Re Felker

In the matter of:

The Mutual Fund Dealer Rules

and

Tiffany Lee Felker

2026 CIRO 28

Canadian Investment Regulatory Organization
Hearing Panel (Alberta District)

Heard: July 14, 2026 by electronic hearing in Calgary, Alberta
Decision: July 14, 2026
Reasons for Decision: September 4, 2026

Hearing Panel:
Robert Stack, Chair, David R. Johnson, Richard Sydenham

Appearances:
Lerina Koornhof, Enforcement Counsel
Tiffany Lee Felker, Respondent

Reasons for Decision on Acceptance of Settlement

I. BACKGROUND

[1] On October 23, 2025, the Canadian Investment Regulatory Organization (**CIRO**) issued a Notice of Hearing in relation to one of its Approved Persons, Tiffany Lee Felker (**Ms. Felker** or the **Respondent**).

[2] A first appearance took place on December 9, 2025, where Staff of CIRO indicated they were having difficulty serving Ms. Felker and it was proposed that an application be brought to deal with that issue. However, Ms. Felker did attend a subsequent appearance on March 12, 2026, and a hearing was set for July 14-15, 2026. As well she served a Reply to the Statement of Allegations.

[3] It was subsequently announced that a settlement agreement had been agreed to by the parties and that the hearing would only involve the issue of whether the settlement agreement would be approved by the CIRO Hearing Panel (**Hearing Panel**) under Mutual Fund Dealer Rule 7.4.4.3.

II. ALLEGATIONS

[4] The Notice of Hearing in this matter alleges that:

(a) Contravention 1

In or around March 2023, without the knowledge or authorization of a client, the

Respondent processed transactions and updated Know Your Client information, contrary to Mutual Fund Dealer Rules 2.1.1, 2.2.1, and 2.2.6.

(b) Contravention 2

Commencing November 15, 2023, the Respondent failed to cooperate with Staff's investigation into her conduct, contrary to Mutual Fund Dealer Rule 6.2.1.

III. AGREED STATEMENT OF FACTS

Disclosure of Misconduct in the Settlement Agreement

[5] At the July 14, 2026 hearing, staff of CIRO asked for an order that the Hearing Panel review the settlement agreement *in camera* pursuant to rule 15.2(2) of the Mutual Fund Rules of Procedure. The Hearing Panel did make such an order, and the hearing was initially conducted in private so that the panel could review the proposed settlement agreement. In the *in camera* session, staff indicated that an initial settlement agreement had been reached in June of 2026, but it needed to be updated. Staff provided the Hearing Panel with a settlement agreement dated July 13, 2026 (**Settlement Agreement**). The Settlement Agreement included the following admissions of liability by the Respondent:

a) in March 2023, without the knowledge or authorization of a client, the Respondent processed transactions and updated Know Your Client (**KYC**) information, contrary to Mutual Fund Dealer Rules 2.1.1, 2.2.1, and 2.2.6; and

b) between November 2023 and December 2025, the Respondent failed to cooperate with Staff's investigation into her conduct, contrary to Mutual Fund Dealer Rule 6.2.1.

[6] In relation to the admission of processing transactions and updating the Know Your Client form without the knowledge or authorization of the client, the Settlement Agreement provided some additional details. The Respondent changed the KYC categorizations for the investor from one with conservative investment objectives, a low risk tolerance profile, and a fair level of investment knowledge to an investor with equity-growth objectives, a medium-to-high level of risk tolerance and a level of investment knowledge described as "somewhat knowledgeable".

[7] Further, the Respondent admitted to moving the investor from a conservative portfolio to a medium risk growth portfolio and dividend fund.

[8] In relation to the failure to cooperate allegation, the Respondent admitted that she refused to provide information to Staff or attend an interview.

Additional Factors

[9] The Settlement Agreement contained a description of a number of additional factors relevant to the issue of sanction. The Respondent had never previously been the subject of an investigation by either CIRO or its predecessor, the Mutual Fund Dealers Association of Canada (**MFDA**). The Respondent stated in the Settlement Agreement that her modest income was not currently sufficient to meet her liabilities and expenses. She is therefore unable to pay a fine beyond what had been set out in the Settlement Agreement. Staff stated in the Settlement Agreement that it had confirmed the accuracy of these statements. Ms. Felker also indicated that she was remorseful and accepted responsibility for her conduct.

