



**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**

**ECHELON WEALTH PARTNERS INC. (NOW VENTUM FINANCIAL CORP.)**

**AND**

**STEPHEN BURNS**

**SETTLEMENT AGREEMENT**

**PART I – INTRODUCTION**

1. The Canadian Investment Regulatory Organization (“CIRO”) will issue a Notice of Motion 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 Echelon Wealth Partners Inc. and Stephen Burns (the “Respondents”).

**PART II – JOINT SETTLEMENT RECOMMENDATION**

2. Enforcement Staff and the Respondents 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 Respondents agree with the facts as set out in Part III of this Settlement Agreement.

## Overview

4. During the Relevant Period (July 2018 to June 2022), Echelon Wealth Partners Inc. (“Echelon”) opened accounts for four foreign broker-dealers. Stephen Burns (“Burns”), who joined Echelon in April 2018, was the primary contact for these clients and originator of the account openings. Burns did not conduct adequate identity verification or due diligence on the foreign broker-dealers, who he knew or ought to have known, were acting on behalf of control persons or beneficial owners of US OTC securities. Burns did not question the trading pattern of the foreign broker dealers who repeatedly transferred-in OTC securities of US issuers, liquidated large amounts of the securities, and wired-out the proceeds of the sales.
5. Prior to July 2018, Echelon’s trading in US OTC securities was infrequent, occurring at the request of an existing client. During the Relevant Period, US OTC trading activity increased substantially. In the Relevant Period, Echelon executed \$179,796,448.40 worth of sells and \$5,260,801.31 worth of buys for 34 different entities, which generated \$7,746,425 in commissions for the Respondents.
6. The four foreign broker dealers that were the focus of Enforcement Staff’s investigation engaged in sells worth \$105,961,640.70 and buys worth \$1,715,871.63, which generated \$4,936,827.33 in commissions for the Respondents.
7. Echelon permitted the account openings and trading activity without identifying or establishing an appropriate system of controls, compliance, and supervision. Echelon failed to sufficiently manage the risks associated with this line of business in accordance with prudent business practices.
8. Significant risks are associated with trading OTC securities. OTC issuers are not required to provide much financial information. OTC securities are generally illiquid and volatile and are frequent targets of alleged market manipulation and fraud.<sup>1</sup>

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<sup>1</sup> See U.S. Securities and Exchange Commission, Division of Economic and Risk Analysis, “Outcome of Investing in OTC Stocks,” December 16, 2016: [SEC.gov | Outcomes of Investing in OTC Stocks](https://www.sec.gov/Outcomes-of-Investing-in-OTC-Stocks)

9. Dealer Members and their Approved Persons are relied on, and required to, act as gatekeepers of the capital markets, to help prevent and detect illegitimate, abusive, or fraudulent practices. In all the circumstances, as described below, Echelon and Burns failed to act as gatekeepers by facilitating trading activity that threatened the integrity of the capital markets and the reputation of CISO-regulated Dealer Members.

## **Background**

10. Echelon was a Dealer Member with CISO and its predecessors beginning on April 8, 2010. On June 22, 2024, Echelon and Ventum Financial Corp. (formerly PI Financial Corp. until changing its name in May 2024) amalgamated and continued as Ventum Financial Corp. (“Ventum”).
11. Burns has been a Registered Representative with CISO and its predecessors since 1997. Prior to joining Echelon, Burns was employed at Velocity Trade Capital Ltd. (“Velocity”) between November 2016 and January 2018, where he facilitated trading in OTC securities. Velocity stated that it took steps to remove certain OTC-trading clients from its book of business, as it was expending a significant amount of time on compliance matters and the business posed a potential risk to the firm.
12. Burns joined Echelon in April 2018 as the Managing Director, Electronic Trading. He, along with a small team that he managed, was responsible for direct electronic access trading at Echelon. Burns left Echelon in April 2024. He is currently registered with Independent Trading Group (ITG) Inc., a Dealer Member.
13. Enforcement Staff’s investigation began as a result of a gatekeeper report filed in October 2018 by a Canadian-based Dealer Member who acted, through a US affiliate, as executing broker for Echelon’s US OTC orders. The Dealer Member reported what it identified as excessive trading activity in some OTC low-priced securities as part of an ongoing review. The Dealer Member stated that (independent of the gatekeeper report filed) it had made the decision to block

trading in low-priced OTC securities (with a few exceptions) commencing September 24, 2018.

