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By EMAIL

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RE: Request for Hearing and Review in the Matter of the Investment Dealer and Partially Consolidated Rules and Teymur Englesby and Cale Nishimura

The Canadian Investment Regulatory Organization (“CIRO”) requests a hearing and review of a CIRO hearing panel decision pursuant to s. 28 of the *Securities Act*, [RSBC 1996, c. 418](#) (the “Act”) and Part 7 of [BC Policy 15-601](#).

Section 7.2(a) of BC Policy 15-601 outlines a request for a hearing and review by a person directly affected. Notably, the request must identify:

1. the decision to be reviewed;
2. how the person is directly affected by the decision;
3. the grounds for the review; and
4. the grounds for a stay of the decision, if requested.

These points are addressed as follows:

The decision to be reviewed

CIRO requests a hearing and review of the CIRO hearing panel (the “Panel”) decision in the matter of *the Investment Dealer and Partially Consolidated Rules and Teymur Englesby and Cale Nishimura*, [2025 CIRO 55](#) dated December 6, 2025, and received on December 8, 2025, (the “Decision”).

CIRO is a person directly affected

The Decision involves an enforcement proceeding in which Mr. Englesby and Mr. Nishimura were the respondents. The Panel found that Mr. Englesby and Mr. Nishimura (collectively “the Respondents”) did not engage in conduct unbecoming contrary to Investment Dealer and Partially Consolidated (“IDPC”) Rule 1400. CIRO is a person directly affected by the Decision within the meaning of s. 28 of the Act.

Grounds for the review

The Panel proceeded on incorrect principles, made errors of law, and overlooked material evidence, including but not limited to:

1. The Panel failed to provide adequate reasons for its decision by not setting out:
 - a. the findings of fact with sufficient particularity;
 - b. the evidence upon which those findings of fact were based; and
 - c. the reasoning for arriving at its conclusions.
2. The Panel made findings of fact not based on evidence as to industry practice or standards. A Panel is entitled to use its expertise to evaluate evidence but cannot use its expertise as a substitute for evidence.
3. The Panel overlooked material evidence and misstated or ignored the ratio and direction of the British Columbia Securities Panel (the “BCSC Panel”) in *Re: CIRO and Englesby*, [2025 BCSECCOM 148](#) (the “BCSC Decision”) including, but not limited to:
 - a. the finding of the existence of “quite obvious” Red Flags with respect to the allegations against Client CP and CP Corp;
 - b. in essence re-issuing a new version of its initial decision, *Re: Englesby and Nishimura*, [2024 CIRO 63](#), without engaging in full with the task of reconsidering its reasoning as directed by the BCSC Panel when it remitted “...the entirety of the proceeding to the CIRO Panel to decide on an approach consistent with this

decision;”¹ and

- c. placing undue weight on the absence of certain trading data involving clients’ CP or CP Corp, and the securities at issue, at PI Financial Corp. and other Dealer Members, in concluding that it could not find “quite obvious” Red Flags concerning clients’ CP or CP Corp despite the BCSC Panel’s finding.
4. The Panel demonstrated that they engaged in impermissible inquiries or reasoning.
5. Once again, the Panel made findings about “potential speculative explanations.” These findings were based on speculation and proffered by Respondents’ counsel without supporting evidence. Moreover, these findings were contradicted by material evidence that was ignored or overlooked, including direct evidence provided by the Respondents during the course of the investigation.
6. The Panel made findings about the Red Flags alleged against the Respondents with respect to all of the Clients that were not supported by the evidence. The Panel dismissed the Red Flags based on speculation without clear and cogent evidence to support that conclusion.
7. The Panel failed to consider, and correctly apply, the legal standard required to establish a breach of the gatekeeper obligation under IDPC Rule 1400, as set out in a number of previous decisions, from the British Columbia Securities Commission as well as other decisionmakers.
8. The Panel misinterpreted or misstated the scope and content of IDPC Rule 1400, including but not limited to, misapplying IDPC Rule 1400 to the facts.
9. The Panel's conclusion on the gatekeeper obligation actually has the effect of rendering the obligation meaningless, or exceedingly limited in scope. The Panel's conclusions effectively stand for the proposition that Registered Representatives, if they are able to craft a "reasonable explanation", have no obligation to make inquiries of, or confirm essential facts relative to, a client, and can in fact act as mere order takers.
10. The Panel’s interpretation of IDPC Rule 1400 is contrary to the public interest for reasons including, but not limited to, the fact that it is overly constrictive and does not adequately provide the public with notice of the legal standard that Registered Representatives must meet to comply.
11. Such other and further errors as CIRO may advise.

¹ Re: *CIRO and Englesby*, [2025 BCSECCOM 148](#) at para. 104.

Orders Sought

1. That a hearing management meeting be scheduled to set dates for an oral hearing of this hearing and review.
2. At the hearing and review, a decision be rendered by the British Columbia Securities Commission Panel substituting its own finding that the allegations against the Respondents have been established.

We look forward to scheduling a hearing management meeting with the parties.

Yours very truly,

“Jagdeep Khun-Khun”

Jagdeep Khun-Khun and David McLellan

Senior Enforcement Counsel, CIRO

JKK/jx