



Ontario Commission des  
Securities valeurs mobilières  
Commission de l'Ontario

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**IN THE MATTER OF THE *SECURITIES ACT*,  
R.S.O. 1990, c. S.5, AS AMENDED**

**- and -**

**IN THE MATTER OF AN OPPORTUNITY TO BE HEARD REQUESTED BY  
THERESIA FONNY HOFAN**

**DECISION OF THE DIRECTOR**

Having reviewed and considered the agreed statement of facts, the admissions by Theresia Fonny Hofan (**Hofan**), and the joint recommendation to the Director by Hofan and Compliance and Registrant Regulation Branch of the Ontario Securities Commission (**CRR Branch**) contained in the settlement agreement signed by Hofan on December 11, 2023, and by Michael Denyszyn, Manager, CRR Branch, on December 11, 2023 (the **Settlement Agreement**), a copy of which is attached as Appendix "A" to this Decision, and on the basis of those agreed facts and admissions, I, Felicia Tedesco, in my capacity as Director under the *Securities Act*, R.S.O. 1990, c. S.5 (the **Act**), accept the joint recommendation of the parties, and make the following decision:

1. The registration of Hofan is suspended pursuant to s. 28 of the Act effective five business days from date of this decision (the **Effective Date**), and Hofan will not apply for reactivation of registration for a period of at least 10-months from the Effective Date.
2. Before reapplying for reactivation of registration, Hofan shall provide CRR Branch with proof that she has successfully completed the Conduct and Practices Handbook

Course offered by Canadian Securities Institute and Ethics and Professional Conduct  
Course offered by the IFSE Institute.

3. If Hofan complies with paragraphs 1 and 2 above, then upon Hofan reapplying for reactivation of registration in the future with a registered mutual fund dealer, CRR Branch will not recommend to the Director that her application be refused unless CRR Branch becomes aware after the date of this Settlement Agreement of conduct impugning Hofan's suitability for registration, separate and apart from (i) the facts set out in the Settlement Agreement: and/or (ii) facts of which CRR Branch is already aware as of the date of the Settlement Agreement, or rendering her registration otherwise objectionable, provided Hofan meets all other applicable criteria for registration at the time she applies for registration.
4. This Settlement Agreement will be published on the website of the Ontario Securities Commission and in the OSC Bulletin.

December 18, 2023

Date

*"Felicia Tedesco"*

**Appendix “A”**

**IN THE MATTER OF THE *SECURITIES ACT*,  
R.S.O. 1990, c. S.5, AS AMENDED**

**- and -**

**IN THE MATTER OF AN OPPORTUNITY TO BE HEARD REQUESTED BY  
THERESIA FONNY HOFAN**

**SETTLEMENT AGREEMENT**

**I. INTRODUCTION**

1. This settlement agreement (the **Settlement Agreement**) between Compliance and Registrant Regulation Branch of the Ontario Securities Commission (**CRR Branch**) and Theresia Fonny Hofan relates to an opportunity to be heard (an **OTBH**) under section 31 of the *Securities Act*, R.S.O. 1990, c. S.5 (the **Act**) requested by Ms. Hofan concerning a recommendation made by CRR Branch to the Director that Ms. Hofan’s registration as a mutual fund dealing representative be suspended pursuant to section 28 of the Act.
2. As more particularly described in this Settlement Agreement, Ms. Hofan failed to comply with Ontario securities law and to conduct herself with the integrity required of a registrant by obtaining confidential client information from her previous sponsoring firm, and by falsely denying her conduct to the CRR Branch when questioned about her conduct.

**II. AGREED STATEMENT OF FACTS**

3. The parties agree to the facts as stated herein.

**A. Ms. Hofan’s Registration History**

4. Ms. Hofan has been registered under the Act as follows:
  - (a) January 14, 2013 to November 24, 2014: mutual fund dealing representative with BMO Investments Inc. (**BMOII**);
  - (b) November 25, 2014 to December 9, 2015: mutual fund dealing representative with Scotia Securities Inc.;
  - (c) December 11, 2015 to July 26, 2021: mutual fund dealing representative with BMOII; and
  - (d) September 16, 2021 to the present: mutual fund dealing representative with Quadrus Investment Services Ltd. (**Quadrus**).
5. CRR Branch is unaware of any regulatory or other professional disciplinary action against Ms. Hofan prior to the events described herein.

#### **B. Obtaining Confidential Information of Former Clients**

6. Ms. Hofan resigned from BMOII effective July 26, 2021, and reinstated her registration with Quadrus on September 16, 2021.
7. Between November 2021 and February 2022, Ms. Hofan repeatedly contacted a former colleague (**X**) at BMOII to gather confidential information in respect of certain of her former clients and prompted X to share that information with her. Specifically, Ms. Hofan provided names of her former clients to X asking X to confirm those clients had continuous savings plans in their accounts and requested that X cancel continuous savings plans (“**CSPs**”) of those clients at BMOII. Ms. Hofan believed that she was acting pursuant to client instructions at all times. There is no allegation that Ms. Hofan acted without clients’ instructions when she requested cancellation of CSPs from X.

8. Ms. Hofan provided X with her former clients' information to obtain further confidential information of those clients. On one occasion, Ms. Hofan obtained the confidential investment statement of her former client from X after asking X to send it to Ms. Hofan's personal email account.

