CIRO · OCRI
Canadian Investment Regulatory Organization
Organisme canadien de réglementation des investissements

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

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Corporation[1] will issue a Notice of Motion 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 Robert Weston Crocker (the "Respondent").

PART II – JOINT SETTLEMENT RECOMMENDATION

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

Overview

4. 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").

5. 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.

6. 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

7. 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

8. 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”.

9. 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.

10. At all relevant times, the address on the Client’s account was the same as the RR’s address.

11. 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.

12. 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.

13. 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

14. 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	$114,900.00
	Total		**$177,000.00**

The Respondent's Financial Benefit

15. 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 $8190.00.

Other Factors

16. The Respondent was in the industry for approximately nine years. There is no evidence that any clients suffered a loss as a result of the Respondent's misconduct.

PART IV – CONTRAVENTIONS

17. By engaging in the conduct described above, the Respondent committed the following contraventions of Corporation requirements:

    (i) 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

    (ii) 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 V – TERMS OF SETTLEMENT

18. The Respondent agrees to the following sanctions and costs:
    (i) fine of $30,000;
    (ii) disgorgement of $8,078;
    (iii) six months suspension from registration with the Corporation;
    (iv) re-write Conduct Practices Handbook prior to any re-registration with the Corporation;
    (v) strict supervision of 6 months upon any re-registration with the Corporation; and
    (vi) costs of $10,000.

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

PART VI – STAFF COMMITMENT

20. If the hearing panel accepts this Settlement Agreement, Enforcement Staff will not initiate any further action against the Respondent 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.

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

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

23. 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.

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

25. If the hearing panel accepts this Settlement Agreement, the Respondent agrees to waive all rights under the Rules of the Corporation and any applicable legislation to any further hearing, appeal and review.

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

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

28. This Settlement Agreement will become available to the public upon its acceptance by the hearing panel and the Corporation will post a copy of this Settlement Agreement on the Corporation website. The Corporation 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.

29. If this Settlement Agreement is accepted, the Respondent agrees that neither they nor anyone on their behalf, will make a public statement inconsistent with this Settlement Agreement.

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

PART VIII – EXECUTION OF SETTLEMENT AGREEMENT

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

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

DATED this "6" day of December, 2023.

"Emily Magowan"
Witness

"Robert Weston Crocker"
Robert Weston Crocker

DATED this "6" day of December, 2023.

"Ricki Ann Newmarch"
Witness

"April Engelberg"
April Engelberg
Senior Enforcement Counsel on behalf of Enforcement Staff of the Corporation

The Settlement Agreement is hereby accepted this "18" day of "December", 2023 by the following Hearing panel:

Per: "Christopher Portner"
Chair

Per: "David Lang"
Industry Member

Per: "Steve Garmaise"
Industry Member

[1]On 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.