



**CIRO · OCRI**

Canadian Investment  
Regulatory  
Organization

Organisme canadien  
de réglementation  
des investissements

**IN THE MATTER OF  
THE MUTUAL FUND DEALER RULES  
AND  
ABID HOSSAIN**

**NOTICE OF HEARING**

A first appearance will be held before a Hearing Panel of the Canadian Investment Regulatory Organization (“CIRO”)<sup>1</sup> pursuant to Mutual Fund Dealer Rule 7.3 to schedule a hearing in the matter of Abid Hossain (the “Respondent”). The first appearance and the hearing will be subject to Mutual Fund Dealer Rule 7, and the Mutual Fund Dealer Rules of Procedure (“Rules of Procedure”), as further referenced below, that govern the conduct of enforcement proceedings.

The first appearance will be held by way of videoconference on Thursday, August 28, 2025 at 10:00 a.m. ET

The first appearance will be held at Toronto, Ontario by videoconference.

The purpose of the hearing will be to determine whether the Respondent has contravened CIRO requirements. A summary of the facts alleged and intended to be relied upon by CIRO, the conclusions drawn by CIRO based on the alleged facts, and alleged contraventions are contained in the Statement of Allegations attached to this Notice of Hearing.

If the Hearing Panel finds that the Respondent has contravened CIRO requirements as alleged in the Statement of Allegations, the Hearing Panel may impose one or more of the following sanctions pursuant to Mutual Fund Dealer Rule 7.4.1.1:

- (a) a reprimand;
- (b) a fine not exceeding the greater of:
  - (i) \$5,000,000 for each offence, and
  - (ii) an amount equal to three times the profit obtained or loss avoided by such person as a result of committing the violation;
- (c) suspension of the authority of the person to conduct securities related business for such specified period and upon such terms as the Hearing Panel may determine;

- (d) revocation of the authority of such person to conduct securities related business;
- (e) prohibition of the authority of the person to conduct securities related business in any capacity for any period of time; and
- (f) such conditions of authority to conduct securities related business as may be considered appropriate by the Hearing Panel.

In addition, pursuant to Mutual Fund Dealer Rule 7.4.2, a Hearing Panel may require the Respondent to pay any costs incurred by or on behalf of CIRO in connection with the proceeding and any investigation related to the proceeding.

The Respondent must serve on Enforcement Staff a Reply to this Notice of Hearing in accordance with Rule of Procedure 8 and Mutual Fund Dealer Rule 7.3.2 within 20 days from the effective date of service of this Notice of Hearing. The Respondent must also file the Reply at the Hearing Office in accordance with Rule of Procedure 4.6.

The Reply may either:

- (a) specifically deny (with a summary of the facts alleged and intended to be relied upon by the Respondent, and the conclusions drawn by the Respondent based on the alleged facts) any or all of the facts alleged or the conclusions drawn by CIRO in the Statement of Allegations; or
- (b) admit the facts alleged and conclusions drawn by CIRO in the Statement of Allegations and plead circumstances in mitigation of any penalty to be assessed.

Pursuant to Mutual Fund Dealer Rule 7.3.3 and Rule of Procedure 8.3, the Hearing Panel may accept as having been proven any facts alleged or conclusions drawn by CIRO in the Statement of Allegations that the Respondent does not specifically deny in the Reply.

Pursuant to Mutual Fund Dealer Rule 7.3.4 and Rules of Procedure 7.3 and 8.4, if the Respondent fails to:

- (a) serve and file a Reply; or
- (b) attend at the hearing specified in the Notice of Hearing, notwithstanding that a Reply may have been served,

the Hearing Panel may, among other things, proceed with the hearing on the date and at the time and place set out in the Notice of Hearing (or on any subsequent date, at any time and place), without further notice to and in the absence of the Respondent, and the

Hearing Panel may accept as proven the facts, conclusions, and contraventions alleged in the Statement of Allegations, and may impose sanctions and costs.

The Respondent is entitled to attend the hearing and to be heard, to be represented by counsel or by an agent, to call, examine and cross-examine witnesses, to present evidence, and to make submissions to the Hearing Panel at the hearing.

**DATED** July 30, 2025.

**“National Hearing Officer”**  
NATIONAL HEARING OFFICER  
Canadian Investment Regulatory Organization  
40 Temperance Street, Suite 2600  
Toronto, Ontario, M5H 0B4

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<sup>1</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.



