

**IN THE MATTER OF
THE INVESTMENT DEALER AND PARTIALLY CONSOLIDATED RULES AND
THE DEALER MEMBER RULES
AND
ROBERT WESTON CROCKER**

NOTICE OF HEARING

An initial appearance will be held before a hearing panel of the Corporation¹ pursuant to Rule 8200 of the Investment Dealer and Partially Consolidated Rules (the “Investment Dealer Rules”) to schedule a hearing in the matter of Robert Weston Crocker (the “Respondent”). The initial appearance and the hearing will be subject to Investment Dealer Rule 8400, as further referenced below, that governs the conduct of enforcement proceedings.

The initial appearance will be held by way of videoconference on Tuesday, June 06, 2023 at 10:00 a.m. ET

The purpose of the hearing will be to determine whether the Respondent has contravened Corporation requirements. The alleged contraventions are contained in the attached Statement of Allegations.

If the hearing panel finds that the Respondent contravened Corporation requirements alleged in the Statement of Allegations, the hearing panel may impose one or more of the following sanctions pursuant to section 8210 of the Investment Dealer Rules:

- (i) a reprimand,
- (ii) disgorgement of any amount obtained, including any loss avoided, directly or indirectly, as a result of the contravention,
- (iii) a fine not exceeding the greater of:
 - (i) \$5,000,000 for each 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.
- (iv) 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,

- (v) imposition of any terms or conditions on the person's continued approval or continued access to a Marketplace,
- (vi) prohibition of approval in any capacity, for any period of time, including access to a Marketplace,
- (vii) revocation of approval,
- (viii) a permanent bar to approval in any capacity or to access to a Marketplace,
- (ix) permanent bar to employment in any capacity by a Regulated Person
- (x) any other sanction determined to be appropriate under the circumstances.

In addition, pursuant to section 8214 of the Investment Dealer Rules, a hearing panel may order the Respondent to pay any costs incurred by or on behalf of the Corporation in connection with the hearing and any investigation related to the hearing.

The Respondent must serve a response to this Notice of Hearing 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 hearing panel may proceed with the hearing on its merits on the date of the initial appearance, without further notice to and in the absence of the Respondent, and the hearing panel may accept as proven the facts and contraventions alleged in the Statement of Allegations and may impose sanctions and costs.

If the Respondent files a response in accordance with subsection 8415(1), the initial appearance will be immediately followed by an initial prehearing conference, for which a prehearing conference form must be filed in accordance with subsection 8416(5).

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.

DATED May 5, 2023.

"National Hearing Officer"
NATIONAL HEARING OFFICER
New Self-Regulatory Organization of Canada,
a consolidation of IROC and the MFDA
Suite 2000, 121 King Street West
Toronto, Ontario, M5H 3T9

¹On January 1, 2023, IIROC and the MFDA were consolidated into a single self-regulatory organization recognized under applicable securities legislation. The New Self-Regulatory Organization of Canada (the “Corporation”) 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 the Corporation’s continuing jurisdiction, including that the Corporation 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.

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STATEMENT OF ALLEGATIONS

Further to a Notice of Hearing dated May 5, 2023., Enforcement Staff make the following allegations:

PART I – REQUIREMENTS CONTRAVENED

Contravention 1

Between April 2020 and December 2020, the Respondent failed to learn and remain informed of the essential facts relative to a client by completing Know Your Client information that he knew was inaccurate, contrary to Dealer Member Rule 1300.1(a); and

Contravention 2

Between April 2020 and December 2020, the Respondent completed purchases of private placements for a client which were non-PRO eligible when he knew that the Client’s account should have been marked PRO, contrary to Investment Dealer Rule 1400.

PART II – RELEVANT FACTS AND CONCLUSIONS

Overview

1. Beginning in November 2016, the Respondent worked as a Registered Representative at the same branch of BMO Nesbitt Burns Inc. (“BMO”) with another Registered Representative (the “RR”). In May 2018, the RR began working at RBC Dominion Securities (“RBC DS”). In August 2019, the Respondent began working at Canaccord Genuity Corp (“Canaccord”).