14. During the Relevant Period, Echelon received numerous regulatory inquiries relating to trading in OTC securities. Echelon's compliance department responded to each of these inquires.

#### **Compliance and Supervision of the OTC Trading**

15. Despite the significant increase in OTC trading activity when Burns began working at the firm, Echelon did not make adequate changes to its supervisory policies and procedures to monitor the increased US OTC trading activity. It failed to conduct adequate or reasonable supervision activities.
16. During the Relevant Period, Burns, or a member of his team, purportedly performed supervision of the OTC trading activity in real time. There is insufficient documentation to confirm that adequate or reasonable supervision took place.
17. The purported reviews were to ensure that any OTC securities traded did not have a Caveat Emptor flag. The Caveat Emptor flag is used by the OTC Markets Group, which is the US financial market who provides price and liquidity information for OTC securities. The flag, which translates to "buyer beware," is a publicly published designation used by OTC Markets Group to alert investors and market participants to potential public interest concerns regarding a company or its securities. This designation allows securities dealers to quickly restrict client trading in a security with problematic activity. The Caveat Emptor flag is placed on a security after a determination by OTC Markets is made that there may be potential risk to investors, because of a questionable stock promotion, a known investigation of potentially fraudulent activity committed by the issuer or its insiders, a regulatory suspension, or disruptive corporate actions, among other reasons.

18. The reviews were also purportedly to ensure that transfer-in requirements and trading limits were observed. Legal opinion letters were only sought if there were regulatory inquiries made.
19. Beginning in June 2021, legal opinion letters were collected, but only reviewed to determine where and how the ultimate beneficial owner had obtained the securities.
20. On numerous occasions, securities with the Caveat Emptor flag were traded. In addition, securities were traded where questionable promotional activities had taken place, despite assertions from Burns that he or his team would perform online searches to ensure that no detrimental news or promotional activities were published on-line.
21. On several hundred occasions, the percentage of daily market volume limit was exceeded. On several occasions, the daily volume limit was also exceeded. Only on one occasion did Burns self-report exceeding a threshold limit. There were inadequate independent compliance queries to ensure these trading limits set by the Respondents themselves were complied with.
22. Echelon had policies and procedures relating to wire transfers, which included specific examples of suspicious transactions from the FINTRAC guidance. Despite numerous instances of suspicious transactions identified in the policies and procedures, no steps were taken, and no Unusual Transaction Report was filed with FINTRAC.
23. During the Relevant Period, there were numerous compliance, supervision, and gatekeeping failures:
  - (i) accounts were opened for offshore clients without adequate due diligence;

- (ii) there were insufficient indications of a proper due diligence process with respect to the beneficial owners of OTC securities traded by clients;
- (iii) established trading limits were exceeded;
- (iv) there was insufficient evidence of any reviews purportedly done by Burns or his team;
- (v) on 18 occasions, trades for US OTC securities were executed which were subject to a Caveat Emptor flag.
- (vi) potential red flags which should have warranted further review and inquiry were not identified, including:
  1. the dollar value and volume of the trades and deposits involved;
  2. the fact that the clients' accounts were almost exclusively used to sell OTC securities;
  3. the wiring instructions provided by these clients, as well as the jurisdictions involved;
  4. relationships between some of these clients and their principals;
  5. publicly available information pertaining to the clients, the OTC securities or their issuers; and
  6. the numerous regulatory requests received by Echelon, with respect to this activity.

