Re TD Investment Services Inc.

IN THE MATTER OF:

The Mutual Fund Dealer Rules

and

TD Investment Services Inc.

2024 CIRO 38

Canadian Investment Regulatory Organization
Hearing Panel (Ontario District)

Heard: February 28, 2024, in Toronto, Ontario (via videoconference)
Decision: February 28, 2024
Reasons for Decision: March 12, 2024

Hearing Panel:
Louise Barrington, Chair
Kenneth Mann, Industry Representative
Tim Pryor, Industry Representative

Appearances:
Alan Melamud, Senior Enforcement Counsel
Bradley Moore, Counsel for the Respondent
Paul Whitehead, Executive Officer and Gregory Stoeckl, Chief Compliance Officer, TD Investment Services Inc.

REASONS FOR DECISION (SETTLEMENT)

INTRODUCTION

¶ 1 Pursuant to a Notice dated February 15, 2024[1], this hearing was convened electronically by video-conference. On February 16, 2024 a news release[2] announced the settlement publicly. This Hearing Panel was asked to decide whether to accept or reject a Settlement Agreement[3]. The Respondent was alleged to have failed to implement adequate policies, procedures and supervisory controls regarding the handling of complaints, their investigation, and their resolution.

¶ 2 Written Submissions prepared by Staff were made available to the Hearing Panel in advance of the Hearing.

¶ 3 Enforcement Staff and the Respondent consented and agreed to the terms of the Settlement Agreement in accordance with Mutual Fund Dealer Rule 7.4.4 and Rules 14 and 15 of the MFD Rules of Procedure. Counsel for both Parties jointly recommended that the Hearing Panel accept it.

¶ 4 The Panel was asked to order that the proceedings would be confidential and that the Settlement Agreement, if accepted by the Panel, would constitute the entirety of the evidence to be submitted at the

[1] Notice of Settlement Hearing dated February 15, 2024, marked as Exhibit 1 at the Hearing

[2] News Release of February 16, 2024 marked as Exhibit 2

[3] Settlement Agreement dated February 15, 2024, marked as Exhibit 3

settlement hearing.

ORAL SUBMISSIONS

¶ 5 At the hearing, Mr. Melamud addressed the Panel to address the terms and circumstances of the Settlement Agreement and to respond to any questions by the Panel. Mr. Melamud stated that both Staff and the Respondent agreed that the misconduct was serious, and that the agreed sanctions are appropriate and will protect the public.

¶ 6 Following Mr. Melamud's oral submission, Mr. Moore had no further comment except to endorse it, confirm its content and underlined that the Settlement Agreement was jointly submitted by the parties.

¶ 7 At the close of the hearing, the panel announced its decision to accept unanimously the Settlement Agreement and that its Reasons would follow shortly. Following are the Reasons for the Panel's acceptance of the Settlement Agreement.

REASONS FOR THE DECISION

FACTS

¶ 8 The Respondent is a Dealer Member registered as a mutual fund dealer and registered under securities legislation in all Canadian provinces and territories. The Respondent has been a Dealer Member of the Canadian Investment Regulatory Organization ("CIRO") formerly, a member of the Mutual Fund Dealers Association of Canada ("MFDA") since January 11, 2002.

¶ 9 In late 2017, the Respondent outsourced its client complaint handling processes. These included the investigation and resolution of potential Approved Person misconduct, as well as the identification of events to be reported to the MFDA to business units affiliated with the Respondent, including the Canadian Personal Banking Customer Cares ("Cares") and the Toronto Dominion Bank's human resources department ("HR"). The information reporting function remained with the Respondent at all relevant times.

¶ 10 The Respondent admits that it failed to adequately supervise and train the personnel to whom it had delegated these responsibilities. As a result, the Respondent failed to report client complaints and potential misconduct by Approved Persons.

¶ 11 In early 2021, Staff became aware of multiple failures by the Respondent to report - timely or at all - various events on the Member Event Tracking System ("the System"), in accordance with Mutual Fund Dealer Rule 600. These events included client complaints and instances of potential misconduct by Approved Persons.

