



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
NATIONAL BANK FINANCIAL**

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 National Bank Financial (the “Respondent” or “NBF”).

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 and Registrant Background

4. This case relates to NBF’s failure to adequately supervise the trading activity of registered representative Matthew Philip Ewing (“Ewing”) between April 2021 and August 2022, by not adequately pursuing red flags concerning (a) deficiencies in note-taking in light of Ewing’s high trade volume between April and December 2021 and (b) suitability issues, including elevated margin levels and unsuitable trading in certain client accounts, between January and August 2022.

5. Ewing was registered as an RR beginning in May 2011. First with BMO Nesbitt Burns until May 2018, then with RBC Dominion Securities Inc (“RBCDS”), where he was under internal supervision between September 2020 and January 2021.
6. Ewing was hired at NBF in March 2021 and remained employed for a year and a half until he was suspended on October 21, 2022, and then terminated on November 18, 2022.
7. NBF sought explanations from Ewing regarding his conduct at RBCDS upon hiring him and during his employment, including: (i) the circumstances under which he was placed under supervision at RBCDS; and (ii) a formal investigation opened by CIRO in August of 2021 regarding Ewing’s practices at RBCDS. Ewing provided NBF with explanations which NBF deemed reasonable in each instance.
8. At all relevant times, NBF relied upon Ewing’s explanations and assumed that his actions were *bona fide*, with regards to his prior conduct and as to his practices at NBF.
9. However, Ewing actively misled NBF. When NBF became aware of indications that Ewing had misrepresented information, it suspended him and ultimately terminated his employment.
10. In decisions dated July 31, 2025 and January 15, 2026, a CIRO Hearing Panel found that Ewing had deceived NBF and its clients and Ewing’s deception caused NBF’s supervision to be ineffective.
11. Ewing has not been registered in the industry since his termination from NBF.

Supervision of Ewing’s Note Taking

Trade Volume between April and December 2021

12. Ewing was not registered or qualified as a portfolio manager. None of the client accounts for which he was RR of record were approved as discretionary accounts by NBF.
13. During the hiring process, Ewing represented to NBF that he used model portfolios tailored to investment profiles, and that all trades were approved by clients after he contacted them with recommendations.

14. Upon being hired by NBF in March 2021, most of Ewing's clients at RBCDS chose to transfer their investment accounts to NBF.
15. These accounts arrived invested in securities and, in some cases, carrying margin debt. Ewing informed NBF that significant adjustments were required to align these transferred accounts with NBF's framework, particularly given the volatile market conditions at the time.
16. As a result, in April 2021—the first month following the transfers—Ewing generated a very high volume of trading activity. Ewing and his associate, Philip Soares ("Soares"), averaged 267 trades per day. Between May and December 2021, Ewing had eight separate trading days exceeding 200 trades.
17. The volume of activity was a red flag regarding whether Ewing obtained instructions for each of these trades.

NBF's Supervision of Ewing's Note Taking

18. Between April 2021 and December 2021, NBF conducted daily trade reviews and questioned Ewing on a number of topics, including the high volume of trading and the quality of his note taking to record client instructions. A sample of the trades/notes were reviewed and NBF questioned Ewing regarding those.
19. NBF did not sufficiently question the targeted transactions to identify potential discretionary trades, nor did they seek further explanations as to missing notes relating to the transactions. NBF further relied on Ewing's responses, which were later discovered to be inaccurate or factually incorrect.
20. For example, the April 2021 trade volume report listed 5887 trades. However, NBF asked Ewing for notes for only twelve (12) of the 5887 trades.
21. Furthermore, monthly meeting agenda minutes for the month of April 2021 referred to Ewing only executing 889 trades during that month, a number which came from a report that was filtered to nine days in April 2021.
22. The twelve (12) April 2021 notes reviewed were inadequate, and Ewing represented to NBF that each morning: he opened dozens of windows on his laptop and would enter the trade

details he wanted to execute, without sending the trade; he would then call the clients to give his recommendations; if they agreed, he or his associate Soares would simply have to hit “send” on all the trade windows.

