



IN THE MATTER OF
THE MUTUAL FUND DEALER RULES
and
George Maxim Lukiwski

AGREED STATEMENT OF FACTS

I. INTRODUCTION

1. By Notice of Hearing dated March 22, 2023, the New Self-Regulatory Organization of Canada, now called the Canadian Investment Regulatory Organization (“CIRO”), commenced a disciplinary proceeding against George Maxim Lukiwski (the “Respondent”) pursuant to Mutual Fund Dealer Rules 7.3 and 7.4.

2. The Notice of Hearing sets out the following allegations:

Allegation #1: Between March 2017 and November 2020, the Respondent, or his assistant for whom he was responsible, altered and used to process transactions, 31 account forms in respect of 26 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).¹

Allegation #2: Between August 2017 and July 2020, the Respondent, or his assistant for whom he was responsible, obtained, possessed, and used to process transactions, 23 pre-signed account forms in respect of 19 clients, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1).

¹ 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.

II. IN PUBLIC/IN CAMERA

3. The Respondent and CIRO Staff (“Staff”) agree that this matter should be heard in public pursuant to Rule 1.8 of the Mutual Fund Dealer Rules of Procedure.

III. ADMISSIONS AND ISSUES TO BE DETERMINED

4. The Respondent has reviewed this Agreed Statement of Facts and admits the facts set out in Part IV herein. The Respondent admits that the facts in Part IV constitute misconduct for which the Respondent may be penalized on the exercise of the discretion of a Hearing Panel of the Saskatchewan District Committee (the “Hearing Panel”) of CIRO pursuant to Mutual Fund Dealer Rule 7.4.1.

5. Staff and the Respondent jointly request that the Hearing Panel determine, on the basis of this Agreed Statement of Facts, the appropriate penalty to impose on the Respondent.

IV. AGREED FACTS

6. Staff and the Respondent agree that submissions made in this proceeding will be based only on the agreed facts in Part IV and colour copies of the account forms at issue, and no other information, facts or documents, subject to the content of this paragraph and paragraph 7 below.

7. In the event that the Hearing Panel advises one or both of Staff and the Respondent of any additional facts that it considers necessary in order to determine the issues before it, Staff and the Respondent agree that such additional facts may be provided to the Hearing Panel, either: (a) with the consent of both Staff and the Respondent if the additional facts are agreed upon; (b) if the Respondent is not present at the hearing, Staff may disclose additional relevant facts, at the request of the Hearing Panel; or (c) if the parties are both present at the hearing and are not in agreement about the additional facts requested by the Hearing Panel, the parties will be given a reasonable opportunity to lead evidence concerning the additional facts. In circumstances where a party leads evidence concerning additional facts requested by the Hearing Panel, the opposing party may cross-

examine any witness tendered to lead such evidence and shall be given a reasonable opportunity to lead responding evidence if they wish to do so.

8. Nothing in this Part IV is intended to restrict the Respondent from making full answer and defence to any civil or other proceedings against him.

Registration History

9. Since approximately 2001, the Respondent has been registered in the securities industry.

10. From April 2006 until January 17, 2017, the Respondent was registered in Saskatchewan as a dealing representative with Quadrus Investment Services Ltd. (“Quadrus”), a Dealer Member of CIRO (formerly a Member of the Mutual Fund Dealers Association of Canada (the “MFDA”)).

11. Since March 7, 2017, the Respondent has been registered in Saskatchewan as a dealing representative with Investia Financial Services Inc. (the “Investia”), a Dealer Member of CIRO (formerly a Member of the MFDA).²

12. At all material times, the Respondent conducted business in the Saskatoon, Saskatchewan area.

Investia’s Policies and Procedures

13. At all material times, Investia’s policies and procedures stated that:

- (a) if an error is made on any client documentation, the error must be crossed out, changed and initialed by the client. Each individual change must be initialed in cases where multiple changes are made; and

² The Respondent is also registered as a dealing representative in Alberta, British Columbia, and Manitoba.

(b) Approved Persons are prohibited from holding blank or incomplete pre-signed forms.

Attestations Signed by the Respondent

14. On March 8, 2017 the Respondent signed a Compliance Policy and Procedure Manual Acknowledgment in which the Respondent agreed to adhere to the guidelines, policies, and procedures established by Investia as well as any and all subsequent updates to internal compliance policies. The Respondent also agreed to comply with all applicable rules and regulations of the MFDA.

15. In November 2018 and February 2020, the Respondent completed Investia's 2017-2018 and 2018-2019 Annual Review of Professional Activity ("ARPA"), respectively. In the ARPAs, the Respondent acknowledged having reviewed and understood Investia's Policies and Procedures Manual, which at all times required changes on client documentation be initialed by the client, and prohibited its Approved Persons from holding blank or incomplete pre-signed forms.

MFDA Staff Notices and Enforcement Bulletin

16. On October 31, 2007, the MFDA published Member Regulation Notice MR-0066 – Prohibition on Use of Pre-Signed Forms ("MR-0066"). MR-0066 explicitly notified Dealer Members and Approved Persons that it was contrary to MFDA requirements to obtain pre-signed forms. MR-0066 further indicated as an example of prohibited forms, the subsequent alteration of information on a legitimately completed and signed form.