¶ 12 In response to concerns raised by Staff, the Respondent conducted a detailed internal review, and reported to Staff that between January of 2018 and March 2021 it had not reported 99 client complaints and 15 instances of reportable discipline of Approved Persons on the System.

¶ 13 Furthermore, the Respondent informed staff that it had not investigated or resolved all 99 claims in accordance with Rule 300 and the Respondent's own policies and procedures. Specifically:

(a) in 8 instances the Respondent had not resolved client complaints fairly;

(b) in at least 52 instances the Respondent had failed to maintain adequate records of complaint handling actions and as a result, could not determine whether or not it had adequately investigated or resolved complaints; and

(c) in most cases, the Respondent had failed to communicate a final decision responding to the complainants.

¶ 14 The Hearing Panel accepts the submissions of Staff as to the seriousness of the Respondent's misconduct. The failure to report sabotages the regulatory and supervisory system that is meant to protect the public and the investors. Misconduct will be invisible, complaints ignored and the integrity and reputation of the markets damaged. Furthermore, the misconduct occurred over a period of three years, negatively impacting a large number of client complaints, which could only damage the market's reputation for fair dealing with client complaints.

¶ 15 Nevertheless, none of the Respondent's transgressions involved allegations of theft, fraud, misappropriation, forgery, misrepresentation, personal financial dealings or unauthorized trading. Regulatory concerns have been or are currently being investigated and addressed by CIRO. The Respondent did not profit from its misconduct.

¶ 16 Once the deficiencies were identified, the Respondent promptly acted to consolidate complaint handling into Cares and implemented enhancements with Cares in two phases. First, the Respondent began a daily review of Cares files to ensure the appropriate triage and assessment of received items, including;

- proper classification of complaints and the provision of appropriate written acknowledgements; on the spot coaching and feedback to Cares personnel based on the daily reviews;
- daily calls over several months with the Cares complaint handlers;
- review of all regulatory complaint files prior to closing by Cares: and
- reporting of all regulatory complaints on behalf of Cares and if appropriate, commencing investigations in accordance with Mutual Fund Dealer Rules 300 and 600.

¶ 17 In a second phase, the Respondent now maintains oversight of Cares and is responsible for reporting on the System and for monitoring internal investigations and disciplinary actions.

¶ 18 Third, the Respondent promptly provided updated instruction manuals to HR personnel and processes to communicate the Respondent's reporting obligations, required that HR notify the Respondent of any discipline imposed on an Approved Person within two business days of the reprimand. Twice a week, the Respondent reviews reports of all HR files opened and closed, to ensure reporting obligations are identified and communicated to CIRO.

ANALYSIS

¶ 19 In its written settlement submissions, Enforcement Staff pointed out that acceptance of a settlement agreement would advance the public interest, and the sanction agreed is reasonable and proportionate to the nature of the Respondent's misconduct.

¶ 20 The principal objective of the regulations is to protect the public and Settlement Agreements are an efficient means to deter harmful conduct while providing a flexible remedy, tailored to the interests of both Enforcement Staff and respondents. Sanctions in the regulatory context are protective and preventative, intended to be exercised to prevent likely future harm[4]. In deciding whether a sanction is appropriate to the admitted contravention, hearing panels need to consider a number of questions:

- Is the settlement agreement in the public interest and will the sanction protect investors?
- Is the agreement reasonable and proportionate to the impeached conduct?
- Will the settlement agreement specifically deter the respondent from repeating its misconduct and generally deter others from similar actions?
- Will the settlement agreement foster confidence in the integrity of Canadian capital markets?
- Will the settlement foster confidence in the integrity of the MFDA?
- Will the settlement agreement foster confidence in the regulatory process itself?[5]

¶ 21 In responding to these questions, hearing panels should exercise discretion, taking into account a number of factors and circumstances. Following is a non-exhaustive list of factors set out in numerous cases and the CIRO Sanction Guidelines referred to the Panel by Counsel:

(a) the seriousness of the contraventions;

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[4] *Pezim v British Columbia (Superintendent of Brokers),*[1994] 2S.C.R.557 as cited by Staff

[5] *Sterling Mutuals Inc. (Re),* 2016 LNCMFDA 77, cited by Staff

(b) respondent's past conduct including prior sanctions;