### **The Foreign Broker-Dealers**

24. Echelon and Burns did not perform adequate due diligence to verify the identity of owners and control persons at the four foreign broker-dealers, nor did Echelon or Burns make further inquiries about their trading activity when circumstances warranted.
25. There were connections between the four foreign-broker dealers, either directly through control persons or indirectly through mutual clients or commission referral

agreements. Burns knew or ought to have known about this information that was often readily available and warranted further due diligence and inquiries.

26. The four foreign broker-dealers accounted for approximately 59% of US OTC sales at Echelon.

#### **Foreign Broker-Dealer 1: Financials Worldwide Inc. (“FWW”)**

##### **(i) Identity Verification and Due Diligence**

27. FWW was registered as a broker-dealer in Belize until January 1, 2019 and was introduced to Burns by Monsas Ltd. (“Monsas”), a UK-based broker which was a client of Burns’ while he was employed at Velocity. FWW accounts were opened on or about November 21, 2018, and was Burns’ first significant involvement with US OTC trading activity at Echelon.
28. Burns purportedly met with the Head of Client Management and Sales at Monsas as well as an individual, DS, who was a resident of Latvia. The account opening documentation for FWW listed DS as “Operations Manager” and an individual, AH, resident in Belize, as “President” and the sole director. Burns did not meet with AH, nor did he perform identification verification.
29. The mailing address for FWW was a vacation resort located in Belize that was owned by AH and her spouse. Burns did not know, nor did he inquire, how DS, a Latvian citizen became involved in a business relationship with AH, a Belize-based resort owner.
30. The Respondents recorded FWW’s account as a low risk for money laundering and terrorist financing, despite being a broker-dealer in a foreign jurisdiction with limited transparency into the beneficial ownership of shares.

##### **(ii) Trading Activity and Trade Instructions**

31. Beginning in November 2018, FWW transferred in securities of four US OTC issuers. The entire trading activity in the FWW account consisted of selling these securities and wiring out the proceeds. The proceeds of sale were wired to a bank domiciled in Nevis.
32. Over the course of four months, Echelon executed sells only for a total amount of \$7,167,701.46, as follows:

| Issuer                    | Symbol | Transfer-in Date  | # Shares  |
|---------------------------|--------|-------------------|-----------|
| Lifequest World Corp.     | LQWC   | November 30, 2018 | 500,000   |
| Natural Health Farm Hldg. | NHEL   | December 3, 2018  | 4,897,500 |
| Byzen Digital Inc.        | BYZN   | December 4, 2018  | 500,000   |
| Nugl Inc.                 | NUGL   | February 6, 2019  | 1,411,669 |

33. A total of \$7,230,479 was wired to the Bank of Nevis.
34. Burns communicated with, and received instructions for FWW transactions from, a generic email account “info@fww.bz.” In addition, Burns would communicate with FWW using a Russian domain email “settlements.fww@mail.ru.” Burns made no inquiries in this regard and was not aware of any connection to, or business operations FWW had, in Russia.
35. During the Relevant Period, nine trades were executed for FWW where a press release had been issued by the issuer warning that there had been unauthorized on-line promotions of its securities.
36. FWW ceased operations in April or May of 2019. Its remaining securities holdings, primarily the OTC security LQWC, were transferred out from FWW in April 2019, when the holdings were transferred into an account maintained at Echelon for Valor Capital Ltd. (“Valor”), a second foreign broker-dealer.

