Re Doherty

IN THE MATTER OF

The Investment Dealer and Partially Consolidated Rules

and

Emma Ruby Doherty

2026 CIRO 02

Heard: December 17, 2025 in Toronto, Ontario by videoconference

Decision: December 17, 2025
Reasons for Decision: January 5, 2026

Hearing Panel:
The Honorable Peter B Hambly, Chair
David Lang, Industry Representative
Natalie Coutu, Industry Representative

Appearances:
Joe Kelly, Enforcement Counsel

REASONS FOR DECISION ON ACCEPTANCE OF SETTLEMENT AGREEMENT

INTRODUCTION

[1] This is a settlement hearing to determine whether to accept or reject the terms of a settlement agreement dated November 21, 2025 (the "Settlement Agreement"), which has been entered into between the Enforcement staff of the Canadian Investment Regulatory Organization ("CIRO") and Emma Ruby Doherty (the "Respondent") and is attached hereto as an exhibit. At the conclusion of the hearing, the Panel found that the Settlement Agreement was within a reasonable range of appropriateness, having given consideration to the CIRO Sanction Guidelines and previous CIRO decisions. Accordingly, the Panel accepted the Settlement Agreement with written reasons to follow. These are our reasons.

BACKGROUND

[2] In July 2017, the Respondent became a registered representative with TD Waterhouse Canada Inc. ("TD Waterhouse"), a Dealer Member of CIRO, where she was employed until she was terminated in February 2024. The Respondent worked for TD Wealth Private Investment Advice, a division of TD Waterhouse. JB became a client of the Respondent in July 2020. The Respondent was required to report to TD Waterhouse that JB was a family member in accordance with a TD Waterhouse policy. The Respondent did not do this.

[3] Between March 17, 2020 and May 21, 2023, JB opened several accounts at TD Waterhouse, including TD Wealth Private Investment Advice account (the "Account"). On December 7, 2023, JB informed a TD Canada Trust ("TDCT") branch manager that JB did not recognize numerous transactions, totaling $594,520, from JB's TDCT account to a BMO credit card. JB did not have an account with BMO. On December 8, 2023, a disputed transaction claim was lodged with TDCT.

[4] The Respondent was the sole holder of the BMO credit card and had added the credit card to JB's TD online banking profile. The Respondent transferred the funds from the Account to JB's TDCT account. The Respondent obtained and used the client's TD online banking ID and password to make payments to her credit card without having any authority over the Account. JB did not use online banking platforms.

[5] On December 11, 2023, the Respondent advised TDCT that she had explained the credit card transactions to JB. On December 12, 2023, JB attended a TDCT branch regarding the disputed transactions claim and was concerned about the transactions. On December 20, 2023, JB withdrew the disputed transactions claim on the basis that the Respondent had explained the transactions.

[6] In September 2021, whilst JB was the Respondent's client, JB paid $401,289.97 towards a down payment on a property jointly owned by the Respondent and JB (the "Property"). This amount was paid from the Account. The Respondent failed to disclose this payment to TD Waterhouse. The Respondent also failed to disclose that she and JB co-owned the Property.

[7] In 2020, whilst JB was the Respondent's client, JB gifted the Respondent a motor vehicle and had a mortgage with her. The Respondent failed to disclose this to TD Waterhouse.

[8] On February 8, 2024, TD Waterhouse terminated the Respondent for cause.

[9] The Respondent committed the following contravention of CIRO requirements:

> Between July 2020 and February 2024, she engaged in personal financial dealings, contrary to Dealer Member Rule 43 (prior to January 1, 2022), and Investment Dealer Rule 3100, section 3115 (after January 1, 2022).

AGREEMENT

[10] The Respondent agrees to the following sanctions and costs:

a. fine in the amount of $25,000;

b. two-month prohibition on re-approval in any capacity with CIRO; and

c. costs in the amount of $3,000.

DISCUSSION

1. Test for Acceptance of a Settlement Agreement

[11] In *Re Donnelly* 2026 IROC 23, the respondent admitted to failing to adequately supervise a Registered Representative and the accounts of a client, contrary to IIROC Dealer Member Rules. He had a previous contravention. The hearing panel accepted agreed penalties of a fine of $30,000, a suspension from acting in a supervisory capacity for one year from the date of the acceptance of the agreement, and costs of $1,500.

