



Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels

**IN THE MATTER OF A DISCIPLINARY HEARING
PURSUANT TO SECTIONS 20 AND 24 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: Trevor Amundrud

Heard: March 27, 2013 in Winnipeg, Manitoba
Reasons for Decision: April 26, 2013

REASONS FOR DECISION

Hearing Panel of the Prairie Regional Council:

Robert Hucal)	Chair
Barbara Shourounis)	Industry Representative
Richard Sydenham)	Industry Representative

Appearances:

Shari L. Boyd)	Enforcement Counsel for Mutual Fund Dealers
)	Association of Canada (“MFDA”)
Trevor Amundrud)	Respondent , appeared by teleconference and was
)	not represented by Counsel
)	

1. On March 27, 2013 we heard representations from Enforcement Counsel and the Respondent relating to an Agreed Statement of Facts. At the commencement of the proceedings the Respondent, who participated by teleconference, acknowledged that he could hear the Panel and Counsel for MFDA and the Panel and Counsel confirmed that they could understand and hear the Respondent. After reviewing the Agreed Statement of Facts, including the admission of misappropriation of monies, the Panel retired to consider the penalty request and after doing so, issued and signed the Order, with written reasons to follow.

2. Briefly, the Order provided that the Respondent shall be permanently prohibited from conducting securities related business while in the employ of or associated with any MFDA Member; he shall pay a fine in the amount of \$5,000; and he shall pay costs in the amount of \$2,500.

Agreed Facts

Registration History

3. From April 2008 to May 2011 the Respondent was registered in Saskatchewan as a mutual fund salesperson with Sun Life Financial Investment Services (Canada) Inc. (“Sun Life”) and worked out of Melfort, Saskatchewan. The Respondent resigned from Sun Life on May 31, 2011 and is not currently registered in the securities industry in any capacity.

Misappropriation of Client Funds

4. Between December 16, 2009 and December 20, 2010 a series of cheques totaling \$6,859 payable to Sun Life were deposited in the accounts of three group RRSP clients. The Respondent admitted he misappropriated approximately \$4,162 from three clients by re-directing cheques intended for RRSP accounts to his personal bank account. Upon the Respondent resigning from Sun Life and after a complaint by a client that his account value was incorrect, it was determined that three client cheques were improperly re-directed to the credit of the Respondent. The Respondent’s banks reimbursed the clients in the full amount of \$4,162. In August 2011 the Respondent anonymously repaid \$2,368. During the interview with MFDA staff, the Respondent

admitted he had misappropriated client monies and acknowledged he had repaid part of the misappropriated funds and claimed that he had repaid all of the funds but was unable to provide any evidence of the additional repayment, nor was any evidence found to support his claim. In any event, all clients were reimbursed for any account deficiencies.

Misconduct Admitted

5. By engaging in the conduct described above, the Respondent admits that he failed to deal fairly, honestly and in good faith with at least three group RRSP clients by misappropriating approximately \$4,162, contrary to MFDA Rule 2.1.1.

Appropriateness of Penalty

6. The primary goal of regulation is protection of the investing public as well as concern with ensuring market efficiency and maintaining public confidence. In that regard there are numerous factors in determining the appropriate penalty and it has generally been determined that the sanctions imposed should be protective and preventative, intended to be exercised to prevent likely future harm to the capital markets. In addition, general deterrence should be considered and in that regard the appropriateness of the penalty, in part, depends on the MFDA guidelines. Those guidelines recommended consideration of a minimum fine of \$5,000 and in the case of misappropriation, a minimum fine of \$25,000. In almost all cases in the latter circumstances, a permanent prohibition has been deemed appropriate. In this circumstance the misappropriation was small (\$4,162) from three clients who have been fully compensated. The Respondent has not previously been a recipient of any disciplinary proceedings and he willingly admitted misconduct and has recognized the seriousness of that misconduct.

7. We were referred to Re: Coleman¹ and Re: Freynet² where misappropriation was higher in both cases and a fine of \$10,000 and costs of \$2,500 were imposed, in addition to a permanent prohibition.

¹ Re: Coleman, Hearing Panel of the Ontario Regional Council, MFDA File No. 200511, Hearing Panel Decision dated April 10, 2006

² Re: Freynet, Hearing Panel of the Prairie Regional Council, MFDA File No. 200704, Hearing Panel Decision dated August 14, 2007

8. Considering those factors, we are of the opinion that our Order aforesaid is an appropriate response to the circumstances and in accordance with previous decisions of industry tribunals. We believe that the sanction proposed and ordered by this Panel protects the investing public and the integrity of the securities markets and the MFDA enforcement process and also provides for specific and general deterrence.

DATED this 26th day of April, 2013.

“Robert Hucal”

Robert Hucal,
Chair

“Barbara Shourounis”

Barbara Shourounis,
Industry Representative

“Richard Sydenham”

Richard Sydenham,
Industry Representative

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