

IN THE MATTER OF:

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

AND

MARC LEON ST. PIERRE

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 IIROC Rule 8200, sections 8203 and 8205 in this matter. The purpose of the Initial Appearance is to schedule a hearing (“Hearing”).

The Initial Appearance will be held by way of videoconference on November 8, 2022, at 10:00 a.m. (MT)

The Respondent must serve a Response (“Response”) to this Notice of Hearing and the Statement of Allegations dated September 14, 2022 (“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 subsection 8415(1), the Initial Appearance may be immediately converted to a Hearing.

If the Respondent files a Response in accordance with subsection 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 subsection 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 a[n]:

☒ Electronic Hearing

The Initial Appearance, the Hearing and all related proceedings will be subject to the Rules of Practice and Procedure as set out in IIROC Rule 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 subsection 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 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 Rules 20.33 and 20.34 impose any one or more of the following sanctions:

- (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 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.

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 Rule 20.49.

DATED this 14 day of September, 2022.

"National Hearing Officer"
NATIONAL HEARING OFFICER
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

MARC LEON ST. PIERRE

STATEMENT OF ALLEGATIONS

Further to a Notice of Hearing dated September 14, 2022, Enforcement Staff make the following allegations:

PART I – REQUIREMENTS CONTRAVENED

Between April, 2015 and August, 2021, the Respondent misappropriated funds from his clients' accounts, contrary to IIROC Rule 1400 and Dealer Member Rule 29.1 (prior to September 1, 2016).

PART II – RELEVANT FACTS AND CONCLUSIONS

Overview

1. The Respondent, Marc Leon St. Pierre (St. Pierre) was a Registered Representative employed with ATB Securities Inc. (ATB), an IIROC-regulated firm, in Red Deer, Alberta.
2. Between April, 2015 and August 2021 (Relevant Period), St. Pierre misappropriated a total of approximately \$10,403,000 from the accounts of 16 of his clients (Clients). In total, he

transferred approximately \$5,595,000 to the Clients' accounts, and transferred out a net amount of approximately \$4,840,000, to outside bank accounts personally owned or controlled by him. These funds, totalling \$4,840,000 were used for his own personal benefit.

3. St. Pierre misappropriated the funds through a variety of methods involving unauthorized withdrawals and deposits of bank drafts and electronic funds transfers. St. Pierre was able to misappropriate the funds by deceiving both the Clients and his firm through the falsification of the Clients' information and records.
4. The majority of the Clients were over 75 years old, and were vulnerable. ATB has reimbursed the Clients in full with respect to the net funds misappropriated by St. Pierre, plus opportunity costs attributable to lost market gains.

Registration History

5. Beginning in March, 2008, St. Pierre became employed with ATB. He became an IIROC Registrant in January, 2012.
6. In August, 2021, ATB terminated St. Pierre's employment as a result of an internal investigation. He has not been employed with an IIROC-regulated firm since.

Misappropriation of Client Funds

7. During the Relevant Period, St. Pierre misappropriated funds from the Clients' accounts through at least five different methods. These five methods involving frequent withdrawals and deposits of funds, typically through the use of bank drafts and electronic funds transfers, between the Clients' accounts, internal ATB accounts and outside bank accounts owned by him. All of the transactions occurred without the Clients' knowledge or authorization.

8. The five methods were facilitated by eight different processes, which St. Pierre used to deliberately deceive both the Clients and his employer, and reduce the likelihood of detection. These processes included using fake email addresses, changing account statements to electronic statements only, falsifying account statements, altering account statements, using fake mailing addresses, changing EFT instructions, and diverting tax slips.
9. The total funds misappropriated, broken down by client, are as follows:

	Client Name	Funds Misappropriated	Funds Transferred by St. Pierre to Clients	Net Funds Misappropriated (to outside St. Pierre Accounts)
1.	DB	\$1,833,535.83	\$1,750,500.00	\$83,035.83
2.	RC	\$100,000.00	\$100,000.00	\$0
3.	JC	\$360,000.00	\$360,234.81	\$0
4.	CJ	\$147,000.00	\$47,000.00	\$100,000.00
5.	RM	\$357,491.48	\$30,000.00	\$327,491.48
6.	PM & AM	\$130,000.00	\$0	\$130,000.00
7.	RMi	\$94,723.43	\$5,500.00	\$89,223.43
8.	LN	\$303,765.79	\$0	\$303,765.79
9.	KP	\$3,701,957.67	\$3,040,381.48	\$661,576.19
10.	HR	\$80,000.00	\$91,546.48	\$0
11.	BS	\$250,000.00	\$0	\$250,000.00
12.	CS	\$138,000.00	\$159,139.29	\$0
13.	GT	\$991,500.00	\$0	\$991,500.00
14.	DV	\$1,580,142.65	\$0	\$1,580,142.65
15.	SW & DW	\$94,973.74	\$11,000.03	\$83,973.71
16.	JW	\$240,000.00	\$0	\$240,000.00
Total		\$10,403,090.59	\$5,595,302.09	\$4,840,709.08

10. Of the funds misappropriated, St. Pierre made frequent payment of funds between individual Clients' accounts, in order to cover up the misappropriations from other Clients' accounts.

11. During the Relevant Period, St. Pierre transferred funds totaling \$4,840,709 to outside bank accounts personally owned or controlled by him at other financial institutions. These funds were used for his own personal benefit.
12. On July 7, 2022, St. Pierre attended an interview with IIROC Staff in which he specifically admitted, under oath, to misappropriating a total of approximately \$4,000,000 from the Clients over a six year period ending in August, 2021. In addition, he stated that these funds were transferred to personal bank accounts owned or controlled by him at other Canadian financial institutions for his personal use.

DATED at Calgary, Alberta, this 14th day of September, 2022.