

# Re Moore

**IN THE MATTER OF:**

**The Investment Dealer Partially Consolidated Rules**

**and**

**Graham Darren Moore**

2024 CIRO 26

Canadian Investment Regulatory Organization  
Hearing Panel (Pacific District)

Heard: February 9, 2024 by electronic hearing in Vancouver, British Columbia

Decision: February 9, 2024

Reasons for Decision: February 16, 2024

**Hearing Panel:**

Linda Murray, Chair, Bruce Maranda and Johannes van Koll

**Appearances:**

Lorne Herlin, Senior Enforcement Counsel

Dana Prince, for Graham Darren Moore

Graham Darren Moore (absent)

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## REASONS FOR DECISION

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### INTRODUCTION

¶ 1 On January 26, 2024, the Canadian Investment Regulatory Organization (CIRO) issued a Notice of Application for a hearing requesting that the hearing panel accept a Settlement Agreement between Enforcement Staff and Graham Darren Moore (Mr. Moore or the Respondent) pursuant to sections 8215 and 8428 of the Investment Dealer and Partially Consolidated Rules (the IDPC Rules).

¶ 2 Mr. Moore admitted the following contraventions of CIRO's requirements:

Between May 2022 and August 2022, he acted contrary to IIROC Rule 1400 by:

- (a) accepting trading instructions from a person who was not authorized in writing to provide such instructions;
- (b) failing to fulfill his gatekeeper responsibilities; and
- (c) communicating with his clients using an unapproved third-party communication application.

¶ 3 In the Settlement Agreement, the Respondent agreed to the following sanctions:

- (a) a reprimand; and
- (b) payment of costs in the amount of \$7,500.

¶ 4 The issues for this Hearing Panel to determine, pursuant to IDPC Rule 8215, were whether:

- (a) the facts admitted by the Respondent in the Settlement Agreement amounted to misconduct and

breached the Rules; and

- (b) whether to accept the Settlement Agreement.

## **BACKGROUND**

¶ 5 The relevant facts are set out in Part III, paragraphs 4 to 53 of the Settlement Agreement, which is attached as Schedule A to our Reasons for Decision.

## **ANALYSIS**

### **DO THE AGREED FACTS CONSTITUTE MISCONDUCT**

¶ 6 IIROC Rule 1400 sets out the general standards of conduct that apply to Regulated Persons (Rule 1401). In particular, Rule 1402 provides that:

- (1) A Regulated Person:
  - i) in the transaction of business must observe high standards of ethics and conduct and must act openly and fairly and in accordance with just and equitable principles of trade; and
  - ii) must not engage in any business conduct that is unbecoming or detrimental to the public interest.
- (2) Without limiting the generality of the foregoing, any business conduct that:
  - i) is negligent,
  - ii) fails to comply with a legal, regulatory, contractual or other obligation, including the rules, requirements, and policies of a Regulated Person,
  - iii) displays an unreasonable departure from standards that are expected to be observed by a Regulated Person, or
  - iv) is likely to diminish investor confidence in the integrity of securities, futures, or derivatives markets,

may be conduct that contravenes one or more of the standards set for in subsection 1402(1).

¶ 7 Mr. Moore's actions amounted to serious misconduct. He breached his gatekeeper responsibilities by facilitating trading in the shares of a public issuer by a group of related clients who were potential insiders and control persons of the issuer without proper monitoring. Mr. Moore accepted trading instructions, and instructed his assistant to do so, for the group of related accounts from a person who did not have written trading authorization for the accounts. In addition, Mr. Moore accepted trading instructions, and instructed his assistant to do so, from the clients using a third-party communication application that was not approved by his firm. Mr. Moore did not preserve his communications. As a result, the firm did not have the ability to properly supervise the transactions.

