



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

**AND**

**JEREMY EARL CLARK**

**SETTLEMENT AGREEMENT**

**PART I – INTRODUCTION**

1. The Canadian Investment Regulatory Organization (“CIRO”)<sup>i</sup> will issue a Notice of Settlement Hearing to announce 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”) to consider whether a Hearing Panel should accept this Settlement Agreement between Enforcement Staff and Jeremy Earl Clark (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. At all material times, the Respondent was an owner and operator of CH Financial Ltd. (“CH Financial”). The Dealer Member had previously approved CH Financial as a trade name through which the Respondent operated his mutual fund business, as well as certain outside activities consisting of financial planning, wills and estates services, tax

preparation, loans and mortgages, and insurance services.

5. Between March 19, 2007 and January 31, 2019, CH Financial had operated under the name Clark Hetherington Financial Ltd., which was jointly owned and operated by the Respondent and his previous business partner.
6. Between January 2019 and October 25, 2022, without the Dealer Member's knowledge or approval, the Respondent entered into personal financial dealings with clients of the Dealer Member whose accounts were serviced by the Respondent, as described below.

### **Registration History**

7. The Respondent was registered in the securities industry between approximately October 2004 to March 2023.
8. The Respondent was first registered in Alberta as a dealing representative with Fund Trade Corporation between October 2004 and September 2006, when it was acquired by FundEx Investments Inc. ("FundEx"). The Respondent continued to be registered with FundEx until July 1, 2021, when it amalgamated its business with Investia Financial Services Inc. ("Investia"). Between July 1, 2021, and March 6, 2023, the Respondent was registered in Alberta as a dealing representative with Investia.
9. The term "Dealer Member" in this Settlement Agreement refers to FundEx in respect of conduct occurring between January 2019 and June 2021 and to Investia in respect of conduct occurring between July 2021 and March 2023.
10. On March 6, 2023, the Dealer Member terminated the Respondent during its investigation into the matters described in this Settlement Agreement, and the Respondent is not currently registered in the securities industry in any capacity.
11. At all material times the Respondent operated in the Calgary, Alberta, area.

### **Contravention 1 – Personal Financial Dealings**

12. At all material times, the Dealer Member's policies and procedures ("PPM") prohibited its Approved Persons from engaging in personal financial dealings with clients, borrowing

from clients, and required its Approved Persons notify it when a potential conflict of interest arises.

13. Between January 2019 and June 2021, without the Dealer Member's knowledge or approval, the Respondent solicited a total sum of \$1,642,543 from clients JF, ML1, ML2, SM, PM, and SMC (the "Shareholder Clients"), to finance the expansion of CH Financial's operations. In exchange for their funds, these clients became shareholders of CH Financial.
14. Between April 2019 to March 2023, when the Respondent ceased to be registered, CH Financial paid monthly dividends to the Shareholder Clients in the total sum of \$420,016.
15. Neither the Respondent nor CH Financial has paid any further amounts to the Shareholder Clients since March 15, 2023.
16. In addition, between February 3, 2022, and October 25, 2022, without the Dealer Member's knowledge or approval, the Respondent on behalf of CH Financial solicited loans from client JS in the sum of \$1,500,000. The loans were made to CH Financial, and not to the Respondent.
17. In a written loan agreement dated February 3, 2022, CH Financial borrowed \$500,000 from client JS, to be repaid quarterly at 5% interest annually. In a second written loan agreement dated October 25, 2022, CH Financial borrowed \$1,000,000 from client JS, to be repaid quarterly at 7% interest annually. Both loans were repaid in full by June 2023.
18. The Shareholder Clients remain shareholders of CH Financial, with the exception of ML2 who passed in 2023.
19. The Respondent did not disclose to the Dealer Member that the Shareholder Clients purchased shares in and client JS loaned monies to CH Financial, as described above, in accordance with the requirements of CIRO and the PPM.
20. The Dealer Member did not authorize the Respondent's activities described above.
21. On or about November 18, 2022, client JS ceased being a client of the Dealer Member.

**Contravention 2 – False or Misleading Statements made to the Dealer Member**

22. On March 31, 2022, the Respondent electronically signed the Dealer Member’s 2021 annual attestation stating that he had reviewed and understood the PPM. The annual attestation included the following question to which the Respondent answered “No”:

Are you currently or have you ever been involved in personal financial dealings with your client(s) or any other conflicts of interest described in Chapter 9 of Investia’s CPPM? (Examples of personal financial dealings include but not limited to borrowing from or lending to clients, involvement in private investment schemes or business dealings with clients).