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

(d) whether the respondent recognizes the seriousness of its misconduct;

(e) harm to investors resulting from the respondent's activities;

(f) benefits to the respondent resulting from its misconduct;

(g) risk to investors and capital markets if the respondent were to continue to operate in the jurisdiction;

(h) damage to integrity of capital markets caused by the respondent's misconduct;

(i) deterrence, both specific to the respondent and generally to others participating in the market;

(j) alerting others participating in the markets to the consequences of inappropriate activities; and

(k) previous decisions in similar circumstances.[6]

¶ 22 The Respondent has admitted to the following violations of the Mutual Fund Dealer Rules[7]:

- between January 2018 and March 2021, the Respondent failed to implement adequate policies, procedures, and internal supervisory controls regarding complaint handling, the investigation and resolution of potential Approved Person misconduct, and the identification of events to be reported to CIRO (formerly the MFDA);
- the Respondent failed to ensure compliance with its obligations to make mandatory reports to CIRO on the System; and
- the Respondent failed to conduct adequate or timely supervisory investigations, contrary to MFDA Rules.

¶ 23 The Respondent has fully cooperated with CIRO's review and has undertaken remediation efforts in respect of the conduct complained of.

¶ 24 The Respondent has paid or is currently offering clients a total of approximately $10,000 in compensation, in addition to approximately $58,000 already paid when the Respondent first addressed the complaints that are the subject of this proceeding.

¶ 25 In summary, the Respondent, which has not previously been the subject of disciplinary proceedings by CIRO or MFDA, has accepted responsibility for its misconduct. By entering into the Settlement Agreement, it has saved CIRO the time and resources and expenses of a full, contested hearing.

SANCTIONS

¶ 26 As there is no issue as to whether the Respondent's actions constituted contraventions of the relevant regulations which warranted sanctions, the Panel's remaining task is to assess the reasonableness of the proposed sanctions in relation to the level of misconduct.

¶ 27 The non-monetary sanctions are reasonable in the circumstances, have been accepted and complied with or are currently being complied with.

¶ 28 As to the amount of the fine to be imposed, in its written submissions, Staff presented a number of authorities dealing with the imposition of penalties and costs. Among seven cases cited, the minimum penalty for failing to handle complaints promptly and fairly was $35,000 plus $5,000 in costs[8]. The maximum penalty

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[6] *Ibid*, and CIRO Sanction Guidelines

[7] At the time of the conduct addressed in this hearing, MFDA rules 1.4 (a), 2.5.1, and 2.1.1 and MFDA policy Nos. 3 and 6 were in effect. These are now incorporated into MFD Rules 1.4 (a), 2.5.1, 300, and 600.

[8] *Re Keybase Financial Group Inc.,* 2020

cited was $200,000, in two cases, plus $20,000 and $25,000 in costs respectively.[9]

¶ 29 In deciding whether the monetary sanction is within a reasonable range, the Panel notes the divergence of $100,000 between the maximum penalties cited in earlier cases and the agreed penalty in the present case. In addition to considering the gravity of the misconduct, the Panel also considered:

- that both of the earlier decisions cited were rendered in 2017, six years prior to the present case;
- the seriousness of the Respondent's misconduct, including its three-year duration, the large number (99) of unreported incidents and mishandled claims;
- the systemic failure of the Respondent's compliance system;
- the size and reputation of the Respondent;
- the damage to the integrity of the regulatory processes of the marketplace; and
- the consequent damage to the reputation and public trust of the MFDA, now CIRO, and its members.

¶ 30 In assessing these factors, the Panel considered that the Respondent is one of Canada's largest and best-known financial institutions. The public expects the Respondent to be a leader in establishing and maintaining best practices in the marketplace.

¶ 31 The CIRO Sanction Guidelines provide non-binding guidance to Staff, respondents and hearing panels who have discretion in deciding penalties or deciding whether to accept settlement agreements. The Guidelines provide a framework to promote consistency, fairness and transparency in the exercise of that discretion, by enunciating principles to be considered.

¶ 32 Among those principles are:

- Sanctions are preventive in nature, and should protect the public and strengthen market integrity and improve market practices; and
- A respondent's ability to pay may be relevant to the level of a monetary sanction or costs.

