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

ARTHUR SILBER

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 Arthur Silber (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. During the Relevant Period, JK was a client of the Respondent.

5. From June 2021 to December 2022, the Respondent gave his client JK 13 cheques for a total of $4,730,000, to compensate losses incurred by JK in his accounts handled by the Respondent.

6. From September 2020 to December 2022, the Respondent recognized having executed numerous discretionary trades in the accounts of his client JK.

Background

7. The Respondent has been a Registered Representative with CIRO and its predecessors since October 1979.

8. From January 1990 to June 2023, the Respondent was registered with CIBC World Markets Inc. (CIBCWM).

9. Since June 16, 2023, the Respondent is no longer registered with any CIRO dealer member.

10. The Respondent had no prior disciplinary history with CIRO or its predecessors.

Relevant facts

Client JK

11. JK was a client of the Respondent for many years, including for the period the Respondent was registered with CIBCWM.

12. Pursuant to client profile updates completed in 2019 and 2021, JK was born in 1950, worked as a doctor with an investment knowledge listed as “good”. He had multiple accounts with the Respondent, including margin accounts.

13. JK’s stated total annual income was then $250,000, with liquid assets and net fixed assets estimated at $4,000,000 and $1,000,000 respectively.

Personal financial dealings

14. From June 2021 to December 2022, the Respondent gave his client JK at least 13 cheques, for a total amount of $4,730,000:

Cheque Date	Deposit Date	Amount
2021-06-01	2021-06-02	$95,000
2021-09-01	2021-09-10	$95,000
2021-12-01	2021-12-06	$95,000
2022-01-11	2022-01-12	$250,000
2022-01-18	2022-02-02	$250,000
2022-01-28	2022-02-09	$250,000
2022-02-01	2022-02-16	$250,000
2022-06-01	2022-06-01	$97,500 (NSF – item returned)
2022-07-18	2022-07-28	$97,500
2022-11-07	2022-11-14	$250,000
2022-11-14	2022-11-16	$1,000,000
2022-11-21	2022-11-23	$1,000,000
2022-12-12	2022-12-15	$1,000,000

15. Even though the Respondent tried to present these as a loan to his client JK, these cheques served in fact to compensate losses incurred by this client in his accounts with the Respondent.

16. For 2021 and 2022, the losses incurred by client JK in his margin accounts exceeded $10,000,000.

17. The Respondent and client JK have since agreed on a compensation for the losses incurred in his accounts.

Discretionary trading

18. Client JK's accounts with the Respondent were not approved as discretionary accounts.

19. Notwithstanding this, the Respondent has admitted he did not seek specific authorization from his client JK for each trade and thus, exercised discretion for most of the trades entered for JK's accounts.

20. From September 2020 to December 2022, the Respondent entered 1,318 trades in his client JK's margin accounts.

PART IV – CONTRAVENTIONS

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

    (i) From June 2021 to December 2022, the Respondent engaged in personal financial dealings with a client by paying for losses incurred by the latter in his accounts, contrary to Dealer Member Rule 43 (prior to January 1, 2022) and Investment Dealer Rule 3100 (after January 1, 2022).

    (ii) From September 2020 to December 2022, the Respondent engaged in discretionary trading in the accounts of a client, contrary to Dealer Member Rule 1300.4 (prior to January 1, 2022) and Investment Dealer Rule 3221 (after January 1, 2022).

PART V – TERMS OF SETTLEMENT

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

    (i) A fine in the amount of $100,000;

    (ii) A prohibition of approval, in any capacity, for a period of three (3) years from the acceptance of this Settlement Agreement;

(iii) Submit to strict supervision for a period of twelve (12) months, in the event of a reapproval;

(iv) An additional amount of $10,000 in costs.

23. 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

24. 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.

25. 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

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

27. 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.

28. 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.

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

30. 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.

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

32. 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.

33. 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.

34. 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

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

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

DATED this 11th day of August, 2026.

"Witness"
Witness

"Respondent"
Respondent

"Francis Larin"
Francis Larin
Senior Enforcement Counsel on behalf of Enforcement Staff of the Canadian Investment Regulatory Organization

The Settlement Agreement is hereby accepted this 4th day of November, 2026 by the following Hearing panel:

Per: "Michel Brunet"
Chair

Per: "Jacques Lemay"
Industry Member

Per: "Marie-Julie Nicolo"
Industry Member