Re Scotia Securities Inc.

In the matter of:

The Mutual Fund Dealer Rules

and

Scotia Securities Inc.

2026 CIRO 29

Canadian Investment Regulatory Organization
Hearing Panel (Ontario District)

Heard: August 6, 2026, in Toronto, Ontario (via videoconference)
Decision: August 6, 2026
Reasons for Decision: September 15, 2026

Hearing Panel:
Thomas J. Lockwood, K.C., Chair
Guenther Kleberg, Industry Representative
Colleen Wright, Industry Representative

Appearances:
Samantha Wu, Senior CIRO Enforcement Counsel
Tyler Beazer, CIRO Enforcement Counsel
Maureen Doherty, for Scotia Securities Inc.
David Di Paolo, for Scotia Securities Inc.
Rebecca Flynn, for Scotia Securities Inc.
Brent Currie, President and CEO of Scotia Securities Inc.

Reasons for Decision

I. INTRODUCTION

[1] By Notice of Settlement Hearing, dated July 9, 2026, the Canadian Investment Regulatory Organization (**CIRO**) advised that Enforcement Staff would bring an Application before the Hearing Panel, on August 6, 2026, requesting that it accept a settlement agreement entered into between Enforcement Staff and Scotia Securities Inc. (**the Respondent**). The formal Settlement Agreement is dated June 30, 2026.

[2] The Notice of Settlement Hearing and the Settlement Agreement comply in full with MFD Rule 7.4.4 and Rules 14 and 15 of the MFD Rules of Procedure.

[3] At the Settlement Hearing, the Hearing Panel carefully considered the provisions of the Settlement Agreement. The Hearing Panel was aware that in December of 2022, the Respondent had appeared before a Hearing Panel as a result of its failure to implement adequate systems of controls and supervision in certain key areas[1].

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[1] *Re Scotia Securities Inc.* 2023 CIRO 15

[4] The Hearing Panel received extensive written and oral submissions both as to the applicable law and why this particular Settlement Agreement met the appropriate criteria. The Hearing Panel also received certain oral assurances from the President and Chief Executive Officer of the Respondent.

[5] In the Settlement Agreement, the Respondent agreed to the following sanctions and costs:

(a) a fine of $275,000, pursuant to Mutual Fund Dealer Rule 7.4.1.1(b), payable in certified funds on the date that the Settlement Agreement is accepted by a Hearing Panel;

(b) costs of $10,000, pursuant to Mutual Fund Dealer Rule 7.4.2, payable in certified funds on the date that the Settlement Agreement is accepted by a Hearing Panel; and

(c) the Respondent shall in the future comply with Mutual Fund Dealer Rules 1.4(a), 2.5.1, 2.11, 300 and 600.

[6] After hearing the oral submissions of the parties, the Hearing Panel retired to consider whether we were in a position to accept the Settlement Agreement on the basis of the material before us. After carefully considering the Settlement Agreement, as well as the written and oral submissions of the parties and the oral assurances of the President and Chief Executive Officer of the Respondent, the Hearing Panel unanimously accepted it. We so advised the parties and, subsequently, executed the Settlement Agreement. We also advised the parties that our written Reasons for Decision would follow. These are those Reasons.

II. <u>SETTLEMENT AGREEMENT</u>

[7] The Settlement Agreement is attached hereto and marked as Appendix “A”. In the Settlement Agreement, the Respondent admitted that:

(i) Between June 2022 and May 2024, it failed to implement adequate policies, procedures and internal supervisory controls to ensure it complied with its reporting and complaint handling obligations, contrary to Mutual Fund Dealer Rules 1.4(a), 2.5.1, 2.11, 300 and 600; and

(ii) Between July 2023 and June 2024, it failed to implement adequate policies, procedures and internal supervisory controls to ensure it complied with its complaint handling and supervisory investigations obligations, contrary to Mutual Fund Dealer Rules 2.5.1, 2.11 and 300.