23. The small sample size, the inadequacy of the notes reviewed and Ewing’s explanation should have raised further red flags, and caused NBF to insist upon Ewing producing client notes confirming client instructions. NBF did not do so.

Events Following CIRO Notice and Subsequent Compliance Measures

24. On August 12, 2021, IIROC (now CIRO) notified NBF that an investigation was opened against Ewing for allegations including discretionary trading.
25. As a result, NBF conducted a more thorough review of trade volume reports for Ewing covering June and July. The results showed that 49% of Ewing’s June trades reviewed did not have notes and 17% of Ewing’s July trades reviewed did not have notes.
26. On August 30, 2021, NBF sent an inquiry to Ewing based on thirteen (13) trades selected from the July 2021 report, twelve (12) of which did not have notes. Ewing did not produce the missing notes, nor any other missing notes for June or July 2021. Nevertheless, the inquiry was closed.
27. In light of the results, NBF organized a note taking meeting with Ewing and his team on October 24, 2021, in order to address this issue and promote best practices.
28. However, Ewing’s notes continued to be inadequate, as NBF noted from the December 2021 trade volume report.
29. On January 31, 2022, Ewing was asked for explanations regarding certain December trades. Ewing did not respond to the request, and NBF only followed up with him on March 7, 2022. Partial answers were not received until June 14, and September 29, 2022. Ewing never providing a full answer.

Supervision of Suitability & Margin Use

Supervision of Apparent Unsuitable Trading

30. A high proportion of Ewing's clients had concentrated positions in higher risk technology securities, and for a limited number of clients, these holdings were inconsistent with their stated account objectives.
31. On December 7, 2021, NBF noted that almost 35% of Ewing's book was invested in six high-risk securities, some of which had been negatively impacted by the highly volatile market conditions which occurred since Ewing's hiring in April 2021, and that a high number of client accounts held at least one of these higher risk securities : Intercept Pharma, Luckin Coffee Inc, Root Inc, Skillz Inc, Baidu Inc, Jumia Technologies.
32. In addition, some of Ewing's clients' equity component outweighed the firm's allowed equity percentage for their chosen investment profile.
33. NBF sent queries to prompt Ewing to address these suitability concerns. Ewing generally responded that the clients were aware that rebalancing was occurring, but in fact it did not occur, and he failed to substantively address the situation, sometimes for over nine months.
34. NBF sent a total of 21 comfort letters to Ewing's clients regarding concentration issues between September 2021 and September 2022, none of which led to clients contacting NBF.
35. NBF also sent 21 confirmation letters to Ewing's clients on December 7, 2021, and received 5 answers from clients indicating that they were fully satisfied with Ewing's services.
36. In this situation, NBF should have taken more timely and further steps to obtain proper and complete information from Ewing, in order to address apparent suitability issues.

Supervision of Excessive Margin Use

37. Upon being hired by NBF in March 2021, most of Ewing's clients at RBCDS chose to transfer their investment accounts at NBF. A lot of these accounts arrived with margin debt, which was increased by volatile market conditions in the months following his arrival.

38. The month-end margin report for April 2021 listed 61 of Ewing's client accounts using margin; by November 2021, this number had grown to 101. Margin activity included 251 margin calls in 16 days in August 2021 and 260 margin calls in 17 days in November 2021.
39. Furthermore, Ewing's margin usage remained relatively consistent from April to November 2021, yet no action was taken until December 2021. Despite some NBF personnel being aware of the number of margin calls occurring in Ewing's clients' accounts, no appropriate action was taken by NBF to analyze Ewing's account profiles or client holdings to address the issue.
40. On December 7, 2021, NBF documented concerns that Ewing had more clients using margin than any other NBF advisor, and requested explanations from Ewing for some clients using significant margin or over age 60 and using margin, giving him ten days to respond. Ewing did not provide the requested information, and no additional supervisory measures apart from the below Action Plan were imposed.
41. On December 8, 2021, NBF implemented a formal Action Plan requiring Ewing to reduce all margin usage.
42. The Action Plan required reducing margin to zero by May 30, 2022, with a minimum monthly reduction of 17%. Clients wishing to maintain margin required Regional Manager approval. Ewing continued to use margin without documented approvals.
43. Margin balances decreased by nearly half in January 2022 but fluctuated afterwards, without significant additional reduction. Ewing did not meet the Action Plan deadline of May 31, 2022. NBF extended the deadline to August 31, 2022, but seven margin accounts still remained at that time, with outstanding balances totaling \$3.5 million.
44. On October 21, 2022, Ewing was suspended from NBF.

