



**IN THE MATTER OF  
THE MUTUAL FUND DEALER RULES**

**AND**

**JEREMY LIAM SHORT**

**SETTLEMENT AGREEMENT**

**PART I – INTRODUCTION**

1. The Canadian Investment Regulatory Organization (“CIRO”)<sup>i</sup> will announce that a settlement hearing pursuant to Mutual Fund Dealer Rule 7.4.4 and Rules 14 and 15 of the Mutual Fund Dealer Rules of Procedure (“Rules of Procedure”) will take place to consider whether a Hearing Panel should accept this Settlement Agreement between Enforcement Staff and Jeremy Liam Short (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**

**Registration History**

3. The Respondent first became registered in the securities industry on February 5, 2020.

4. Between February 5, 2020, and May 12, 2022, the Respondent was registered in Manitoba as a dealing representative with Investors Group Financial Services Inc. (the “Dealer Member”), a Dealer Member of CIRO (formerly a Member of the MFDA).

5. On May 12, 2022, the Dealer Member terminated the Respondent as a result of the conduct described herein, and the Respondent is currently not registered in the securities industry in any capacity.

6. At all material times, the Respondent conducted business in the Winnipeg, Manitoba area.

## **Signed Client's Electronic Signatures**

7. At all material times, the Dealer Member's policies and procedures prohibited Approved Persons from signing another person's name on any document. The prohibition applied regardless whether the client requested the Approved Person to sign on their behalf and regardless whether there was any fraudulent intention by the Approved Person.

8. At all material times, the Dealer Member permitted its Approved Persons to use two specific electronic signing platforms (ESPs) to obtain and authenticate electronic signatures obtained from clients. Both ESPs automatically produce an electronic audit trail, which evidences the authentic electronic signature of clients.

9. Both ESPs require two-factor authentication in which a code is sent to the client's personal phone number by text message following receipt of the document by email. The client then enters the code into the ESP to access the document and sign it. Once the client has electronically signed the document, it is returned to the Approved Person who completes the signing then submits it to the Dealer Member for processing.

10. Between July 16, 2020, and January 6, 2022, the Respondent used both ESPs to electronically sign 356 forms relating to 135 clients, including FG. Instead of using the ESPs to obtain the client's signature, the Respondent sent the forms to his own email address and entered his phone number to circumvent the two-factor authentication system of the ESPs. The 356 forms were never sent to the clients and they did not review them before the Respondent signed on the clients' behalf.

11. The forms included:

- 3 Letter of Direction forms
- 59 Account Agreements
- 10 Investment Profile Questionnaire forms
- 27 Client Update forms
- 92 Know Your Client forms
- 17 Letter of Understanding forms
- 30 Account Application forms
- 17 Assignment of Beneficiary forms
- 20 Miscellaneous forms
- 2 Pricing Agreement forms
- 37 Switch Authorization forms
- 25 Transfer forms

- 6 Investment Instructions forms
- 3 Withdrawal forms
- 8 Pre-authorized Contribution forms

#### Client FG

12. In December 2021, the Respondent spoke to FG, a client of the Dealer Member whose accounts were serviced by the Respondent, by telephone after the Dealer Member received a form authorizing the transfer of client FG's investments (the "Transfer") to another financial institution (the "Requesting Institution"). The Respondent states that after speaking with client FG, he believed that client FG wished to cancel the Transfer.

13. The Respondent then prepared a Letter of Direction on behalf of client FG to cancel the Transfer. The Respondent electronically signed client FG's signature on the Letter of Direction and the Dealer Member submitted same to the Requesting Institution.

14. After the Transfer was cancelled, client FG again instructed the Requesting Institution to submit the Transfer to the Dealer Member.

15. In January 2022, the Respondent received the second Transfer request. Without speaking to client FG, the Respondent electronically signed the signature of client FG on a second Letter of Direction in order to cancel the Transfer a second time. Client FG advised the requesting institution and the Dealer Member that he had not authorized the cancellation and had not signed the Letters of Direction.

16. The Dealer Member then commenced an investigation into the Respondent's conduct which resulted in this matter being brought to Staff's attention.

17. On or about January 17, 2022, the Dealer Member concluded the Transfer and compensated client FG in the amount of \$285, representing his losses as a result of the delay in transferring the investments.

#### Remaining Clients

18. The Dealer Member reassigned the remaining clients whose accounts were serviced by the Respondent to new Approved Persons who contacted each of the clients regarding their accounts and had the clients properly sign account documents. None of these clients complained to the

Dealer Member about any of the account forms or transactions processed using account forms signed by the Respondent as described above, and there is no evidence of a lack of authorization or client instructions for the account forms which the Respondent submitted to the Dealer Member for processing.

#### **False or Misleading Notes**

19. In 13 instances, after signing the electronic signatures of 13 of the clients described above, the Respondent created notes in the Dealer Member's system which were false or misleading in that the notes indicated that he had emailed the forms to the clients and that the clients had signed the forms, since the Respondent signed the electronic signature as described above. The false or misleading notes reduced the chance that the Respondent's conduct would be detected by the Dealer Member in the case of an audit.

#### **False or Misleading Statements to the Dealer Member During its Investigation**

20. The Dealer Member commenced an investigation into the Respondent's conduct described above. Between January 7 and 20, 2022, the Respondent made false or misleading statements to the Dealer Member during its investigation.

21. On or about January 7, 2022, during its initial interview with the Respondent regarding the December LOD and the January LOD, the Dealer Member asked the Respondent whether he had ever signed forms on behalf of any other clients. The Respondent told the Dealer Member that the December 2021 to January 2022 incident with client FG was the first and only times he had signed on behalf of a client.