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**STATEMENT OF ALLEGATIONS**

Further to a Notice of Hearing dated July 30, 2025, Enforcement Staff make the following allegations:

**PART I – REQUIREMENTS CONTRAVENED**

**Contravention 1**

Between February 2020 and September 2020, the Respondent misappropriated, misapplied, or failed to account for the proceeds of redemptions of client investments that he processed, contrary to Mutual Fund Dealer Rule 2.1.1.

**Contravention 2**

Commencing in August 2024, the Respondent failed to cooperate with an investigation by CIRO Staff into his conduct, contrary to Mutual Fund Dealer Rule 6.2.1.

**PART II – RELEVANT FACTS AND CONCLUSIONS**

**Overview**

1. At all material times, client X was a client of the Dealer Member and a bank (the “Bank”) affiliated with the Dealer Member.

2. Client X held Guaranteed Investment Certificates (“GICs”)<sup>1</sup> in his accounts at the Bank.
3. As described in greater detail below, between February and September 2020, the Respondent:
  - a) redeemed approximately \$1,001,456 from client X’s GICs;
  - b) deposited some of the redemption proceeds to a Bank general ledger account, in order to offset a negative balance that the Respondent had created in the general ledger account;
  - c) transferred the remaining redemption proceeds to term deposits that were held in client X’s name at the Bank; and
  - d) redeemed monies from the term deposits, and with respect to the redemption proceeds:
    - i. deposited some of the redemption proceeds to other individuals’ accounts;
    - ii. deposited some of the redemption proceeds to a Bank general ledger account, in order to offset a negative balance that the Respondent had created in the general ledger account by previously redeeming monies from the account; and
    - iii. withdrew some of the redemption proceeds as cash.
4. Other than approximately \$135,376 that remained in the term deposits when the Respondent was terminated by the Bank and the Dealer Member on September 8, 2020, the Respondent misappropriated, misapplied, or failed to account for, the proceeds of the GIC redemptions described above.

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<sup>1</sup> In this Statement of Allegations, the terms “Guaranteed Investment Certificate” and “term deposit” are used interchangeably.

5. In addition, the Respondent failed to cooperate with Staff's investigation into his conduct.

### **Registration History**

6. Between September 2006 and September 8, 2020, the Respondent was registered in Ontario as a dealing representative for TDIS Investment Services ("TDIS"), a Dealer Member of CIRO (formerly a Member of the MFDA).
7. Between February 7, 2014 and September 8, 2020, the Respondent was also designated as a branch manager with TDIS.
8. During the period that the Respondent was registered with TDIS, he was also employed by the Bank that was affiliated with TDIS.
9. On September 8, 2020, the Bank terminated the Respondent's employment, and TDIS terminated his registration.
10. The Respondent is not currently registered in the securities industry in any capacity.
11. At all material times, the Respondent conducted business in the Toronto, Ontario area.

### **Contravention #1 – Misappropriation, Misapplication, or Failure to Account for Redemption Proceeds**

#### Client X's GICs

12. In February 2020, client X held, among other investments, the following GICs in his accounts at the Bank.

<b>GIC No.</b>	<b>Amount</b>
1	\$500,893.24
2	\$350,000
3 <sup>2</sup>	\$150,562.95
<b>TOTAL</b>	<b>\$1,001,456.19</b>

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<sup>2</sup> Client X held GIC No. 3 jointly with a family member, who was not a client of TDIS.

13. In or about February 2020, client X discussed his personal circumstances with the Respondent, and either asked the Respondent, or agreed to the Respondent's recommendation, to "hide" client X's GICs.
14. As described below, the Respondent failed to cooperate with Staff's investigation into his conduct. As a result, Staff has been unable to determine the exact nature of the discussion between the Respondent and client X.
15. As described below, after the discussion between the Respondent and client X, the Respondent processed a series of transactions whereby he redeemed client X's GICs, and thereafter misappropriated, misapplied, or failed to account for most of the proceeds of the redemptions.

The Respondent Used Client X's GICs to Offset a Negative Balance in a Bank General Ledger Account

16. At all material times, the Bank maintained several general ledger accounts, including a temporary suspense account (the "Bank Suspense Account").
17. In February 2020, the Respondent posted transactions to the Bank Suspense Account, which created a negative balance of approximately \$554,000 in the account.
18. As a result of the Respondent's failure to cooperate with Staff's investigation, Staff has been unable to determine the circumstances surrounding the Respondent creating the negative balance in the Bank Suspense Account.
19. On February 18, 2020, the Respondent:
  - a) redeemed \$204,000 from GIC No. 1 described in the table above;
  - b) redeemed \$350,000 from GIC No. 2 described in the table above; and
  - c) deposited the redemption proceeds totaling \$554,000 to the Bank Suspense Account.