[8] As a result of the above, some complaints from clients of the Respondent (**Complaints**) regarding their accounts or conduct of the Respondent’s Approved Persons, were erroneously recorded onto the complaints system of the bank affiliated with the Respondent by branch and contact centre staff. Consequently, these Complaints were not reported to CIRO or handled by the Respondent in accordance with Mutual Fund Dealer Rules 300 and 600. In addition, the Respondent’s complaints department did not contact clients during investigations of some Complaints, in accordance with the Respondent's policies and procedures and Mutual Fund Dealer Rule 300.

[9] In May 2024, the Respondent initiated an investigation to identify the Complaints that were erroneously recorded onto the bank’s complaint system. In June 2024, the Respondent reported to CIRO that it had failed to report these Complaints on METS or handle them in accordance with its complaint ranking requirements.

[10] The Respondent then voluntarily implemented a number of investigatory and corrective measures. It delivered substantive written responses to the clients affected by the Complaints. It compensated and offered compensation in accordance with proper complaint handling requirements. It published relevant communications on an intranet site for branch compliance materials. It provided appropriate training for both its Approved Persons and bank staff.

[11] With respect to the failure to contact clients during the investigation of complaints, the Respondent voluntarily implemented a number of investigatory and corrective measures. It re-assessed a number of Complaints and contacted, or attempted to contact, a number of clients for further clarification or information gathering. It compensated a number of clients and offered to compensate others. It updated its policies and procedures with respect to contacting clients and provided appropriate training to its complaints department. It also conducted, and continues to conduct, regular compliance reviews of the end-to-end complaint handling process.

III. PRINCIPLES AND FACTORS REGARDING THE ACCEPTANCE OF SETTLEMENT AGREEMENTS

[12] Investor protection is the primary goal of securities regulation. Settlements play an important and necessary role in meeting this objective[2].

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[13] In our view, the role of a hearing panel in a settlement hearing is not the same as its role in making a penalty determination after a contested hearing. In a contested hearing, the hearing panel attempts to determine the correct penalty. In a settlement hearing, the hearing panel takes into account the settlement process itself and the fact that the parties have agreed to the penalties set out in the settlement agreement. In our view, a hearing panel should not interfere in a negotiated settlement and should not reject a settlement agreement unless it views the penalty as clearly falling outside a reasonable range of appropriateness.

[14] Previous hearing panels have determined the factors which should be considered in determining whether a settlement agreement should be accepted. These include the following:

(i) Whether acceptance of the settlement agreement would be in the public interest and whether the penalty imposed will protect investors.

(ii) Whether the settlement agreement is reasonable and proportionate, having regard to the conduct of the Respondent as set out in the settlement agreement.

(iii) Whether the settlement agreement addresses the issues of both specific and general deterrence.

(iv) Whether the proposed settlement will prevent the type of conduct described in the settlement agreement from occurring again in the future.

(v) Whether the settlement agreement will foster confidence in the integrity of the Canadian capital markets.

(vi) Whether the settlement agreement will foster confidence in the integrity of CIRO.

(vii) Whether the settlement agreement will foster confidence in the regulatory process itself[3].

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[15] Previous hearing panels have also identified a number of additional factors which should be considered when determining whether the penalty sought to be imposed is appropriate. These include:

(a) The seriousness of the allegations proved against the Respondent.

(b) The Respondent's past conduct, including prior sanctions.

(c) The Respondent's experience in the capital markets.

(d) The level of the Respondent's activity in the capital markets.

(e) Whether the Respondent recognizes the seriousness of the improper activity.

(f) The harm suffered by investors as a result of the Respondent's activities.

(g) The benefits received by the Respondent as a result of the improper activity.

(h) The risk to investors and the capital markets in the jurisdiction, were the Respondent to continue to operate in capital markets in the jurisdiction.

(i) The damage caused to the integrity of the capital markets in the jurisdiction by the Respondent's improper activities.

(j) The need to deter not only those involved in the case being considered, but also any others who participate in the capital markets, from engaging in similar improper activity.

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[2] *Pezim v. British Columbia (Superintendent of Brokers),* [1994] 2 S.C.R. 557, at paras. 59 and 68

[3] *Re Jacobson,* MFDA File No. 200712, at para. 68

(k) The need to alert others to the consequences of inappropriate activities to those who are permitted to participate in capital markets.