[10] Staff agreed that the Respondent's admissions saved CIRO the time, resources and expenses associated with a contested hearing.

[11] The Respondent further stated that she had failed to cooperate with Staff on the advice of legal counsel. Staff stated that it had verified this fact. Staff in its submissions cited authority from CIRO's predecessor organizations, the MFDA and the Investment Industry Regulatory Organization of Canada (**IIROC**), to the effect that good faith reliance on legal advice is not a defence to an allegation of a failure to comply with a statutory obligation but is relevant to the issue of sanction as a mitigating factor.[1] When questioned on this point, counsel noted the consistency of the MFDA/IIROC position with the Supreme Court of Canada's reasonings in *R v. Suter*[2].

[1] *Re Deeb* 2013 IIROC 8, at paras 209-210; Re Legare 2011 MFDA 17, at para 43
[2] R v. Suter 2018 SCC 34

Proposed Sanctions

[12] The Settlement Agreement listed the following sanctions to which the parties have agreed upon and jointly proposed to the Panel:

a) a fine in the amount of $10,000;

b) a permanent prohibition from conducting securities-related business in any capacity while in the employ of or associated with any CIRO Dealer Member; and

c) costs in the amount of $2,500.

Role of the Panel in relation to Settlement Agreements

[13] When a settlement agreement has been referred to a CIRO hearing panel under Rule 7.4.4.3, the hearing panel is required to do one of two things: either accept or reject the agreement. Hearing panels of CIRO and its predecessors have concluded that a hearing panel reviewing an agreed set of sanctions is not to determine what the correct penalty is or what it thinks the penalty should be. Its role is to determine whether the penalty to which the parties have agreed is within a reasonable range of outcomes.[3]

[14] In considering whether a proposed penalty is in a reasonable range, CIRO panels have considered general sanction factors such as the following:

a) the seriousness of the allegations proved against the Respondent;

b) the Respondent's past conduct, including prior sanctions;

c) the Respondent's experience and level of activity in the capital markets;

d) whether the Respondent recognizes the seriousness of the improper activity;

e) the harm suffered by investors as a result of the Respondent's activities;

f) the benefits received by the Respondent as a result of the improper activity;

g) the risk to investors and the capital markets in the jurisdiction, were the Respondent to continue to operate in capital markets in the jurisdiction;

h) the damage caused to the integrity of the capital markets in the jurisdiction by the Respondent's improper activities;

i) the need to deter not only those involved in the case being considered, but also any others who participate in the capital markets, from engaging in similar improper activity;

j) the need to alert others to the consequences of inappropriate activities to those who are permitted to participate in the capital markets; and

k) previous decisions made in similar circumstances. [4]

Reasonableness of the Proposed Sanctions

[15] Rule 2.1.1. sets a general standard of conduct for Members and Approved Persons, who must act "fairly, honestly and in good faith" and "observe high standards of ethics and conduct". Rule 2.2.1 sets out "Know Your Client" obligations on Approved Persons, while Rule 2.2.6. requires Approved Persons to conduct a suitability analysis for clients before making a recommendation or taking "any other investment action for a client". The Panel accepts the Respondent's admissions in the Settlement Agreement that the conduct described above violated these rules. Given an Approved Person's key role in protecting investors and the integrity of capital markets, the contravention of these rules is serious.

[16] At the same time, the misconduct in this case was an isolated event. The fine portion of this set of sanctions is low, but the Respondent did provide Staff with evidence of limited means, and this is a

[3] *Re Lee* 2023 CIRO 42 at para. 18.

[4] *Re Laverdiere* 2010 MFDA File No. 200936 at para. 22.

consideration. Further, the Respondent's agreement not to conduct securities-related business for a CIRO Member has serious financial implications of its own. While the failure to cooperate with staff is a threat to the integrity of the regulatory process for the securities industry, some consideration can be given to the effect of legal advice against cooperating, and again the existence of such advice was verified by Staff. Finally, the sanctions were within the range of comparable cases cited by Staff.[5]

IV. CONCLUSION

[17] In all of the circumstances, the Hearing Panel decided to accept the Settlement Agreement. The Hearing became public again and the Settlement Agreement was marked as an Exhibit. It thus became binding under Rule 7.4.4.4. The Respondent shall pay a fine of $10,000 and costs of $2,500, and is permanently prohibited from conducting securities-related business while in the employ of or associated with any CIRO Dealer Member.