[12] The panel stated the following:

> ... that it had to be satisfied regarding three considerations before it could accept the settlement agreement. First, the agreed penalties had to be within an acceptable range taking into account similar cases. Secondly, the agreed penalties had to be fair and reasonable (i.e. proportional to the seriousness of the contravention and taking into consideration other relevant circumstances) and should appear to be so to members of the public and industry. Thirdly, the agreed penalties should serve as a deterrent to the respondent and to industry.

2. Accept or Reject a Settlement Agreement

[13] There is clear authority that a panel may only accept or reject and not modify a settlement.

[14] The hearing panel in In *Re Cavalaris* 2017 IIROC 04 explained the principles as follows:

> The principles of joint submissions in criminal sentencing are relevant to joint submissions in the administrative law context. See *Rault v. Law Society of Saskatchewan*, [2009] SKCA 81 cited at para 6 of *Re Higgs*, [2010] IIROC No. 3.

[15] In *Anthony-Cook*, Moldaver J., speaking for the court, endorsed the public interest test explaining that such a test asks "whether the proposed sentence would bring the administration of justice into disrepute, or would otherwise be contrary to the public interest." (paras 5, 31 and 32). He observes that joint submissions are both "commonplace and vitally important to the well-being of our criminal justice system, as well as our justice system at large" and that, as such, they are readily approved by trial judges. (para 25) He observes, as a general rule, that the Crown and the defence counsel are "highly knowledgeable" about the relevant

circumstances and capable of arriving at fair resolutions consistent with the public interest. (para 44) He also notes the importance of joint submissions to all participants in the justice system, including the advantage of certainty to the parties, as well as the benefit that joint submissions bring in conserving the resources of the justice system. (para 40)

[16] At para 34, Moldaver J. explains that the rejection of a joint submission by a trial judge would occur only when it is in the public interest in the sense that the proposed submission is "so unhinged from the circumstances of the offence and the offender that its acceptance would lead reasonable and informed persons, aware of all the relevant circumstances, including the importance of promoting certainty in resolution discussions, to believe that the proper functioning of the justice system has broken down."

[17] The public interest test is the one applied by a Hearing Panel in the regulatory context. In *Re Bereskin*, [2010] IIROC 37, the hearing panel accepted the statement in *Re Milewski*, [1999] IDACD No. 17 concerning the public interest benefits of the settlement process. In *Milewski* at p 13, the hearing panel explained that a penalty in a "settlement agreement is likely to be at the low end of the spectrum to avoid the costs of a contested hearing and [to guarantee] a favourable result." As that decision points out, this is why the panel accepts or rejects rather than approves a settlement agreement. Settlements are to be supported as a means of encouraging negotiation and compromise to arrive at an expeditious resolution of appropriate disciplinary proceedings.

[18] Accordingly, a joint submission in the regulatory context would be rejected only where the proposal, if accepted, would lead to the conclusion that the regulatory scheme had broken down or was otherwise not in the public interest.

3. Penalties in Similar Cases

[19] In Re *Melville* 2014 IIROC 51, the respondent misappropriated client funds in excess of $2 million. A hearing panel accepted a settlement which imposed a permanent ban on registration with IIROC in any capacity, payment of a fine in the amount of $400,000 and costs in the amount of $10,000.

[20] In *Re Fairclough* 2022 IIROC 20, the respondent had been a Registered Representative since 1994 and at the time of the hearing was employed in this capacity with RBC Dominion Securities Inc. ("RBC DS"). She had accepted an appointment as an executor of the estate and the power of attorney of a client and had received a gift of $50,000 from the client all contrary to the rules of IIROC. A hearing panel accepted a settlement in which the respondent agreed to pay a fine of $17,500 and costs of $5,000.

[21] In *Re Coccimiglio* 2019 IIROC 27, the respondent was a Registered Representative for a client when he became the power of attorney for the client for Personal Care and for Property. He did not disclose this to the Dealer Member. He had other financial dealings with the client. A hearing panel accepted a settlement agreement, which required the respondent to pay a fine of $25,000 and costs of $1,000.

