

PETER MICHAEL DEEB
(Applicant)

AND

CANADIAN INVESTMENT REGULATORY ORGANIZATION and ONTARIO
SECURITIES COMMISSION
(Respondents)

APPLICATION FOR REVIEW OF DECISION OF THE CANADIAN INVESTMENT
REGULATORY ORGANIZATION HEARING PANEL
OF PETER MICHAEL DEEB

(Sections 8, 21.7 and 21(5), *Securities Act*, R.S.O. c.S. 5, as amended)

A. ORDER SOUGHT

The applicant, Peter Michael Deeb (“**Mr. Deeb**”), requests that the Capital Markets Tribunal of the Ontario Securities Commission (the “**Tribunal**”) make the following orders:

1. An Order setting aside or varying the Reasons for Decision on Liability dated April 14, 2025 of the Canadian Investment Regulatory Organization (“**CIRO**”) Hearing Panel (Ontario District) (the “**CIRO Panel**”) (the “**Liability Decision**”), as they pertain to him, the Reasons and Decision on Sanctions of the CIRO Panel dated February 3, 2026 (the “**Sanctions Decision**”), as they pertain to him, and the final Order of the CIRO Panel dated February 3, 2026 (the “**Order**”) as it pertains to him;
2. An order awarding the applicant’s costs of this review; and
3. Such further and other relief as the applicant may advise and the Capital Markets Tribunal of the Ontario Securities Commission (the “**Tribunal**”) may deem just.

B. GROUNDS

The grounds for the request and reasons for seeking a review are:

1. In the Liability Decision, the CIRO Panel erred in law, proceeded on incorrect principles and overlooked material evidence in finding that Mr. Deeb contravened Investment Dealer and Partially Consolidated (“**IDPC**”) Rule 1400 and Dealer Member Rule 38.5. As a result of any of these errors, the Tribunal must reconsider the matter and make its own decision, without any deference to or consideration of the findings in the Liability Decision;
2. The CIRO Panel overlooked material evidence and erred in law in concluding that Hampton Securities Limited’s (“**Hampton**”) Monthly Financial Reports (“**MFRs**”), which report on its Risk Adjusted Capital (“**RAC**”), for February and March 2020 were inaccurate. Dennis Dirksen, the head of Financial & Operations Compliance at CIRO testified that until April 27, 2020, the UPRO trading in the average price account did not affect Hampton’s RAC. The February and March MFRs were not inaccurate. When the February and March MFRs were filed, Hampton’s CFO, who had the responsibility to prepare and certify the MFRs, was aware of all of the trading in the average price account. The Panel failed to consider or discuss Mr. Dirksen’s evidence on this issue, or the CFO’s evidence. Mr. Dirksen would have to be disbelieved as not credible to conclude that the MFRs for February and March were inaccurate.
3. The CIRO Panel proceeded on an incorrect principle and erred in law by incorrectly framing the issue before them as to whether the pattern of trading in UPRO in the average price account which had occurred over time for more than a year rendered the trading appropriate. The issue was whether there was improper access to NBIN’s credit. NBIN was aware of and reported daily on the trading and NBIN charged Hampton for the provision

of this credit. The question to answer was whether it was reasonable for Mr. Deeb to rely upon NBIN not raising any concerns with its provision of the credit.

4. The CIRO Panel erred in law and overlooked material evidence in failing to consider that NBIN also had an obligation to reconcile and flatten the average price account on a monthly basis and did not do so as NBIN was aware of the reporting discrepancies from Credit Suisse. NBIN was working with Hampton to try to fix those reporting discrepancies;
5. The CIRO Panel erred in law when they determined that their findings in relation to Contravention #1 and Contravention #2 were sufficient to ground a contravention of Dealer Member Rule 38.5. No such allegation was made in the Statement of Allegations (the “SOA”). The SOA defines the jurisdiction of the panel. CIRO Staff made this allegation for the first time during closing submissions of the Liability Decision hearing. In addition to being an error in law, the Panel’s decision in this respect was in breach of the rules of natural justice and the duty of procedural fairness;
6. Regarding the findings by the CIRO Panel that Mr. Deeb impeded the CIRO investigation, the CIRO Panel erred in law and overlooked material evidence in finding that the Inventory reports prepared by NBIN and sent to Hampton daily were the records being requested by CIRO during the investigation. CIRO was requesting, amongst other material, trading blotters, which were in the possession of Credit Suisse and details of the orders entered in RealTick, which Hampton was not able to obtain. Sharon Spencer, the senior compliance officer doing trading reviews, was working from home throughout the pandemic, left Hampton abruptly in September 2020, and refused requests to return all documents in her possession at the time of her resignation. She never raised any concerns with the trading in the average price account;

