



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

AND

LOU ALBERT CRUZ SOCO

NOTICE OF HEARING

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

The first appearance will be held by videoconference on October 22, 2025, at 10:00 am MT.

The purpose of the hearing is to determine whether the Respondent 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 the alleged contraventions are contained in the Statement of Allegations attached to this Notice of Hearing.

If the Hearing Panel finds the Respondent contravened CIRO requirements as alleged in the Statement of Allegations, the Hearing Panel may impose one or more of the following sanctions pursuant to MFD 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 MFD 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 MFD 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 MFD 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 MFD 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 September 25, 2025.

“National Hearing Officer”

NATIONAL HEARING OFFICER
Canadian Investment Regulatory Organization
40 Temperance Street, Suite 2600
Toronto, Ontario, M5H 0B4

¹ 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

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RULES AND
LOU ALBERT CRUZ SOCO**

STATEMENT OF ALLEGATIONS

Further to a Notice of Hearing dated September 25, 2025. Enforcement Staff make the following allegations:

PART I – REQUIREMENTS CONTRAVENED

Contravention 1

Between November 2021 and February 2023, the Respondent misappropriated or failed to account for monies obtained from clients, contrary to Mutual Fund Dealer Rules 2.1.1 and 2.1.4(2).

Contravention 2

Between December 2021 and January 2023, the Respondent engaged in personal financial dealings by accepting monies from clients, 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 Mutual Fund Dealer Rule 2.1.4(2).

Contravention 3

Since September 2023, the Respondent failed to cooperate with Staff's investigation into his conduct, contrary to Mutual Fund Dealer Rule 6.2.1.

PART II – RELEVANT FACTS AND CONCLUSIONS

Registration History

1. From October 28, 2019, to February 7, 2023, the Respondent was registered in Alberta as a dealing representative with PFSL Investments Canada Ltd., a dealer member of CIRO and former dealer member of the MFDA (the “Dealer Member”).
2. The Respondent was previously registered from February 25 to December 31, 2014, also in Alberta and with PFSL.
3. The Respondent resigned from the Dealer Member on February 7, 2023, and is not currently registered in the securities industry.
4. At all material times, the Respondent conducted business in and around Edmonton, Alberta.

Contravention 1 – Misappropriation or Failure to Account for Client Money

5. At all material times, the Dealer Member’s policies and procedures required its Approved Persons to be aware of the possibility of conflicts of interest arising with clients, to report any potential conflict situations to a branch manager, and to address any such conflicts by the exercise of responsible business judgment influenced only by the best interests of the client.
6. At all material times, ZM and SA were two unrelated clients of the Dealer Member whose accounts were each serviced by the Respondent.
7. Between November 2021 and March 2023, the Respondent solicited and accepted approximately \$142,750 from client ZM and approximately \$50,000 from client SA by offering lucrative investment opportunities outside of the Dealer Member (the “Purported Investments”).

8. The Respondent represented that each of the Purported Investments offered a quick and high rate of return (the “Return”) and would finance legitimate, successful businesses which the Respondent owned or was invested in.
9. The Respondent recorded the terms of some of the Purported Investments in documents which he created, described as investment contracts, and provided them to the clients. The below table summarizes these terms.

Client	Document Date	Principle	Interest	Return Promised	Return Deadline	Investment Description
ZM	2022-01-31	\$10,000	25%	\$12,500	2022-04-30	Food truck business
	2022-04-28	\$25,000	20%	\$30,000	2022-11-15	Unspecified business
	2022-05-25	\$10,000	20%	\$12,000	2022-08-31	Unspecified business
	2022-07-22	\$60,000	20%	\$72,000	2023-07-30	Auto repair business
	2022-08-30	\$10,000	20%	\$12,000	2022-11-30	Food truck
SA	2022-07-28	\$25,000	20%	\$30,000	2023-01-30	Lending business
	2022-09-30	\$15,000	20%	\$18,000	2023-07-30	Food truck
	2023-01-30	\$35,000	20%	\$42,000	2023-07-30	Lending business

