



CIRO · OCRI

Canadian Investment
Regulatory
Organization

Organisme canadien
de réglementation
des investissements

**IN THE MATTER OF
THE MUTUAL FUND DEALER RULES
AND
MICHAEL JORDAN MACDONNELL**

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 Michael Jordan MacDonnell (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 Monday, June 15, 2026 at 10:00 a.m. ET.

The first appearance will be held at Toronto, Ontario by videoconference.

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) disgorgement of any amount obtained, including any loss avoided, as a result of committing the violation;
- (c) 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;

- (d) 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;
- (e) revocation of the authority of such person to conduct securities related business;
- (f) prohibition of the authority of the person to conduct securities related business in any capacity for any period of time; and
- (g) 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 May 8, 2026.

“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 May 8, 2026., Enforcement Staff make the following allegations:

PART I – REQUIREMENTS CONTRAVENED

Contravention 1: Between March 2024 and September 2024, the Respondent misappropriated or otherwise obtained monies from a client which the Respondent did not repay or account for, contrary to Mutual Fund Dealer Rules 2.1.1 and 2.1.4(2).

Contravention 2: Commencing in April 2025, the Respondent failed to cooperate with an investigation by CIRO Staff into his conduct, contrary to Mutual Fund Dealer Rule 6.2.1.

PART II – RELEVANT FACTS AND CONCLUSIONS

Background

1. Between October 23, 2019 and September 20, 2024, the Respondent was registered in Ontario as a dealing representative with Quadrus Investment Services Inc. (“Quadrus”), a Dealer Member of CIRO.
2. On September 20, 2024, the Respondent voluntarily resigned from the Dealer Member, and the Respondent is not currently registered in the securities industry in any capacity.

3. At all material times, the Respondent conducted business in the Toronto, Ontario area.

The Respondent Misappropriated or Obtained Monies from a Client that the Respondent Failed to Repay or Account For

4. At all material times, client NK was a client of the Dealer Member whose accounts were serviced by the Respondent.
5. On or about April 6, 2023, client NK opened a High Interest Savings Account with the Dealer Member and, over the course of several months, deposited \$315,000 into the account.¹
6. In or around March 2024, the Respondent informed client NK that he had an investment opportunity available through his corporation, MacDonnell Wealth Corp.
7. The Respondent advised client NK that she could invest in a one-year Guaranteed Investment Certificate (“GIC”) through MacDonnell Wealth Corp. that offered an 8% annual interest rate, which was a higher interest rate than what she was receiving with the Dealer Member in her High Interest Savings Account. Client NK agreed to invest in the one-year GIC.
8. On or about March 8, 2024, the Respondent completed a redemption form on behalf of client NK to redeem \$100,000 from her High Interest Savings Account at the Dealer Member, and the proceeds were deposited into client NK’s bank account.
9. The Respondent recorded in the Dealer Member’s system that the redemption was for “business needs,” which was false or misleading.
10. On or about March 13, 2024, client NK transferred the proceeds of the redemption to the Respondent’s personal bank account.

¹ Staff has referred to client NK even when transactions were completed on behalf of client NK’s corporate account.

11. On March 13, 2024 the Respondent and client NK signed an agreement, which stated the following:
 - client NK was lending the Respondent \$100,000 for a period of one year;
 - the principal, along with a guaranteed interest rate of 8% [annually], would be returned by March 13, 2025; and
 - the total sum returned to client NK would be no less than \$108,000.
12. In or around June 2024, the Respondent approached client NK and asked whether client NK wished to invest more monies through MacDonnell Wealth Corp. in an “index fund”, to which client NK agreed.
13. On or about June 19, 2024, the Respondent completed a redemption form on behalf of client NK to redeem \$200,000 from her High Interest Savings Account at the Dealer Member, and the proceeds were deposited into client NK’s bank account.
14. On or about June 21, 2024, client NK purchased a bank draft payable to the Respondent in the amount of \$200,000, and the proceeds were deposited into the Respondent’s personal bank account.
15. On June 21, 2024, the Respondent and client NK signed an agreement, which stated the following:
 - client NK was lending the Respondent \$200,000 for a period of 24 months;
 - the principal would be returned by July 1, 2026;
 - the total sum returned to client NK would be no less than \$200,000;
 - for the duration of the loan term, 6% interest per month would be paid to client NK;
 - a life insurance policy with a death benefit value of \$1 million for the life of the Respondent would have client NK assigned as beneficiary for the duration of the term; and
 - client NK reserved the right to pursue a lien against a property [that was purportedly owned by the Respondent].

16. Later that day, client NK contacted the Respondent and stated that she had changed her mind and no longer wished to invest the additional \$200,000. In response, the Respondent told client NK that if the monies remained with him for a minimum of two months, he would return the monies to her in full thereafter.
17. On September 12 and October 17, 2024, the Respondent made payments with respect to the second agreement to client NK totaling \$4,450.
18. Thereafter, client NK made numerous requests to the Respondent to return her monies, to which the Respondent was generally unresponsive, and the Respondent ultimately did not return monies as client NK requested.
19. On November 9, 2024, the Respondent advised client NK that he had lost all of her monies due to what he described as “bad investments”, and that he had been attempting to recover them.
20. There is no evidence that the monies were ever invested in a GIC or an “index fund” as the Respondent represented to client NK.
21. Instead, the Respondent used the monies that he obtained from client NK to pay his monthly bills and personal expenses, including mortgage payments and online gambling activities, with the remaining monies invested and lost primarily in penny stocks.
22. Obtaining monies from client NK, described above, gave rise to a conflict of interest that the respondent did not disclose to the Dealer Member.
23. By virtue of the forgoing, the Respondent misappropriated or otherwise obtained monies from a client which the Respondent did not repay or account for, contrary to Mutual Fund Dealer Rule 2.1.1 and 2.1.4(2).

Failure to Cooperate with Staff's Investigation

24. In or around November 2024, CIRO Staff ("Staff") commenced an investigation into the Respondent's conduct in response to a report filed by the Dealer Member on the Member Event Tracking System relating to the Respondent's conduct involving client NK, described above.
25. On April 30, 2025, Staff sent an interview request letter to the Respondent, and an interview was scheduled with the Respondent's availability for July 15, 2025.
26. On July 15, 2025, the Respondent failed to attend his interview with Staff. The following day, Staff sent a letter to the Respondent stating that a new interview was scheduled for August 13, 2025, and that if the Respondent failed to attend the interview, Staff would consider disciplinary action against the Respondent, including a fine and a permanent prohibition.
27. On August 13, 2025, the Respondent failed to attend his interview with Staff.
28. As a result of the Respondent's failure to participate in an interview with Staff, Staff has been unable to understand the full nature and extent of the Respondent's conduct.
29. By virtue of the foregoing, the Respondent failed to cooperate with Staff's investigation into his conduct, contrary to Mutual Fund Dealer Rule 6.2.1.

DATED at Toronto, Ontario this 5/8/2026