(l) Previous decisions made in similar circumstances[4].

[16] When determining whether a penalty agreed upon by the parties is appropriate, the Hearing Panel may also consider the CIRO Sanction Guidelines (**Guidelines**), which came into effect on February 1, 2024. The Guidelines set out general principles which should be considered in connection with a proposed settlement agreement, as well as some key factors commonly reviewed when considering the appropriateness of the sanctions. The Guidelines' principles state that sanctions should be significant enough to prevent and discourage future misconduct by a particular respondent (**specific deterrence**) and to deter others from engaging in similar mistakes (**general deterrence**). General deterrence can be achieved if a sanction strikes an appropriate balance by addressing a registrant's specific misconduct but is also in line with industry expectations.

IV. CONSIDERATIONS IN THE PRESENT CASE

[17] CIRO Enforcement Staff made very detailed written and oral submissions as to how these principles and factors applied to the case before us. These included the following:

A. Nature of the Misconduct

[18] We agree with the submission of Enforcement Staff that the failure by the Respondent to report and handle 371 complaints for nearly two years is serious misconduct. Failure to report undermines the regulatory and supervisory system that is meant to protect the public and investors. When a Dealer Member fails to promptly report complaints, misconduct may go undetected and Dealer Member supervision and complaint handling goes unexamined.

[19] Likewise, the Respondent's failure to contact clients during the investigation of 128 complaints for nearly a year is serious misconduct. This type of conduct fails investors and is inconsistent with the public interest.

B. Deterrence

[20] Deterrence is intended to capture both specific deterrence of the wrongdoer, as well as general deterrence of other participants in the capital markets, in order to protect investors. In light of the significant pro-active steps taken by the Respondent, which are fully detailed in the Settlement Agreement, we believe that the fine, in the amount of $275,000, along with a payment for costs in the amount of $10,000, will have a specific deterrent effect on the Respondent and a general deterrent effect on others in the industry.

C. Respondent's Prior Disciplinary History

[21] The Respondent previously entered into a Settlement Agreement with Staff, that was accepted by a Hearing Panel in December of 2022, concerning misconduct that is unrelated to the contraventions admitted in this case.

D. Respondent Voluntarily Employed Corrective Measures to Avoid Recurrence of Misconduct

[22] The Respondent undertook multiple steps to enhance its policies, procedures and internal supervisory controls to avoid a recurrence of the misconduct.

E. The Respondent Made Voluntary Acts of Compensation to Affected Clients

F. The Respondent Provided Proactive Co-Operation to CIRO in the Investigation of the Misconduct, and Accepted Responsibility for and Acknowledged Misconduct to CIRO Prior to Detection and Intervention

G. Recognition by the Respondent of the Seriousness of the Misconduct

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[4] *Re Headley,* MFDA File No. 200509, at para. 85

[23] By entering into the Settlement Agreement, the Respondent has accepted responsibility for its misconduct and has saved CIRO the time, resources and expenses associated with conducting a contested hearing on the allegations.

H. Previous Decisions Made in Similar Circumstances

[24] Staff provided the Hearing Panel with a detailed chart seeking to show that the proposed resolution is within the reasonable range of appropriateness with regard to other decisions made by Hearing Panels in similar circumstances.

[25] The following cases were discussed:

(a) *Re TD Investment Services Inc.* CIRO 38.

(b) *Re Sterling Mutuals Inc.*, 2016 LNCMFDA 77.

(c) *Re Worldsource Financial Inc.*, 2017 LNCMFDA 164.

V. DECISION

[26] After a thorough review of the factors by which we should be guided, and the facts of this case, as reflected in the Settlement Agreement, we were, unanimously, of the view that this Settlement Agreement was reasonable and in the public interest and should be accepted by the Hearing Panel. We so informed the parties at the conclusion of the Settlement Hearing.

DATED at Toronto, Ontario this 15th day of September, 2026.