17. On March 4, 2013, the MFDA updated and renamed MR-0066 as MFDA Staff Notice MSN-0066 – Pre-Signed Forms ("MSN-0066"). MSN-0066 stated that obtaining pre-signed forms from clients was contrary to MFDA Rule 2.1.1. Further, like MR-0066, MSN-0066 also cautioned Dealer Members and Approved Persons that where Staff finds pre-signed forms, this may result in a referral directly to the MFDA Enforcement Department.

18. On October 2, 2015, the MFDA issued Bulletin #0661-E – Signature Falsification (“Bulletin #0661-E”). Bulletin #0661-E set out the definition of signature falsification as including:

- having a client sign a form which is blank or only partially completed;
- altering any information on a signed document, without the client initialing the document to show the change was approved.

19. Bulletin #0661-E also advised both Dealer Members and Approved Persons that the MFDA had recently been and would continue seeking increased penalties in upcoming cases involving signature falsification. All 54 of the account forms that are the subject of this proceeding are dated after the publication of the Bulletin.

20. On October 13, 2015, at which time the Respondent was registered with Quadrus, Quadrus distributed Bulletin #0661-E to its Approved Persons.

21. On January 26, 2017, the MFDA updated and re-issued Staff Notice MSN-0066 – Signature Falsification. MSN-0066 reiterated the definitions of signature falsification noted above and reminded Approved Persons that Staff would seek enhanced penalties for conduct that occurred after the release of Bulletin #0661-E.

22. On or around September 20, 2018, the Respondent received from Investia a Compliance Memorandum with the subject matter of “Presigned, Partially Completed Forms and Signature Falsification (Outside Quebec Only)”. The Compliance Memorandum specifically referred to and provided hyperlinks to Bulletin #0661-E and MSN-0066, which it described as providing guidance and expectations specific to signature falsification, as well as the potential repercussions of misuse of client documentation. The Compliance Memorandum further provided, among others, the following examples of misuse of client documentation:

- Having a client sign a form which is blank or only partially completed;
- Altering any information on a signed document, without the client initialing the document to show the change was approved.

The Respondent Altered Account Forms

23. Between March 2017 and November 2020, the Respondent, or his unlicensed assistant for whom he was responsible, altered and used to process transactions, 29 account forms in respect of 25 clients by altering information on the account forms without having the client initial the alterations.

24. The altered forms consist of:

- 11 Transfer Authorization Forms;
- 8 New Client Application Forms;
- 4 Order Instruction Forms;
- 2 Know-Your-Client ("KYC") Update Forms;
- 1 Non-Financial Instructions Form;
- 1 Systematic Instruction Form; and
- 1 Systematic Purchases Form.

25. The alterations made by the Respondent consisted of alterations to risk tolerance, net worth, investment objectives, monetary amounts, account numbers, dates, fund codes, fund numbers, plan types, transfer types, and transaction types.

The Respondent Obtained, Possessed, and Used to Process Transactions Pre-Signed Account Forms

26. Between October 2017 and July 2020, the Respondent, or his unlicensed assistant for whom he was responsible, obtained, possessed, and used to process transactions, 25 pre-signed account forms in respect of 19 clients.

27. The pre-signed forms consist of:

- 11 KYC Update Forms;
- 7 Automatic Conversion of Free Units Forms;

- 3 Transfer Authorizations Forms;
- 2 New Client Application Forms;
- 1 Order Instruction Form; and
- 1 Systematic Instruction Form.

Investia's Investigation

28. In December 2020, Investia conducted a full review of client files maintained by the Respondent during a branch audit and discovered the account forms described above.

29. Effective December 21, 2020, Investia placed the Respondent under strict supervision until May 5, 2021.

30. On May 5, 2021, Investia issued the Respondent a warning letter regarding his conduct described above.

31. As part of Investia's investigation, it sent audit letters to clients whose accounts the Respondent serviced. Investia sent letters to clients along with a three-year transaction summary and requested that the clients contact the Dealer Member if any of the transactions in their accounts were not authorized. No clients responded to Investia with any concerns.

32. Investia required the Respondent to pay an administrative charge of \$500 and the costs of the audit letter mailings to clients.

Additional Factors

33. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above beyond the commissions or fees to which he would have ordinarily been entitled had the transactions been carried out in the proper manner.

34. There is no evidence of client loss or lack of authorization of the underlying transactions, and no clients have complained to Staff or Investia.

35. The Respondent has not previously been subject of prior MFDA or CIRO disciplinary proceedings.

Misconduct Admitted

36. By engaging in the conduct described above, the Respondent admits that:

(a) Between March 2017 and November 2020, the Respondent, or his assistant for whom he was responsible, altered and used to process transactions, 29 account forms in respect of 25 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); and

(b) Between October 2017 and July 2020, the Respondent, or his assistant for whom he was responsible, obtained, possessed, and used to process transactions, 25 pre-signed account forms in respect of 19 clients, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1).

V. EXECUTION OF AGREED STATEMENT OF FACTS

37. This Agreed Statement of Facts may be signed in one or more counterparts, which together shall constitute a binding agreement.

38. An electronic copy of any signature shall be effective as an original signature.

DATED this 12th day of July, 2023.

“George Maxim Lukiwski”

George Maxim Lukiwski

“Zach Pringle”

Witness - Signature

“Zach Pringle”

Witness - Print name

“Charles Toth”

Staff of CIRO

Per: Charles Toth

Vice-President, Enforcement (Mutual Fund Dealers)

iM# 1083537