Re Majumder

IN THE MATTER OF:

The Mutual Fund Dealer Rules

and

Debojyoti (Debo) Majumder

2026 CIRO 25

Canadian Investment Regulatory Organization
Hearing Panel (Ontario District)

Heard: July 21, 2026, in Toronto, Ontario
Decision: July 21, 2026
Reasons for Decision: August 20, 2026

Hearing Panel:
Martin Sclisizzi, Chair, Daniel Iggers and Kenneth P. Mann

Appearances:
Lerina Koornhof, Enforcement Counsel
Debojyoti (Debo) Majumder (absent)

REASONS FOR DECISION

INTRODUCTION

[1] In this disciplinary proceeding, Staff of the Canadian Investment Regulatory Organization (**CIRO**) alleged that the Respondent, Debojyoti Majumder (**the Respondent**), also known as Debo Majumder, failed to cooperate with Staff's investigation into his conduct, contrary to Mutual Fund Dealer Rule 6.2.1. Pursuant to the Notice of Hearing dated November 26, 2025, a hearing was conducted by videoconference on July 21, 2026. We are satisfied that Staff made reasonable efforts to locate the Respondent's whereabouts and to serve the Respondent with the Notice of Hearing and that the Respondent, more likely than not, had notice of this proceeding. The Respondent neither served nor filed a Reply to the Notice of Hearing nor attended the initial appearance on January 19, 2026, or the hearing on July 21, 2026. At the conclusion of the hearing, we found that the evidence presented amply established that the Respondent failed to cooperate with Staff's investigation, contrary to Mutual Fund Dealer Rule 6.2.1. We ordered the Respondent to pay a fine of $50,000 and to pay Staff's costs in the amount of $25,000 and ordered a permanent prohibition to conduct securities-related business while in the employ of or associated with any Dealer Member of CIRO, with reasons to follow. These are our reasons for that decision.

BACKGROUND

[2] The facts are set out in the affidavits of Patricia West, a senior investigator with CIRO, affirmed on June 23, 2026[1], and July 30, 2026, the affidavit of Michelle Berg[2], a skip tracer with Trax Tracing Services Ltd. (**Trax**), sworn on July 10, 2026, and the affidavit of Nargis Pamiri sworn on July 20, 2026[3]. Ms. West's second affidavit[4], affirmed on July 30, 2026, was filed at the Panel's request after the hearing to affirm a statement Ms. West

[1] Exhibit 2, Patricia West Affidavit affirmed on June 23, 2026 (**West Affidavit**)
[2] Exhibit 3, Michelle Berg Affidavit sworn on July 10, 2026 (**Berg Affidavit**)
[3] Exhibit 4, Nargis Pamiri Affidavit sworn on July 20, 2026 (**Pamiri Affidavit**)
[4] Affidavit No. 2 of Patricia West affirmed on July 30, 2026 (**West Affidavit 2**)

made at the hearing correcting a statement contained in paragraph 24 of her June 23, 2026 affidavit.

[3] The Respondent was registered as a dealing representative with HSBC Investment Funds (Canada) Inc., (now Royal Mutual Funds Inc.), a dealer member of CIRO (the **Dealer Member**), in British Columbia from May 8, 2019, to February 24, 2022, and then in Ontario from February 24, 2022, to August 18, 2023. On June 29, 2023, the Dealer Member issued a written warning to the Respondent in respect of the allegations which gave rise to Staff's investigation and other allegations. The Respondent resigned effective August 18, 2023, and is no longer registered in the securities industry in Canada in any capacity.[5]

[4] This is not a case about the Respondent's conduct resulting in Staff's investigation. This is a case about the Respondent's failure to cooperate with Staff's investigation. The underlying conduct summarized below is not the subject of the Notice of Hearing and the Statement of Allegations in this proceeding. The facts under investigation are relevant only because the Respondent's failure to cooperate with Staff's investigation prevented Staff from obtaining evidence about the underlying conduct from the Respondent and from determining the full nature and extent of his conduct.