DATED at Calgary, Alberta this 4th day of September 2026.

"Robert Stack"

Robert Stack, Chair

"David R. Johnson"

David R. Johnson

"Richard Sydenham"

Richard Sydenham

[5] *Re Sunkara* 2021 MFDA File 202142; *Re Izhar* 2022MFDA File 202223;

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Canadian Investment Regulatory Organization
Organisme canadien de réglementation des investissements

IN THE MATTER OF
THE MUTUAL FUND DEALER RULES

and

TIFFANY LEE FELKER

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Canadian Investment Regulatory Organization ("**CIRO**") will issue a Notice of Settlement Hearing pursuant to Mutual Fund Dealer Rule 7.4.4 and Rules 14 and 15 of the Mutual Fund Dealer Rules of Procedure ("**Rules of Procedure**") to consider whether a Hearing Panel should accept this Settlement Agreement between Enforcement Staff and Tiffany Lee Felker (the "**Respondent**").

PART II – JOINT SETTLEMENT RECOMMENDATIONS

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.

Registration History

4. Between March 9, 2018, and May 18, 2023, the Respondent was registered in Alberta as a dealing representative with BMO Investments Inc. (the "**Dealer Member**").
5. At all material times, the Respondent conducted business at a branch of the Dealer Member located in Edmonton, Alberta (the "**Branch**"), where she was simultaneously employed with a bank affiliated with the Dealer Member (the "**Bank**"), which operated a bank branch at the same premises as the Branch.

6. The Respondent is not currently registered in the securities industry in any capacity.

Unauthorized Trades and Updated Client Information

7. At all material times, client AL was a client of the Dealer Member and of the Bank. Client AL held mutual funds at the Dealer Member in a Tax Free Savings Account ("**TFSA**") and a Registered Retirement Savings Plan ("**RRSP**") account.

8. In early March 2023, the client used the Bank's online appointment booking system to book an in-person appointment with a representative of the Bank, and on March 14, 2023, the Respondent met with the client in respect of banking business unrelated to the client's TFSA and RRSP accounts. The Respondent and the client did not discuss the client's investments or the Dealer Member's mutual fund products. This was the first and only interaction between the Respondent and the client.

9. The Respondent states that she later reviewed the client's investment accounts and investor profile and formed the view that the client would benefit by investing in a more aggressive portfolio. The Respondent formed this view without having spoken with the client about the client's account holdings or know you client information.

10. On March 16 and 20, 2023, without speaking with the client or obtaining the client's authorization, the Respondent electronically signed the client's signature on four account forms and used the forms to process unauthorized transactions, changed the client's Know Your Client information ("**KYC**"), and changed the client's pre-authorized contributions ("**PACs**").

11. The Respondent also created and recorded notes in the client's electronic file which falsely stated that the client had instructed the Respondent to make the changes described above.

12. Specifically, the Respondent made the following changes to the client's accounts:

Changes to KYC

	Investment Objective	Risk Tolerance	Investment Knowledge	Investor Profile
Original	Conservative Balanced	Low	Fair	Conservative Profile
Updated	Equity Growth	Medium to High	Somewhat knowledgeable	Aggressive Investor

Changes to Investments

	Investment Holdings	Account	Fund Facts Risk Rating
Original	BMO SelectTrust Conservative Porfolio	RRSP & TFSA	Low to Medium
Transfer to	BMO SelectTrust Equity Growth Portfolio	RRSP	Medium
	BMO Dividend Fund	TFSA	Medium

13. Without the client's knowledge or authorization, the Respondent cancelled the existing bi-weekly PAC in the client's RRSP and TFSA based on the original investment holdings and set up a new PAC based on the new mutual funds listed in the chart above.

14. Between March 27 and 29, 2023, the client discovered and reported the unauthorized activity to the Dealer Member. The client attended the Branch and updated her KYC, closed her TFSA, and transferred her remaining holdings back to a conservative portfolio.

15. The Dealer Member commenced an investigation, during which the Respondent admitted the above conduct. The Dealer Member reported to Staff that the client's mutual fund holdings appreciated by $8.30.