Additional Factors

45. Over the course of his employment with NBF, Ewing actively misled NBF. NBF relied upon Ewing's explanations and assumed that his actions were *bona fide*. NBF later discovered that Ewing's explanations and representations were false in certain cases, and that Ewing had deceived NBF repeatedly in the supervision process.

46. NBF ultimately implemented an Action Plan and suspended and then terminated Ewing.
47. In connection with the supervisory failings, 28 of the clients were impacted by Ewing's conduct and were compensated.
48. NBF has spent a significant amount of time, effort and resources to review and enhance its supervision following Ewing's employment. It has implemented compliance measures to try to avoid the deficiencies that could have contributed to the failure to appropriately supervise Ewing. These measures include but are not limited to the following:
 - (i) restructuring compliance roles so that Tier 1 supervisors now oversee all activities of their assigned IAs, with certain supervisory functions reassigned to a reinforced Tier 2 team, who is in charge of providing an additional layer of thematic oversight;
 - (ii) enhancing the supervision of margin use, including the creation of a Tier 2 role responsible for firm-wide monitoring of margin activity in non-managed accounts, participating in monthly meetings with the Credit team and acting as a resource on the issue for Tier 1 supervisors; and the creation of a Tier 2 role responsible for reviewing non-managed margin account openings.
 - (iii) improving global supervisory oversight, including standardizing documentation related to RR action plans and compliance meetings, the whole to ensure that any issues are identified, progressive escalation requirements are met and if not, actioned.
 - (iv) modifying advisor recruitment procedures, including enhanced due-diligence steps, a two-tier review process, and stricter escalation and approval mechanisms for recruits presenting residual risks.
 - (v) implementing heightened monitoring of new recruits.
 - (vi) creating technological tools to improve NBF visibility on specific topics, such as firm-wide margin usage and certain risk indicators such as client account suitability factors, margin usage and losses.

PART IV – CONTRAVENTIONS

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

Between April 2021 and August 2022, National Bank Financial failed to adequately supervise Ewing with respect to note-taking and suitability, contrary to Dealer Member Rules 38.1 and 2500 (prior to January 1, 2022), and Investment Dealer and Partially Consolidated Rule 3900 (after January 1, 2022).

PART V – TERMS OF SETTLEMENT

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

- (i) A fine of \$1,000,000; and
- (ii) Costs of \$50,000.

51. 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

52. If the hearing panel accepts this Settlement Agreement, Enforcement Staff will not initiate any further action against the Respondent or its employees 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.

53. 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

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

55. 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.
56. 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.
57. 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.
58. 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.
59. The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the hearing panel.
60. 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.
61. 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.
62. 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

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

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

DATED this “17” day of “February”, 2026.

“Gabrielle Tremblay”
Witness

“David Gray”
Respondent
Per: David Gray, Senior Vice-
President, Legal Affairs
National Bank Financial Inc.

“Jennie Brodski”
Jennie Brodski
Enforcement Counsel on behalf of
Enforcement Staff of the
Canadian Investment Regulatory
Organization

The Settlement Agreement is hereby accepted this “3” day of “March”, 2026 by the following Hearing panel:

Per: “Barry Bresner”
Chair

Per: “Guenther Kleberg”
Industry Member

Per: “Christopher Hill”
Industry Member