



**CIRO • OCRI**

Canadian Investment  
Regulatory  
Organization

Organisme canadien  
de réglementation  
des investissements

**IN THE MATTER OF  
THE MUTUAL FUND DEALER RULES  
AND  
FRANCO CALIGIURI**

**SETTLEMENT AGREEMENT**

**PART I – INTRODUCTION**

1. The Canadian Investment Regulatory Organization (“CIRO”)<sup>i</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 Franco Caligiuri (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.
4. Since 1999, the Respondent has been registered in British Columbia as a dealing representative with Quadrus Investment Services Ltd (“Dealer Member”), a dealer member of the Canadian Investment Regulatory Organization (“CIRO”) (formerly a Member of the MFDA).<sup>1</sup>

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<sup>1</sup> The Respondent is also registered as a dealing representative in Manitoba and Ontario.

5. At all material times, the Respondent conducted business in the Burnaby, British Columbia area.

**The Respondent Entered into a Prohibited Referral Arrangement and Made a False or Misleading Statement to the Dealer Member**

6. At all material times, the Dealer Member's policies and procedures provided that its Approved Persons were prohibited from entering directly into referral arrangements with third parties and required the Dealer Member to be a party to any referral arrangement.
7. Individual IT was registered as a dealing representative with XX Inc., which was registered as an exempt market dealer that offered private investments including exempt market products.
8. Individual IT was an acquaintance of the Respondent and, in or about 2020, the Respondent began referring clients who were interested in private investments to individual IT.
9. In or about July 2020, the Respondent entered into a verbal referral arrangement with individual IT pursuant to which the Respondent would receive compensation for referring clients to invest with individual IT.
10. The Dealer Member was not aware of, and nor was it a party to, the referral arrangement between the Respondent and individual IT.
11. Between July 2, 2020 and September 22, 2021, the Respondent referred to individual IT, 9 clients who invested a total of approximately \$349,000 in exempt market products offered by XX Inc.
12. Each of the 9 clients were clients of the Dealer Member whose accounts were serviced by the Respondent.
13. For referring clients to invest with Individual IT, Individual IT paid \$1,264 in referral fees to Capital Core Financial Inc. ("CCF"), a company owned and operated by the Respondent and another individual. CCF was a company approved by the Dealer Member through which the Respondent offered financial planning services.

14. Following the dissolution of CCF, the Respondent incorporated Wealthviser Private Wealth Corporation (“Wealthviser”). Wealthviser was a company owned and operated by the Respondent and was approved by the Dealer Member through which the Respondent offered financial planning services.
15. In July and August 2021, the Dealer Member conducted a review of the sub-branch location where the Respondent operated.
16. On August 3, 2021, as part of the sub-branch review, the Dealer Member asked the Respondent, in writing, whether he had any client referral arrangements for which he was compensated that had not been disclosed to the Dealer Member. On August 5, 2021, the Respondent answered in writing to the Dealer Member’s question: “no”.
17. The Respondent’s answer was false or misleading at the time, as the Respondent was a party to the referral arrangement with individual IT, as described above, and had received referral fees.
18. On or about September 23, 2021, the Respondent and Wealthviser entered into a written referral arrangement with individual IT and XX Inc.
19. This referral arrangement provided that individual IT would pay the Respondent fees consisting of 45 percent of the up-front commission from the gross aggregate proceeds raised in connection with the referral of any referred client after IT was paid by XX Inc.
20. The Dealer Member was not aware of and was not a party to this referral arrangement.
21. Between September 23, 2021 and November 1, 2021, the Respondent referred to IT four clients who invested \$195,000 in exempt market products offered by XX Inc.
22. Each of the four clients were clients of the Dealer Member whose accounts were serviced by the Respondent.
23. In addition to the referral fee outlined in paragraph 13, individual IT paid Wealthviser an additional \$1,645 in referral fees.

24. In total, between July 2, 2020 and November 1, 2021, the Respondent referred 13 clients to individual IT who invested a total of approximately \$544,000 in exempt market products offered by XX Inc., as described above.
25. The Respondent, through Wealthviser and CCF, received referral fees totaling approximately \$2,909.
26. On or about February 7, 2022 the Respondent terminated the referral arrangement with individual IT and XX Inc.
27. The Respondent did not disclose the referral fees he received, described above, to the Dealer Member, and the referral fees were not recorded in the Dealer Member's books and records.