[5] DK filed a Civil Claim against the Respondent in the Provincial Court of Alberta on August 2, 2022, claiming $50,000 against the Respondent, alleging that the Respondent owed him at least $50,000 from a joint investment in the Respondent's cryptocurrency account. DK further alleged that the Respondent had defrauded him and other individuals. On September 26, 2022, DK obtained a default judgment against the Respondent for $50,000 and for $200 for costs of the claim.[6] DK was not a Dealer Member client and did not have any accounts with the Dealer Member. The Respondent did not disclose to or seek the approval from the Dealer Member to engage in crypto trading as an outside activity. The Respondent did not report the Civil Claim or the judgment to the Dealer Member.[7]

[6] The Dealer Member commenced an investigation after DK reported the Civil Claim and judgment to the Dealer Member in April 2023. The Dealer Member's investigation considered documents provided by DK, the Respondent's work email account and the Respondent's statements during an interview in May 2023. The Respondent admitted that he failed to disclose the Civil Claim but denied that he had defrauded anyone, that he was responsible for DK's losses, and that he invested DK's money after becoming registered. The Dealer Member found that the Respondent's statements were inconsistent with DK's version of events and with other records reviewed by the Dealer Member, as well as at times being internally inconsistent. The Dealer Member concluded that the Respondent was not truthful about when he first knew about the Civil Claim.[8]

[7] The Dealer Member reported the matter to Staff on April 14, 2023, and Staff commenced an investigation into the Respondent's conduct. During the CIRO investigation, Staff interviewed DK. He informed Staff that he had known the Respondent since 2010, that he e-transferred funds to the Respondent in 2017, 2018, 2021 and 2022 for cryptocurrency investments and that later the Respondent denied that he had purchased the cryptocurrency. However, in WhatsApp messages provided by DK to the investigators, the Respondent appeared to admit misusing DK's money.[9]

[8] Between August 28 and December 18, 2023, Staff made four written requests to the Respondent to respond to the allegations raised in the Dealer Member's METS Report. Between April 29, 2024, and May 30, 2025, Staff made three written requests for the Respondent to attend an interview. The Respondent failed to respond to any of Staff's requests. Staff tried to contact the Respondent using his last-known mailing address and email addresses. Staff received no response from the Respondent to any of the letters and emails described below. In respect of all emails sent to the Respondent, no return notifications were received stating that the email addresses were inactive or that the emails were undelivered or undeliverable.[10]

[9] Until June 2024, CIRO used a secure email system called Egress, which was integrated with Microsoft Outlook. The Egress email system had a delivery confirmation option. Unfortunately, Ms. West did not save

[5] West Affidavit
[6] West Affidavit, Exhibit 3 Civil Claim and Judgment
[7] West Affidavit, paras. 7-13
[8] West Affidavit, Exhibits 2 and 4, Dealer Member Reports and Member Event Tracking System (**METS Report**)
[9] West Affidavit, Exhibit 6 - Transcript of DK Interview,
[10] West Affidavit, paras. 17-30, Exhibits 7-18

email delivery receipts from the Egress system and after CIRO stopped using the Egress system in June 2024, she was no longer able to access the system to obtain delivery receipts. However, Ms. West deposed that she did not receive any email bounce-back notifications either through the Egress system or Microsoft Outlook that emails sent to the Respondent were undelivered or undeliverable. After Ms. West stopped sending the Respondent emails through Egress and started sending them directly through Outlook, she obtained confirmation from Outlook that the emails had been delivered.[11]

[10] Ms. West's June 23, 2026, affidavit sets out the details of the correspondence and emails sent by Staff to the Respondent as follows:

a) On August 28, 2023, Staff sent its first letter to the Respondent by ordinary and registered mail to his last known address. The letter summarized the complaint reported by the Dealer Member, requested relevant records and information, informed the Respondent of his obligation to cooperate, and required a response by September 19, 2023. The Respondent signed for and accepted delivery of the registered letter on September 3, 2023. The Respondent did not respond to the letter.[12]

b) On October 24, 2023, Staff sent a follow-up letter to the Respondent again by ordinary mail and registered mail to the same address as the previous letter. This letter warned the Respondent that failure to cooperate may result in penalties and required a response by November 8, 2023. The registered letter was delivered on October 25, 2023. Someone signed acknowledging delivery of the letter although it is uncertain whether it was the Respondent signed accepting deliver of the letter. The Respondent did not respond to the letter.[13]

c) On November 16, 2023, Staff sent two emails to both Respondent's email addresses – one encrypted email attaching Staff's previous two letters, and a second unencrypted email notifying the Respondent of the encrypted email. The emails were not returned undelivered or undeliverable. The Respondent did not respond to the emails.[14]