20. By depositing the redemption proceeds totaling \$554,000 to the Bank Suspense Account, the Respondent offset the negative balance that he had created in the Bank Suspense Account as described above.

The Respondent Transferred Client X's GICs to Term Deposits

21. Following the February 18, 2020 transactions described above, client X's GICs had the following balances:

GIC No.	Amount
1	\$296,893.24
2	\$0
3	\$150,562.95
<b>TOTAL</b>	<b>\$447,456.19</b>

22. As described in the table below, between February 21, 2020 and March 20, 2020, the Respondent:

- a) redeemed the entire balance (plus interest) from GIC No. 1;
- b) redeemed the entire balance (plus interest) from GIC No 3;
- c) deposited the redemption proceeds to two new term deposits ("Term Deposits")<sup>3</sup> that were held in client X's name at the Bank; and
- d) transferred \$52,155.25 from a Bank general ledger account to one of the Term Deposits.<sup>4</sup>

Date	Redeemed From	Deposited To	Amount
Feb. 21, 2020	GIC No. 1	Term Deposit No. 1	\$297,844.75
Feb. 21, 2020	Bank General Ledger Account	Term Deposit No. 1	\$52,155.25
March 20, 2020	GIC No. 3	Term Deposit No. 2	\$151,128.01

<sup>3</sup> All references to "Term Deposits" herein refer to new Term Deposits that were held in client X's name at the Bank.

<sup>4</sup> The \$52,155.25 did not initially belong to client X.

23. Following the February 21, 2020 and March 20, 2020 transactions described above, the Term Deposits had the following balances.

<b>Term Deposit</b>	<b>Amount</b>
1	\$350,000
2	\$151,128.01
<b>TOTAL</b>	<b>\$501,128.01</b>

24. As described in the table below, on March 24, 2020, the Respondent:
- a) redeemed the entire balance (plus interest) from Term Deposit No. 1;
  - b) redeemed the entire balance from Term Deposit No. 2; and
  - c) deposited the redemption proceeds to another Term Deposit (“Term Deposit No. 3”).

<b>Date</b>	<b>Redeemed From</b>	<b>Deposited To</b>	<b>Amount</b>
March 24, 2020	Term Deposit No. 1	Term Deposit No. 3	\$350,494.79
March 24, 2020	Term Deposit No. 2	Term Deposit No. 3	\$151,128.01

25. Following the March 24, 2020 transactions described above, Term Deposit No. 3 had a balance of \$501,622.80.
26. As described in the table below, between May 7 and 13, 2020, the Respondent:
- a) redeemed the entire balance (plus interest) from Term Deposit No. 3; and
  - b) deposited the redemption proceeds to another Term Deposit (“Term Deposit No. 4”).<sup>5</sup>

<b>Date</b>	<b>Redeemed From</b>	<b>Deposited To</b>	<b>Amount</b>
May 7-13, 2020	Term Deposit No. 3	Term Deposit No. 4	\$502,694.76

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<sup>5</sup> The table depicts the eventual destination of the redemption proceeds. Not shown are other transactions where the Respondent transferred the redemption proceeds through other Term Deposits, before transferring them to Term Deposit No. 4.

The Respondent Transferred Out Monies from the Term Deposits

27. Following the May 7-13, 2020 transactions described above, Term Deposit No. 4 had a balance of \$502,694.76.
28. As described in the table below, between June 23 and July 6, 2020, the Respondent:
- a) redeemed \$150,246.85 from a Bank general ledger account and deposited the redemption proceeds to an account owned by other individuals (the “Other Individuals’ Account”); and
  - b) redeemed \$172,964.45 from Term Deposit No. 4 and deposited the redemption proceeds as follows:
    - i. \$150,246.85 to a Bank general ledger account (which offset a negative balance in the account that arose as a result of the transactions described above in paragraph 28(a)); and
    - ii. \$22,717.60 to the account of another individual (the “Other Individual’s Account”) who was a family member of the Respondent.<sup>6</sup>

<b>Date</b>	<b>Redeemed From</b>	<b>Deposited To</b>	<b>Amount</b>
June 23 to July 2, 2020	Bank General Ledger Account	Other Individuals’ Account	\$150,246.85
July 6, 2020	Term Deposit No. 4	Bank General Ledger Account	\$150,246.85
July 6, 2020	Term Deposit No. 4	Other Individual’s Account	\$22,717.60

29. Following the July 6, 2020 transactions described above, Term Deposit No. 4 had a balance of \$329,730.31.
30. As described in the table below, between August 14 and 17, 2020, the Respondent:

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<sup>6</sup> The table depicts the eventual destinations of the redemption proceeds. Not shown are other transactions where the Respondent transferred the redemption proceeds through various Bank general ledger accounts, before depositing them as shown in the table.

