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Canadian Investment
Regulatory
Organization

Organisme canadien
de réglementation
des investissements

**IN THE MATTER OF
THE MUTUAL FUND DEALER RULES
AND
DONALD EDWARD MCMILLAN**

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 Rule 7.3 to schedule a hearing in the matter of Donald Edward McMillan (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, January 22, 2026 at 10:00 a.m. PT

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 November 13, 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**

Further to a Notice of Hearing dated November 13, 2025. , Enforcement Staff make the following allegations:¹

PART I – REQUIREMENTS CONTRAVENED

Contravention 1

Between April 2020 and July 2023, the Respondent recommended, sold, or facilitated the sale of investments in one or more non-arm's length companies to clients and other individuals, thereby engaging in securities related business that was not carried on for the account or through the facilities of the Dealer Member, contrary to MFDA Rules 1.1.1 and 2.1.4.

Contravention 2

Between September 2019 and July 2023, the Respondent engaged in unapproved outside activities:

- (a) involving the sale of investments in one or more businesses outside of the Dealer Member; and
- (b) by incorporating a company and holding positions of officer or director in one or more companies, contrary to MFDA Rule 1.3.2.

¹ On June 30, 2021, MFDA Rules 1.1.1(a) and 2.1.4 were amended to become MFDA Rules 1.1.1(a)(ii) and 2.1.4(2) and those rules apply to the conduct that occurred after they came into effect. MFDA Rules 1.1.1(a), 2.1.4 and 1.3.2 are now incorporated into Mutual Fund Dealer Rules 1.1.1(a), 2.1.4(2), 1.3.2.

PART II – RELEVANT FACTS AND CONCLUSIONS

Overview

1. Between April 2020 and July 2023, unbeknownst to the Dealer Member the Respondent recommended, sold or facilitated the sale of approximately \$560,000 in shares of a company, Kemano CCS Inc. (“Kemano”), marketed as an industrial hemp producer, to at least six Dealer Member clients and four other individuals (the “Investment”). The clients and other individuals have lost all or substantially all of the Investment.

Registration History

2. Between April 3, 2008 and July 4, 2023, the Respondent was registered in British Columbia as a Dealing Representative with Portfolio Strategies Corporation (the “Dealer Member”).
3. Between October 3, 2011 and July 4, 2023, the Respondent was registered as a Dealing Representative in Alberta with the Dealer Member.
4. Between March 14, 2016 and July 4, 2023, the Respondent was also registered as a Dealing Representative, Exempt Market Dealer, in British Columbia and Alberta with the Dealer Member.
5. The Dealer Member terminated the Respondent’s registration on July 4, 2023, and the Respondent is currently not registered in the securities industry in any capacity.
6. At all material times the Respondent carried out business in the Vancouver, British Columbia area.

Misconduct

7. At all material times, the policies and procedures of the Dealer Member:
 - a) prohibited its Approved Persons from selling, promoting or effecting trades in products that were not offered by the Dealer Member;
 - b) required that all securities related business be conducted through the Dealer Member; and
 - c) required its Approved Persons to obtain its approval before engaging in any outside activity.
8. On September 5, 2019, individual KE incorporated Kemano, a company marketed as an industrial hemp producer.
9. In late 2019, client AM, a client of the Dealer Member whose accounts were serviced by the Respondent, approached the Respondent about an opportunity to invest in Kemano.
10. Between January 22, 2020 and February 13, 2020, and since August 12, 2020, the Respondent was as director of Kemano. Client AM was a director of Kemano since January 22, 2020 as well as being the Chief Operating Officer.
11. Beginning in September 5, 2019, individual JN was a director of Kemano and the Chief Executive Officer (“CEO”).
12. On or about February 13, 2020, the Respondent, client AM, individuals JN and KE were owners in Kemano where the Respondent had ownership interest of at least 15% in Kemano.
13. On or about February 4, 2020, the Respondent, client AM, individuals KE and JN prepared a business plan that set a goal of raising \$2 million in short term debt to fund Kemano’s commercial hemp cultivation and sale operations.