### **C. Improperly Obtaining Proprietary Information**

9. Prior to leaving BMOII, in April 2021, Ms. Hofan sent 217 email addresses of her clients to her personal email account and thus acted contrary to Bank of Montreal's (**BMO**) Code of Conduct by compromising the privacy and security of client information. Ms. Hofan did not seek the consent of her clients prior to moving the information outside the BMOII network.

### **D. Failing to Deal Fairly and Honestly with Clients**

10. In or around February 2022, Ms. Hofan visited her former client after leaving BMOII, to discuss transferring that client's accounts from BMOII. Ms. Hofan had with her a screenshot of the client's profile that she had obtained from BMOII's internal system during her time with BMOII which she improperly retained. During the client meeting, Ms. Hofan presented the client with documents to sign and the client signed those documents, though the client later decided to remain with BMOII.

### **E. Misleading Statements**

11. The CRR Branch conducted a voluntary interview with Ms. Hofan in which she participated with her counsel. Ms. Hofan misled CRR Branch on four occasions:
  - a. Ms. Hofan denied that she ever communicated with a former colleague at BMO to ask for her former clients' information;

- b. Ms. Hofan denied moving client information outside the bank network to her personal email before she left BMO;
- c. Ms. Hofan denied that after leaving BMO she requested any kind of information from a colleague at BMO; and
- d. Ms. Hofan denied having any client information with her when she left BMO and moved to Quadrus.

#### **F. CRR Branch Recommends Suspension of Registration**

- 12. Following an investigation into the matters described herein, on August 30, 2023, Elizabeth A. King, Deputy Director of CRR Branch, Registrant Conduct, sent a letter to Ms. Hofan alleging the conduct substantially described in paragraphs 7, 8, 9, 10, and 11 above, and informing her that on the basis of that alleged conduct, the CRR Branch had recommended to the Director that her registration be suspended (the “**CRR Branch Recommendation**”).
- 13. On September 13, 2023, Ms. Hofan requested an OTBH before the Director regarding the CRR Branch Recommendation.

#### **III. ADMISSIONS BY MS. HOFAN**

- 14. Ms. Hofan admits that she engaged in the conduct described in paragraphs 7, 8, 9, 10, and 11 above, and that in so doing, she failed to act fairly, honestly, and in good faith with her clients contrary to s. 2.1(2) of OSC Rule 31-505 *Conditions of Registration* by compromising the privacy and security of their confidential information, and failed to conduct herself with the integrity required of a registered dealing representative under the Act.

#### **IV. JOINT RECOMMENDATION TO THE DIRECTOR**

15. To settle the OTBH, CRR Branch and Ms. Hofan make the following joint recommendation to the Director:
- (a) Ms. Hofan's registration shall be suspended pursuant to section 28 of the Act effective five business days after the date the Director approves this Settlement Agreement, and Ms. Hofan will not apply for reactivation of registration for a period of at least 10 months from that date;
  - (b) Before applying for reactivation of registration, Ms. Hofan shall provide CRR Branch with proof that she has successfully completed the Conduct and Practices Handbook Course administered by Canadian Securities Institute, and the Ethics and Professional Conduct Course offered by the IFSE Institute;
  - (c) If Ms. Hofan complies with paragraphs 15(a) and (b) above, then upon Ms. Hofan applying for reactivation of registration in the future with a registered mutual fund dealer, the CRR Branch will not recommend to the Director that her application be refused unless the CRR Branch becomes aware after the date of this Settlement Agreement of conduct impugning Ms. Hofan's suitability for registration, separate and apart from: (i) the facts set out in this Settlement Agreement; and/or (ii) facts of which CRR Branch is already aware as of the date of this Settlement Agreement, or rendering her registration otherwise objectionable, provided Ms. Hofan meets all other applicable criteria for registration at the time she applies for registration; and
  - (d) This Settlement Agreement will be published on the website of the Ontario Securities Commission and in the OSC Bulletin.

16. The parties submit that their joint recommendation to the Director is reasonable, having regard to the following factors:

- (a) Ms. Hofan does not have a prior disciplinary history;
- (b) Ms. Hofan has recognized and acknowledged her misconduct;
- (c) Further to the joint recommendation, Ms. Hofan has agreed to obtain additional education respecting her professional responsibilities as a registrant and has already registered for both programs;
- (d) By agreeing to this Settlement Agreement, Ms. Hofan has saved CRR Branch and the Director the time and resources that would have been required for the OTBH.

17. The parties acknowledge that if the Director does not accept this joint recommendation:

- (a) This joint recommendation and all discussions and negotiations between CRR Branch and Ms. Hofan in relation to this matter, including the admissions in this Agreement, shall be without prejudice to the parties; and
- (b) Ms. Hofan will be entitled to an OTBH in accordance with section 31 of the Act in respect of the recommendation made by CRR Branch that her registration be suspended.

*“Michael Denyszyn”*

*“Theresia Fonny Hofan”*

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Michael Denyszyn  
 Manager, Registrant Conduct  
 Compliance and Registrant Regulation

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Theresia Fonny Hofan

December 11, 2023

December 11, 2023

Date

Date