

REPLY TO:
Mila Pivnenko
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Email: mpivnenko@bcsc.bc.ca

By Courier

October 7, 2025

Dear Mr. Allison:

Lorne Stuart Allison
Reciprocal Order Application
Our File No.: 55416

I am writing this letter on behalf of the Executive Director of the British Columbia Securities Commission (the Executive Director).

This letter notifies you and the British Columbia Securities Commission (the Commission) that the Executive Director is applying for orders against you under sections 161(6)(c) and 161(1) of the *Securities Act*, RSBC 1996, c. 418 (the Act). The Executive Director is not seeking a financial penalty.

The Executive Director is making this application based on the Decision on the Merits and Reasons of the Canadian Investment Regulatory Organization (CIRO) indexed as [Re Allison](#), 2024 CIRO 84 (the Decision).

DECISION OF CIRO

1. On November 26, 2024, a CIRO hearing panel concluded that you had engaged in securities related business that was not carried on for the account or through the facilities of the Dealer Member and therefore contravened certain Mutual Fund Dealer Rules (collectively, the MFDA Rules).

The [Decision](#), para. 74
The [Order](#)

2. The CIRO panel ordered the following sanctions against you:
 - a) permanent prohibition from conducting securities related business in any capacity while in the employ of or associated with any Dealer Member of CIRO registered as a mutual fund dealer;
 - b) a fine of \$70,000; and
 - c) costs in the amount of \$10,000.

The [Decision](#), para. 100
The [Order](#), paras. 1-3

Summary of Findings

3. The following facts are contained in the Decision:

- (a) Between October 2005 and February 22, 2021, you were registered in the securities industry. In particular, between January 2012 and February 22, 2021, you were registered at Royal Mutual Funds Inc., a former member of the Mutual Fund Dealers Association of Canada (MFDA) and current CIRO dealer member (the Dealer Member).

The [Decision](#), para. 12

- (b) You were registered to advise or trade in mutual funds at the Dealer Member. At all material times, you conducted business in British Columbia. You were not registered to trade or advise clients regarding non-mutual fund securities, such as equity securities, options, the foreign exchange market, or exchange-traded funds.

The [Decision](#), para. 13

- (c) After you resigned from the Dealer Member on February 22, 2021, you have not been registered in the securities industry in any capacity.

The [Decision](#), para. 39

Clients JE, KE and LC

- (d) From September 2020 to February 22, 2021, while you were registered as a dealing representative with the Dealer Member:

- i. You recommended that three retired clients ranging in age from 64 to 71 years of age – JE, KE and LC – open online brokerage accounts at financial institutions outside the Dealer Member so that you could execute trades in non-mutual fund securities on their behalf in exchange for certain fees;
- ii. You assisted JE, KE and LC with opening the online brokerage accounts and depositing their monies or transferring their investments to these online brokerage accounts;
- iii. You repeatedly executed trades in non-mutual fund securities in the online brokerage accounts of JE, KE and LC;
- iv. You charged JE, KE and LC at least \$18,798 in fees in exchange for executing the above trades;
- v. In total, you invested \$2,751,391 for JE, KE and LC.

The [Decision](#), paras. 18-20

- (e) After your resignation, you continued to access online brokerage accounts of JE, KE and LC and execute trades in non-mutual fund securities in their accounts in exchange for a fee. You also opened additional online brokerage accounts for JE and KE.

The [Decision](#), paras. 21-22

- (f) LC incurred a loss of \$7,623 on the trades you executed, and had to pay a total of \$1,527 for borrowing on margin and trading commissions at an online brokerage as a result of your trading activity on LC's behalf.

The [Decision](#), para. 24

- (g) After your resignation, JE and KE transferred assets out of the online brokerage accounts that you had helped them establish. They ended up in a net gain position.

The [Decision](#), para. 25

Clients VL and RL

- (h) From October 2020 to February 22, 2021, while you were registered as a dealing representative with the Dealer Member:
- i. You recommended that two retired clients ranging in age from 79 to 82 years of age – VL and RL – open online brokerage accounts at financial institutions outside the Dealer Member so that you could execute trades in non-mutual fund securities on their behalf in exchange for certain fees;
 - ii. You assisted VL and RL with opening the online brokerage accounts and depositing their monies or transferring their investments to these online brokerage accounts;
 - iii. In total, you caused VL and RL to deposit \$981,046 into the online brokerage accounts. Despite you seeking to convince VL and RL to enter into an arrangement whereby you would execute trades in non-mutual fund securities on their behalf in exchange for fees, ultimately VL and RL declined to enter into this arrangement with you.