¶ 8 Mr. Moore and his assistant had concerns about the transactions in question, given the proximity of certain buy orders in May 2022 to a significant announcement by the issuer. Mr. Moore did not report his concerns to the firm's Compliance Department, despite becoming aware of a query by the market regulator regarding the transactions.

¶ 9 When questioned in July 2022 by the firm's Compliance Department about the trades in question, Mr. Moore failed to provide a complete response regarding the Compliance Department inquiries. In January 2023, the firm received an inquiry from another regulator and commenced an internal investigation, during which Mr. Moore admitted the misconduct.

¶ 10 Mr. Moore admitted, and the Hearing Panel concurred, that his actions amounted to misconduct and breached the regulatory requirements and standards referenced in IIROC (now CIRO) Rule 1400.

## ACCEPTANCE OF THE SETTLEMENT AGREEMENT

¶ 11 The role of a hearing panel when considering a settlement agreement is well-established. The hearing panel does not determine whether it would have imposed the same sanctions as those agreed by the parties through negotiation [*Re Mackie Research Capital 2020 IIROC 42*].

¶ 12 Previous cases emphasized the importance of negotiated settlements to the efficiency of the administrative process and to the overall public interest. The role of a hearing panel when considering a settlement agreement is to determine whether the proposed sanctions fall within the criteria set in previous cases and if so, to accept the negotiated settlement.

¶ 13 Enforcement Counsel referred the Hearing Panel to the case of *Re CIBC World Markets Inc. 2022 IIROC 34*, which quoted from *Re Johnson 2012 IIROC 19*, *Re Donnelly 2016 IIROC 23*, and *Re Price 2017 IIROC 54*. Collectively, the hearing panels in those cases noted that a settlement agreement should be accepted if the agreed sanctions:

- (a) are fair and reasonable as proportional to the seriousness of the contraventions, considering all relevant circumstances;
- (b) are within an acceptable range taking into account previous cases; and
- (c) would serve as a specific and general deterrent.

¶ 14 Counsel jointly submitted that the Hearing Panel should accept the Settlement Agreement as being in the public interest, and that the proposed sanctions fall within a reasonable range of appropriateness and previous cases given Mr. Moore's specific circumstances.

¶ 15 Enforcement Counsel referred to the CISO Sanction Guidelines and referenced the following general principles and relevant factors in determining whether the proposed sanctions were appropriate:

- (a) The conduct occurred over a short period of time (May to August 2022).
- (b) Mr. Moore had no prior disciplinary history.
- (c) Mr. Moore earned about \$1,124 in commissions from the activity.
- (d) In March 2023, after an internal investigation, Mr. Moore received substantial internal discipline from his firm including:
  - i. a one-month suspension;
  - ii. payment of a fine of \$150,000 (including disgorgement of the \$1,124 commissions) for breaching his gatekeeper responsibilities;
  - iii. payment of a fine of \$50,000 for use of an unauthorized third-party communication application to conduct trading and for failing to preserve those records;
  - iv. successful re-write of the Conduct and Practice Handbook (CPH) course within six months;
  - v. heightened supervision for a minimum of two years;
  - vi. quarterly meetings with the firm's Ultimate Designated Person, Chief Compliance Officer (CCO), or both to review his business and gatekeeper practices for the duration of the period of heightened supervision, and thereafter as determined by the firm's CCO; and
  - vii. payment of the costs of the firm's internal investigation.

¶ 16 Enforcement Counsel advised that Mr. Moore has: (1) completed the one-month suspension; (2) paid the \$200,000 in fines and costs of the internal investigation to the firm; (3) successfully completed the CPH course; and (4) continues to be on heightened supervision and meeting quarterly with the CCO.

¶ 17 Enforcement Counsel noted that Mr. Moore provided substantial assistance during his firm's internal

investigation, which facilitated the completion of Enforcement Staff's investigation. Mr. Moore's cooperation with the CIRO investigation and agreement to resolve these matters by Settlement Agreement reduced the resources required by Enforcement Staff and led to an expeditious resolution.