2. While at Canaccord, the Respondent became the advisor for the RR's spouse or common law spouse (the "Client"). The Respondent failed to learn and remain informed of the essential facts relative to the Client by completing Know Your Client ("KYC") information that he knew was inaccurate.
3. The Respondent completed several purchases of private placements for the Client's account which were not PRO eligible when he knew that the Client's account should have been, but was not, marked PRO, contrary to the standards of conduct that apply to a Regulated Person.

Background

4. The Respondent was first employed in the industry in May 2012. He was first registered at BMO from November 2016 to August 2019; at Canaccord from August 2019 until he was terminated in January 2021; at Echelon Wealth Partners Inc. from March 2021 until he was terminated in August 2022. The Respondent is not currently registered and has no previous disciplinary history.

KYC Information

4. In or about April 2020, the Respondent opened an account at Canaccord for the Client. The KYC information indicated that:
 - the Client's spouse or common law spouse was the RR;
 - there was no indication that the RR was a joint account holder or authorized party on the account;
 - the RR's occupation was documented as "Real Estate Deve"; and
 - in response to the question: "Is [the Client] related to and residing at the same address as an Employee of [the Firm] or any other investment firm?" the answer was "No".

5. The KYC did not otherwise include any reference to the fact that the RR was employed as a Registered Representative with RBC DS. The RR did not have any personal investment accounts at Canaccord during the lifetime of the Client's account with the Respondent.
6. At all relevant times, the address on the Client's account was the same as the RR's address.
7. In April 2020, the Respondent sent the unsigned KYC document via email to the RR at his RBC DS email address; the Respondent had been using this email address for the RR since 2019. The Client was not a recipient on this email. The RR emailed the KYC document with the Client's signature to the Respondent later the same day from the same RBC DS email address.
8. In light of the RR's status with RBC DS, the Client's account should have been, but was not, marked as a PRO account at Canaccord.
9. If the Client's account had been properly marked as a PRO account, it would not have been able to participate in the private placements described below:

Private Placements Purchased in the Client's Account – Not PRO Eligible

10. The Respondent completed purchases for five private placements in the Client's account for a value of approximately \$177,000 which were not PRO eligible as follows:

Issuer	Initial Purchase Date	Cost
a. 1205457 B.C Ltd (Pure Extract Technologies Inc.)	6/11/2020	\$20,000.00
b. Mednow Inc.	7/10/2020	\$30,000.00
c. GHP Noetic Science- Psychedelic Pharma Inc.	8/11/2020	\$7,000.00

d. Pivotree Inc.	10/30/2020	\$5,100.00
e. Psybio. Therapeutics Inc.	12/3/2020	<u>\$114,900.00</u>
	Total	\$177,000.00

The Respondent Had Knowledge of the RR

11. The Respondent was well aware of the RR's status with RBC DS. Prior to the Client's account opening at Canaccord in 2020, there are at least 29 instances where the Respondent sent emails to the RR at his RBC email. Many of these emails were marketing or solicitations about private placement offerings.
12. When the Respondent started working at Canaccord in August 2019, he sent an email to the RR, amongst others, writing: "I have officially made the switch to my new home at Canaccord and could not be happier. With the move comes access to tons more deal flow and opportunities I could not get at the bank."
13. The Respondent knew the RR well; in February 2020 he sent the RR an email to the RR's RBC DS email address with wire instructions.

The Respondent's Financial Benefit

14. Between April 2020 and December 2020 the Respondent received 100% of the payout of commissions for transactions in the Client's account. The Respondent's commissions for the above noted purchases of private placements that were not PRO eligible was approximately \$8,190.00.

Conclusion

15. The Respondent failed to learn and remain informed of the essential facts relative to a client by completing Know Your Client information that he knew was inaccurate, contrary to

Dealer Member Rule 1300.1(a). The Respondent completed purchases of private placements for a client which were non-PRO eligible when he knew that the Client's account should have been marked PRO, contrary to Investment Dealer Rule 1400.

DATED at Toronto, Ontario this May 8, 2023.