14. As set out in Kemano's business plan, the Respondent would lead the efforts to raise investment monies where investors would in return receive units or shares of Kemano and its profits (the "Investment").
15. On February 10, 2020, the Respondent and client AM incorporated NexGen Growers Incorporated ("NexGen").
16. The Respondent and client AM were both directors and 50% shareholders of NexGen.
17. NexGen was established to receive and transfer to Kemano investment monies received from investors.
18. On March 27, 2020, Kemano obtained a license to cultivate industrial hemp (the "Hemp License") which was valid until March 27, 2023.
19. Between April 2020 and August 2020, the Respondent engaged in one or more of the following activities in relation to six clients and four other individuals in respect of the Investment:
 - a) introduced the Investment;
 - b) discussed the terms and features of the Investment;
 - c) recommended the Investment;
 - d) assisted with the drafting of investment contracts for Kemano referred to as "Subscription Agreements" and other documents, including an Offer Memorandum;
 - e) made presentations, provided promotional materials and other documents about Kemano and NexGen, including the Subscription Agreements and Offer Memoranda, to them;
 - f) represented to them that they would receive a share of the profits from the Investment;
 - g) entered into the Subscription Agreement investment contracts on behalf of Kemano with clients and the other individuals;

- h) assisted the clients and other individuals to complete the investment contracts and other documentation to facilitate purchasing units or shares of Kemano; and
 - i) accepted payment from clients and the other individuals into NexGen’s bank account, and directed these payments to Kemano.
20. The Subscription Agreements, Offer Memoranda and other documents prepared and presented to the clients and other individuals contained false or misleading information which included:
- a) misrepresenting the registration and legal status of entities involved in the Investment; and
 - b) referring to agreements that did not exist.
21. The Respondent recommended, sold or facilitated the sale of the Investments to clients and other individuals totaling at least \$560,000, as follows:

Clients	Investment Amount	Investment Date
KI	\$100,000	August 19/20
MH	\$100,000	April 27/20
DJ	\$20,000	April 30/20
RK and CK	\$50,000	June 8/20
KM	\$100,000	August 22/20
SM	\$100,000	April 23/20
Total Client Monies Invested \$470,000		
Individuals	Investment Amount	Investment date
AW	\$25,000	April 27/20
BB	\$20,000	April 27/20
BM	\$20,000	April 29/20
VR	\$25,000	May 22/20
Total Individuals’ Monies Invested \$90,000		
Total investment by clients and individuals \$560,000		

22. In addition, the Respondent, client AM and individual JN each invested \$40,000 into Kemano.
23. In respect of client KI, the Respondent processed a redemption of approximately \$70,000 from the client's Tax Free Savings Account at the Dealer Member for the Investment. The Respondent indicated on the redemption form that the purpose of the redemption was home renovations which was false or misleading as the purpose of the redemption was used for the Investment.
24. On or about March 2023, Kemano's hemp crop had been lost, the Hemp License had expired and Kemano ceased operations.
25. As of June 2023, only nominal amounts remained in NexGen and Kemano's bank accounts and the Investment of \$680,000 had been expended. The clients and other individuals have lost all or substantially all of their investments.

Contravention 1

26. The Dealer Member was not aware of and did not approve of the Respondent engaging in the conduct described above, including:
 - a) preparing documents, materials and promoting the Investment;
 - b) entering into the investment contracts as described above; and
 - c) selling shares in Kemano to clients and individuals.
27. None of the sales of the Investments as described above were carried on for the account of the Dealer Member or processed through its facilities.
28. By virtue of the foregoing, the Respondent engaged in conduct contrary to MFDA Rule 1.1.1.
29. Entering into business with client AM in non-arm's length companies, Kemano and NexGen, and obtained monies from clients on behalf of Kemano which gave rise to conflicts or potential conflicts of interest, which the Respondent failed to disclose the Dealer Member or otherwise ensure was addressed by the exercise of responsible business judgment influenced only by the best interests of the clients.

30. By virtue of the foregoing, the Respondent contravened MFDA Rule 2.1.4.

Contravention 2

31. As described above the Respondent, without the Dealer Member's prior approval:

- a) Incorporated NexGen;
- b) Became a director and officer of NexGen;
- c) Became a director of Kemano.

32. By engaging in this conduct, the Respondent contravened MFDA Rule 1.3.2.

33. If the Respondent's conduct in respect of the sale of the Investments does not constitute securities related business outside the Dealer Member, then the Respondents engaged in an unapproved outside activity in respect of the sale of investments outside the Dealer Member, contrary to MFDA Rule 1.3.2.

DATED at Vancouver, British Columbia this November 13, 2025.