¶ 18 Mr. Moore, through his firm, initiated contact and provided proactive assistance to another regulatory agency.

¶ 19 No aggravating factors were noted.

¶ 20 Enforcement Counsel referred to a number of cases involving similar misconduct including:

- (a) *Re Rowlatt* 2020 IIROC 32;
- (b) *Re Martin* 2021 IIROC 29; and
- (c) *Re Sweeney* 2022 IIROC 22.

¶ 21 Enforcement Counsel noted that Mr. Moore's case was most similar to that of *Re Sweeney*, but that the conduct and sanctions in those three cases were more egregious than Mr. Moore's and therefore the sanctions for Mr. Moore would typically be less. In addition, the sanctions to which Mr. Moore agreed in the firm's internal discipline were analogous to, but more significant than, those in the cases referenced.

¶ 22 With respect to the ability of a hearing panel to order a reprimand, Enforcement Counsel referred to *Re Fox-Revett* 2017 CanLII 89000 (CA MFDAC), *Wilder v. Ontario Securities Commission* 2001 CanLII 24072 (Ontario Court of Appeal), and *Re Bank of Montreal* 2022 BCSECCOM 227. The Ontario Court of Appeal in the *Wilder* case noted that reprimands are commonly used as administrative sanctions and serve as a formal statement that the conduct in question is unacceptable and not tolerated in the future.

¶ 23 Both counsel noted that the publication of the circumstances as set out in the Settlement Agreement, including the significant internal discipline measures, would serve as both a specific deterrent and a general deterrent to other members of the firm, and to the industry as a whole. Counsel submitted that while a further sanction was warranted in this case, an additional fine or suspension would not be in the public interest as it would be too harsh given the substantial internal discipline sanctions already completed by Mr. Moore.

¶ 24 Mr. Moore accepted responsibility for his conduct and entered into the Settlement Agreement after extensive negotiations for which he was represented by counsel. Mr. Moore has complied with the substantial internal discipline measures set by his firm and has taken remedial steps to prevent recurrence.

¶ 25 The Hearing Panel took into account the authorities and submissions of counsel regarding its role and the recommended sanctions in making its determination to accept the Settlement Agreement.

#### **ROLE OF INTERNAL FIRM DISCIPLINE**

¶ 26 The Hearing Panel acknowledged the robust internal disciplinary measures taken by Mr. Moore's firm, and Mr. Moore's prompt compliance with those measures.

¶ 27 The Hearing Panel raised with counsel a concern that accepting a reprimand for this type of misconduct based in large part upon separate internal disciplinary action by the firm could be perceived, particularly by the public, as usurping the functions of the industry regulators.

¶ 28 Enforcement Counsel advised that CIRO promotes proactive and timely action by firms and individual registrants to address potential misconduct through internal discipline and settlement agreements. A reprimand is transparent, public, and serves as a specific and general deterrent. Enforcement Counsel clarified the difference between an internal caution letter issued by CIRO, and a reprimand sanction in a settlement agreement. A caution letter would not be made public, whereas a reprimand included in a settlement agreement is public and transparent.

¶ 29 Mr. Moore's counsel responded that deterrence, transparency, and accountability result from publication of the terms of the Settlement Agreement, including the details of the robust internal discipline. It is possible that misconduct may not come to light but for self-reports resulting from the firm's internal investigation and

discipline processes. Publication of the firm’s internal discipline measures is a general deterrent for other registrants and also for other firm employees regarding the firm’s conduct expectations. In this case, Mr. Moore was forthcoming and fully cooperated with the firm and regulatory investigations. In arriving at the internal discipline measures, Mr. Moore and the firm did not try to avoid full accountability. The public Settlement Agreement includes the very robust sanctions imposed by the firm so it would be clear that, by receiving a reprimand, Mr. Moore did not receive less serious sanctions.