"Thomas J. Lockwood"

Thomas J. Lockwood, K.C., Chair

"Guenther Kleberg"

Guenther Kleberg, Industry Representative

"Colleen Wright"

Colleen Wright, Industry Representative

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Canadian Investment Regulatory Organization
Organisme canadien de réglementation des investissements

IN THE MATTER OF

THE MUTUAL FUND DEALER RULES

AND

SCOTIA SECURITIES INC.

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Canadian Investment Regulatory Organization ("CIRO")[i] 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 Scotia Securities Inc. (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. As discussed in more detail below, some complaints from clients of the Respondent regarding their accounts or conduct of the Respondent's Approved Persons were erroneously recorded onto the complaints system of the bank affiliated with the Respondent (the "Bank") (the "Complaints") by branch and contact centre staff ("Bank Staff"). Consequently, these Complaints were not reported to CIRO or handled by the Respondent in accordance with

Mutual Fund Dealer Rules 300 and 600. The Respondent failed to implement adequate policies, procedures, and internal supervisory controls to ensure it complied with its reporting and complaint handling obligations.

5. Additionally, the Respondent's complaints department did not contact clients during investigations of some complaints in accordance with the Respondent's policies and procedures and Mutual Fund Dealer Rule 300. The Respondent failed to implement adequate policies, procedures, and internal supervisory controls to ensure it complied with its complaint handling and supervisory investigations obligations.

Registration History

6. The Respondent is registered in all Canadian provinces and territories as a mutual fund dealer, and has been a Dealer Member of CIRO (formerly, a Member of the MFDA) since November 2001.

Failure to Report and Handle Complaints

7. At the material time, the Respondent's policies and procedures required:

   (a) reporting complaints to the Respondent's complaints department within two business days;

   (b) recording complaints on the Respondent's complaints log;

   (c) reporting complaints on the Member Event Tracking System ("METS") in accordance with MFDA Policy No. 6, now Mutual Fund Dealer Rule 600; and

   (d) handling of complaints by compliance officers in the Respondent's complaints department.

8. Branch compliance officers and branch managers of the Respondent were instructed and expected to document complaints on the Respondent's complaint form and email it to the Respondent's complaints department for complaint handling.

9. In or around June 2022, the Bank implemented a complaints system to address complaints made to the Bank.

10. From June 2022 until May 2024, Bank Staff (who were dealing representatives registered with the Respondent, as well as other individuals who were not registered in the securities industry) erroneously recorded some complaints of the Respondent's clients regarding their accounts or conduct of the Respondent's Approved Persons onto the Bank's complaints system (defined as the "Complaints" at paragraph 4) and therefore the Complaints were handled by the Bank in accordance with the Bank's own complaint handling process. As a result, the Respondent did not receive these Complaints, report the Complaints on METS, or handle them in accordance with its complaint handling requirements. However, these complaints were addressed by the Bank.

11. At the material time, the Respondent did not have supervisory procedures or conduct supervisory reviews to ensure that Bank Staff were not erroneously recording the Complaints onto the Bank's complaints system.

12. In April 2024, during an evaluation of how complaints were being received, the Bank discovered that Bank Staff were erroneously recording the Complaints onto the Bank's complaints system and handling them in accordance with the Bank's complaint handling process as opposed to the Respondent's process.

13. In May 2024, the Respondent initiated an investigation to identify the Complaints that were erroneously recorded onto the Bank's complaints system, and in June 2024, reported to CIRO that it failed to report these Complaints on METS or handle them in accordance with its complaint handling requirements.

14. The Respondent voluntarily implemented the following investigatory and corrective measures:

    (a) identified 371 Complaints that were erroneously recorded onto the Bank's complaints system, and retained external counsel to reassess them. Most of the Complaints were recorded onto the Bank's complaints system by the Respondent's Approved Persons;

    (b) reported the 371 Complaints on CIRO's Complaints and Settlement Reporting System ("COMSET"), which replaced METS. The Respondent categorized the Complaints as involving the following alleged conduct engaged in by its Approved Persons and the Respondent:

        (i) delays - transfers, withdrawals;

(ii) service, business standards;

(iii) unsuitable investments;

(iv) misrepresentation;

(v) breach of client confidentiality;