- a) redeemed \$30,000 from a Bank general ledger account and deposited the redemption proceeds to another Term Deposit (“Term Deposit No. 5”);
- b) redeemed the \$30,000 referenced above from Term Deposit No. 5 and also redeemed the entire balance (plus interest) of \$330,876.08 from Term Deposit No. 4 for a total redemption amount of \$360,876.08; and
- c) deposited the redemption proceeds totaling \$360,876.08 as follows:
  - i. \$350,876.08 to another Term Deposit (“Term Deposit No. 6”); and
  - ii. \$10,000 first to a Bank general ledger account and then withdrew this amount as cash.

<b>Date</b>	<b>Redeemed From</b>	<b>Deposited To</b>	<b>Amount</b>
Aug. 14, 2020	Bank General Ledger Account	Term Deposit No. 5	\$30,000
Aug. 17, 2020	Term Deposit No. 5 (\$30,000 redemption)	Term Deposit No. 6 (\$350,876.08 deposit)	\$360,876.08
Aug. 17, 2020	Term Deposit No. 4 (\$330,876.08 redemption)	Cash (\$10,000 withdrawal)	

- 31. Following the August 17, 2020 transactions described above, Term Deposit No. 6 had a balance of \$350,876.08.
- 32. As described in the table below, between August 24, 2020 and September 8, 2020, the Respondent:
  - a) on August 24, 2020, redeemed \$180,500 from Term Deposit No. 6, and of the redemption proceeds:
    - i. deposited \$150,500 to the Other Individuals’ Account; and
    - ii. withdrew \$30,000 as cash;

- b) on September 8, 2020, redeemed \$35,000 from Term Deposit No. 6 and withdrew this amount as cash; and
- c) on September 8, 2020, redeemed \$35,376.08 from Term Deposit No. 6 and deposited the redemption proceeds to another Term Deposit (“Term Deposit No. 7”).<sup>7</sup>

<b>Date</b>	<b>Redeemed From</b>	<b>Deposited To</b>	<b>Amount</b>
Aug. 24, 2020	Term Deposit No. 6	Other Individuals’ Account	\$150,500
Aug. 24, 2020	Term Deposit No. 6	Cash	\$30,000
Sept. 8, 2020	Term Deposit No. 6	Cash	\$35,000
Sept. 8, 2020	Term Deposit No. 6	Term Deposit No. 7	\$35,376.08

- 33. Following the August 24 and September 8, 2020 transactions described above, Term Deposit No. 6 had a balance of \$100,000 and Term Deposit No. 7 had a balance of \$35,376.08.
- 34. On September 8, 2020, the Bank and TDIS terminated the Respondent.
- 35. Other than the \$100,000 that remained in Term Deposit No. 6 and the \$35,376.08 that remained in Term Deposit No. 7 when the Respondent was terminated on September 8, 2020,<sup>8</sup> the Respondent misappropriated, misapplied, or failed to account for, the proceeds of the initial redemptions that he processed from client X’s GICs as described above in paragraphs 19 and 22.

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<sup>7</sup> The table depicts the eventual destinations of the redemption proceeds. Not shown are other transactions where the Respondent transferred the redemption proceeds through various Bank general ledger accounts, before depositing them as shown in the table.

<sup>8</sup> The \$135,376.08 that remained in the Term Deposits when the Respondent was terminated on September 8, 2020 may include amounts other than the redemption proceeds from client X’s GICs. Specifically, it may include amounts that the Respondent transferred from Bank general ledger accounts to the Term Deposits as described above at paragraphs 22 and 30.

### Client X's Complaint to the Bank

36. In December 2022, client X attended at the Bank branch at which the Respondent had previously conducted business and complained to the branch manager that he was unable to access his investments at the Bank, and that the Respondent had provided him with excuses for why he could not access his investments.
37. Following the Bank's investigation into client X's complaint, the Bank paid compensation to client X totaling approximately \$1,045,000.