The [Decision](#), paras. 27-29

Clients BL and Company A

- (i) From December 2020 to February 22, 2021, while you were registered as a dealing representative with the Dealer Member:
- i. You caused client BL to deposit \$5,000 into an online TFSA account, and caused client Company A to deposit \$140,000 into a margin account, both with an online brokerage;
 - ii. You executed trades in non-mutual fund securities in the online accounts of BL and Company A, including equity securities, options trading and the foreign exchange market in exchange for \$1,048 in fees.

The [Decision](#), paras. 30-31

- (j) After you resigned from the Dealer Member, you continued to access the online brokerage accounts of BL and Company A and execute trades in non-mutual fund securities in their accounts in exchange for fees.

The [Decision](#), para. 32

- (k) In September 2021, BL and Company A transferred assets out of the online brokerage accounts that you had helped them establish. They ended up in a net gain position.

The [Decision](#), para. 33

- (l) None of the above transactions or fees you charged for any of clients JE, KE, LC, VL, RL, BL and Company A were carried on for the account of the Dealer Member or through its facilities.

The [Decision](#), para. 34

Clients CK, DK and JP

- (m) After you resigned from the Dealer Member on February 22, 2021, you conducted trading similar to those trades described above in non-mutual fund securities in online brokerage accounts for clients CK, DK and JP (who was 71 years old and retired).

The [Decision](#), para. 35

- (n) CK and DK incurred a net loss of \$105,734 on the trades you executed in their online brokerage accounts, and also paid a total of \$7,263 in interest for your borrowing on margin and trading fees charged by an online brokerage. You have paid CK and DK \$1,000 by way of compensation.

The [Decision](#), paras. 36-37

- (o) JP incurred a net loss of \$56,334 on the trades you executed in her online brokerage accounts, and also paid a total of \$2,931 in interest for your borrowing on margin and trading fees charged by an online brokerage resulting from the trades you executed on JP's behalf.

The [Decision](#), para. 38

- (p) After your resignation, and despite your lack of registration in the securities industry in any capacity, you continued to access online brokerage accounts for certain clients and execute trades in non-mutual fund securities in exchange for fees.

The [Decision](#), paras. 39-40

THIS APPLICATION

4. With this letter, the Executive Director is applying to the Commission for orders against you under [section 161](#) of the Act. I have enclosed a copy of section 161 of the Act for your reference.
5. In making orders under section 161 of the Act, the Commission must consider what is in the public interest in the context of its mandate to regulate trading in securities.
6. Orders under section 161(1) of the Act are protective, preventative and intended to be exercised to prevent future harm.

[*Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario \(Securities Commission\)*](#), [2001] 2 SCR 132, 2001 SCC 37 (CanLII), paras. 36, 39, and 56

7. In [*Re Eron Mortgage Corporation*](#), [2000] 7 BCSC Weekly Summary 22, and in subsequent decisions, the Commission identified factors to consider when determining orders under section 161(1).
8. The following factors from *Re Eron* are relevant in this proceeding:
 - (a) the seriousness of the respondent's conduct,
 - (b) the harm suffered by investors as a result of the respondent's conduct,
 - (c) the extent to which the respondent was enriched;
 - (d) factors that mitigate the respondent's conduct;
 - (e) the risk to investors and the capital markets posed by the respondent's continued participation in the capital markets of British Columbia,

- (f) the respondent's fitness to be a registrant or to bear the responsibilities associated with being a director, officer or adviser to issuers,
- (g) the need to demonstrate the consequences of inappropriate conduct to those who enjoy the benefits of access to the capital markets,
- (h) the need to deter those who participate in the capital markets from engaging in inappropriate conduct, and
- (i) orders made by the Commission in similar circumstances in the past.

[Re Eron Mortgage Corporation](#), [2000] 7 BCSC Weekly Summary 22

**Application of the Factors
Seriousness of the Conduct**

9. The CIRO panel found that:

- (a) you advised clients to open accounts outside the Dealer Member for the purpose of trading in non-mutual fund securities on their behalf, and traded in these accounts. Between September 2020 and February 22, 2021, you were only registered to trade in mutual funds. After ceasing to be registered in any capacity on February 22, 2021, you continued to trade in non-mutual fund securities for clients until at least September 2021;

The [Decision](#), paras. 13, 39, 40, 68

- (b) you charged clients fees for executing trades in their online brokerage accounts and accepted payments from them, raising potential conflicts of interest which you failed to disclose to the Dealer Member even though you were aware of them.