**Foreign Broker-Dealer 2: Valor Capital Ltd. (“Valor”)**

**(i) Identity Verification and Due Diligence**

37. Valor, registered as a broker-dealer in the Cayman Islands, was also introduced to Burns by Monsas, and opened its account with the Respondents on or about January 22, 2019.
38. Valor was incorporated on or before March 20, 2017.
39. On account opening, the Latvian individual, DS, was identified as Operations Manager for Valor (the same designation he had for FWW). Two additional Latvian residents, IZ and DD were identified as directors, as was a Grand Cayman resident, SP. Burns had only purportedly met with DS and performed no other identity verification.
40. The Respondents recorded Valor's account as a low risk for money laundering and terrorist financing, despite being a broker-dealer in a foreign jurisdiction with limited transparency into the beneficial ownership of shares.
41. The interrelationship between FWW and Valor was not identified by Echelon until June 2019 when its CCO queried Burns about account activity. Burns indicated that FWW and Valor were "the same trader" but had "different owners." Burns was not aware of the share ownership structure of Valor.
42. One further compliance inquiry was made of Burns by Echelon in April 2020. In response to whether FWW had "just gone away", Burns advised that "FWW became Valor" and decided to "move to a more reputable country (Cayman Islands) and rebrand." Valor had been incorporated on or before March 20, 2017.

**(ii) Trading Activity and Trade Instructions**

43. During the Relevant Period, the Respondents executed a total of \$78,589,614.56 worth of sells, as well as \$763,525.15 worth of buys in OTC securities. A total of \$90,206,029 was wired out to various banks or virtual banks located in St-Lucia, Nevis, Russia, and Kyrgyzstan.

44. Burns communicated and received instructions for Valor from a generic email account “info@valor.ky.” Emails from this address had multiple signatories, despite Burns’ assertion that he only took trading instructions from DS. Burns was also unable to identify an individual who signed simply as “Tom.”
45. 483,175 shares in LQWC, which had been transferred out of FWW’s account in April 2019 and transferred into Valor’s account in June 2019 were sold from the Valor account over the next several months. The shares of LQWC in the Valor account were owned by a UK corporation, Antevorta Capital Partners Ltd. (“Antevorta”), in turn controlled by an individual, GC. A promotional article was published on the internet on July 18, 2019, regarding LQWC and was paid for by Antevorta.
46. On July 19, 2019, OTCMarkets.com placed a Caveat Emptor flag on LQWC. Despite the Caveat Emptor flag, Valor continued selling LQWC securities.
47. In total, the Respondents executed 18 trades on behalf of Valor, for US OTC securities which were subject to a Caveat Emptor flag. Similarly, the Respondents executed 101 trades after a press release was issued by the underlying issuer advising of unauthorized promotions of its security.

**(iii) Change in Executing Brokers**

48. In June 2020, Echelon’s US executing broker advised that it would no longer accept orders from Echelon as it had grown uncomfortable with Echelon’s volume of trading activity. By May 2021, a replacement executing broker was confirmed with trading activity limited to Valor and three specific securities.
49. Between May 4 and June 29, 2021, Echelon sold approximately \$20,000,000 worth of securities, with no buys, through the new US executing broker.
50. One of the securities, Oncology Pharma Inc. (“ONPH”), was the subject of a FINRA inquiry to Echelon dated September 1, 2020. Valor sold more than \$18,500,000 worth of ONPH securities. When a second FINRA inquiry was made regarding ONPH on June 29, 2021, Echelon’s Risk Committee took steps to halt all trading by Valor.

51. Burns lobbied Echelon’s Risk Committee to permit resumed trading for Valor within certain limits using the Canari risk score. The Canari risk score is a metric developed by OTC Markets Group Inc. that considers 19 risk factors that are ranked individually and then aggregated to provide a risk score for the security. Echelon determined that the risk score would need to be within specific limits and trading was restricted to 15% of total volume with a maximum of 35,000 shares per day.
52. On July 28, 2021, Valor resumed selling ONPH until June 16, 2022. During that timeframe, Valor sold more than \$28.5 million of ONPH shares. On 46 days the “15% of total volume” limit was exceeded and on 43 days, the “maximum of 35,000 shares per day” limit was exceeded.
53. Although Echelon’s compliance department performed some due diligence on ONPH as an issuer, no further steps were taken by Burns or Echelon with respect to conducting due diligence on the beneficial owners who were behind the trading in ONPH by Valor.
54. Furthermore, throughout the Relevant Period, Echelon received numerous regulatory requests with respect to trading activity of Valor.

