

IN THE MATTER OF:

**THE RULES OF THE INVESTMENT INDUSTRY REGULATORY
ORGANIZATION OF CANADA**

AND

PAUL MAURICE

NOTICE OF HEARING

An initial appearance (“Initial Appearance”) will be held before a hearing panel (“Hearing Panel”) of the Investment Industry Regulatory Organization of Canada (“IIROC”) pursuant to Sections 8203 and 8205 of the Consolidated Enforcement, Examination and Approval Rules of IIROC in this matter. The purpose of the Initial Appearance is to schedule a hearing (“Hearing”).

The Initial Appearance will be held by videoconference on December 21, 2021 at 10:00 a.m. AST.

The Respondent must serve a Response (“Response”) to this Notice of Hearing and the Statement of Allegations dated October 22, 2021 (“Statement of Allegations”) in accordance with Section 8415 within 30 days from the effective date of service of this Notice of Hearing.

If the Respondent does not file a Response in accordance with Section 8415(1), the Initial Appearance may be immediately converted to a Hearing.

If the Respondent files a Response in accordance with Section 8415(1), the Initial Appearance will be immediately followed by an initial prehearing conference. In preparation for the prehearing conference, the Respondent must serve and file a prehearing conference form in accordance with Section 8416(5).

The purpose of the Hearing will be to determine whether the Respondent has committed the contraventions that are alleged by the staff of IIROC (“Staff”). The alleged contraventions are contained in the Statement of Allegations.

Pursuant to Section 8409, the Hearing will be conducted as an electronic hearing (videoconference).

The Respondent may object to the format of the Hearing. The objection must be made in accordance with Section 8409.

The Initial Appearance, the Hearing and all related proceedings will be subject to the Rules of Practice and Procedure as set out in Section 8400.

Pursuant to the Rules of Practice and Procedure, the Respondent is entitled to attend the Hearing and to be heard, to be represented by counsel or by an agent, to call, examine and cross-examine witnesses, and to make submissions to the Hearing Panel at the Hearing.

If the Respondent fails to serve a Response at the Hearing, the Hearing Panel may, pursuant to Section 8415(4):

- (a) proceed with the hearing as set out in this Notice of Hearing, without further notice to the Respondent;
- (b) accept as proven the facts and contraventions set out by Staff in the Statement of Allegations; and
- (c) order sanctions and costs against the Respondent pursuant to Sections 8209, 8210 and 8214 and/or IIROC Dealer Member Rules 20.33 and 20.34.

If the Hearing Panel concludes that the Respondent did commit any or all of the contraventions alleged by Staff in the Statement of Allegations, the Hearing Panel may, pursuant to Sections 8209 and 8210 and/or IIROC Dealer Member Rules 20.33 and 20.34, impose any one or more of the following sanctions:

Where the Respondent is/was a Regulated Person who is not a Dealer Member:

- (a) a reprimand;
- (b) disgorgement of any amount obtained, including any loss avoided, directly or indirectly, as a result of the contravention;
- (c) a fine not exceeding the greater of:
 - (i) \$5,000,000/\$1,000,000 per contravention; and
 - (ii) an amount equal to three times the profit made or loss avoided by the person, directly or indirectly, as a result of the contravention.
- (d) suspension of the person's approval or any right or privilege associated with such approval, including access to a Marketplace, for any period of time and on any terms and conditions;

- (e) imposition of any terms or conditions on the person's continued approval or continued access to a Marketplace;
- (f) prohibition of approval in any capacity, for any period of time, including access to a Marketplace;
- (g) revocation of approval;
- (h) a permanent bar to approval in any capacity or to access to a Marketplace;
- (i) permanent bar to employment in any capacity by a Regulated Person, and
- (j) any sanction determined to be appropriate under the circumstances.

Where the Respondent is/was a Dealer Member:

- (a) a reprimand;
- (b) disgorgement of any amount obtained, including any loss avoided, directly or indirectly, as a result of the contravention;
- (c) a fine not exceeding the greater of:
 - (i) \$5,000,000 per contravention; and
 - (ii) an amount equal to three times the profit made or loss avoided by the Dealer Member, directly or indirectly, by reason of the contravention;
- (d) suspension of membership in IIROC or of any right or privilege associated with membership, including a direction to cease dealing with clients, for any period of time and on any terms and conditions;
- (e) imposition of any terms and conditions on the Dealer Member's continued membership, including on access to a Marketplace;
- (f) expulsion from membership and termination of the rights and privileges of membership, including access to a Marketplace;
- (g) a permanent bar to membership in IIROC;
- (h) any other sanction determined to be appropriate under the circumstances.

If the Hearing Panel concludes that the Respondent did commit any or all of the contraventions alleged by the Staff in the Statement of Allegations, the Hearing Panel may assess and order any investigation and prosecution costs determined to be appropriate and reasonable in the circumstances pursuant to Section 8214 and/or IIROC Dealer Member Rule 20.49.

DATED this 22 day of October, 2021.

