the misconduct beyond the return he received on his own investment in Advantagewon to which he was entitled.

32. The Respondent has not previously been subject to CIRO (or MFDA) proceedings.

33. By entering into this Settlement Agreement, the Respondent has accepted responsibility for his misconduct and has saved CIRO the time, resources, and expenses associated with conducting a contested hearing on the allegations.

V. 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 contraventions described in this Settlement Agreement. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any 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;

(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 29th day of January, 2025.

"Henry Griffioen"

Henry Griffioen

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

"Alan Melamud"

Staff of the Canadian Investment Regulatory Organization
per: Alan Melamud, Senior Enforcement Counsel

iM#: 1523484

[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 that is called the Canadian Investment Regulatory Organization (referred to herein as "CIRO") and is recognized under applicable securities legislation. 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. 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.