d) On December 18, 2023, Staff sent a secure email to the Respondent's two email addresses advising him that CIRO had completed its initial review and the matter has been escalated to investigations. The emails were not returned undelivered or undeliverable. The Respondent did not respond to the emails.[15]

e) On April 29, 2024, Staff sent a letter to the Respondent by registered mail to the same address, requesting that the Respondent attend an interview. This letter was returned undelivered.[16]

f) On May 14, 2024, Staff sent an email to both of the Respondent's email addresses requesting the Respondent to contact Ms. West by May 24, 2024. Delivery of the emails was confirmed by Microsoft Outlook. The Respondent did not respond to the email.[17]

g) On May 30, 2024, Staff sent a follow-up email to the Respondent's email addresses requesting an immediate response. Delivery of the emails was confirmed by Microsoft Outlook. The Respondent did not respond to the email.[18]

h) On July 24, 2024, Staff sent another email to the Respondent's email addresses requesting the Respondent attend a virtual interview by videoconference on September 10, 2024, and warning the Respondent of the potential penalties if he did not attend. Delivery of the emails was confirmed by Microsoft Outlook. The Respondent did not respond to the email, and he did not

[11] West Affidavit 2; West Affidavit Exhibits 14 and 15
[12] West Affidavit, para. 18, Exhibit 7
[13] West Affidavit, para 19, Exhibit 8
[14] West Affidavit, para 21, Exhibits 10
[15] West Affidavit, para. 22, Exhibit 11
[16] West Affidavit, para 23, Exhibit 12
[17] West Affidavit, para. 24, Exhibit 13
[18] West Affidavit, para. 25, Exhibit 14

attend the interview on September 10, 2024.[19]

i) On September 26, 2024, Staff sent an email to the Respondent's email addresses informing the Respondent that enforcement proceedings may be commenced because of his failure to cooperate and inviting him to schedule a new interview. The Respondent did not respond to the email.[20]

j) On May 5, 2025, Staff sent a letter by email to the Respondent's email addresses informing him that a Notice of Hearing may be issued by CIRO in respect of the underlying allegations and his failure to cooperate with Staff's investigation into his conduct despite repeated attempts to contact him regarding the allegations. The Respondent did not respond to the email or to the letter.[21]

k) On November 26, 2025, Staff sent the Notice of Hearing and Statement of Allegations as attachments to an email sent to the Respondent's email addresses. The Respondent did not respond to the email or to the Notice of Hearing and Statement of Allegations. He did not serve or file a Reply to the Statement of Allegations.[22]

l) On December 9, 2025, and on January 19, 2026, Staff of CIRO's Hearing Office sent emails to one of the Respondent's email addresses regarding the initial appearance, and Case Center, as well as a calendar invitation with a videoconference link to attend the initial appearance with hearing details, and an offer to assist the Respondent with preparation and conduct of the hearing using Case Center. The Respondent did not respond to the emails.[23]

m) On May 19, 2026, Staff of CIRO's Hearing Office sent two emails to one of the Respondent's email addresses regarding the hearing on the merits scheduled for July 21, 2026, and a videoconference link for the hearing, information regarding the hearing process and offering the Respondent Case Center and Webex training for the hearing. The Respondent did not respond to the emails.[24]

n) On July 15, 2026, Staff sent an email to the Respondent's email addresses notifying the Respondent that a further email through ShareFile, a secure document sharing program, where he can access documents related to the hearing on July 21, 2026, would follow. The ShareFile email was sent on July 15, 2026. The Respondent did not respond to the emails, and he did not access the secure files (Staff's Written Submissions and Book of Authorities) sent through ShareFile.[25]

[11] In addition to the extensive attempts made by Staff to contact, interview and serve the Respondent described above, Staff also made extensive efforts to locate the Respondent's whereabouts. In May 2024, Staff engaged KAP Litigation Services to conduct Ontario driver's licence searches for the Respondent to try to find the Respondent's address. Searches conducted by KAP Litigation Services in May 2024 and again in February 2025 found no Ontario driver's licence record for the Respondent.[26] An Ontario personal property lien registry search conducted by Staff on February 2, 2026, found no registered financing statement or registered claim for lien against the Respondent.[27]

[12] Staff also engaged Trax in March 2026 to locate the Respondent. Trax is an international skip tracing service provider. Trax made extensive investigations and efforts to locate the Respondent's whereabouts. The details of Trax's investigations are contained in Michelle Berg's affidavit.[28] Trax made searches and inquiries of