¶ 30 As noted in the *Enforcement Staff Policy Statements*, internal discipline may reduce the sanctions sought by Enforcement Staff but that it should not be expected that internal discipline will eliminate further regulatory sanctions.

¶ 31 The Hearing Panel accepted the submissions of counsel that deterrence and transparency were present and it was in the public interest to accept the Settlement Agreement, including a reprimand, in this case.

¶ 32 However, the Hearing Panel wishes to make it clear that this was an unusual case that turned on the specific facts regarding the very robust internal discipline sanctions by the firm which, in some respects, exceeded the sanctions that may have been ordered by a hearing panel given similar cases.

¶ 33 Whether similar sanctions are appropriate in other cases will depend upon the specific facts, including the history of the registrants involved, the timing of the firm’s internal investigation particularly given any parallel regulatory investigations, the nature of the misconduct involved, and the nature and extent of the disciplinary measures taken by the firm.

¶ 34 The Hearing Panel also wishes to emphasize the importance of the obligation of registrants to promptly report, and where necessary self-report, to regulators any potential misconduct regardless of any internal investigation or discipline by the firm.

## **CONCLUSION**

¶ 35 Following a review of counsel submissions and panel deliberations, the Hearing Panel accepted the Settlement Agreement with written reasons to follow.

¶ 36 The Hearing Panel determined that the agreed sanctions met the CIRO Sanction Guidelines and:

- (a) were fair and reasonable considering all the relevant circumstances;
- (b) were within an acceptable range taking into account similar cases; and
- (c) would serve as a specific and general deterrent in the public interest.

¶ 37 The Hearing Panel unanimously accepted the Settlement Agreement and ordered the following sanctions:

- (a) a reprimand; and
- (b) payment of costs in the amount of \$7,500.00.

**DATED** at Vancouver, British Columbia, this 16 day of February 2024.

“Linda Murray” \_\_\_\_\_

Linda Murray, Chair

“Bruce Maranda” \_\_\_\_\_

Bruce Maranda

**IN THE MATTER OF:**

**The Investment Dealer Partially Consolidated Rules**

**and**

**Graham Darren Moore**

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**SETTLEMENT AGREEMENT**

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**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 the Respondent, Graham Darren Moore (“Moore”).

**PART II – JOINT SETTLEMENT RECOMMENDATION**

¶ 2 Enforcement Staff and Moore 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, Moore agrees with the facts as set out in Part III of this Settlement Agreement.

**Overview**

¶ 4 Moore failed in his gatekeeper obligations by facilitating the trading of shares of a venture issuer by a group of related clients who collectively owned a large number of the shares of the issuer. Moore did not take any steps to monitor whether any of the clients were an insider or a control person of the issuer.

¶ 5 Moore also accepted trading instructions from a person who was not authorized in writing to provide instructions and he communicated with clients using an unapproved third-party communication application.

**Registration History**

¶ 6 Moore has been working in the securities industry since 1995.

¶ 7 Since January 2016, he has worked as a Registered Representative (Retail) at the Vancouver business location of Haywood Securities Inc. (“Haywood”).

**The Related Accounts**

¶ 8 Moore was the Registered Representative responsible for the following four investment accounts at Haywood:

- i. A Financial Corp. (“A Financial”);
- ii. MB;
- iii. FB; and

iv. MIL.

(collectively, the “related accounts”).

¶ 9 Each of the related accounts were connected to AB as follows:

- i. AB is the sole owner of A Financial;
- ii. MB is AB’s mother;
- iii. FB is AB’s father; and
- iv. MIL is AB’s mother-in law.

#### **Kona Bay Technologies Inc.**

¶ 10 Kona Bay Technologies Inc. (“Kona Bay”) was a TSX Venture Exchange (“TSX-V”) listed company.

¶ 11 As detailed below, AB (through A Financial), MB, FB, and MIL each owned a large number of Kona Bay shares.