¶ 33 The Guidelines refer to a panel's discretion to impose remedial sanctions, suspensions and permanent bars, as well as monetary fines of up to $5,000,000 for each contravention. They state that the amount of a fine should be commensurate with the seriousness of the misconduct and should not be a "licensing fee" or "cost of doing business."

THE SETTLEMENT AGREEMENT

¶ 34 The Settlement Agreement provides for the following terms:

(a) The Respondent shall pay a fine in the amount of $300,000, pursuant to Mutual Fund Dealer Rule 7.4.1.2 (b) on February 28, 2024.

(b) The Respondent shall pay costs in the amount of $25,000, pursuant to Mutual Fund Dealer Rule 7.4.2, on February 28, the 2024; and

(c) The respondent shall in the future comply with Mutual Fund Dealer Rules 1.4 (a), 2.5.1, 2.11, 300, and 600 (formerly MFDA Rules 1.4 (a), 2.5.1, and 2.11 and MFDA Policy Nos.3 and 6).

CONCLUSIONS

¶ 35 The Hearing Panel may either accept or reject the Settlement Agreement but has no authority to modify it. Having reviewed the authorities cited, the Panel finds that, the monetary sanction is substantially higher than those cited by Staff. Nevertheless, in the circumstances of this case as set out above, the sanctions set out in the Settlement Agreement are within the range of reasonableness.

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[9] *Re Investia Financial Services Inc.* and *Re Desjardins Financial Security Inc.*, both 2017. (In each of these cases, it was the Respondent's second disciplinary hearing.)

¶ 36 The Hearing Panel unanimously accepts the Settlement Agreement, and now orders as follows:

(a) The Respondent shall pay a fine in the amount of $300,000, pursuant to Mutual Fund Dealer Rule 7.4.1.2 (b), due as of February 28, 2024;

(b) The Respondent shall pay costs in the amount of $25,000, pursuant to Mutual Fund Dealer Rule 7.4.2, on February 28, 2024; and

(c) The Respondent shall in the future comply with Mutual Fund Dealer Rules 1.4 (a), 2.5.1, 2.11, 300, and 600 (formerly MFDA Rules 1.4 (a), 2.5.1, and 2.11 and MFDA Policy Nos.3 and 6).

¶ 37 These proceedings are confidential on the following terms, as requested jointly by the Parties the Hearing Panel further ordered that:

> If at any time a non-party to this proceeding, with the exception of the bodies set out in Mutual Fund Dealer Rules 6.3, requests production of or access to exhibits in this proceeding that contain personal information as defined by CIRO's Privacy Policy, then the Corporate Secretary's Office, Mutual Fund Dealer Division of CIRO shall not provide copies of or access to the requested exhibits to the non-party without first redacting from them any and all intimate financial and personal information, pursuant to Rules 1.8 (2) and (5) of the Mutual Fund Dealer Rules of Procedure.

Dated at Toronto, Ontario, this 12 day of March 2024.

"Louise Barrington"

Louise Barrington, Chair

"Kenneth Mann"

Kenneth Mann, Industry Representative

"Tim Pryor"

Tim Pryor, Industry Representative

Appendix "A"

Settlement Agreement

File No. 202302

IN THE MATTER OF:

The Mutual Fund Dealer Rules

and

TD Investment Services Inc.

SETTLEMENT AGREEMENT

I. INTRODUCTION

¶ 1 The Canadian Investment Regulatory Organization, a consolidation of IIROC and the MFDA ("**CIRO**"), will announce that it proposes to hold a hearing (the "**Settlement Hearing**") to consider whether, pursuant to Mutual Fund Dealer Rule 7.4.4.3, a hearing panel of the Ontario District Committee (the "**Hearing Panel**") of CIRO should accept the settlement agreement (the "**Settlement Agreement**") entered into between Staff of CIRO ("**Staff**") and TD Investment Services Inc. (the "**Respondent**").

¶ 2 Staff and the Respondent consent and agree to the terms of this Settlement Agreement.

¶ 3 Staff and the Respondent jointly recommend that the Hearing Panel accept the Settlement Agreement.