[19] West Affidavit, paras. 26-27, Exhibits 15-16
[20] West Affidavit, para. 28, Exhibit 17
[21] West Affidavit, para. 29, Exhibit 18
[22] West Affidavit, para. 31, Exhibit 19
[23] West Affidavit, paras. 32-33, Exhibits 20-21
[24] West Affidavit, para. 34, Exhibit 22
[25] Pamiri Affidavit, paras. 5-6, Exhibit "D" and Exhibit 5
[26] West Affidavit, paras. 37-39, Exhibits 25 and 27
[27] West Affidavit, para. 38, Exhibit 26
[28] Berg Affidavit

public and private information sources within and outside Canada. Trax sent emails to the two email addresses for the Respondent provided by CIRO. The emails sent by Trax were not returned as undeliverable and Trax determined that as of July 10, 2026, the Respondent's email addresses remain active. Trax was unable to confirm the Respondent's address but determined that the Respondent had likely relocated to the State of Washington.[29]

ANALYSIS

NOTICE TO THE RESPONDENT

[13] Mutual Fund Dealer Rules of Procedure 4.2 and 4.3 provide the manner of service of a Notice of Hearing and other documents.

[14] Mutual Fund Dealer Rule of Procedure 4.2.1 provides for the manner of service of a Notice of Hearing as follows:

> (1) A Notice of Hearing shall be served by one of the following methods:
>
> a) by personal service on the Respondent;
>
> b) by registered and ordinary mail or by courier with confirmation of delivery to the Respondent's last known address recorded in [CIRO's] records or in the records of any securities commission with which the Respondent is or was registered;
>
> c) by providing it to the Respondent's counsel or agent, with the consent of the counsel or agent; or
>
> d) by any other means, with the consent of the Respondent or by order of the Hearing Panel.

[15] Mutual Fund Dealer Rules of Procedure 4.3 provides for the manner of service of other documents as follows:

> (1) Where these Rules require a document other than a Notice of Hearing to be served, it may be served:
>
> a) by personal service;
>
> b) by registered and ordinary mail or courier;
>
> c) by fax, provided the document does not exceed 16 pages, inclusive of the covering page, unless the party consents of the Panel orders otherwise;
>
> d) by e-mail, provided that the entire document is capable of being transmitted by e-mail; or
>
> e) by any other means, with the consent of the party or by order of the Panel.

[16] Mutual Fund Dealer Rule of Procedure 4.8 provides that a Panel may order substituted service or waiver of service as follows:

> (1) A Panel may order substituted service or waive the requirement of service of any document where it is satisfied that it is in the public interest to do so or the circumstances giving rise to the requirement to effect service make it unnecessary or impractical to do so.

[17] Like *Re Ladeiro*[30], this is a case of the Respondent "dropping out of sight" after resigning from his employment with the Dealer Member and ceasing to be a registrant in the securities industry. The Respondent has not been located despite attempts to contact, interview and deliver documents to him based on his last known address and personal contact information, skip trace searches of public and private information sources within and outside Canada. However**,** the Respondent signed for**,** and accepted delivery of Staff's registered letter dated August 28, 2023**,** and either the Respondent himself, or someone on his behalf signed for and

[29] Berg Affidavit, para. 24

[30] *Re Ladeiro* 2025 CIRO 53

accepted delivery of Staff's registered letter dated October 24, 2023. Since receiving the August 28, 2023 letter, the Respondent has known of Staff's investigation and that his failure to cooperate with the investigation could result in disciplinary proceedings**.**

[18] On November 26, 2025, Staff sent the Notice of Hearing and Statement of Allegations to the Respondent's last known personal email addresses. No notification was received by Staff that the emails were undelivered or undeliverable, or that the email accounts were inactive. The numerous emails sent by Staff and by CIRO's Hearing Office to the Respondent's two personal email addresses including the emails attaching the Notice of Hearing and Statement of Allegations yielded no response from the Respondent. The evidence establishes that the Respondent's email addresses were active and continued to be active as of July 10, 2026, and that the numerous letters and emails sent by Staff and by CIRO's Hearings Office including the Notice of Hearing and Statement of Allegations were delivered to the Respondent's email addresses.