The [Decision](#), paras. 73 and 83

10. You submitted at the CIRO hearing that you had built up a rapport with your clients. The nature of the advisor-client relationship and the trust established between you and the clients makes your misconduct particularly serious. The clients placed reliance on your recommendations, yet, they did not have the requisite investor protections as you first traded outside your registration category and later, without any registration.

The [Decision](#), para. 61
[Re Liu](#), 2018 BCSECCOM 372, para. 97

11. The CIRO panel rejected your submission that your conduct was unintentional and "a massive mistake". The panel found that you intentionally convinced several clients, many of whom were vulnerable seniors, to move their investments from the Dealer Member to online brokerages where you engaged in trading outside your registration category, and that you acted deliberately and deceptively when you advised your clients to engage in risky investments and investment strategies they did not fully understand, so that you would profit by collecting fees.

The [Decision](#), paras. 61, 70-72

12. Further, the seriousness of your misconduct is heightened by the fact that several clients were vulnerable seniors. This makes your misconduct especially predatory.

The [Decision](#), para. 80
[Re Michaels](#), 2014 BCSECCOM 457, para. 12
[Re Lau](#), 2016 BCSECCOM 320, para. 9

Harm suffered by investors

13. While you were registered as a dealing representative with the Dealer Member, you placed vulnerable clients (JE, KE, LC, VL, and RL) and investors' (BL and Company A) assets, worth a total of approximately \$3,877,437 at significant risk, which resulted in your client LC sustaining a loss of \$7,623.

The [Decision](#), paras. 90 and 91(d)

14. After you resigned from the Dealer Member, you conducted similar trading for three other clients (CK, DK, and JP), one of whom was 71 years old and retired, resulting in net losses totaling \$162,068 and over \$10,000 in interest and trading fees charged by an online brokerage less \$1,000 you paid to CK and DK in compensation.

The [Decision](#), paras. 35-38

Enrichment

15. You were enriched by \$19,846 that you obtained by charging clients fees for executing trades in their online brokerage accounts.

The [Decision](#), para. 87

Mitigating and Aggravating Factors

16. An aggravating factor is the fact that you were an experienced registrant, having been registered in the securities industry since 2005. You knew you were only permitted to trade or advise in the category that you were registered in, and that you were not permitted to trade or advise without being registered.

The [Decision](#), para. 92

[Re Williams](#), 2016 BCSECCOM 283, para. 50

[Roberta Merlin McIntosh](#), 2015 BCSECCOM 69, para. 20

17. We are not aware of any mitigating factors.

Risk to investors and the capital markets

18. The CIRO panel found that:

- (a) Assets valued at over \$3.7 million were transferred out of five client accounts (JE, KE, LC, VL and RL), placing them at risk, and causing a loss to client LC. Your actions were not in any way unintentional mistakes – on the contrary, you acted deliberately and deceptively;

The [Decision](#), paras. 71, 72 and 91(b) and (d)

- (b) Given your conduct even after resignation, there is a significant risk that you would continue misconduct outside a CIRO dealer member if you were permitted to ever reregister.

The [Decision](#), para. 86

19. Public confidence in our capital markets is dependent on the honesty and integrity of those who participate in it. You chose to knowingly and intentionally engage in unregistered trading and advising despite knowing that you were breaching securities laws. Your conduct shows a lack of

respect for the regulatory protections which are in place and creates significant risk to the public and to the capital markets. Imposing restrictions on your participation in the markets is in the public interest.

Fitness to be a registrant or a director or officer of a registrant

20. Participants who engage in the securities industry do so voluntarily and for their own profit. In exchange for the privilege of participating, individuals and companies must comply with securities laws. Compliance is paramount, ensuring the protection of the public and the integrity of the capital markets.
21. Honesty is a critical part of being a registrant or a director of an officer. In fact, it is part of the basic duties of those positions.

[Re SBC Financial Group Inc.](#), 2018 BCSECCOM 267, para. 34

22. Registrants play a critical role in our capital markets as one of the “gatekeepers”. The expectation of registrants is much higher than that of the general public and effective implementation of securities legislation depends on the willingness of those who chose to engage in the securities industry to comply with defined standards of conduct. The capital markets operate on the basis of trust between registrant and client.

