



**CIRO · OCRI**

Canadian Investment  
Regulatory  
Organization

Organisme canadien  
de réglementation  
des investissements

**Notice of Hearing**

**File No. 202314**

**IN THE MATTER OF  
THE MUTUAL FUND DEALER RULES<sup>1</sup>**

**and**

**Martin David Hall**

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**NOTICE OF HEARING**

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**NOTICE** is hereby given that a disciplinary proceeding has been commenced by the Canadian Investment Regulatory Organization (“CIRO”) against Martin David Hall (the “Respondent”). The first appearance will take place electronically by videoconference before a hearing panel of the New Brunswick District Hearing Committee of CIRO (the “Hearing Panel”) on July 31, 2023, at 10:00 a.m. (Atlantic) or as soon thereafter as the hearing can be held. The Hearing on the Merits will take place at a time and venue to be announced. Members of the public who would like to attend the first appearance by videoconference as an observer should contact [hearings@mfd.ca](mailto:hearings@mfd.ca) to obtain particulars.

**DATED** this 20<sup>th</sup> day of June, 2023.

“Michelle Pong”

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Michelle Pong  
Director, District Hearing Committees,  
Mutual Fund Dealer Division

Canadian Investment Regulatory Organization  
121 King Street West, Suite 1000  
Toronto, ON M5H 3T9  
Telephone: 416-945-5134  
Email: [corporatesecretary@mfd.ca](mailto:corporatesecretary@mfd.ca)

**NOTICE** is further given that CIRO alleges the following violations of the Mutual Fund Dealer Rules<sup>1</sup>:

**Allegation #1:** Between May 26, 2015 and February 8, 2021, the Respondent altered and used to process transactions 10 account forms in respect of 11 clients, by altering information on the account forms without having the client initial the alterations, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1).<sup>2</sup>

**Allegation #2:** Between June 30, 2017 and August 4, 2021, the Respondent obtained, possessed and used to process transactions, 15 pre-signed account forms in respect of 15 clients, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1).

### **PARTICULARS**

**NOTICE** is further given that the following is a summary of the facts alleged and intended to be relied upon by CIRO at the hearing:

#### **Registration History**

1. From July 1, 2002 to January 10, 2022, the Respondent was registered in New Brunswick as a dealing representative with Investia Financial Services Inc. (the “Dealer Member”), a Dealer Member of CIRO (formerly a Member of the MFDA).
2. On January 10, 2022, the Respondent resigned from the Dealer Member.
3. At all material times, the Respondent conducted business in and around the Fredericton, New Brunswick area.

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<sup>1</sup> Staff alleges that, at the time of the misconduct, the Respondent contravened MFDA Rules 1.1.2, 1.1.5, 2.1.1, 2.2.1 and 2.5.1, which are now incorporated into Mutual Fund Dealer Rules 1.1.2, 1.1.5, 2.1.1, 2.2.1 and 2.5.1 referred to in this proceeding. On July 7, 2022, amendments to MFDA Rule 1.1.2 came into effect. As the conduct addressed in this proceeding pre-dated the amendment to that Rule, the version of MFDA Rule 1.1.2 that was in effect prior to July 7, 2022 is applicable to this proceeding. On December 31, 2021, amendments to MFDA Rule 2.2.1 came into effect. As the conduct addressed in this proceeding pre-dated the amendment to that Rule, the version of MFDA Rule 2.2.1 that was in effect prior to December 31, 2021 is applicable to this proceeding.

<sup>2</sup> Staff alleges that, at the time of the misconduct, the Respondent contravened MFDA Rule 2.1.1, which is now incorporated into Mutual Fund Dealer Rule 2.1.1 referred to in this proceeding.

### **Allegation #1 - Altered Account Forms**

4. Between May 26, 2015 and February 8, 2021, the Respondent altered and used to process transactions 10 account forms in respect of 11 clients, by altering information on the account forms without having the client initial the alterations.
5. The account forms that the Respondent altered included Order Instruction Forms and Know Your Client Update Forms (“KYC Update Forms”).
6. The information that the Respondent altered on the account forms included investment instructions, client net worth information, and fund details.
7. By virtue of the foregoing, the Respondent failed to observe a high standard of conduct and ethics in the transaction of business and engaged in conduct unbecoming of an Approved Person, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1).

### **Allegation #2 - Pre-signed Account Forms**

8. At all material times, the Dealer Member’s policies and procedures prohibited its dealing representatives from using pre-signed account forms.
9. Between June 30, 2017 and August 4, 2021, the Respondent obtained, possessed and used to process transactions, 15 pre-signed account forms in respect of 15 clients.
10. The pre-signed account forms included KYC Update Forms and New Client Application Forms.
11. By virtue of the foregoing, the Respondent failed to observe a high standard of conduct and ethics in the transaction of business and engaged in conduct unbecoming of an Approved Person, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1).