(vi) TFSA/RRSP overcontribution;

(vii) discretionary trading;

(viii) commissions/fees;

(ix) securities related business outside the Member;

(x) books/records/client reporting;

(xi) handling of funds;

(xii) know your product; and

(xiii) pressure to buy mutual funds;

(c) delivered substantive written responses to the clients affected by the 371 Complaints;

(d) compensated 105 clients a total of $58,780.17, and offered to compensate 10 other clients a total of $15,395.11 in accordance with complaint handling requirements;[1]

(e) published communications on an intranet site for branch compliance materials regarding the following:

(i) submitting a complaint to the Respondent's complaints department, including documenting the complaint in the Respondent's complaint form for the branch's compliance officer's review, and the branch compliance officer emailing the complaint form to the Respondent's complaints department for complaint handling;

(ii) prohibiting recording complaints that should be handled by the Respondent on the Bank's complaints system; and

[1] Regarding the 10 clients who have not been compensated, they did not respond to the Respondent's substantive written responses and follow-up communications, or failed to sign releases on which payments were contingent. None have asked for additional compensation.

(f) provided training for:

(i) its Approved Persons regarding recording complaints and submitting them to the Respondent's complaints department; and

(ii) Bank Staff regarding the Respondent's complaint handling process and obligations to report complaints on COMSET.

15. Additionally, the Bank implemented technical changes in its complaints system to prevent the entry of complaints regarding clients' accounts at the Respondent and investments with the Respondent.

16. Also, if an account at the Respondent or "Investment" was selected as a complaint category, the Bank's complaints system:

(a) required cancellation of the entry and confirmation that the client complaint was submitted to the Respondent's complaints department; and

(b) generated a reminder to email client complaints to the Respondent's complaints department.

17. Additionally, a process of regular review of reports from the Bank's complaints system was implemented to identify, report, and handle complaints of the Respondent's clients.

18. The Respondent represents that as of April 2026, the Bank has changed its complaints system to enable automatic rerouting of complaints of the Respondent's clients to the Respondent's complaints department.

Failure to Contact Clients during Investigations of Complaints

19. At the material time, the Respondent's policies and procedures set out requirements regarding contacting complainants during investigations of complaints, including when:

(a) allegations and specific details of complaints required clarification;

(b) complaints exposed the Dealer Member to a "higher risk". Such complaints could include allegations of serious misconduct;

(c) complaints involved allegations of serious misconduct and the affected clients were senior or vulnerable; or

(d) the complainant requested a call.

20. In June 2024, the Respondent reported to CIRO that it had failed to contact clients during investigations of some complaints. This failure occurred in or around 2023 and 2024.

21. The Respondent voluntarily implemented the following investigatory and corrective measures:

(a) determined whether the Respondent's complaints department contacted clients during investigations of complaints. The Respondent found that between July 2023 and June 2024, the Respondent failed to contact clients in accordance with its policies and procedures during investigations of 128 complaints;

(b) reassessed the 128 complaints to determine whether they were adequately remediated, and determined 67 complaints required contact with the client for further clarification or information gathering;[2]

(c) contacted or attempted to contact the 67 clients. The Respondent was able to contact 44 clients;[3]

(d) compensated 10 clients a total of $70,613, and offered to compensate two clients a total of $4,500 in accordance with complaint handling requirements.[4] These clients' complaints concerned the following allegations:

(i) delays in processing redemptions, estates, and powers of attorney;

(ii) disclosures regarding tax implications of withdrawing from registered accounts;

(iii) information regarding investments provided by the Respondent's Approved Persons;

(iv) unauthorized trading;

[2] Complaints that did not require contact with the client fell into the following categories: a) the complaint was withdrawn, b) the complaint was resolved, c) the complainant accepted compensation, d) the client had already been contacted in a related complaint, e) the client had redeemed their investment, and f) the complaint fell under the purview of the Autorité des Marchés Financiers.

[3] Regarding the other 23 clients, they did not respond to the Respondent's call or emails, or declined to speak with the Respondent.