[19] Rule 4.8 of the Mutual Fund Dealer Rules of Procedure permit the Panel to "order substituted service or waive the requirement of service of any document where it is satisfied that it is in the public interest to do so or the circumstances giving rise to the requirement to effect service make it unnecessary or impractical to do so."

[20] Considering the efforts made by Staff to locate the Respondent's whereabouts and the Panel's finding that the Respondent's personal email accounts are active and emails sent by Staff and CIRO's Hearings Office to the Respondent's personal email addresses were delivered to the Respondent, pursuant to Rule 4.8 of the Mutual Fund Dealer Rules of Procedure the Panel hereby orders *nunc pro tunc* substituted service of the Notice of Hearing and Statement of Allegations by email to the Respondent's personal email addresses and that such service constitutes good and sufficient service on the Respondent. The Panel finds that the Respondent was served with the Notice of Hearing, notice of the initial appearance and notice of the merits hearing in accordance with Rules 4.2.1(d) and 4.3 of the Mutual Fund Dealer Rules of Procedure. It must also be noted that publication of the Notice of Hearing and scheduled hearing dates on CIRO's website are publicly accessible.

[21] The Respondent did not serve or file a Reply, nor did he attend the first appearance on January 19, 2026, or the hearing on July 21, 2026.

JURISDICTION

[22] CIRO has jurisdiction over the Respondent, and the Panel has jurisdiction to proceed with the hearing in the absence of the Respondent.

[23] Mutual Fund Dealer Rule 6.2.1 provides that, for the purpose of an examination or investigation, a person under CIRO's jurisdiction may be required to provide records, answer questions, and attend to answer questions under oath or otherwise. Where so required, the person "shall be obliged to cooperate in the examination or investigation".[31]

[24] Mutual Fund Dealer Rule 7.4.1.4 provides that an Approved Person remains subject to CIRO's jurisdiction even after ceasing to be registered. A disciplinary proceeding can be commenced against a former Approved Person up to five years after the individual was last registered.[32] In this case, the Respondent was an Approved Person registered with the Dealer Member until August 18, 2023. Notwithstanding the Respondent's resignation, he continued to be obliged to cooperate with Staff's investigation after his resignation and remained subject to CIRO's jurisdiction. This proceeding was commenced within five years from the date the Respondent ceased to be an Approved Person.

[25] Rule 8.4(1) of the Mutual Fund Dealer Rules of Procedure provides that where a respondent fails to serve and file a Reply to a Notice of Hearing, the hearing panel may, among other things, proceed with the hearing without further notice to and in the absence of the Respondent, and accept the facts alleged and conclusions drawn by CIRO in the Notice of Hearing as proven. Similarly, Rule 7.3(1) of the Mutual Fund Dealer Rules of Procedure provides that where a respondent fails to attend the hearing, the hearing panel may, among other things, proceed with the hearing without further notice to and in the absence of the respondent, and

[31] Mutual Fund Dealer Rule (**MFD Rule**) 6.2.1

[32] MFD Rule 7.4.1.4

accept the facts alleged and conclusions drawn by CIRO in the Notice of Hearing as proven. Likewise, Rule 13.5(1) of the Mutual Fund Dealer Rules of Procedure provides that where a respondent, having been served with a Notice of Hearing, fails to attend the hearing of the proceeding on its merits, the hearing panel may proceed with the hearing in accordance with Rule 7.3.

[26] For the aforesaid reasons, the Panel found that service of the Notice of Hearing by email to the Respondents' personal email addresses constitutes good and sufficient service of the Notice of Hearing. The Respondent failed to serve and file a Reply and to attend the hearing and therefore the Panel proceeded with the hearing in accordance with Rules of Procedure 13.5(1) and 7.3.

Cooperation with Staff's Investigation is Not Optional

[27] CIRO has the authority to conduct examinations of and investigations into conduct, business or affairs of any Approved Person under its jurisdiction as it considers necessary or desirable in connection with any matter relating to compliance with CIRO by-laws, rules, regulations and applicable securities legislation, and an Approved Person "shall be obliged to cooperate in the examination or investigation". [33]

[28] The obligation of an Approved Person to cooperate with CIRO's examinations and investigations is "a cornerstone of the regulatory scheme".[34] As stated by the Ontario Divisional Court in *Artinian v. College of Physicians and Surgeons of Ontario,* "Fundamentally, every professional has an obligation to co-operate with his self-regulating body".[35] As stated by the Hearing Panels in *Re Vitch* and in *Re Alteon*, this obligation is particularly important for CIRO, which lacks the power to search and seize or to compel production of documents and records from an Approved Person or Member.[36]

