



**CIRO · OCRI**

Canadian Investment  
Regulatory  
Organization

Organisme canadien  
de réglementation  
des investissements

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

**and**

**THOMAS LEONARD KEOUGH**

**SETTLEMENT AGREEMENT**

**PART I – INTRODUCTION**

1. The Canadian Investment Regulatory Organization (“**CIRO**”)<sup>1</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 Thomas Leonard Keough (the “**Respondent**”).

**PART II – JOINT SETTLEMENT RECOMMENDATIONS**

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.

**Registration History**

4. Between July 19, 1985 and August 30, 2024, the Respondent was registered in Newfoundland and Labrador as a dealing representative with Investors Group Financial Services Inc. (the “**Dealer Member**”), a Dealer Member with CIRO (formerly a Member of the MFDA).<sup>1</sup>

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<sup>1</sup> The Respondent was also registered over various dates in Alberta, British Columbia, Nova Scotia, and Ontario.

5. The Respondent retired from the Dealer Member on August 30, 2024, and is no longer registered in the securities industry in any capacity.

6. At all material times, the Respondent conducted business in the St. John's, Newfoundland and Labrador area.

#### **Respondent's Daughter Made a Joint Accountholder with a Client**

7. 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.

8. At all material times, CO was a client of the Dealer Member whose accounts were serviced by the Respondent. During the events that are the subject of this matter, CO was over 80 years old.

9. On May 6, 2021, the Respondent opened a new non-registered account for CO, which named CO and the Respondent's daughter as joint accountholders. The Respondent also completed and submitted for processing a transfer authorization, which transferred \$405,971 in mutual funds from CO's other, solely held, non-registered accounts to the new joint account. The opening of the new account and the transfer authorization was done with CO's knowledge and authorization.

10. Due to the change of ownership of the assets caused by the transfer, the transfer authorization form required disclosure of the relationship between the existing account holders. The Dealer Member's policies and procedures permitted such transfers only where the individual account holders were immediate family members. The Respondent had recorded on the transfer authorization form that CO and his daughter were "aunt/niece". This was false as the Respondent's daughter had no relation to CO.

11. As a joint accountholder, the Respondent's daughter had a right of survivorship and so would receive CO's interest in the assets in the joint account upon CO's death, which would not form part of CO's estate.

12. The Respondent states that the purpose of making his daughter a joint accountholder with CO was in furtherance of estate planning for CO.

13. By having his daughter made a joint accountholder with CO, the Respondent's conduct gave rise to a conflict or potential conflict of interest, which the Respondent failed to disclose to the Dealer Member or address by the exercise of responsible business judgment influenced only by the best interests of the client.

#### **Respondent Made a Beneficiary of a Client's Insurance Policy**

14. At all material times, the Respondent was also the insurance advisor for CO.

15. On February 17, 2022, at the request of CO, the Respondent completed and submitted for processing a beneficiary designation form for CO's Manulife Financial life insurance policy, which named him and three other individuals as beneficiaries. The Respondent was made a 25% beneficiary. The designation was completed with CO's knowledge and authorization.

16. Under the insurance policy, the Respondent stood to receive \$25,000 upon CO's death.

17. By having himself designated a beneficiary of CO's life insurance policy, 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 client.

#### **Discovery of the Respondent's Misconduct**

18. Between September 19, 2022 and September 8, 2023, the Respondent had processed two changes to the beneficiary designations of CO's life insurance policy owing to the death of other beneficiaries. The changes did not affect the Respondent's 25% entitlement.

19. On October 18, 2023, following the latest of the changes to the beneficiary designation, Manulife Financial notified the Dealer Member of an investigation it had opened following its discovery of the Respondent's designation as a beneficiary of CO's life insurance policy.

20. The Dealer Member commenced its own investigation, which resulted in the discovery that the Respondent's daughter had been made a joint accountholder with CO.

21. The Respondent was removed as a beneficiary of CO's life insurance policy and the assets held in the joint account were transferred to an account solely owned by CO on November 6, 2023 and February 5, 2024, respectively.

22. The Dealer Member made inquiries with the Respondent's clients and major insurance companies and found no evidence that the Respondent had engaged in similar misconduct with any other clients.

#### **Additional Factors**

23. The Respondent is 79 years old and has ongoing health issues. As described above, the Respondent is retired and has no intention of returning to the mutual fund industry.

24. Neither the Respondent nor his daughter received any financial benefit as a result of the conduct described above.

25. The Respondent has not previously been the subject of a CISO (or MFDA) disciplinary proceeding.

26. By entering into this settlement agreement, the Respondent has saved CISO the time and expense of a full disciplinary hearing.

#### **PART IV - CONTRAVENTIONS**

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

- (a) Between May 14, 2021 and February 5, 2024, the Respondent had his daughter named as a joint accountholder with a client, which gave rise to a conflict or potential conflict of interest that the Respondent failed to disclose to the Dealer Member or address by

the exercise of responsible business judgment influenced only by the best interests of the client, contrary to MFDA Rule 2.1.4.

- (b) Between February 17, 2022 and November 6, 2023, the Respondent was named the beneficiary of a client's life insurance policy, which gave rise to a material conflict of interest that he failed to identify, report to the Dealer Member, or address in the best interests of the client, contrary to Mutual Fund Dealer Rule 2.1.4(2).

#### **PART V – TERMS OF SETTLEMENT**

28. The Respondent agrees to the following sanctions and costs:

- (a) the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with any CIRO Dealer Member for a period of 2 years commencing on the date the Settlement Agreement is accepted, pursuant to Mutual Fund Dealer Rule 7.4.1.1(e);
- (b) the Respondent shall pay a fine in the amount of \$18,000, pursuant to Mutual Fund Dealer Rule 7.4.1.1(b); and
- (c) the Respondent shall pay costs in the amount of \$3,500, pursuant to Mutual Fund Dealer Rule 7.4.2.

29. 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**

30. 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.

31. 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**

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

33. 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.

34. 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.

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

36. 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.

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

38. This Settlement Agreement will become available to the public upon its acceptance by the Hearing Panel and CISO will post a copy of this Settlement Agreement on the CISO website. CISO 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.

39. 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.

40. 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**

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

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

**DATED** this 16<sup>th</sup> day of October, 2025.

“Witness”  
WITNESS

“Respondent”  
THOMAS LEONARD KEOUGH

“Alan Melamud”  
ALAN MELAMUD  
Senior Enforcement Counsel on  
behalf of Enforcement Staff of the  
Canadian Investment Regulatory  
Organization

The Settlement Agreement is hereby accepted this 5<sup>th</sup> day of November, 2025 by the following Hearing Panel:

Per: “David Eaton”  
Chair

Per: “Ann Etter”  
Industry Member

Per: “Joshua Martin”  
Industry Member

**DATED** this 5<sup>th</sup> day of November, 2025.

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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.