**Foreign Broker-Dealer 3: Weiser Asset Management (“Weiser”)**

**(i) Identity Verification and Due Diligence**

55. Weiser, registered as a broker-dealer in the Bahamas, opened its account with the Respondents on or about July 23, 2018.
56. Burns was introduced to SL, the Chief Executive Officer (“CEO”) of Weiser, by email on June 13, 2018, through a mutual acquaintance. Prior to the account opening, the Chief Compliance Officer (“CCO”) for Echelon’s carrying broker raised concerns regarding previous trading activity at Weiser while under a different management regime. As a result of the “different management structure,” the account for Weiser was opened with no additional safeguards.

57. Two additional individuals were identified on the account opening documentation, CF as Head Trader, and ES as CCO. Burns did not meet with either of these individuals nor perform any identity verification.
58. The Respondents recorded Weiser's account as a low risk for money laundering and terrorist financing despite being a broker-dealer in a foreign jurisdiction with limited transparency into the beneficial ownership of shares and the carrying broker's concerns regarding earlier trading activity.

**(ii) Trading Activity and Referral Arrangements**

59. Shortly after opening the account for Weiser, Burns arranged for a referral agreement between Echelon and another CIRO Dealer Member, Caldwell Securities Limited ("Caldwell"). The rationale for the referral relationship with Caldwell was that it was prepared to engage in transactions which did not otherwise meet certain of Echelon's carrying broker's threshold limits. This provided Burns' clients an avenue to transact. Neither of the Respondents knew what clients were trading through the referral arrangement with Caldwell but Echelon did receive a nominal referral fee from Caldwell representing 50% of the commissions that Caldwell earned for the applicable US OTC business,
60. In addition, immediately upon account opening, SL began transferring in OTC securities to sell. SL and Burns had numerous discussions about Tendall Capital Markets Ltd. ("Tendall") CM, a Malta-based broker with a view to having Tendall trade through Echelon with Weiser earning a referral arrangement fee.
61. Burns indicated that Tendall already had an account with Echelon through another advisor. Notwithstanding, an arrangement was organized where Weiser transacted on behalf of Tendall, and Tendall transacted through Caldwell, all of which resulted in referral fees being paid to Echelon and then Burns.
62. The ultimate clients of Tendall (who were effectively the subject of the referral agreement with Caldwell) were unknown to Burns or Echelon.

63. Further, FWW was connected to Weiser and Tendall by way of numerous transfer requests emanating from Monsas. The relationship between FWW, Weiser and Tendall was not documented, and Echelon's compliance department was unaware of the relationship.
64. In addition, during the Relevant Period, the Respondents executed a total of \$14,267,608.10 worth in sells, as well as \$863,703.96 worth in buys in OTC securities, on behalf of Weiser.
65. The Respondents executed 19 trades on behalf of Weiser for OTC securities in circumstances where a press release had been issued by the issuer warning that there had been unauthorized on-line promotions of its securities.

**Foreign Broker-Dealer 4: Blacktower Ltd. ("Blacktower")**

**(i) Identity Verification and Due Diligence**

66. Blacktower, registered as a broker-dealer in the Cayman Islands, opened its account with the Respondents on or about November 29, 2019. This account was opened by way of an email introduction of Burns by JL of Oldfield Capital Group LLC ("Oldfield") to JG of Gel Direct Trust ("Gel"). Gel is a US-based entity which could not transact directly through a Canadian Dealer Member, as per applicable registration requirements for US residents set out in Echelon's Policies and Procedures. Gel's activity was diverted through Blacktower at the suggestion of Burns.
67. Gel was also related to other Echelon clients: Burns discussed commission splitting as between Gel and Valor as early as April 2020; Burns also received requests from Valor to transfer shares of LQWC from Gel to an account "for the benefit of Valor".
68. Neither Burns nor Echelon could verify the relationships or rationale for the transfers as they made no inquiries in this regard.