Failure to Cooperate

16. Staff commenced an investigation into the Respondent's conduct after the Dealer Member reported the matter in or around April 2023.

17. On or around May 18, 2023, the Dealer Member terminated the Respondent's registration.

18. Between November 2023 and December 2025, Staff sent correspondence to the Respondent requesting information and documentation related to the reported conduct. Between May and July 2024, Staff sent correspondence requesting the Respondent attend an interview. The Respondent did not communicate with Staff, provide Staff with any information requested, or attend an interview scheduled in August 2024 or at all.

19. The Respondent states that she relied on the advice of a lawyer authorized to practice law in Alberta concerning her obligation to communicate with Staff and participate in Staff's investigation. After the commencement of this proceeding by Notice of Hearing, the Respondent provided evidence to Staff which corroborated her statement.

20. The Respondent acknowledges that it was her obligation to know of and understand her regulatory obligations, including the requirement to cooperate with Staff's investigation.

21. In agreeing to the sanction referred to herein, Staff has taken into account the Respondent's reasonable reliance on legal advice.

Additional Factors

22. The Respondent has not previously been the subject of MFDA or CIRO disciplinary proceedings.

23. The Respondent states that she has a modest income, and the cost to maintain her liabilities and expenses exceed her monthly income. Given the Respondent's limited financial means, the Respondent states that she is unable to pay a fine and costs greater than the total set out in this Settlement Agreement. The Respondent has provided evidence to Staff to corroborate her financial circumstances.

24. The Respondent states that she is remorseful, accepts responsibility for her conduct, and deeply regrets the contraventions of her regulatory obligations.

25. By entering into this Settlement Agreement, the Respondent has saved CIRO the time, resources and expenses associated with a contested hearing of the allegations.

PART IV – CONTRAVENTIONS

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

    a) in March 2023, without the knowledge or authorization of a client, the Respondent processed transactions and updated Know Your Client information, contrary to Mutual Fund Dealer Rules 2.1.1, 2.2.1, and 2.2.6; and

    b) between November 2023 and December 2025, the Respondent failed to cooperate with Staff's investigation into her conduct, contrary to Mutual Fund Dealer Rule 6.2.1.

PART V – TERMS OF SETTLEMENT

27. The Respondent agrees to the following sanctions and costs:

    a) a fine in the amount of $10,000;

    b) a permanent prohibition from conducting securities-related business in any capacity while in the employ of or associated with any CIRO Dealer Member; and

    c) costs in the amount of $2,500.

28. If this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees to pay the amounts referred to above immediately upon such acceptance, unless otherwise agreed between Enforcement Staff and the Respondent.

PART VI – STAFF COMMITMENT

29. 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.

30. 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 Mutual Fund Dealer Rule 7 against the Respondent. These proceedings may be based on, but not limited to, the facts set out in Part III of this Settlement Agreement.

PART VII – PROCEDURE FOR ACCEPTANCE OF SETTLEMENT

31. This Settlement Agreement is conditional on acceptance by the Hearing Panel.

32. This Settlement Agreement shall be presented to a Hearing Panel at a settlement hearing in accordance with Mutual Fund Dealer Rule 7.4.4, and Rules of Procedure 14 and 15, in addition to any other procedures that may be agreed upon between the parties.

33. 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.

34. If the Hearing Panel accepts this Settlement Agreement, the Respondent agrees to waive all rights under the Rules and By-law No. 1 of CIRO, and any applicable legislation to any further hearing, appeal, and review.

35. 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.

36. The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the Hearing Panel.

37. This Settlement Agreement will become available to the public upon its acceptance by the Hearing Panel and CIRO will post a copy of this Settlement Agreement on the CIRO website. CIRO 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.

38. 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.

39. 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

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

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

DATED this 13th day of July, 2026.

"Tiffany Lee Felker"
Tiffany Lee Felker

"Lerina J.M. Koornhof"
Lerina J.M. Koornhof
Enforcement Counsel
Canadian Investment Regulatory Organization

The Settlement Agreement is hereby accepted this 14th day of July, 2026 by the following Hearing Panel:

Per: “Robert Stack”
Chair

Per: “David R. Johson”
Industry Member

Per: “Richard Sydenham”
Industry Member