

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

*CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017*

**TO:** ROBERT J. THIESSEN

**AND TO:** The Discipline Committee of CPA Ontario

The Professional Conduct Committee hereby makes the following Allegation of professional misconduct against Robert J. Thiessen, a former member of CPA Ontario:

1. THAT the said Robert J. Thiessen, in his capacity as a director, the Ultimate Designated Person, and/or controlling shareholder of WAS, failed to act in a manner which will maintain the good reputation of the profession and its ability to serve the public interest, contrary to Rule 201.1 of the Rules of Professional Conduct, in that:
  - a. In or about between March 4, 2003 and November 1, 2005, Thiessen and WAS sold shares of a related company of WAS to clients without ensuring a reasonable level of due diligence was conducted on the investment product and without making reasonable inquiries to ensure that the product was suitable for sale to clients of WAS.
  - b. In or about between March 4, 2003 and November 1, 2005, WAS sold shares of a related company to WAS to clients in reliance on the accredited investor and closely held issuer exemptions:
    - i. without ensuring that these investments were suitable for the clients and in keeping with the clients' investment objectives;
    - ii. without obtaining sufficient documentation to determine if the clients qualified as accredited investors as required by Ontario Securities Commission Rules; and
    - iii. without complying with the requirements of the closely held issuer exemption as set out in Ontario Securities Commission Rule 45-501, in that the clients were not provided with a copy of Form 45-501F3 at least 4 days prior to their purchase of the shares.
  - c. In or about between March 4, 2003 and November 1, 2005, WAS and Thiessen sold or facilitated the sale of shares of a related company of WAS to clients without disclosing to the clients:
    - i. the relationship between WAS and the related company; and
    - ii. the financial interest of WAS and Thiessen in respect of the sales of the shares of the related company;

thereby giving rise to a conflict or potential conflict of interest, which WAS and Thiessen failed to ensure was addressed by the exercise of responsible business judgment influenced only by the best interests of their clients.

- d. In or about between March 4, 2003 and November 1, 2005, Thiessen failed to ensure that WAS established, implemented, communicated and maintained a compliance program to:
- i. ensure that a reasonable level of due diligence was conducted on all investment products prior to their approval for sale;
  - ii. identify and address conflicts of interest with respect to the sale of the securities of non-arm's length issuers; and
  - iii. identify and address through appropriate supervision and compliance procedures material risks of non-compliance with respect to:
    1. ensuring the suitability of investments in clients' accounts;
    2. the sale of exempt products and, in particular, reliance by clients on exemptions from the prospectus requirement; and
    3. ensuring the fees and compensation earned by WAS on the sale of exempt products were adequately disclosed to clients.
- e. In or about between October 2010 and August 2011, while WAS designated in early warning pursuant to MFDA Rule 3.4.2(a)(v), WAS and Thiessen permitted payments to be made from WAS to Thiessen without obtaining the prior written consent of MFDA Staff.
- f. In or about between October and November 2010 and from January 2011 onward, WAS and Thiessen failed to ensure that WAS complied with its financial requirements while designated in early warning pursuant to MFDA Rule 3.4.2(a)(v).
- g. In or about between October and November 2010 and from January 2011 onward, WAS and Thiessen failed to consistently maintain WAS's required minimum capital and risk adjusted capital.

Dated at Toronto, Ontario, this 11 day of October, 2017



R. DINSHAW, CPA, CA, DEPUTY CHAIR  
PROFESSIONAL CONDUCT COMMITTEE