



CIRO · OCRI

Canadian Investment
Regulatory
Organization

Organisme canadien
de réglementation
des investissements

**IN THE MATTER OF
THE MUTUAL FUND DEALER RULES
AND
EUGENE PATRICK PALACOL**

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Canadian Investment Regulatory Organization (“CIRO”)¹ 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 Eugene Patrick Palacol (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.

Registration History

4. Since October 23, 2015, the Respondent has been registered in Ontario as a dealing representative with PFSL Investments Canada Ltd. (the “Dealer Member”), a Dealer Member of CIRO registered as a mutual fund dealer.
5. At all material times, the Respondent conducted business in the North York and Markham, Ontario areas.

TurboApps Electronic Signature Process

6. Beginning June 22, 2017, the Dealer Member implemented an electronic signature platform known as Canada Securities Turbo Applications (“TurboApps”), which permitted its Approved Persons to obtain clients’ signatures electronically on investment applications and related account documents when meeting with clients in-person or virtually.
7. To obtain a client’s signature using TurboApps, an Approved Person would provide the client with their electronic device to sign the form, or, if meeting the client virtually, email the client a link to the application form which could be accessed with a PIN provided by the Approved Person to sign the completed account form. The client would need to review the account form and confirm their consent to use an electronic signature, following which the client would sign the account form by either electronically drawing their signature on the screen, or typing their name and date of birth on the ‘Client Signatures’ section of the form and clicking a ‘sign’ button. The client would select the signature method of their choice and affix their digital signature in that manner. Once the client electronically signs the account form, TurboApps captures the signature, the date and time of signing, and emails the form to the Approved Person.
8. Under the ‘Client Signatures’ section on TurboApps, when a client selects the signature option to provide their electronic signature using the keyboard, the form states that “by typing my name and date of birth, and clicking ‘Sign’ below, I will be providing my electronic signature”.
9. After the client electronically signed the account form, the Approved Person was also required to electronically sign the account form. As with the client’s signature, TurboApps recorded the date and time of the Approved Person’s signature.
10. TurboApps documents contained a ‘Representative Acknowledgement’, which stated that by signing and submitting the application, the Approved Person certified that, among other things, they had personally seen the client and witnessed their signing of the application. Additionally, the Dealer Member’s policies and procedures, annual attestations Approved Persons were required to complete, and bulletins provided to Approved Persons prohibited signing a client’s name or signature on account forms.

The Respondent Signed a Client's Electronic Signature on Account Forms

11. At all material times, the Dealer Member's policies and procedures prohibited its dealing representatives from signing a client's signature on account forms or any documents. Pursuant to the policies and procedures, this prohibition applied even if the Approved Person signed the client's signature on the form as a matter of convenience for the client.
12. Between January 10, 2023 and September 2, 2023, without the client's knowledge or authorization, the Respondent signed the electronic signature of one client on 16 account forms and submitted the account forms to the Dealer Member for processing. The Respondent signed the client's signature on the forms by typing her name, entering her date of birth and clicking the 'sign' button on TurboApps. By signing the forms as the account representative, the Respondent acknowledged that he personally witnessed the client sign the account forms—which was untrue.
13. The account forms on which the Respondent electronically signed the client's name using TurboApps consisted of 12 account application forms and four beneficiary designation forms.
14. Two of the account forms that the Respondent signed the client's electronic signature on were used to open a new tax-free savings account ("TFSA") in the client's name without her knowledge or authorization. The Respondent stated that he opened this new TFSA for the client to replace a prior TFSA which he believed had been closed administratively following a full redemption made by the client in that prior account.
15. Eight of the account forms that the Respondent signed the client's electronic signature on contained know-your-client ("KYC") information. The Respondent recorded the client's KYC information on these forms based on the client's existing information on file for other accounts, without communicating with the client to ensure the accuracy of the information.
16. The Respondent completed and signed the client's signature on the 16 account forms to give effect to her written trading instructions, which he received by email. Twelve of the account forms were used to conduct trades.

Client Complaint and the Dealer Member's Investigation

17. The Dealer Member received a complaint from client CDJ, stating that the Respondent opened a new TFSA in her name without her knowledge or authorization.
18. In response to the client's complaint, the Dealer Member conducted a full review of all the client files maintained by the Respondent and identified the conduct described above.
19. On January 23, 2024, as part of its investigation into the Respondent's conduct, the Dealer Member sent audit letters to all clients whose accounts the Respondent serviced, along with copies of their account transaction histories, to confirm that the transactions processed in their accounts were authorized and the KYC information on file was accurate. No clients responded to the Dealer Member's audit letters.
20. On April 30, 2024, the Dealer Member issued a probationary letter to the Respondent in respect of the conduct described in the Settlement Agreement. Pursuant to the terms and conditions of the letter, the Respondent was placed on probation for a minimum six-month period, during which time all of his licensed activities and business practices were subject to close supervision to ensure compliance with all regulatory rules.
21. On November 28, 2024, the Dealer Member conducted a follow-up audit of all client files maintained by the Respondent. The Dealer Member reported that no deficiencies were found during this audit.
22. As of August 28, 2025, the Respondent remained on probation. The Dealer Member advised Enforcement Staff that no concerns or further issues have been identified during the Respondent's probationary period.

Additional Factors

23. The Respondent has not been the subject of prior MFDA or CIRO disciplinary proceedings.
24. There is no evidence of client financial loss or lack of authorization for the underlying transactions with respect to the completion of the account forms.
25. By entering into this Settlement Agreement, the Respondent has saved CIRO the time, resources, and expenses associated with conducting a contested hearing of the allegation.

PART IV – CONTRAVENTIONS

26. By engaging in the conduct described above, the Respondent committed the following contravention of CIRO requirements:
- (i) Between January 10, 2023 and September 2, 2023, the Respondent failed in his obligations regarding the proper execution of client account documents, by signing a client's signature on account forms and submitting them to the Dealer Member for processing, contrary to Mutual Fund Dealer Rule 2.1.1.

PART V – TERMS OF SETTLEMENT

27. The Respondent agrees to the following sanctions and costs:
- (i) a fine in the amount of \$15,000, pursuant to Mutual Fund Dealer Rule 7.4.1.1(b);
and
 - (ii) costs in the amount of \$3,000, pursuant to Mutual Fund Dealer Rule 7.4.2.
28. The Respondent shall in the future comply with Mutual Fund Dealer Rule 2.1.1.
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 CIRO, 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 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.
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 28th day of November 2025.

“Witness” _____
Witness

“Eugene Patrick Palacol” _____
Eugene Patrick Palacol

“Tyler Beazer” _____
Tyler Beazer
Enforcement Counsel on behalf of
Enforcement Staff of the
Canadian Investment Regulatory
Organization

The Settlement Agreement is hereby accepted this 23rd day of December, 2025 by the following Hearing Panel:

Per: "Barry Bresner" _____
Chair

Per: "Debbie Archer" _____
Industry Member

Per: "Peter Dymott" _____
Industry Member

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.