



CIRO · OCRI

Canadian Investment
Regulatory
Organization

Organisme canadien
de réglementation
des investissements

**IN THE MATTER OF
THE MUTUAL FUND DEALER RULES
AND
OSAMA NAVAIID**

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 Osama Navaid (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 29, 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 12, 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 12, 2026, Enforcement Staff make the following allegations:

PART I – REQUIREMENTS CONTRAVENED

Contravention: In or around May 2024, the Respondent misappropriated or otherwise failed to account for client monies, contrary to Mutual Fund Dealer Rules 2.1.1 and 2.1.4(2).

PART II – RELEVANT FACTS AND CONCLUSIONS

Background

1. Between September 19, 2023 to July 24, 2024, the Respondent was registered in Ontario as a dealing representative with Scotia Securities Inc. (“Scotia”), a Dealer Member of CIRO.¹
2. On or about July 24, 2024, the Dealer Member terminated the Respondent’s registration because of the conduct described herein, and the Respondent is not currently registered in the securities industry in any capacity.

¹ Between January 24, 2017 to September 30, 2019, the Respondent was also registered as a dealing representative with Scotia and voluntarily resigned.

3. At all material times, the Respondent conducted business at a branch of the Dealer Member located in Burlington, Ontario (the “Branch”).
4. At all material times, the Respondent was also an employee of the Bank of Nova Scotia (the “Bank”), which is affiliated with the Dealer Member and which operated a Bank branch at the same premises as the Branch.

The Respondent Misappropriated or Failed to Account for Client Monies

5. At all material times, client GC was a client of the Dealer Member whose accounts were serviced by the Respondent. At all material times, client GC was 79 years old and retired.
6. On or about May 4, 2024, a Guaranteed Investment Certificate (“GIC”) held by client GC in a non-registered account at the Bank was set to mature.
7. Client GC instructed the Respondent to reinvest the proceeds of the maturing GIC, together with an additional \$5,000 from client GC’s chequing account, into a new GIC.
8. On or about May 4, 2024, the Respondent approached an employee at the Bank and requested that they withdraw \$5,000 in cash from client GC’s chequing account. Without client GC’s knowledge and authorization, the Respondent took the monies and did not invest them as requested.
9. The cash withdrawal was processed in the absence of client GC using a debit memo which did not include client GC’s signature, contrary to the Bank’s policies and procedures.
10. Client GC discovered that the monies were missing and had not been invested in a new GIC as he had instructed. Client GC repeatedly attempted to speak with the Respondent regarding the missing monies and attended at the Branch to report the monies missing from his account.

11. Client GC spoke with an employee at the Bank, who informed client GC that the monies had been withdrawn as cash, prompting client GC to wait to speak to the Respondent. The Respondent was not at the Branch on the day that client GC attended.
12. On May 21, 2024, an employee at the Bank left a note for the Respondent to call client GC, as he wanted to speak to the Respondent about his investments.
13. On May 23, 2024, the Respondent processed a credit to client GC's GIC in the amount of \$5,000 and offset the transaction using a debit from the Bank's Contra account, leaving the credit portion of the Contra account outstanding.
14. The Bank discovered that there was an outstanding Contra balance, and, a few days later, the Branch Manager attempted to contact the Respondent to determine what had happened to the missing monies.
15. After the Bank questioned the Respondent regarding the missing monies, the Respondent provided \$5,000 to a Bank employee to deliver to the Respondent's Branch Manager to compensate for the missing monies. The Branch Manager declined to accept the monies.
16. An investigation was conducted regarding the Respondent's conduct described above, and on or about July 24, 2024, the Respondent's registration was terminated.
17. By virtue of the forgoing, the Respondent misappropriated or otherwise failed to account for client monies, contrary to Mutual Fund Dealer Rules 2.1.1 and 2.1.4(2).

DATED at Toronto, Ontario this 12th day of May, 2026.