¶ 12 On February 10, 2021, AB made a filing on the System for Electronic Disclosure for Insiders (SEDI) which indicated that by virtue of the 3,850,000 Kona Bay shares that he owned through A Financial, he was an insider of Kona Bay as of January 20, 2021.

¶ 13 In total, 1,400,000 of the 3,850,000 Kona Bay shares were held in the A Financial account at Haywood.

¶ 14 On February 10, 2021, MB issued a press release and filed an early warning report indicating she directly owned 3,440,000 shares of Kona Bay which represented 12.8% of the issued and outstanding shares of Kona Bay.

¶ 15 Eventually, on December 13, 2022, the 3,440,000 Kona Bay shares were transferred into the MB account at Haywood.

¶ 16 On February 10, 2022, 3,600,000 shares of Kona Bay were deposited into the FB account at Haywood.

¶ 17 Given that FB owned over 10% of the issued and outstanding shares of Kona Bay, pursuant to securities legislation he was deemed an insider of Kona Bay. However, FB never made a filing on SEDI to disclose his insider status.

#### **Purchases of Kona Bay Shares Prior to Merger Announcement**

¶ 18 On May 20, 2022, at the request of the company pending news, CIRO halted trading of Kona Bay shares.

¶ 19 Shortly before the trading halt, the MB account at Haywood and the MIL account at Haywood each purchased a large number of Kona Bay shares (collectively, the “May buy orders”) as follows:

<b>Date</b>	<b>Account</b>	<b># of Kona Bay Shares Purchased</b>
May 6, 2022	MIL Account	950,000
May 6, 2022	MB Account	950,000
May 8, 2022	MIL Account	250,000
May 13, 2022	MB Account	95,000
May 13, 2022	MIL Account	551,500

¶ 20 In total:

- 1,751,500 shares of Kona Bay were purchased for the MIL account; and
- 1,045,000 shares of Kona Bay were purchased for the MB account.

¶ 21 At the time of the trading halt, collectively the related accounts owned 7,796,500 shares of Kona Bay, which represented about 29% of the issued and outstanding shares of Kona Bay as follows:

Client	# of Kona Bay Shares Held in Haywood Account	% of Total Kona Bay Shares
AB (through A Financial)	1,400,000	5.21%
MA	1,045,000	3.89%
FA	3,600,000	13.39%
MIL	1,751,500	6.51%

¶ 22 Even though the related accounts held large positions of Kona Bay shares, Moore did not take any steps to monitor whether any of the clients were an insider or a control person of Kona Bay.

¶ 23 On May 24, 2022, Kona Bay announced its intention to merge with Yerbae Brands Corp.

#### **Concerns Not Reported to the Haywood Compliance Department**

¶ 24 Upon learning of the merger announcement, Moore’s assistant expressed her concerns to Moore about the proximity of the May buy orders to the announcement of the merger.

¶ 25 Moore was also concerned about the timing of the May buy orders, but he did not question AB about them or report his concerns to the Haywood Compliance Department.

¶ 26 Moore’s concerns were amplified when AB advised him that the Surveillance Department of the TSX-V had questioned the May buy orders, but Moore still did not report his concerns to the Haywood Compliance Department.

#### **AB Placed Orders Without Having Written Authorization to Do So**

¶ 27 AB did not have written authorization to place orders for the MB account, the FB account, and the MIL account. However, AB regularly placed orders for these accounts.

¶ 28 Moore instructed an approved person who he directly supervised (the “Approved Person”) to take orders from AB for these accounts.

¶ 29 AB gave the instructions for the May buy orders to the Approved Person.

#### **Incomplete Response to Haywood Compliance Query**

¶ 30 By way of a July 25, 2022 email, a Haywood Compliance Officer asked Moore about the MIL account purchasing 1,751,500 Kona Bay shares in May 2022.