7. The CIRO Panel erred in law and overlooked material evidence in finding that Mr. Deeb acted dishonestly regarding the CIRO investigation. Mr. Deeb testified concerning the discrepancies involved in the reporting of trades by Credit Suisse and National Bank, which caused delays and difficulties in moving trades out of the average price account. CIRO called no evidence to dispute the discrepancies. Further, Mr. Deeb confirmed that he had advised Mr. Dirksen that they were testing algorithmic trading to potentially use for an Abu Dhabi-based client, not that the trading was for an Abu Dhabi client. Mr. Dirksen never once followed up with Mr. Deeb to claim that he had told him in March 2020 that the trading was for an Abu Dhabi client, which he would have done if that was what he understood at the time had occurred. The evidence demonstrated that Mr. Deeb ultimately accepted personal responsibility for trading loss, and further, the CIRO Panel accepted that there were discrepancies in the reporting that Hampton and NBIN were receiving from Credit Suisse;
8. The CIRO Panel erred in law, overlooked material evidence and proceeded on an incorrect principle by failing to consider the significant effects of the pandemic at the time in 2020 and the efforts Mr. Deeb made to address staffing issues in Hampton's compliance department during the relevant time. The evidence demonstrated that Mr. Deeb promoted compliance and was making every effort to have a strong compliance team;
9. The CIRO Panel erred in law, overlooked material evidence and proceeded on an incorrect principle by accepting or adopting the report prepared by the CIRO Business Conduct Compliance ("BCC") (the "**BCC Report**") department to find a breach of Rule 38.5 by Mr. Deeb, rather than considering all the evidence and making its own decision. The evidence overlooked includes Hampton's response to the BCC Report, that the BCC review

was closed after a few months following the response, and the evidence from Mr. Mills, the CCO of Hampton up to March 2020, that Mr. Deeb always promoted compliance within the firm. It is well settled that a report such as the BCC Report is not a decision that could be adopted or accepted by the CIRO Panel. The CIRO Panel was required to consider all of the evidence and make its own decision;

10. The CIRO Panel erred in law, overlooked material evidence and proceeded on an incorrect premise by drawing conclusions that the trading and the margins required in Hampton inventory accounts caused Hampton to be RAC deficient intraday without any evidence of Hampton's intraday RAC position. The CIRO Panel erred by considering the months-end RAC contained in the MFRs, and by overlooking the real-time RAC on the days the trades at issue were made, resulting in the incorrect and unsupported conclusion that Hampton was RAC deficient.
11. The CIRO Panel erred in law and by proceeding on an incorrect principle in the Sanctions Decision in that it had found Mr. Deeb's trading activities in Hampton's average price accounts and other firm inventory accounts constituted a violation of rules governing average price accounts, when there are no such rules governing average price accounts.
12. In the Sanctions Decision, the CIRO Panel erred in law by ordering a fine of \$500,000 as against Mr. Deeb. The fine ordered is excessive, punitive and not in line with other precedents.
13. In the Sanctions Decision, the CIRO Panel misconstrued the evidence and erred in law in finding that it could order the disgorgement of \$1,225,237 by Mr. Deeb. The CIRO Panel found that Mr. Deeb was the controlling shareholder of Hampton Financial Corporation ("HFC") but improperly conflated this with purported control over the wholly owned

subsidiary, being Hampton. HFC was and is managed by a very experienced and sophisticated board of directors, two of whom testified in the hearing. The amount of \$1,147,362 obtained and retained by Hampton could not be ordered to be disgorged by Mr. Deeb. The CIRO Panel overlooked the fact that its disgorgement order against Mr. Deeb would have little to no effect on others, including Hampton's directing minds, while having disproportionate and unfair monetary consequences on Mr. Deeb. The CIRO Panel also failed to properly account for the losses Mr. Deeb took responsibility for that occurred in the UPRO account.

14. The CIRO Panel erred in law and ignored material evidence in finding that Mr. Deeb could not act as the UDP of Hampton, and that Mr. Deeb be permanently barred from serving or being approved or registered as a UDP of any Dealer Member or Regulated Person, and further that he would be suspended from being registered as a Registered Representative for a period of 1 year in that both together and individually, such sanction is excessive, punitive and improper. The permanent nature of the sanction is excessive, not proportional to the conduct in the circumstances, and overlooks the mitigating factors in favour of Mr. Deeb. Further, the events that occurred 5 years ago, weighed against the greatly improved and favourable reviews carried out by CIRO since, demonstrate that no removal in the form of a suspension is warranted. While Hampton is not contesting the Order as against it, Mr. Deeb is contesting these findings as they relate to himself;

15. In the Sanctions Decision, the CIRO Panel erred in law in purporting to restrict Mr. Deeb from serving or being approved or registered as an Executive or Supervisor of any corporation or entity of which a Dealer Member or Regulated Person is a subsidiary, and

from serving or being approved or registered as a UDP of any corporation or entity of which a Dealer Member or Regulated Person is a subsidiary.

16. The costs awarded included amounts that were not recoverable pursuant to the CIRO Rules, or alternatively, the CIRO Panel failed to determine what portion of the costs sought by the CIRO Enforcement Staff included amounts not recoverable;
17. Such further grounds of review as the applicant may advise.

C. DOCUMENTS AND EVIDENCE:

1. The applicants seek to rely on the evidence contained in the record of the original proceeding.

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