II. CONTRAVENTIONS

¶ 4 The Respondent admits to the following violations of the Mutual Fund Dealer Rules:[10]

between January 2018 and March 2021, the Respondent failed to implement adequate policies, procedures, and internal supervisory controls with regards to complaint handling, the investigation and resolution of potential Approved Person misconduct, and the identification of events to be reported to CIRO (formerly the MFDA) to ensure it complied with its obligations to make mandatory reports to CIRO on the Member Event Tracking System and to conduct adequate or timely supervisory investigations, contrary to Mutual Fund Dealer Rules 1.4(a), 2.5.1, 2.11, 300, and 600 (formerly, MFDA Rules 1.4(a), 2.5.1, and 2.11 and MFDA Policy Nos. 3 and 6).

III. TERMS OF SETTLEMENT

¶ 5 Staff and the Respondent agree and consent to the following terms of settlement:

(a) the Respondent shall pay a fine in the amount of $300,000, pursuant to Mutual Fund Dealer Rule 7.4.1.2(b), on the date the Settlement Agreement is accepted;

(b) the Respondent shall pay costs in the amount of $25,000, pursuant to Mutual Fund Dealer Rule 7.4.2, on the date the Settlement Agreement is accepted;

(c) the Respondent shall in the future comply with Mutual Fund Dealer Rules 1.4(a), 2.5.1, 2.11, 300, and 600 (formerly, MFDA Rules 1.4(a), 2.5.1, and 2.11 and MFDA Policy Nos. 3 and 6); and

(d) a senior officer of the Respondent will attend by videoconference on the date set for the Settlement Hearing.

¶ 6 The Respondent consents to the Hearing Panel making a confidentiality order on the following terms:

If at any time a non-party to this proceeding, with the exception of the bodies set out in Mutual Fund Dealer Rule 6.3, requests production of or access to exhibits in this proceeding that contain personal information as defined by CIRO's Privacy Policy, then the Corporate Secretary's Office, Mutual Fund Dealer Division of CIRO shall not provide copies of or access to the requested exhibits to the non-party without first redacting from them any and all intimate financial and personal information, pursuant to Rules 1.8(2) and (5) of the Mutual Fund Dealer Rules of Procedure.

¶ 7 Staff and the Respondent agree to the settlement on the basis of the facts set out in this Settlement Agreement herein.

IV. AGREED FACTS

Registration History

¶ 8 The Respondent is a Dealer Member registered as a mutual fund dealer and is registered under securities legislation in all Canadian provinces and territories. The Respondent has been a Dealer Member of

[10] At the time of the conduct addressed in this proceeding, MFDA Rules 1.4(a), 2.5.1, and 2.1.1 and MFDA Policy Nos. 3 and 6 were in effect and are now incorporated into Mutual Fund Dealer Rules 1.4(a), 2.5.1, 300, and 600 referred to in this proceeding.

CIRO (formerly, a Member of the MFDA) since January 11, 2002.

Overview

¶ 9 In or around late 2017, the Respondent outsourced its client complaint handling processes, the investigation and resolution of potential Approved Person misconduct, and the identification of events to be reported to the MFDA to multiple business units within the bank affiliated with the Respondent, including Canadian Personal Banking Customer Cares ("**Cares**") and the bank's Human Resources Group ("**HR**"). The Respondent retained its information reporting function at all times.

¶ 10 As described below, commencing in or around late 2017, the Respondent failed to adequately supervise and ensure adequate training of the various personnel given responsibility for complaint handling, investigating and addressing potential Approved Person misconduct, and identifying and reporting reportable events, resulting in the failure of the Respondent to report client complaints and potential misconduct by Approved Persons.

Failure to Report Client Complaints and Potential Misconduct by Approved Persons

¶ 11 In or about early 2021, Staff detected that on multiple occasions the Respondent had failed to report on a timely basis, or at all, events on the Member Event Tracking System ("**METS**") in accordance with Mutual Fund Dealer Rule 600, including client complaints and instances of Approved Person potential misconduct.