**(ii) Trading Activity**

69. Blacktower's trading activity consisted solely of processing trades for Gel. All trading activity in Gel resulted in 6% commissions most frequently paid as 3% to Blacktower, 1.5% to Echelon, 1% to JL, and 0.5% to JSX Investments Ltd., a Bahamas-based broker-dealer to which SL (Weiser's former CEO) had moved.
70. Echelon and Burns traded US OTC securities for Blacktower between December 2019 and June 2020. Gel was subsequently named in an SEC complaint dated November 17, 2022, which alleges that it acted as an unauthorized broker to execute more than 19,000 trades of more than 300 billion shares of stock for over 400 issuers.
71. During the Relevant Period, Echelon executed a total of \$5,936,716.58 worth in sells, as well as \$88,642.52 worth in buys in OTC securities, on behalf of Blacktower.
72. Echelon also executed two trades on behalf of Blacktower for OTC securities, in circumstances where a press release had been issued by the issuer warning that there had been unauthorized on-line promotions of its securities.
73. As set out above, Echelon and Burns failed to exercise sufficient due diligence to learn essential facts regarding the four foreign broker-dealers and they abdicated their gatekeeper obligations by failing to address the circumstances of the trading activity. Despite extensive trading activity, Echelon failed to establish and maintain a supervisory system reasonably designed to supervise the activities of the four foreign broker-dealers and trading in US OTC issuers in general.

#### **Remedial Measures**

74. On or about June 2022, the Respondents ceased trading of US OTCBB securities in the accounts of the foreign broker-dealers. The accounts of the foreign broker-dealers were not continued at Ventum.
75. As of June, 2024, it is Ventum's policy to refuse to accept physically certificated deposits of US unlisted securities having a value of greater than \$10,000 USD, or in excess of 50,000 shares. Deposits require a completed "US Securities Deposit

Letter”. Exemptions may be granted through a Policy Exception Request, approved by two Partners, Directors, or Officers, on a case by case basis.

76. The conduct described herein occurred before the amalgamation resulting in Ventum.
77. In October, 2024, as a result of the amalgamation, Ventum appointed a new Chief Operating Officer and a Chief Financial Officer. In February, 2025, Ventum appointed a new CCO. In February 2025, Ventum also appointed a new Vice-President, Legal and Regulatory Affairs.
78. In conjunction with a consultant to be approved by Enforcement Staff, Ventum will:
  - i. review and revise its supervisory system for compliance with Corporation requirements and securities laws pursuant to the requirements of Investment Dealer Rule 3900 and UMIR 7.1; and
  - ii. implement any remedial measures recommended pursuant to the above review and provide a report to Enforcement Staff outlining the implementation and adoption date of the remedial measures, within six (6) months of the acceptance date of the Settlement Agreement.

#### **Additional Factors**

79. The Respondents chose to cease trading US OTCCBB securities with the four foreign broker dealers before the Respondents received notice of any regulatory or other legal proceedings commenced against the beneficial owners of the problematic US OTC securities that were traded by the Respondents. The Respondents’ decision was made after IIROC Enforcement Staff had commenced an investigation into this matter.
80. In 2020, PI Financial Corp. discovered that Gary Ng financed the purchase of that firm for \$100,000,000, by obtaining loans through fraudulent means. This led to significant losses for PI Financial Corp.

81. In October 2023, Echelon suffered losses of approximately \$19.8 million relating to the failure by Traynor Ridge Capital, an institutional client of the firm, to settle certain trades. The Ontario Securities Commission imposed a cease trade order on Traynor Ridge Capital on October 30, 2023 and on November 3, 2023, the Ontario Superior Court of Justice appointed a receiver and manager over its affairs and the funds it managed.
82. The size of Echelon (and the amalgamated entity, Ventum), including the firm's current financial resources and risk adjusted capital, was a factor with respect to the agreed sanction.
83. Given these factors and the remedial measures, Enforcement Staff and Ventum have agreed that it is appropriate in the circumstances to reduce the amount to be disgorged to \$1,700,000.