[22] In *Re Melville* 2014 IIROC 51, the Respondent misappropriated client funds in excess of $2 million. A hearing panel accepted a settlement, which imposed a permanent ban on registration with IIROC in any capacity, payment of a fine in the amount of $400,000 and costs in the amount of $10,000.

[23] In *Re Prusky* 2017 IIROC 43, a Registered Representative went into business with a client. He did not disclose this to his Dealer Member. The client suffered no loss. A panel accepted an agreement which required that he pay a fine of $20,000, re-write and pass the CPH exam within 12 months and pay costs of $1,000.

[24] In *Re Nagy* 2018 IIROC 51, the respondent was a Registered Representative. He recommended investments to two clients without exercising due diligence to determine that the investments were suitable for the clients. They suffered substantial losses. He also engaged in private financial dealings with clients without disclosing this to his Dealer Member. A hearing panel accepted a settlement agreement, which required that he pay a fine of $30,000 and costs of $5,000.

CONCLUSION

[25] We were concerned in this case about the lack of context and detail in the facts presented. However, we find that the penalties to which the parties have agreed meet the 3-part test in *Donnelly*. They are in an acceptable range given the results in other similar cases, are fair and reasonable and will act as deterrent. We

are also mindful that it is not our function to approve the settlement as set out in *Cavalaris* but to accept or reject it.

[26] We accept the settlement. The Respondent shall pay a fine in the amount of $25,000, costs in the amount of $3,000 and be subject to a two-month prohibition on re-approval in any capacity with CIRO.

DATED at Toronto, Ontario this 5th day of December 2026.

"Peter B. Hambly"

The Honorable Peter B. Hambly, Chair

"David Lang"

David Lang, Industry Representative

"Natalie Coutu"

Natalie Coutu, Industry Representative

CIRO · OCRI
Canadian Investment Regulatory Organization
Organisme canadien de réglementation des investissements

IN THE MATTER OF
THE INVESTMENT DEALER AND PARTIALLY CONSOLIDATED RULES AND THE DEALER MEMBER RULES
AND
EMMA RUBY DOHERTY

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Canadian Investment Regulatory Organization ("CIRO") will issue a Notice of Application to announce a settlement hearing pursuant to sections 8215 and 8428 of the Investment Dealer and Partially Consolidated Rules (the "Investment Dealer Rules") to consider whether a hearing panel should accept this Settlement Agreement between Enforcement Staff and Emma Ruby Doherty ("Doherty" or 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.

Overview

4. Between July 2020 and February 2024, Doherty engaged in personal financial dealings with a client and family member.

5. In July 2017, Doherty became a registered representative with TD Waterhouse Canada Inc. ("TD Waterhouse"), a Dealer Member of CIRO, where she was employed until she was terminated in February 2024. Doherty worked for TD Wealth Private Investment Advice, a division of TD Waterhouse.

6. In July 2020, Doherty's family member, JB, became Doherty's client. Doherty failed to report to TD Waterhouse that her client, JB, was a family member.

7. Doherty received funds and a non-monetary gift from JB whilst JB was a client of Doherty. Doherty failed to report these financial dealings to TD Waterhouse.

Failure to disclose family relationship

8. On July 14, 2020, JB became a client of Doherty, and between March 17, 2020 and May 21, 2023, opened several accounts at TD Waterhouse, including TD Wealth Private Investment Advice account 7CU786A (the "Account").

9. Doherty was required to report her personal relationship with JB to TD Waterhouse. Doherty failed to disclose the relationship.

Personal Financial Dealings

(i) Credit card transactions

10. On December 7, 2023, JB informed a TD Canada Trust ("TDCT") branch manager that JB did not recognize numerous transactions, totaling $594,520, from JB's TDCT account to a BMO credit card. JB did not have an account with BMO. On December 8, 2023, a disputed transaction claim was lodged with TDCT.

11. Doherty was the sole holder of the BMO credit card and had added the credit card to JB's TD online banking profile. Doherty transferred the funds from the Account to JB's TDCT account, following which Doherty made payments from JB's TDCT account to her credit card.

12. Doherty obtained and used the client's TD online banking ID and password to make payments to her credit card without having any authority over the Account. JB did not use online banking platforms.