¶ 12 Accordingly, Staff raised concerns with the Respondent about its complaint reporting procedures. In response, the Respondent conducted a detailed internal review, following which, the Respondent reported to Staff that between January 2018 and March 2021, it had not reported on METS 99 client complaints and 15 instances of reportable discipline of Approved Persons for potential misconduct in accordance with Mutual Fund Dealer Rule 600.

¶ 13 Subsequent to its discovery of the unreported events, the Respondent reported all of the events on METS as required.

Failure to Adequately Investigate and Address Client Complaints

¶ 14 In addition to informing Staff of the 99 client complaints that it had not been reported on METS described above at paragraph 12, the Respondent informed Staff that it had determined that the Respondent had not investigated or resolved all 99 client complaints in accordance with Mutual Fund Dealer Rule 300 and the Respondent's Policies and Procedures.

¶ 15 Based on the Respondent's reporting and Staff's investigation, the following issues were identified:

(a) in 8 instances, the Respondent had not resolved the client complaints fairly;

(b) in at least 52 instances, the Respondent failed to maintain adequate records of complaint handling actions, and as a result, the Respondent could not determine whether or not the Respondent had adequately investigated or fairly resolved the client complaints; and

(c) with few exceptions, the Respondent failed to communicate a final decision to the clients in a substantive response.

¶ 16 As detailed above, the Respondent failed to implement adequate training, policies, procedures, and internal supervisory controls with regards to complaint handling to ensure that after receiving complaints, it complied with its obligations to make mandatory reports on METS and to conduct adequate or timely supervisory investigations.

Additional Factors

¶ 17 None of the reporting and complaint handling failures described above involved allegations of theft, fraud, misappropriation, forgery, misrepresentation, personal financial dealings, or unauthorized trading. To the extent any raised regulatory concerns, they have been, or are in the process of being, investigated and addressed by CIRO.

¶ 18 After identifying the deficiencies described above, the Respondent promptly took steps to consolidate

complaint handling into Cares and implemented enhancements with Cares in two phases. For the first phase, the Respondent:

(a) began a daily review of files from Cares to ensure the appropriate triage and assessment of received items, which included verifying steps such as the proper classification of complaints and the provision of appropriate written acknowledgements;

(b) provided on-the-spot coaching and feedback to Cares personnel based on the daily reviews;

(c) for a period of several months, also hosted daily calls with the Cares complaint handlers;

(d) reviewed all regulatory complaint files prior to closure by Cares; and

(e) reported all regulatory complaints on behalf of Cares and, where applicable, commenced investigations in accordance with Mutual Fund Dealer Rules 300 and 600.

¶ 19 For the second phase, the Respondent now maintains oversight of Cares and has responsibility for reporting on METS and monitoring internal investigations and internal disciplinary action.

¶ 20 With respect to HR, which is responsible for the Respondent's internal investigations and discipline processes for Approved Persons, the Respondent promptly implemented:

(a) updated instructional materials to HR personnel and processes to communicate the Respondent's reporting obligations pursuant to Mutual Fund Dealer Rule 600;

(b) a requirement that HR notify the Respondent of any discipline imposed on an Approved Person within two business days of the date of the letter of reprimand; and

(c) reviews by the Respondent of a report of all HR files opened and closed twice a week to ensure all instances where the Respondent's reporting obligations are engaged have been identified and communicated to CIRO.

¶ 21 The Respondent has at all times fully cooperated with CIRO's review of the issues that form the subject matter of this Settlement Agreement.

¶ 22 The Respondent has undertaken remediation efforts in respect of the conduct described above, including reviewing the previously inadequately investigated complaints and compensating clients where warranted in accordance with its complaint handling requirements. The Respondent has paid or is in the process of offering clients a total of approximately $10,000 in compensation to clients that is in addition to the approximately $58,000 that it already paid when the Respondent first addressed the client complaints that are the subject of this proceeding.

¶ 23 The Respondent has not previously been the subject of a CIRO (or MFDA) disciplinary proceeding.

¶ 24 By entering into this Settlement Agreement, the Respondent has accepted responsibility for its misconduct and saved CIRO the time, resources, and expenses that would have been necessary to conduct a contested hearing of the allegations.