[29] There can be no exceptions to the obligation to cooperate with an investigation. Cooperation with an investigation is not optional and failure to cooperate amounts to serious misconduct. Without the cooperation of Members and Approved Persons, CIRO's ability to investigate and discipline its Members and Approved Persons is severely hindered, thereby undermining CIRO's ability to fulfill its regulatory mandate to protect investors, foster confidence in the capital markets and the securities industry as a whole and maintain the integrity of the industry's self-regulatory system.[37]

[30] The Respondent failed to cooperate with Staff's investigation by failing to respond to Staff's correspondence, to provide a written statement responding to the underlying allegations of misconduct made by DK, and by failing to attend an interview with Staff. The evidence establishes repeated, escalating efforts by Staff to obtain cooperation from the Respondent starting in August 2023, using various methods of communication. Staff repeatedly advised the Respondent that failing to cooperate may result in penalties. Despite repeated requests sent by ordinary mail, registered mail, encrypted and unencrypted email to active email addresses, the Respondent did not provide any response to Staff and did not attend a scheduled interview.

[31] As a result of the Respondent's failure to respond to Staff's requests for information and his failure to attend the interview to provide information relevant to the matters under investigation, Staff was unable to determine the full nature and extent of the Respondent's conduct and whether it constituted misconduct. The Respondent's failure to cooperate subverted CIRO's ability to perform its regulatory functions to fully investigate DK's complaint and related matters.

Sanctions

[32] How often must hearing panels reiterate that failure to cooperate with an investigation constitutes serious misconduct warranting severe sanctions?

[33] The starting point for determining the appropriate sanctions is a consideration of CIRO's Sanction

---

[33] MFD Rules 6.1 and 6.2

[34] *British Columbia Securities Commission v. Branch,* [1995] 2 SCR 3, para. 35; *Re Rathore* 2005 LNCMFDA para. 45; *Re Surette,* 2020 LNCMFDA 1, paras. 22-24; Re *Alteon* 2025 CIRO 10, para. 52

[35] (1990), 73 O.R. (2d) 704, para. 9

[36] *Re Vitch* 2011 LNCMFDA 63, para. 55; *Re Alteon* 2025 CIRO 10, para. 52

[37] *Re Dixon* 2017 LNCMFDA 247, para. 12; *Re Chow* 2022 CanLII 10912, paras. 68-69

Guidelines (the **Sanction Guidelines**).[38] While the determination of the appropriate sanction is discretionary and fact-specific, the Sanction Guidelines are intended to promote consistency, fairness and transparency in the exercise of discretion. The Sanction Guidelines establish general principles that provide a framework as well as key factors that should be considered by hearing panels when determining the appropriate sanctions.

[34] The overarching principle is that the primary purpose of sanctions in a regulatory proceeding is to protect the public by deterring future conduct that may harm the public and the capital markets. Disciplinary sanctions in the investment industry context are preventative in nature and should be designed to protect the investing public, strengthen market integrity and improve overall business standards and practices. To achieve this, sanctions should be significant enough to prevent and discourage future misconduct by the respondent (specific deterrence) and to deter others in the industry from engaging in similar misconduct (general deterrence). The primary goal of sanctions is not to punish the respondent but rather to prevent and discourage the respondent and others in the industry from engaging in similar misconduct. Industry expectations and understanding are particularly relevant to general deterrence. General deterrence can be achieved if the sanctions strike an appropriate balance by addressing the respondent's specific misconduct and the severity of the misconduct and is in line with industry expectations.[39]

[35] The sanctions imposed on a respondent should be proportionate to the seriousness of the misconduct involved and should be within an acceptable range of sanctions imposed on respondents for similar misconduct in similar circumstances and in line with industry expectations. Sanctions consistent with previous securities industry disciplinary decisions foster both specific and general deterrence and public confidence in the industry's self-regulatory system. However, the determination of the appropriate sanctions is fact-specific and discretionary. The appropriate sanctions should depend on the particular facts of the case and the specific circumstances of the respondent's conduct.[40]

[36] An Approved Person's failure to cooperate with the regulator has been treated as one of the most serious breaches of Mutual Fund Dealer Rules because it undermines the integrity and effectiveness of the self-regulatory system.[41] The Respondent's failure to cooperate with Staff's investigation in this case is particularly egregious. After signing for and accepting delivery of Staff's registered letter dated August 28, 2023, and someone on behalf of the Respondent signing for and accepting delivery of Staff's registered letter dated October 24, 2023, despite numerous follow-up letters and emails from Staff over the following 30 months, the Respondent failed to respond. This demonstrates a deliberate and flagrant disregard of the authority of the regulator and his obligations in the securities industry.