13. On December 11, 2023, Doherty advised TDCT that she had explained the credit card transactions to JB. On December 12, 2023, JB attended a TDCT branch regarding the disputed transactions claim and was concerned about the transactions. On December 20,

2023, JB withdrew the disputed transactions claim on the basis that Doherty had explained the transactions.

(ii) Other financial dealings

14. In September 2021, whilst JB was Doherty's client, JB paid $401,289.97 towards a down payment on a property jointly owned by Doherty and JB (the "Property"). This amount was paid from the Account. Doherty failed to disclose this payment to TD Waterhouse. Doherty also failed to disclose that she and JB co-owned the Property.

15. In 2020, whilst JB was Doherty's client, JB gifted Doherty a motor vehicle. Doherty failed to disclose this gift to TD Waterhouse.

TD Waterhouse investigation

16. On January 4, 2024, following JB's disputed transaction claim, TD Wealth Compliance opened an investigation into Doherty's conduct (the "Investigation").

17. The Investigation revealed that the funds used in the disputed transactions originated from the Account, and that Doherty was the investment advisor for the Account. Further, the Investigation revealed that Doherty was the sole owner of the BMO credit card that received the disputed funds, and that Doherty transferred the funds using JB's online banking ID and password despite having no authority over the Account.

18. The Investigation also revealed that Doherty had not disclosed her relationship to JB, contrary to TD Waterhouse policies and procedures. Further, the Investigation determined that Doherty had not disclosed to TD Waterhouse that she had a mortgage with JB, and that JB had gifted her a car.

19. The investigation concluded that Doherty breached TD's Code of Conduct and Ethics policy and on February 8, 2024, TD Waterhouse terminated Doherty for cause.

Other facts

20. The Respondent has not been a CIRO registrant since her departure from TD Waterhouse on February 8, 2024.

21. The Respondent does not have a disciplinary history.

Conclusion

22. An Approved Person of a Dealer Member must not, directly or indirectly, engage in any personal financial dealings with clients. In receiving numerous funds and a non-monetary gift from JB, Doherty engaged in personal financial dealings.

PART IV – CONTRAVENTIONS

23. By engaging in the conduct described above, the Respondent committed the following contravention of CIRO requirements:

    i. Between July 2020 and February 2024, Doherty engaged in personal financial dealings, contrary to Dealer Member Rule 43 (prior to January 1, 2022), and Investment Dealer Rule 3100, section 3115 (after January 1, 2022).

PART V – TERMS OF SETTLEMENT

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

    a. Fine in the amount of $25,000;

    b. Two-month prohibition on re-approval in any capacity with CIRO; and

    c. Costs in the amount of $3,000.

26. If this Settlement Agreement is accepted by the hearing panel, the Respondent agrees to pay the amounts referred to above within 30 days of such acceptance unless otherwise agreed between Enforcement Staff and the Respondent.

PART VI – STAFF COMMITMENT

27. 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.

28. 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 Investment Dealer Rule 8200 against the Respondent. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement.

PART VII – PROCEDURE FOR ACCEPTANCE OF SETTLEMENT

29. This Settlement Agreement is conditional on acceptance by the hearing panel.

30. This Settlement Agreement shall be presented to a hearing panel at a settlement hearing in accordance with sections 8215 and 8428 of the Investment Dealer Rules, in addition to any other procedures that may be agreed upon between the parties.

31. 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.

32. If the hearing panel accepts this Settlement Agreement, the Respondent agrees to waive all rights under the Rules of CIRO and any applicable legislation to any further hearing, appeal and review.

33. 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.

34. The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the hearing panel.

35. 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.

36. 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.

37. 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

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

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

DATED this "21" day of "November", 2025.

"Witness"
Witness

"Emma Doherty"
Respondent

"Joe Kelly"
Joe Kelly
Enforcement Counsel on behalf of
Enforcement Staff of the
Canadian Investment Regulatory
Organization

The Settlement Agreement is hereby accepted this "17" day of "December", 2025 by the following Hearing panel:

Per: "Peter Hambly"
Chair

Per: "David Lang"
Industry Member

Per: "Natalie Coutu"
Industry Member