V. ADDITIONAL TERMS OF SETTLEMENT

¶ 25 This settlement is agreed upon in accordance with Mutual Fund Dealer Rule 7.4.4 and Rules 14 and 15 of the MFDA Rules of Procedure.

¶ 26 The Settlement Agreement is subject to acceptance by the Hearing Panel. At or following the conclusion of the Settlement Hearing, the Hearing Panel may either accept or reject the Settlement Agreement. Settlement Hearings are typically held in the absence of the public pursuant to Mutual Fund Dealer Rule 7.3.5 and Rule 15.2(2) of the Mutual Fund Dealer Rules of Procedure. If the Hearing Panel accepts the Settlement Agreement, then the proceeding will become open to the public and a copy of the decision of the Hearing Panel and the Settlement Agreement will be made available at www.mfda.ca.

¶ 27 Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel:

(a) the Settlement Agreement will constitute the entirety of the evidence to be submitted at the

settlement hearing, subject to Rule 15.3 of the Mutual Fund Dealer Rules of Procedure;

(b) the Respondent agrees to waive any rights to a full hearing, a review hearing or appeal, including before the Board of Directors of CIRO or any securities commission with jurisdiction in the matter under its enabling legislation, or a judicial review or appeal of the matter before any court of competent jurisdiction;

(c) except for any proceedings commenced to address an alleged failure to comply with this Settlement Agreement, Staff will not initiate any proceeding under the Mutual Fund Dealer Rules against the Respondent in respect of the contraventions described in this Settlement Agreement. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any contraventions that are not set out in this Settlement Agreement, whether known or unknown at the time of settlement. Furthermore, nothing in this Settlement Agreement shall relieve the Respondent from fulfilling any continuing regulatory obligations;

(d) the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to Mutual Fund Dealer Rule 7.4.1.2 for the purpose of giving notice to the public thereof in accordance with Mutual Fund Dealer Rule 7.4.5; and

(e) neither Staff nor the Respondent will make any public statement inconsistent with this Settlement Agreement. Nothing in this section is intended to restrict the Respondent from making full answer and defence to any civil or other proceedings against the Respondent.

¶ 28 If this Settlement Agreement is accepted by the Hearing Panel and, at any subsequent time, the Respondent fails to honour any of the Terms of Settlement set out herein, Staff reserves the right to bring proceedings under Mutual Fund Dealer Rule 7.4.3 against the Respondent or any of its officers or directors based on, but not limited to, the facts set out in this Settlement Agreement, as well as the breach of the Settlement Agreement. If such additional enforcement action is taken, the Respondent agrees that the proceeding(s) may be heard and determined by a hearing panel comprised of all or some of the same members of the hearing panel that accepted the Settlement Agreement, if available.

¶ 29 The Settlement Agreement shall become effective and binding upon the Respondent and Staff as of the date of its acceptance by the Hearing Panel. Unless otherwise agreed, any monetary penalties and costs imposed upon the Respondent are payable immediately, and any suspensions, revocations, prohibitions, conditions or other terms of the Settlement Agreement shall commence, upon the effective date of the Settlement Agreement.

¶ 30 If, for any reason, this Settlement Agreement is not accepted by the Hearing Panel, each of Staff and the Respondent will be entitled to any available proceedings, remedies and challenges, including proceeding to a disciplinary hearing pursuant to Mutual Fund Dealer Rules 7.3 and 7.4, unaffected by the Settlement Agreement or the settlement negotiations.

¶ 31 The terms of this Settlement Agreement will be treated as confidential by the parties hereto until accepted by the Hearing Panel, and forever if, for any reason whatsoever, this Settlement Agreement is not accepted by the Hearing Panel, except with the written consent of both the Respondent and Staff or as may be required by law. The terms of the Settlement Agreement will be released to the public if and when the Settlement Agreement is accepted by the Hearing Panel.

¶ 32 The Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement. A facsimile or electronic copy of any signature shall be as effective as an original signature.

DATED this 15th day of February, 2024.

"Greg Stoeckl"

TD Investment Services Inc.

Per:

"S.M." S.M.

Witness - Signature Witness - Print name

"Alan Melamud"

Staff of the Canadian Investment Regulatory Organization

Per: Alan Melamud, Senior Enforcement Counsel