23. This answer was false or misleading because the Respondent had already engaged in personal financial dealings with clients, as described above.
24. The Respondent facilitated the redemption of monies for some of the clients from their respective Dealer Member accounts, which monies were used in the business dealings described above.
25. On the documentation used to facilitate the redemptions, the Respondent recorded reasons for the redemptions as set out in the chart below:

<b>Date</b>	<b>Client</b>	<b>Redemption Amount</b>	<b>Reason for Redemption</b>
Jan. 22, 2019	SM	\$250,000	Living Expenses
Jan. 22, 2019	PM	\$100,000	Living Expenses
Jan. 23, 2019	JF	\$500,000	Living Expenses
Jan. 24, 2019	ML1	\$350,000	Client Moving home; Living Expenses
Jan. 24, 2019	ML2	\$150,000	Client Moving home; Living Expenses
Oct 7, 2022	JS	\$500,000	Cash flow and other investments
Oct 12, 2022	JS	\$500,000	Cash flow and other investments
<b>Total</b>		<b>\$1,350,000</b>	

26. The reasons for the redemptions recorded by the Respondent were false or misleading because the Respondent knew the reasons recorded for the redemptions were inaccurate. The reasons were selected from a pre-existing list of reasons created by the Dealer Member, and a reason from that list had to be selected.

**The Dealer Member’s Investigation into the Respondent’s Conduct**

27. The Dealer Member became aware of the loans that the Respondent obtained from client JS on or around September 8, 2022, when the Respondent submitted to the Dealer Member documentation in support of a loan application that listed the loan from client JS.
28. On or around November 1, 2022, the Dealer Member advised the Respondent that it had commenced an investigation into the Respondent's conduct. During its investigation, the Dealer Member discovered that the Shareholder Clients invested in CH Financial.
29. The Dealer Member terminated the Respondent's registration on March 6, 2023.

#### **Additional Factors**

30. The Respondent has not previously been the subject of MFDA or CISO disciplinary proceedings.
31. No clients have complained to CISO or the Dealer Member about the Respondent's conduct described herein.
32. The Shareholder Clients, aside from ML2, have provided CISO with letters stating that they were all that they were informed of the risk of the Investment by the Respondent prior to investing in of CH Financial, and have stated that they wish to remain shareholders of CH Financial, and have no complaints about the Respondent's conduct. Staff has obtained evidence corroborating these statements.
33. By entering into this Settlement Agreement, the Respondent has saved CISO the time, resources, and expenses associated with conducting a contested hearing of the allegations.

#### **PART IV – CONTRAVENTIONS**

34. By engaging in the conduct described above, the Respondent committed the following contraventions of CISO requirements:<sup>1</sup>

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<sup>1</sup> On June 30, 2021, MFDA Rule 2.1.4 was amended and renumbered to MFDA Rule 2.1.4(2). On December 31, 2021, MFDA Rule 2.1.5 came into effect. These rules apply to the conduct that occurred in the corresponding periods that the specific rules were in effect. MFDA Rules 2.1.1, 2.1.4(2), and 2.1.5 were in effect until December 31, 2022, when they became incorporated into the corresponding Mutual Fund Dealer Rules on January 1, 2023.

- a. Between January 2019 and March 6, 2023, the Respondent engaged in personal financial dealings with clients of the Dealer Member, which gave rise to conflicts of interest that the Respondent failed to disclose to the Dealer Member or otherwise ensure was addressed by the exercise of responsible business judgment influenced only by the best interests of the clients, contrary to MFDA Rules 2.1.4 and 2.1.5; and
- b. Between January 2019 and March 6, 2023, the Respondent made false or misleading statements to the Dealer Member, contrary to MFDA Rule 2.1.1.

#### **PART V – TERMS OF SETTLEMENT**

35. The Respondent agrees to the following sanctions and costs:
  - a. a prohibition from conducting securities related business in any capacity while in the employ of or associated with a CIRO Dealer Member, for a period of 12 months from the date the Hearing Panel accepts this Settlement Agreement, pursuant to Mutual Fund Dealer Rule 7.4.1.1(e);
  - b. a fine of \$80,000 in certified funds upon acceptance of the Settlement Agreement, 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 upon acceptance of the Settlement Agreement, pursuant to Mutual Fund Dealer Rule 7.4.2; and
  - d. the Respondent shall in the future comply with Mutual Fund Dealer Rules 2.1.1, 2.1.4(2), and 2.1.5.
  - e. the Respondent shall attend by videoconference on the date set for the Settlement Hearing.
36. 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**

37. 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.
38. 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**

39. This Settlement Agreement is conditional on acceptance by the Hearing Panel.
40. 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.
41. 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.
42. 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.
43. 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.

44. The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the Hearing Panel.
45. 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.
46. 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.
47. 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**

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

**DATED** this 29<sup>th</sup> day of May, 2025.

“Witness”  
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Witness

“Jeremy Earl Clark”  
\_\_\_\_\_  
Respondent

“Lerina J.M. Koornhof”  
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Lerina J.M. Koornhof  
Enforcement Counsel on behalf of Staff of the  
Canadian Investment Regulatory Organization

The Settlement Agreement is hereby accepted this 24<sup>th</sup> day of July 2025 by the following Hearing Panel:

Per: “Robert Stack”  
Chair

Per: “Richard Bergeron”  
Industry Member

Per: “David Johnson”  
Industry Member

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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.