22. On January 10, 2022, during a telephone call with the Respondent regarding the December LOD and the January LOD, the Dealer Member asked the Respondent again whether he had ever signed documents on behalf of any other clients. The Respondent answered "No".

23. On January 19, 2022, in email correspondence regarding the December LOD and the January LOD, Dealer Member asked the Respondent whether the Respondent had completed DocuSign documents for other clients. DocuSign was one of the ESPs which the Dealer Member utilized to obtain electronic signatures from clients.

24. On January 20, 2022, in a reply email to the Dealer Member, the Respondent stated that he had completed DocuSign forms for 10 clients in addition to client FG.

25. The Respondent's statements to the Dealer Member were false or misleading, since, as described above, the Respondent signed the electronic signatures of 135 clients on 356 account forms.

### **The Respondent's Position**

26. The Respondent's position as a dealing representative with the Dealer Member was his first position in the financial industry. The Respondent was 25 years old when he commenced engaging in the conduct described above in or about July 2020. The Respondent is currently 30 years old.

27. The conduct described above occurred during the COVID-19 pandemic. The Respondent states that he was required to work from his home at various times during this period and could not meet in person with clients. The Respondent states that some of the clients were elderly or otherwise had difficulty using the ESPs that were put in place to deal with the pandemic restrictions, as an alternative to in-person service. The Respondent acknowledges that these circumstances are not an acceptable justification for failing to obtain client signatures properly on account forms.

28. The Dealer Member terminated the Respondent on May 12, 2022, and the Respondent states that as a result of the matters addressed in this Settlement Agreement, the Respondent was unable to find employment until September 2023, at which time he became employed outside the financial services industry. The Respondent is the sole earner in his household and has provided Staff with evidence demonstrating that his annual income during the years 2022 to 2024 was modest.

### **Additional Factors**

29. No client other than client FG has complained to the CIRO or the Dealer Member or claimed any financial loss as a result of the Respondent's conduct described herein.

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

#### **PART IV – CONTRAVENTIONS**

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

- (a) Between July 16, 2020, and January 6, 2022, the Respondent electronically signed the signatures of 135 clients on 356 account forms and submitted the account forms to the Dealer Member for processing, contrary to Mutual Fund Dealer Rule 2.1.1;
- (b) Between February 24, 2021, and January 6, 2022, the Respondent created notes on the Dealer Member’s system on 13 occasions containing false or misleading information about whether clients had personally signed the account forms, contrary to Mutual fund Dealer Rule 2.1.1; and
- (c) Between January 7, 2022, and January 19, 2022, the Respondent made false or misleading statements to the Dealer Member during the course of its investigation into the Respondent’s conduct in electronically signing the forms for clients, contrary to Mutual Fund Dealer Rule 2.1.1.

32. The Respondent shall in the future comply with Mutual Fund Dealer Rule 2.1.1.

#### **PART V – TERMS OF SETTLEMENT**

33. Staff and the Respondent agree and consent to the following terms of settlement:

- (a) a fine of \$20,000, pursuant to Mutual Fund Dealer Rule 7.4.1.1(b)), payable in certified funds upon acceptance of this Settlement Agreement by a Hearing Panel;
- (b) costs of \$5,000, pursuant to Mutual Fund Dealer Rule 7.4.2, payable in certified funds upon acceptance of this Settlement Agreement by a Hearing Panel; and
- (c) a prohibition from conducting securities related business in any capacity while in the employ of or associated with any Dealer Member of CIRO for a period of 2 years, commencing on the date that this settlement agreement is accepted by a Hearing Panel, pursuant to Mutual Fund Dealer Rule 7.4.1.1(e).

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

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

#### **PART VI – STAFF COMMITMENT**

36. 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.

37. 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 Mutual Fund Dealer Rule 7 against the Respondent. These proceedings may be based on, but not limited to, the facts set out in Part III of this Settlement Agreement.

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

38. This Settlement Agreement is conditional on acceptance by the Hearing Panel.

39. This Settlement Agreement shall be presented to a Hearing Panel at a settlement hearing in accordance with Mutual Fund Dealer Rule 7.4.4, and Rules of Procedure 14 and 15, in addition to any other procedures that may be agreed upon between the parties.

40. 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.

41. If the Hearing Panel accepts this Settlement Agreement, the Respondent agrees to waive all rights under the Rules and By-law No. 1 of CIRO, and any applicable legislation to any further hearing, appeal, and review.

42. 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.

43. The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the Hearing Panel.

44. 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.

45. 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.

46. 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**

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

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

**DATED** this 16 day of May, 2025.

“Jeremy Liam Short”  
Jeremy Liam Short

“Chen Chen”  
Witness - Signature

“Chen Chen”  
Witness - Print name

“Lerina J.M. Koornhof”  
Staff of Canadian Investment Regulatory Organization  
Per: Lerina J.M. Koornhof  
Enforcement Counsel

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<sup>i</sup> Where the rules, by-laws, and policies of the Mutual Fund Dealers Association of Canada (the “MFDA”) that were in force immediately prior to amalgamation of the Investment Industry Regulatory Organization of Canada and the MFDA have been incorporated into the Mutual Fund Dealer Rules, Enforcement Staff have referenced the relevant section of the Mutual Fund Dealer Rules.

The Settlement Agreement between Jeremy Liam Short and Enforcement Staff of the Canadian Investment Regulatory Organization dated May 16, 2025, is hereby accepted this 12th day of June, 2025, by the following Hearing Panel:

“Sherri Walsh”  
Sherri Walsh, Chair

“Claude Tétrault”  
Claude Tétrault, Industry Representative

“Adam Dudley”  
Adam Dudley, Industry Representative