[37] The Sanction Guidelines indicate consideration of permanent bars from the securities industry in certain circumstances, including where there has been significant harm to the investing public, the integrity of the market or the securities industry, or there is reason to believe that the respondent cannot be trusted to act in an honest and fair manner in their dealings with the public, their clients, and the securities industry as a whole. While nearly all cases of failure to cooperate lead to a permanent bar, such result is not indicated by the Sanction Guidelines. There can be different degrees of failure to cooperate and circumstance that warrant exceptions to a permanent bar.

[38] As with all cases, a panel must consider case specific factors and may consider the relevant multiple factors listed in the Sanction Guidelines before concluding that the severe penalty of a permanent bar is warranted. The Panel was advised that the Respondent has not previously been the subject of a disciplinary proceeding. In the circumstances, the Panel gave no weight to this factor in determining the appropriate sanctions.

[39] The failure to fully cooperate is always serious misconduct in that it undermines the effectiveness and integrity of the enforcement process. The Panel concludes that the failure to cooperate in this case was so serious that a permanent bar is warranted. The Respondent failed completely to cooperate. He ignored all of Staff's requests for information. He deliberately disregarded CIRO's authority. The failure to cooperate was

[38] CIRO Sanction Guidelines, February 1, 2024
[39] *Re Lieff* 2025 CIRO 57, para. 26
[40] CIRO Sanction Guidelines; *Re Lieff,* 2025 CIRO 57, para. 27
[41] *Re Tonnies* 2005 LNCMFDA 7, para. 41; *Re Surette*2020 LNCMFDA 1, para. 42

grave in nature and substantive in consequence in that Staff was unable to complete its investigation of the underlying conduct. This is a case where a permanent bar is really the only appropriate sanction to protect the integrity of the market and the securities industry. This is a case where the important message of required cooperation for deterrence purposes can only be addressed by a permanent bar.

[40] In submissions, Enforcement Counsel referred the Panel to three similar cases in which the sole allegation of failure to cooperate was established in the absence of the respondents.[42] In each case, the sanctions were a permanent bar and a fine of $50,000 and an order for payment of costs of the proceeding. The sum of $50,000 is not a set fine for failure to cooperate nor is it a cap on the fine for failure to cooperate. The appropriate amount of a fine depends on the seriousness of the respondent's misconduct and the circumstances of each case. In this case Enforcement Counsel sought a $50,000 fine. The Panel accepts the proposed $50,000 fine.

[41] CIRO sought costs of the proceeding including the cost of Trax's services to locate the Respondent's whereabouts. The affidavit of Nargis Pamiri sworn on July 20, 2026, contains a statement of the hourly rates of CIRO enforcement staff and the Time Docket Management Report recording the number of hours spent by the Senior Investigator and Enforcement Counsel on this matter and Trax' s invoice for $630. The total amount of the costs claimed by CIRO inclusive of the payment to Trax is $28,583.25. The Panel considers that the sum of $25,000 for costs is appropriate.

CONCLUSION

[42] In the result, for these reasons the Panel ordered the following sanctions and costs:

a) the Respondent is permanently prohibited from conducting securities related business in any capacity while in the employ of or associated with any Dealer Member of CIRO;

b) the Respondent pay a fine in the amount of $50,000; and

c) the Respondent pay costs in the amount of $25,000.

DATED at Toronto, Ontario this 20th day of August 2026.

"Martin Sclisizzi"

Martin Sclisizzi, Chair

"Daniel Iggers"

Daniel Iggers

"Kenneth P. Mann"

Kenneth P. Mann

Copyright 2026 Canadian Investment Regulatory Organization.

[42] *Re Beh* 2023 CIRO 43; *Re Surette* 2020 LNCMFDA 1; *Re Dixon* 2017 LNCMFDA 247