10. Additionally, at the beginning of December 2022, the Respondent offered client ZM the opportunity to invest in stocks of the Dealer Member or an affiliate of the Dealer Member (the “Stocks”). The Respondent advised client ZM the Stocks were available for purchase at a special rate exclusive to certain Dealer Member staff and that client ZM, through the Respondent, could invest up to \$50,000 and receive a return of 20% to 25% by the end of the month.
11. There is no evidence that the Purported Investments or the Stocks were legitimate or that the businesses existed. Instead, all client money was deposited into the Respondent’s personal bank accounts and used for his own benefit.
12. Each time a Return was due to be paid, the Respondent persuaded each client, respectively, to “roll over” the Return into a new purported investment.
13. On or around April 30, 2022, the Respondent offered client ZM the full Return, as promised, on the first purported investment by presenting ZM with \$12,500 in cash. The Respondent persuaded ZM to immediately re-invest that Return plus another \$12,500 into ZM’s second purported investment.

14. Similarly, on or around January 30, 2023, the Respondent offered client SA the Return on SA's first purported investment and again persuaded SA to immediately re-invest the Return plus another \$10,000 into SA's third purported investment.
15. To finance the Purported Investments client ZM used savings in her bank account, monies borrowed from her line of credit, and redeemed approximately \$117,257 from four mutual fund accounts held with the Dealer Member. The Respondent processed the redemptions, and client ZM paid \$4,455 in fees on the redemptions.
16. On July 21, 2022, the Dealer Member's supervisory staff emailed the Respondent and inquired about client ZM's \$38,414.67 mutual fund redemption on July 20, 2022. The Respondent advised the Dealer Member that client ZM needed the proceeds of the redemption for personal or business reasons. The Respondent's statement was false or misleading because the Respondent spent the monies on his own personal expenses as described above.
17. On or around January 3, 2023, client ZM began demanding repayment from the Respondent.
18. The Respondent resigned from the Dealer Member on or around February 6, 2023.
19. On or around February 16, 2023, client ZM reported the Respondent's conduct to the Dealer Member, resulting in an internal investigation and complaint to Enforcement Staff of CIRO.
20. The Dealer Member's investigation uncovered additional conduct described herein, including client SA's complaint to the Respondent and personal financial dealings with the additional clients described below.

21. On or around March 30, 2023, client SA began requesting repayment from the Respondent. The Respondent met with SA in person in or around October 2023 and provided SA a signed payment plan agreement in which the Respondent agreed to repay client SA \$1,000 per month for 70 months. The Respondent made one payment at the time and has failed or refused to repay any further amounts.
22. The Respondent misappropriated or failed to account for client money and, to date, has failed to repay \$142,750 he obtained from client ZM and \$49,000 he obtained from client SA.
23. By virtue of the foregoing, the Respondent engaged in conduct that was contrary to MFDA Rules 2.1.1 and 2.1.4(2).

Contravention 2 – Personal Financial Dealings with Clients

24. Between December 2021 and January 2023, the Respondent received at least five e- transfers totaling at least \$10,100 from client DB, a client of the Dealer Member whose accounts were serviced by the Respondent.
25. In June 2022, the Respondent received at least six e-transfers totaling at least \$18,000 from client PV, a client of the Dealer Member whose accounts were serviced by the Respondent. In September 2022, the Respondent sent an e- transfer in the amount of \$2,000 to client PV.
26. By exchanging money with clients, the Respondent's conduct gave rise to a material conflict of interest which he failed to identify, report to the Dealer Member, or otherwise address in the best interests of the clients.

Contravention 3 – Failure to Cooperate

27. In July 2023 Staff commenced an investigation into the Respondent's conduct described above, during which Staff made numerous requests for information and records from the Respondent.

28. The Respondent failed or refused to provide Staff information and records during Staff's investigation into his conduct despite Staff's requests on numerous occasions.
29. On December 6, 2024, in the course of Staff's investigation, the Respondent attended an interview with Staff during which he gave several undertakings to provide information and records requested by Staff. In particular, the Staff requested that the Respondent provide information about the circumstances of the payments the Respondent received from the clients described above.
30. On December 6, 2024, Staff wrote the Respondent asking that he provide answers to the undertakings by January 6, 2025. The Respondent has not responded to Staff's request.
31. As a result of the Respondent's failure to cooperate Staff could not determine the full nature and extent of the Respondent's conduct, including the circumstances surrounding the transactions with clients DB and PV described above.
32. 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 Calgary, Alberta this September 25, 2025.