### The Respondent Created a Duplicate Profile for Client X in the Bank's System

38. In the course of engaging in the conduct described above, the Respondent removed the accounts that held the GICs and Term Deposits described above from client X's investor profile (the "Investor Profile") in the Bank's system, and added them to a duplicate profile (the "Duplicate Profile"), which the Respondent created in or about May 2020.
39. Within the Duplicate Profile, the Respondent made changes to the information that had been recorded in client X's original Investor Profile. In particular, the Respondent changed: a) the spelling of client X's name; b) client X's date of birth; and c) client X's address.
40. As a result of the Respondent's failure to cooperate with Staff's investigation, Staff was unable to question the Respondent about the Duplicate Profile.
41. By virtue of the foregoing, the Respondent misappropriated, misapplied, or failed to account for the proceeds of redemptions of client investments that he processed, contrary to Mutual Fund Dealer Rule 2.1.1.

### **Contravention #2 – Failure to Cooperate**

42. CIRO Staff ("Staff") commenced an investigation into the Respondent's conduct after receiving a report from TDIS in respect of the allegations described above.

43. As described in the table below, Staff made several requests to the Respondent to provide information and documents that were relevant to the matters under investigation, and to schedule an interview with Staff.
44. The Respondent failed to respond to Staff’s requests and failed to schedule or attend an interview.

<b>Date</b>	<b>Communication</b>	<b>Method of Delivery</b>	<b>Result</b>
July 17, 2024	<p>Staff sent a letter requesting that the Respondent provide information and documents.</p> <p>Response due by August 8, 2024.</p>	Registered and regular mail	<p>On July 27, 2024, “Abid Hossain” signed for the registered mail.</p> <p>No response provided.</p>
Sept. 13, 2024	<p>Staff sent another letter requesting that the Respondent provide information and documents.</p> <p>Response due by September 26, 2024.</p>	Registered and regular mail	<p>On September 17, 2024, “Mo Abid Hossain” signed for the registered mail.</p> <p>No response provided.</p>

<p>Oct. 10, 2024</p>	<p>Staff sent another letter requesting that the Respondent provide information and documents.</p> <p>Response due by October 25, 2024.</p> <p>In the letter, Staff also requested that the Respondent contact Staff by no later than October 18, 2024 to schedule an interview.</p>	<p>Process Server</p>	<p>Process server was unable to locate the Respondent.</p>
<p>April 7, 2025</p>	<p>Staff sent another letter requesting that the Respondent provide information and documents.</p> <p>Response due by April 23, 2025.</p> <p>In the letter, Staff also requested that the Respondent contact Staff by no later than April 16, 2025 to schedule an interview.</p>	<p>Process Server</p>	<p>Process server was unable to locate the Respondent.</p>

<p>April 16, 2025</p>	<p>Staff sent another letter requesting that the Respondent provide information and documents.</p> <p>Response due by April 30, 2025.</p> <p>In the letter, Staff also requested that the Respondent contact Staff by no later than April 23, 2025 to schedule an interview.</p>	<p>Email (to two separate email addresses that the Bank identified as belonging to the Respondent)</p>	<p>No response provided.</p>
<p>April 16, 2025</p>	<p>Staff placed three calls to the Respondent, which were not answered.</p> <p>After the third call, Staff left a voice message for the Respondent requesting that he contact Staff by April 17, 2025.</p>	<p>Voice Message</p>	<p>No response provided.</p>

45. As a result of the Respondent’s failure to cooperate with Staff’s investigation, Staff has been unable to determine the full nature and extent of his conduct, including:
- a) the ultimate destination and use of the amounts that the Respondent redeemed from the Term Deposits as described above;
  - b) the circumstances surrounding the Respondent creating the negative balance in the Bank Suspense Account as described above in paragraph 17;

- c) the relationship between the Respondent and the owners of the Other Individuals' Account referenced above in paragraphs 28 and 32;
  - d) the circumstances surrounding the Respondent creating the Duplicate Profile for client X in the Bank's system as described above in paragraphs 38 and 39; and
  - e) the particulars of other transactions that the Respondent processed (i.e. transactions other than those described above) where it appeared that the Respondent moved monies between Bank general ledger accounts and GICs and Term Deposits that were held in client X's name, and then transferred the monies to the accounts of other individuals and to make payments on the Respondent's credit card.
46. By virtue of the foregoing, the Respondent failed to cooperate with Staff's investigation into his conduct, contrary to Mutual Fund Dealer Rule 6.2.1.

**DATED** at Toronto, Ontario this July 30, 2025.