#### **PART IV – CONTRAVENTIONS**

84. By engaging in the conduct described above, the Respondents committed the following contraventions of CISO requirements:

##### **Contravention 1**

Between July 2018 and June 2022 (the "Relevant Period"), Echelon Wealth Partners Inc. ("Echelon") and Stephen Burns ("Burns") failed to use due diligence to learn and remain informed of the essential facts relative to the accounts and orders of four foreign broker-dealers, contrary to Dealer Member Rule 1300.1 (prior to January 1<sup>st</sup>, 2022) and Investment Dealer Rule 3200 (after January 1<sup>st</sup>, 2022).

##### **Contravention 2**

Between July 2018 and June 2022, Echelon and Burns failed to act as gatekeepers in relation to the trading activity in US Over-the-Counter ("OTC") securities by the foreign broker dealers, contrary to Investment Dealer Rule 1400.

##### **Contravention 3**

Between July 2018 and June 2022, Echelon failed to establish, maintain, and enforce an adequate system of controls and supervision in relation to US OTC trading, contrary to Dealer Member Rule 38.1 (prior to January 1<sup>st</sup>, 2022) and Investment Dealer Rule 3900 (after January 1<sup>st</sup>, 2022).

#### **PART V – TERMS OF SETTLEMENT**

85. The Respondents agree to the following sanctions and costs:

##### **Ventum Financial Corp.**

- a. Fine in the amount of \$500,000;
- b. Disgorgement in the amount of \$1,700,000;
- c. Costs in the amount of \$100,000; and
- d. Agrees to implement the remedial measures described in paragraph 78.

##### **Stephen Burns**

- a. Fine in the amount of \$100,000;
- b. A suspension of approval in any capacity for six (6) months; and
- c. Costs in the amount of \$25,000.

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

#### **PART VI – STAFF COMMITMENT**

87. If the hearing panel accepts this Settlement Agreement, Enforcement Staff will not initiate any further action against the Respondents 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.

88. If the hearing panel accepts this Settlement Agreement and the Respondents fail to comply with any of the terms of this Settlement Agreement, Enforcement Staff

may bring proceedings under Investment Dealer Rule 8200 against either or both Respondents. 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**

89. This Settlement Agreement is conditional on acceptance by the hearing panel.
90. 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.
91. Enforcement Staff and the Respondents 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 Respondents do not appear at the settlement hearing, Staff may disclose additional relevant facts, if requested by the hearing panel.
92. If the hearing panel accepts this Settlement Agreement, the Respondents agree to waive all rights under the Rules and By-law of CIRO and any applicable legislation to any further hearing, appeal and review.
93. If the hearing panel rejects this Settlement Agreement, Enforcement Staff and the Respondents or either of them may enter into another settlement agreement or Enforcement Staff may proceed to a disciplinary hearing based on the same or related allegations.
94. The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the hearing panel.

95. 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.
96. If this Settlement Agreement is accepted, the Respondents agree that neither they nor anyone on their behalf, will make a public statement inconsistent with this Settlement Agreement.
97. This Settlement Agreement is effective and binding upon the Respondents and Enforcement Staff as of the date of its acceptance by the hearing panel.

**PART VIII – EXECUTION OF SETTLEMENT AGREEMENT**

98. This Settlement Agreement may be signed in one or more counterparts which together will constitute a binding agreement.
99. An electronic copy of any signature will be treated as an original signature.

**DATED** this 12<sup>th</sup> day of June, 2025.

“Lindsay Moffatt”  
\_\_\_\_\_  
Witness

“David Cusson”  
\_\_\_\_\_  
David Cusson  
(for Echelon/Ventum)

“Lindsay Moffatt”

Witness

“Stephen Burns”

Stephen Burns

“Francis Larin”

Francis Larin  
Senior Enforcement Counsel on  
behalf of Enforcement Staff of the  
Canadian Investment Regulatory  
Organization

The Settlement Agreement is hereby accepted this 25<sup>th</sup> day of June, 2025 by the following Hearing panel:

Per: “Marvin Huberman”  
Chair

Per: “Debbie Archer”  
Industry Member

Per: “Deborah Leckman”  
Industry Member