¶ 31 The Haywood Compliance Officer wrote:

... given {the} client’s purchase of these shares of Kona Bay shortly before the announcement of the merger with Yerbae Brands, are you aware of any affiliation between the client and issuer? Did she give any insight as to the reason for her purchase of this?”



¶ 32 By way of an August 3, 2022 email, Moore, through his assistant, responded:

As far as the buys prior to the merger, we are not aware of any affiliation between the client and the issuer. The buys were unsolicited and done in the market.

¶ 33 In his response, Moore did not reveal that AB had placed the May buy orders and that AB (through A Financial) owned a significant number of Kona Bay shares.

#### **Failure to Fulfill Gatekeeper Responsibilities**

¶ 34 Moore had the overall gatekeeper responsibility for the related accounts.

¶ 35 He did not fulfill his gatekeeper responsibilities because he failed to:

- monitor each of the related accounts to determine if any of the account holders were an insider or a control person;
- treat the related accounts as one and to monitor their common positions for potential insider and control person positions;
- question AB about the propriety of the May buy orders;
- report his concerns about the May buy orders;
- report that the May buy orders were being questioned by the Surveillance Department of the TSX-V; and
- provide a complete response to the query from the Haywood Compliance Department regarding the MIL account.

#### **Moore Used Unapproved Communication Application**

¶ 36 Haywood's policies and procedures dictated that all emails, electronic correspondence, and text messages relating to Haywood business had to be captured by Haywood's server for sampling and data retention reasons.

¶ 37 Contrary to these policies and procedures, at times Moore conducted Haywood business communications via WhatsApp Messenger ("WhatsApp"), an unapproved third-party communication application.

¶ 38 Since the communications that Moore sent and received via WhatsApp were not captured by Haywood's server, Haywood could not supervise them or maintain a record of them.

¶ 39 Moore did not preserve his WhatsApp communications.

¶ 40 At times, AB would place orders for the related accounts via WhatsApp.

¶ 41 Moore instructed the Approved Person to take orders from AB via WhatsApp.

¶ 42 AB gave the instructions for the May buy orders to the Approved Person via WhatsApp.

#### **Other Factors**

¶ 43 In January 2023, Haywood received an order from another regulatory agency to produce records in relation to the MB account and the MIL account.

¶ 44 As a result, Haywood opened an internal investigation.

¶ 45 During the internal investigation, Moore admitted to the misconduct that is detailed in this Settlement Agreement.

¶ 46 As a result of the internal investigation, on March 8, 2023, Haywood internally disciplined Moore.

¶ 47 Moore agreed to the following internal discipline:

- payment of a \$150,000 fine for failing to meet the expected gatekeeper standards including, among other things, allowing AB to place orders without having written authorization to do so;
- the \$150,000 fine included disgorgement of the \$1,124 in commissions that Moore earned in relation to the Kona Bay orders for the related accounts;
- payment of a \$50,000 fine for use of an unauthorized electronic communication application to conduct client trading, for failing to preserve the required records, and for directing the Approved Person to use an unauthorized electronic communication to take client trading instructions;
- one-month suspension;
- successful re-write of the Conduct and Practices Handbook (CPH) course within six months;
- heightened supervision for a minimum period of two years;
- quarterly meetings with Haywood’s Ultimate Designated Person (the “UDP”) or Chief Compliance Officer (“CCO”) or both to review his business and gatekeeper practices for the duration of the period of heightened supervision and thereafter as determined by the CCO; and
- payment of the cost of Haywood’s internal investigation.

¶ 48 Moore has

- paid the \$200,000 in internal fines;
- served his one-month suspension;
- successfully completed the CPH course; and
- paid the costs of Haywood’s internal investigation.

¶ 49 Moore continues to be on heightened supervision and to have quarterly meetings with Haywood’s UDP or CCO, or both.

¶ 50 Haywood voluntarily donated to charity the \$1,124 in commissions that it earned in relation to the Kona Bay orders for the related accounts.