[Re Lim](#), 2017 BCSECCOM 319, para. 20

[Edward Bernard Johnson](#), 2007 BCSECCOM 437, paras. 28-29

[Re Lawrence Chang](#), 2020 BCSECCOM 199, para. 23

23. As a mutual funds advisor, you occupied a position of trust and responsibility. Instead of fulfilling your role as a gatekeeper, you abused the privilege of your registration, intentionally convincing clients, many of whom were vulnerable seniors, to move their investments from the Dealer Member to online brokerages where you engaged in trading outside your registration category, and deliberately and repeatedly advised them to engage in risky investments and investment strategies they did not fully understand. You acted deliberately and deceptively with respect to your clients.

The [Decision](#), paras. 70-72

24. Your conduct is inconsistent with conduct acceptable for a registrant or those otherwise engaged in our capital markets. You are ill-suited to participate in the markets as a registrant or a director or officer of a registrant, promoter or advisor going forward.

Deterrence

25. The seriousness of your misconduct demonstrates a need to protect the investing public against future harm from you. There is also a need to send a message to others who might be like-minded to emulate such misconduct.

[Streamline Properties Inc. \(Re\)](#), 2015 BCSECCOM 66, para. 35

26. Significant market bans are proportionate to your misconduct and are necessary to ensure that you and others will be deterred from engaging in similar misconduct in the future.

Previous orders

27. The Commission has previously made orders under section 161(6) reciprocating sanctions imposed by self-regulatory organizations.

28. In [Re Pawar](#), 2016 BCSECCOM 174, the Commission made an order based on the facts and decision in an IIROC Decision on Sanction. In that case, the respondent had used his status as a registered representative to solicit friends to provide \$95,000 in a fictitious investment. The Commission ordered broad, permanent market bans against Pawar.
29. In [Re Lawrence Chang](#), 2020 BCSECCOM 199, the Commission also made an order based on the facts and decision in an IIROC Decision on Sanction. In that case, the respondent purchased securities in a client's account without client authorization and made misrepresentations to the client regarding the number of shares held in the account to hide the fact that he had made unauthorized purchases.
30. Your conduct with respect to your clients was sufficiently dishonest and abusive to warrant a permanent ban from becoming a registrant or a director or officer of a registrant.
31. Since you also traded for others and acted as an advisor, your conduct also warrants 10-year bans from activities connected to trading or advising on behalf of others, or engaging in promotional activities on your own behalf.
32. In addition to various monetary sanctions, the Commission ordered 10-year market bans in the three decisions below where the misconduct was similar to yours as the respondents in those cases also harmed investors and engaged in unregistered trading and advising activities:
 - [Re SBC Financial Group Inc.](#), 2018 BCSECCOM 267
 - o The respondent Bakshi raised approx. \$2.7 million from investors through unregistered trading. \$1.5 million of this amount were also raised through illegal distributions. The panel noted that Bakshi was a former registrant and demonstrated dishonesty, and that his misconduct was not accidental or even merely negligent. The panel ordered broad market prohibitions for 10 years.
 - [Streamline Properties Inc. \(Re\)](#), 2015 BCSECCOM 66
 - o The respondent Wiegel raised approx. \$3.6 million from investors through unregistered trading and illegal distributions. Weigel did not personally benefit from his misconduct and there was no evidence that he intentionally breached the Act. He demonstrated some acceptance of responsibility for his misconduct. The panel ordered broad market prohibitions for 10 years.
 - [Roberta Merlin McIntosh](#), 2015 BCSECCOM 69
 - o The respondent McIntosh engaged in unregistered advising with respect to one client, receiving a fee. On McIntosh's recommendation, the client purchased speculative, risky securities. The panel noted that McIntosh was a former registrant, had prior securities misconduct, and failed to comply with the suitability provisions, which led to the client purchasing securities that were highly unsuitable. The panel ordered broad market prohibitions for 10 years.

The Davis Consideration

33. In the Court of Appeal decision in [Davis v. British Columbia \(Securities Commission\)](#), 2018 BCCA 149, the Court identified that it is incumbent upon a tribunal to consider a respondent's individual circumstances when determining whether measures short of a permanent ban would protect the investing public where a person's livelihood is at stake.
34. The Executive Director has considered this information, but in our view, the risk you present to the integrity of the capital markets and to investors warrants your permanent removal as a registrant and lengthy removal from other activities in the capital markets of British Columbia.