(S) Sandra Porée

NATIONAL HEARING COORDINATOR
Investment Industry Regulatory Organization of Canada
Suite 2000, 121 King Street West
Toronto, Ontario, M5H 3T9

IN THE MATTER OF:

**THE RULES OF THE INVESTMENT INDUSTRY REGULATORY
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AND

PAUL MAURICE

STATEMENT OF ALLEGATIONS

Further to a Notice of Hearing dated October 22, 2021, Enforcement Staff make the following allegations.

PART I – REQUIREMENTS CONTRAVENED

Contravention 1: In January and February 2020, the Respondent engaged in discretionary trading in the joint account of two clients, without this account having been previously approved and accepted as a discretionary account, contrary to Dealer Member Rule 1300.4 and 1300.5.

Contravention 2: Between May and December 2020, the Respondent made misrepresentations to Enforcement Staff during the course of an investigation, contrary to Consolidated Rule 1400.

PART II – RELEVANT FACTS AND CONCLUSIONS

Background

1. The Respondent has been a Registered Representative with IIROC as well as with its predecessor, the Investment Dealers Association of Canada (IDA), since March 2003.
2. Since August 2005, the Respondent is employed by and registered with CIBC World Markets Inc. (CIBC).
3. The Respondent has no disciplinary history with IIROC.

Discretionary Trading and Misrepresentation

4. On or around October 15, 2019, clients AH and LH opened a joint, fee-based account with CIBC through the Respondent.
5. Soon thereafter, the Respondent had a general discussion with his clients about different securities he felt may be suitable for them.
6. This account had not been approved nor accepted as a “discretionary” account beforehand.
7. From October 25, 2019 to February 26, 2020, the Respondent executed the following twenty-one (21) trades in the account of AH and LH:

TRADE DATE	SETTLEMENT DATE	BUY/SELL	QUANTITY	DESCRIPTION	TOTAL (\$)
10/25/2019	10/29/2019	BUY	1100	Pro Real Estate Invt Tr Unit New	7 975
10/25/2019	10/29/2019	BUY	100	Toronto Dominion Bank	7 519
10/25/2019	11/01/2019	BUY	50 000	CDn Imperial Bk of Commerce Auto Cpn Bufer Lkd Enbridge S14	50 000
10/28/2019	10/29/2019	BUY	500	CIBC Autocall CPN NT Lnkd Unitd Health Grp Inc. S1	50 000
10/31/2019	11/04/2019	BUY	150	Enbridge Inc.	7 164
10/31/2019	11/04/2019	BUY	125	Parkland Fuel Corporation	5 468
10/31/2019	11/04/2019	BUY	750	Pizza Pizza Royalty Corp.	7 028
10/31/2019	11/04/2019	BUY	150	Suncor Energy Inc.	5 828
10/31/2019	11/04/2019	BUY	25	Toronto Dominion Bank	1 869
11/12/2019	11/14/2019	BUY	300	Manulife Financial Corp.	7 848
12/07/2019	12/09/2019	BUY	50	Canadian Imperial Bank of Commerce	5 433
12/07/2019	12/09/2019	BUY	15	Toronto Dominion Bank	1 099
01/14/2020	02/03/2020	BUY	20 000	Cdn Imperial Bk of Commerce Auto Nts Lkd Shopify Inc. S14	20 000
02/04/2020	02/06/2020	BUY	100	Bank of Nova Scotia	7 297
02/04/2020	02/06/2020	BUY	50	Manulife Financial Corp.	1 312
02/04/2020	02/06/2020	BUY	600	North West Healthcare Property Real Estate Inv.	7 374
02/04/2020	02/06/2020	BUY	125	Toronto Dominion Bank	9 309
02/26/2020	02/26/2020	BUY	650	Telus Corporation	33 800
02/26/2020	02/28/2020	BUY	50	Canadian Imperial Bank of Commerce	5 298
02/26/2020	02/28/2020	BUY	100	Manulife Financial Corp.	2 361
02/26/2020	02/28/2020	BUY	35	Toronto Dominion Bank	2 569

8. Of these, the nine (9) trades listed above from January 14 to February 26, 2020 were executed by the Respondent on a discretionary basis.

9. Furthermore, in the course of Enforcement Staff's investigation in this matter, the Respondent has maintained that he had discussed all details pertaining to the twenty-one (21) trades mentioned above with his clients, before executing them.
10. More specifically, the Respondent provided Enforcement Staff with notes he had taken and which, according to him, referred to these discussions with clients AH and LH.
11. One of these notes, dated May 14, 2020, referred extensively to discussions which allegedly took place between the Respondent and AH since November 2019.
12. The Respondent also stated in an interview with Enforcement Staff that, with regards to the nine (9) trades mentioned in paragraph 8, he had specifically discussed with his clients beforehand by phone.
13. Enforcement Staff subsequently obtained a copy of the phone statements pertaining to AH and LH, for the relevant time period, where none of these phone calls between the Respondent and his clients could be traced.

Dated at Montréal, Québec, on this 22 day of October 2021.