¶ 51 Moore provided substantial assistance to Haywood’s investigation in relation to this matter, which in turn greatly facilitated the completion of Enforcement Staff’s investigation.

¶ 52 In addition, through Haywood, Moore initiated contact with, and he provided substantial assistance to another regulatory agency regarding potential misconduct by market participants.

¶ 53 In determining the appropriate regulatory sanctions for this matter, Enforcement Staff gave Moore credit for the substantial assistance he gave to Haywood’s investigation, the significant internal discipline measures, and the proactive assistance he provided to the other regulatory agency. Absent any of these factors, Enforcement Staff would have sought greater sanctions.

#### **PART IV – CONTRAVENTIONS**

¶ 54 By engaging in the conduct described above, Moore committed the following contravention of CIRO requirements:

Between May 2022 and August 2022, Moore acted contrary to IIROC Rule 1400 by:

- (a) accepting trading instructions from a person who was not authorized in writing to provide such instructions;
- (b) failing to fulfill his gatekeeper responsibilities; and
- (c) communicating with his clients using an unapproved third-party communication application.

#### **PART V – TERMS OF SETTLEMENT**

¶ 55 Moore agrees to the following sanctions and costs:

- i. a reprimand; and
- ii. costs in the amount of \$7,500.

¶ 56 If this Settlement Agreement is accepted by the hearing panel, Moore agrees to pay the amounts referred to above within 30 days of such acceptance unless otherwise agreed between Enforcement Staff and Moore.

#### **PART VI – STAFF COMMITMENT**

¶ 57 If the hearing panel accepts this Settlement Agreement, Enforcement Staff will not initiate any further action against Moore 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.

¶ 58 If the hearing panel accepts this Settlement Agreement and Moore fails to comply with any of the terms of this Settlement Agreement, Enforcement Staff may bring proceedings under Investment Dealer Rule 8200 against Moore. 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**

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

¶ 60 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.

¶ 61 Enforcement Staff and Moore 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 Moore does not appear at the settlement hearing, Staff may disclose additional relevant facts, if requested by the hearing panel.

¶ 62 If the hearing panel accepts this Settlement Agreement, Moore agrees to waive all rights under the Rules of CIRO and any applicable legislation to any further hearing, appeal and review.

¶ 63 If the hearing panel rejects this Settlement Agreement, Enforcement Staff and Moore may enter into another settlement agreement or Enforcement Staff may proceed to a disciplinary hearing based on the same or related allegations.

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

¶ 65 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.

¶ 66 If this Settlement Agreement is accepted, Moore agrees that neither he nor anyone on his behalf, will make a public statement inconsistent with this Settlement Agreement.

¶ 67 This Settlement Agreement is effective and binding upon Moore and Enforcement Staff as of the date of its acceptance by the hearing panel.

#### **PART VIII – EXECUTION OF SETTLEMENT AGREEMENT**

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

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

DATED this 19 day of January, 2024.

“Witness”

Witness

“Graham Darren Moore”

Graham Darren Moore

DATED this 25th day of January, 2024.

“Witness”

Witness

“Lorne Herlin”

Lorne Herlin

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

The Settlement Agreement is hereby accepted this 9th day of February, 2024 by the following Hearing panel:

Per: “Linda Murray”

Chair

Per: “Bruce Maranda”

Industry Member

Per: “John van Koll”

Industry Member

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<sup>i</sup>The Canadian Investment Regulatory Organization (“CIRO”) has 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 the rules and certain by-laws and policies of the MFDA that were in force immediately prior to amalgamation. Where the rules of IIROC and the rules and by-laws 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.

Section 1105 (Transitional provision) of the Investment Dealer and Partially Consolidated Rules sets out CIRO’s continuing jurisdiction, including that CIRO shall continue the regulation of any person subject to the jurisdiction of the Investment Industry Regulatory Organization of Canada that was formerly conducted by the Investment Industry Regulatory Organization of Canada.