**NOTICE** is further given that the Respondent shall be entitled to appear and be heard and be represented by counsel or agent at the hearing and to make submissions, present evidence and call, examine and cross-examine witnesses.

**NOTICE** is further given that pursuant to Mutual Fund Dealer Rule 1A that any person subject to the jurisdiction of the Mutual Fund Dealers Association of Canada prior to January 1, 2023 remains subject to the jurisdiction of CIRO in respect of any action or matter that occurred while that person was subject to the jurisdiction of the Mutual Fund Dealers Association of Canada at the time of such action or matter.

**NOTICE** is further given that the Mutual Fund Dealer Rules provide that if, in the opinion of the Hearing Panel, the Respondent:

- has failed to carry out any agreement with CIRO;
- has failed to comply with or carry out the provisions of any federal or provincial statute relating to the business of the Dealer Member or of any regulation or policy made pursuant thereto;
- has failed to comply with the provisions of the Mutual Fund Dealer Rules of CIRO;
- has engaged in any business conduct or practice which such Hearing Panel in its discretion considers unbecoming or not in the public interest; or
- is otherwise not qualified whether by integrity, solvency, training or experience,

the Hearing Panel has the power to impose any one or more of the following penalties:

- (a) a reprimand;
- (b) a fine not exceeding the greater of:
  - (i) \$5,000,000.00 per 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;

- (c) 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;
- (d) revocation of the authority of such person to conduct securities related business;
- (e) prohibition of the authority of the person to conduct securities related business in any capacity for any period of time;
- (f) such conditions of authority to conduct securities related business as may be considered appropriate by the Hearing Panel;

**NOTICE** is further given that the Hearing Panel may, in its discretion, require that the Respondent pay the whole or any portion of the costs of the proceedings before the Hearing Panel and any investigation relating thereto.

**NOTICE** is further given that the Respondent must **serve a Reply** on Enforcement Counsel and **file a Reply** with the Office of the Corporate Secretary, Mutual Fund Dealer Division within twenty (20) days from the date of service of this Notice of Hearing.

A **Reply** shall be **served** upon Enforcement Counsel at:

Canadian Investment Regulatory Organization  
121 King Street West, Suite 1000  
Toronto, ON M5H 3T9  
Attention: Maria Abate  
Email: [mabate@mfd.ca](mailto:mabate@mfd.ca)

A **Reply** shall be **filed** by:

- (a) providing 4 copies of the **Reply** to the Office of the Corporate Secretary, Mutual Fund Dealer Division by personal delivery, mail or courier to:

Canadian Investment Regulatory Organization

121 King Street West, Suite 1000

Toronto, ON M5H 3T9

Attention: Office of the Corporate Secretary, Mutual Fund Dealer Division; or

- (b) transmitting 1 electronic copy of the **Reply** to the Office of the Corporate Secretary, Mutual Fund Dealer Division by e-mail at CorporateSecretary@mfd.ca.

A **Reply** may either:

- (i) 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 Notice of Hearing; or
- (ii) admit the facts alleged and conclusions drawn by CIRO in the Notice of Hearing and plead circumstances in mitigation of any penalty to be assessed.

**NOTICE** is further given that the Hearing Panel may accept as having been proven any facts alleged or conclusions drawn by CIRO in the Notice of Hearing that are not specifically denied in the **Reply**.

**NOTICE** is further given that if the Respondent fails:

- (a) to **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 proceed with the hearing of the matter on the date and the time and place set out in the Notice of Hearing (or on any subsequent date, at any time and

place), without any further notice to and in the absence of the Respondent, and the Hearing Panel may accept the facts alleged or the conclusions drawn by CIRO in the Notice of Hearing as having been proven and may impose any of the penalties described in the Mutual Fund Dealer Rules.

**End.**

DM 905245

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<sup>i</sup> On January 1, 2023, the Investment Industry Regulatory Organization of Canada (“IIROC”) and the Mutual Fund Dealers Association of Canada (the “MFDA”) were consolidated into a single self-regulatory organization recognized under applicable securities legislation. The New Self-Regulatory Organization of Canada (referred to herein as the “Corporation”) adopted interim rules that incorporate the pre-amalgamation regulatory requirements contained in the rules and policies of IIROC and the by-law, rules and policies of the MFDA (the “Interim Rules”). The Interim Rules include (i) the Investment Dealer and Partially Consolidated Rules, (ii) the UMIR and (iii) the Mutual Fund Dealer Rules. These rules are largely based on the rules of IIROC and certain by-laws, rules and policies of the MFDA that were in force immediately prior to amalgamation. Where the rules of IIROC and the by-laws, rules and policies of the MFDA that were in force immediately prior to amalgamation have been incorporated into the Interim Rules, Enforcement Staff have referenced the relevant section of the Interim Rules. Pursuant to Mutual Fund Dealer Rule 1A and s.14.6 of By-Law No.1 of the Corporation, contraventions of former MFDA regulatory requirements may be enforced by the Corporation.