[4] Regarding the two clients who have not been compensated, one client declined to sign a release on which payment was contingent. The other client declined the Respondent's compensation offer for reasons unrelated to the amount offered. Neither have asked for additional compensation.

(v) misrepresentation; and

(vi) unsuitable investments;

(e) updated its policies and procedures to clarify requirements regarding when complainants must be called, including when:

(i) complaints concerned serious misconduct; and

(ii) the clients involved in the complaints were seniors;

The updated policies and procedures also required approval before making an exception to the policies and procedures;

(f) provided training for the Respondent's complaints department on the Respondent's policies and procedures, including on contacting clients;

(g) provided various tools (e.g. checklists, notetaking templates, call trackers) for the Respondent's complaints department to ensure that clients were being contacted in accordance with the Respondent's policies and procedures; and

(h) implemented mandatory review of all substantive written responses to clients, except for those responding to transfer delay complaints, by the Respondent's Chief Compliance Officer.

22. The Respondent also conducts regular compliance reviews of the end-to-end complaint handling process.

Additional Factors

23. To the extent any of the reporting, complaint handling, and supervisory investigations failures described above raised other regulatory concerns involving the Respondent's Approved Persons, they have been addressed by CIRO.

24. By entering into this Settlement Agreement, the Respondent has accepted responsibility for its misconduct and saved CIRO the time, resources, and expenses that would have been necessary to conduct a contested hearing of the allegations.

25. The Respondent has been granted credit (a 30% reduction of the fine Enforcement Staff would otherwise have sought) for cooperation for self-identifying the reporting, complaint handling, and supervisory investigations failures described above at paragraphs 7 to 18, conducting an investigation of all the reporting, complaint handling, and supervisory investigations failures described above, and providing a copy of the results of its internal investigation to CIRO.

PART IV – CONTRAVENTIONS

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

(i) Between June 2022 and May 2024, the Respondent failed to implement adequate policies, procedures, and internal supervisory controls to ensure it complied with its reporting and complaint handling obligations, contrary to Mutual Fund Dealer Rules 1.4(a), 2.5.1, 2.11, 300, and 600;[5] and

(ii) Between July 2023 and June 2024, the Respondent failed to implement adequate policies, procedures, and internal supervisory controls to ensure it complied with its complaint handling and supervisory investigations obligations, contrary to Mutual Fund Dealer Rules 2.5.1, 2.11, and 300.

PART V – TERMS OF SETTLEMENT

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

(i) a fine of $275,000, pursuant to Mutual Fund Dealer Rule 7.4.1.1(b), which shall be payable in certified funds on the date that this Settlement Agreement is accepted by a Hearing Panel; and

(ii) costs of $10,000, pursuant to Mutual Fund Dealer Rule 7.4.2, which shall be payable in certified funds on the date that this Settlement Agreement is accepted by a Hearing Panel.

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[5] Staff alleges that prior to amalgamation of the Investment Industry Regulatory Organization of Canada and the MFDA on January 1, 2023, the Respondent contravened MFDA Rules 1.4(a), 2.5.1, and 2.11 and MFDA Policy Nos. 3 and 6, which are now incorporated into Mutual Fund Dealer Rules 1.4(a), 2.5.1, 2.11, 300, and 600.

28. The Respondent shall in the future comply with Mutual Fund Dealer Rules 1.4(a), 2.5.1, 2.11, 300, and 600.

29. 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

30. 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.

31. 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

32. This Settlement Agreement is conditional on acceptance by the Hearing Panel.

33. 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.

34. 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.

35. 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.

36. 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.

37. The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the Hearing Panel.

38. 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.

39. 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.

40. 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

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

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

DATED this 30th day of June, 2026.

“Witness”

Witness

“Representative for the Respondent”

Scotia Securities Inc.

“Sam Wu”

Sam Wu
Enforcement Counsel on behalf of Enforcement Staff of the Canadian Investment Regulatory Organization

The Settlement Agreement is hereby accepted this 6th day of August, 2026 by the following Hearing Panel:

Per: "Thomas Lockwood”
Chair

Per: “Guenther Kleberg”
Industry Member

Per: “Colleen Wright”
Industry Member

[i] 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.