#### **Additional Factors**

28. In or about early February 2022, the Dealer Member conducted an investigation into the Respondent's conduct, and at the direction of the Dealer Member, the Respondent returned referral fees in the amount of \$1,264.17 that CCF received from individual IT.
29. On February 9, 2022, at the direction of the Dealer Member the Respondent returned referral fees in the amount of \$1,645.30 that Wealthviser received from individual IT.
30. None of the clients that the Respondent referred to individual IT complained to the Dealer Member or CIRO.
31. Each year from 2014 to 2022, the Respondent completed Business Code of Conduct and Ethics courses offered by the Dealer Member, which confirmed the business practices, expected of Approved Persons including that the Dealer Member must approve all referral activities.
32. On June 21, 2022, the Dealer Member issued a disciplinary letter to the Respondent, and placed the Respondent on 6 months of close supervision until December 31, 2022. The Respondent paid close supervision fees of \$2,400 to the Dealer Member.

33. The Respondent has not previously been the subject of MFDA or CIRO disciplinary proceedings.
34. The Respondent states that he recognizes the seriousness of his conduct, is remorseful and regrets engaging in the conduct set out herein and accepts responsibility for his actions.
35. By entering into this Settlement Agreement, the Respondent has saved CIRO the time, resources, and expenses associated with conducting a contested hearing with respect to the allegations of misconduct.

#### **PART IV – CONTRAVENTIONS**

36. By engaging in the conduct described above, the Respondent committed the following contraventions of CIRO requirements: <sup>2</sup>
  - a. Between July 2, 2020 and February 7, 2022, the Respondent referred clients to an individual or company that offered for sale exempt securities, and received referral fees for doing so, thereby participating in a referral arrangement to which the Dealer Member was not a party, contrary to MFDA Rule 2.4.2(b); and
  - b. On or about August 4, 2021, the Respondent made a false or misleading statement to the Dealer Member during the course of a sub-branch review, contrary to MFDA Rule 2.1.1.

#### **PART V – TERMS OF SETTLEMENT**

37. The Respondent agrees to the following sanctions and costs:
  - a. The Respondent shall be suspended from conducting securities related business in any capacity while in the employ of or associated with any CIRO Dealer Member for a period of 1 month, commencing 4 days after the date that this Settlement Agreement is accepted by a Hearing Panel, pursuant to Mutual Fund Dealer Rule 7.4.1.1(c);
  - b. The Respondent shall pay a fine of \$15,000, pursuant to Mutual Fund Dealer Rule 7.4.1.1(b);

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<sup>2</sup> MFDA Rules 2.1.1 and 2.4.2(b) are now incorporated into Mutual Fund Dealer Rules 2.1.1 and 2.4.2(b).

- c. The Respondent shall pay costs of \$5,000, pursuant to Mutual Fund Dealer Rule 7.4.2; and
  - d. the Respondent shall in the future comply with Mutual Fund Dealer Rules 2.4.2(b) and 2.1.1.
38. 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**

39. 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.
40. 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**

41. This Settlement Agreement is conditional on acceptance by the Hearing Panel.
42. 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.
43. 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.

44. 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.
45. 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.
46. The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the Hearing Panel.
47. 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.
48. 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.
49. 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**

50. This Settlement Agreement may be signed in one or more counterparts which together will constitute a binding agreement.
51. An electronic copy of any signature will be treated as an original signature.

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

“Witness”  
Witness

“Franco Caligiuri”  
Franco Caligiuri

“Eric Chow”  
Eric Chow  
Enforcement Counsel on behalf of  
Enforcement Staff of the  
Canadian Investment Regulatory  
Organization

The Settlement Agreement is hereby accepted this 16<sup>th</sup> day of December 2025 by the following Hearing Panel:

Per: “Micheal Carroll”  
Chair

Per: “Bill Wright”  
Industry Member

Per: “Darlene Barker”  
Industry Member

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<sup>i</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.