ORDERS SOUGHT

35. Although there is no limitation on the Commission from imposing a capital market sanction that is similar or different to the CISO sanctions, the Commission needs to consider what is reasonable based on the evidence known to it, as well as what is in the public interest.
36. In seeking orders under 161(1) of the Act, the Executive Director has taken the following factors into consideration when applying for orders in this proceeding:
- (a) the circumstances of your misconduct;
 - (b) the factors from *Eron*;
 - (c) the sanctions ordered in previous cases cited above;
 - (d) the enforcement orders available under the Act;
 - (e) your individual circumstances; and
 - (f) the public interest.
37. Based on all of these factors, the Executive Director is seeking the following orders pursuant to section 161(1) of the Act:
- (a) you are permanently prohibited:
 - (i) under section 161(1)(d)(ii), from becoming or acting as a director or officer of any registrant;
 - (ii) under section 161(1)(d)(iii), from becoming or acting as a registrant or promoter;
 - (b) you are prohibited, for the period of 10 years:
 - (i) under section 161(1)(b)(ii), from trading in or purchasing any securities or derivatives, except in accounts in your own name with a person registered to trade under the Act if you first provide the registered representative with a copy of this order before any trade takes place;
 - (ii) under section 161(1)(c), from relying on any of the exemptions set out in this Act, the regulations or a decision;
 - (iii) under section 161(1)(d)(iv), from advising or otherwise acting in a management or consultative capacity in connection with activities in the securities or derivatives markets;
 - (iv) under section 161(1)(d)(vi) from engaging in promotional activities on your own behalf in respect of circumstances that would reasonably be expected to benefit you.
38. The Executive Director is not seeking any monetary sanctions against you.

SUPPORTING MATERIALS

39. In making this application, the Executive Director relies on the following, copies of which are enclosed:
- (a) The [Decision](#)
 - (b) The [Order](#)

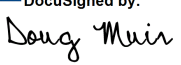
- (c) [*Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario \(Securities Commission\)*](#), [2001] 2 SCR 132, 2001 SCC 37 (CanLII)
- (d) [*Davis v. British Columbia \(Securities Commission\)*](#), 2018 BCCA 149
- (e) [*Edward Bernard Johnson*](#), 2007 BCSECCOM 437
- (f) [*Re Eron Mortgage Corporation*](#), [2000] 7 BCSC Weekly Summary 22
- (g) [*Re Lau*](#), 2016 BCSECCOM 320
- (h) [*Re Lawrence Chang*](#), 2020 BCSECCOM 199
- (i) [*Re Lim*](#), 2017 BCSECCOM 319
- (j) [*Re Liu*](#), 2018 BCSECCOM 372
- (k) [*Roberta Merlin McIntosh*](#), 2015 BCSECCOM 69
- (l) [*Re Michaels*](#), 2014 BCSECCOM 457
- (m) [*Re Pawar*](#), 2016 BCSECCOM 174
- (n) [*Re SBC Financial Group Inc.*](#), 2018 BCSECCOM 267
- (o) [*Streamline Properties Inc. \(Re\)*](#), 2015 BCSECCOM 66
- (p) [*Re Williams*](#), 2016 BCSECCOM 283

YOUR RESPONSE

- 40. You are entitled to respond to this application. To do so, you must deliver any response in writing, together with any supporting materials, to the Commission Hearing Office by **Friday, November 13, 2025**.
- 41. The contact information for the Commission Hearing Office is:

Commission Hearing Office
British Columbia Securities Commission
PO Box 10142, Pacific Centre
12th Floor, 701 West Georgia Street
Vancouver, BC V7Y 1L2
E-mail: hearingoffice@bcsc.bc.ca
Telephone: 604-899-6500
- 42. If you do not respond within the time set out above, the Commission will decide this application and may make orders against you without further notice.
- 43. The Commission will send you a copy of its decision.
- 44. **If you have any questions regarding this application, please contact Ms. Mila Pivnenko, at 604-899-6610, or mpivnenko@bcsc.bc.ca**

Yours truly,

DocuSigned by:

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10/7/2025 | 1:24 PM PDT

Douglas B. Muir
Director, EnforcementMP/crc
Enclosurescc: Hearing Office (by email to hearingoffice@bcsc.bc.ca)