



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

**IN THE MATTER OF A SETTLEMENT HEARING
PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: Jacqueline Ann Meunier and Lori Gay Bandola

Heard: November 8, 2016, in Edmonton, Alberta
Reasons for Decision: December 5, 2016

REASONS FOR DECISION

Hearing Panel of the Prairie Regional Council:

The Hon. René P. Foisy	Chair
Kathleen Jost	Industry Representative
Marc Albert	Industry Representative

Appearances:

Justin Dunphy)	Counsel for the Mutual Fund Dealers
)	Association of Canada
)	
Susan Kittell)	Counsel for the Respondents
)	
)	

1. By Notice of Settlement Hearing dated August 2, 2016, and duly served upon Jacqueline Ann Meunier (“Meunier”) and Lori Gay Bandola (“Bandola”), (collectively, the “Respondents”), a Settlement Hearing was heard in Edmonton, Alberta on November 8, 2016.
2. Staff of the Mutual Fund Dealers Association of Canada (“MFDA Staff”), made the following Submissions.
3. MFDA Staff has entered into a Settlement Agreement with Jacqueline Ann Meunier (“Meunier”) and Lori Gay Bandola (“Bandola”), (the “Respondents”) dated August 16, 2016.
4. Meunier has admitted that:
 - a) on or about October 19, 2011, she altered and used to process a transaction, one client account form by altering information on the client account form without having the client initial the alteration, contrary to MFDA Rule 2.1.1; and
 - b) between May 8, 2012 and September 2, 2014, she, or her assistant for whom she was responsible, obtained, possessed and used to process transactions, 29 pre-signed client account forms in respect of 20 clients, contrary to MFDA Rule 2.1.1.
5. Bandola has admitted that:
 - a) between February 3, 2014 and November 18, 2014, she obtained, possessed and used to process transactions, 17 pre-signed account forms in respect of 10 clients, contrary to MFDA Rule 2.1.1.
6. The Respondents have agreed, as a term of the Settlement Agreement, to the following penalties:
 - a) With respect to Meunier: a fine in the amount of \$8,500;
 - b) With respect to Bandola: a fine in the amount of \$5,000, payable as follows:

- i. \$3,000 upon acceptance of the Settlement Agreement;
 - ii. \$1,000 by no later than six months from the date of the settlement hearing;
 - iii. \$1,000 by no later than six months from the date of the settlement hearing;
- c) The Respondents shall jointly pay costs in the amount of \$2,500.

AGREED FACTS

Registration History

7. Since March 3, 2010, Meunier has been registered in Alberta as a mutual fund dealing representative with Sun Life Financial Investment Services (Canada) Inc. (“Sun Life”), a Member of the MFDA.

8. From August 2010 to June 2013, Bandola worked as an assistant to Meunier. In July 2013, Bandola became registered as an Approved Person with Sun Life, and worked as a registered assistant to Meunier.

9. At all material times, Meunier and Bandola conducted business in the Barrhead, Alberta area.

Altered Account Form

10. At all material times, Sun Life’s policies and procedures prohibited its Approved Persons from using altered or pre-signed account forms.

11. On or about October 19, 2011, Meunier altered a Know-Your-Client (“KYC”) form for one client by altering the client signature date, and submitting the altered KYC form to Sun Life for processing, without having the client initial the alteration.

12. The KYC form was processed in accordance with client instructions.

Pre-Signed Account Forms

13. Between May 8, 2012 and September 2, 2014, Meunier or her assistant, Bandola, for whom she was responsible, obtained, possessed and used to process transactions, 29 pre-signed account forms in respect of 20 clients.

14. The pre-signed forms were comprised of:

- a) 3 Education Savings Plan Application Forms;
- b) 3 KYC Forms;
- c) 1 Limited Trade Authorization Form;
- d) 2 Order Tickets;
- e) 17 Pre-authorized Chequing (PAC) Forms;
- f) 1 RESP Transfer Form; and
- g) 2 Transfer Authorization for Registered Investments Forms.

15. Between February 3, 2014 and November 18, 2014, Bandola obtained, possessed and used to process transactions, 17 pre-signed account forms in respect of 10 clients.

16. The 17 pre-signed forms were comprised of:

- a) 3 Education Savings Plan Application Forms;
- b) 1 Limited Trade Authorization Form; and
- c) 13 Pre-authorized Chequing (PAC) Forms.

17. The Respondents obtained pre-signed forms for client convenience, or altered the form at issue in order to correct errors in the form.

Member Response

18. On May 20 and 21, 2015, Sun Life reviewed all of the client files maintained by Meunier and Bandola.

19. On June 30, 2015, Sun Life sent letters to all clients for whom pre-signed or altered forms were identified to determine whether Meunier and Bandola engaged in any unauthorized trading activity in the accounts of the clients. No clients responded to Sun Life.

20. Sun Life sent warning letters to Meunier and to Bandola on August 18, 2015, and August 24, 2015, respectively. Sun Life required that Meunier and Bandola successfully complete an industry course.

21. On August 24, 2015, Sun Life placed Meunier and Bandola under close supervision. Sun Life conducted random audits of the client accounts maintained by Meunier and Bandola, as well as quarterly audits of their branch office. Sun Life did not identify any compliance concerns.

Additional Factors

22. The Respondents have no prior disciplinary history with the MFDA.

23. There is no evidence of client harm or lack of client authorization in this matter.

24. There is no evidence that the Respondents received any financial benefit from engaging in the misconduct beyond the commissions or fees to which they would have been ordinarily entitled had the transactions in the clients' accounts been carried out in the proper manner.

25. The Respondents have expressed remorse for their misconduct and have cooperated fully with Staff during the course of the investigation, and by agreeing to this settlement, have avoided the necessity of a full hearing on the merits.

THE LAW

26. The relevant rules and provisions in this matter are:

Law	Details of Provision	Book of Authorities
MFDA Rule 2.1.1	Standard of Conduct	Tab 1
MFDA By-law No. 1	<ul style="list-style-type: none">○ Section 24.1.1 – Power of Hearing Panels To Discipline – Approved Persons○ Section 24.2 – Costs○ Section 24.4 – Settlement Agreements	Tab 2

MFDA Rule 2.1.1 – High Standard of Ethics

27. MFDA Rule 2.1.1 prescribes the standard of conduct applicable to registrants in the mutual fund industry. The Rule requires that each Member and Approved Person: deal fairly, honestly, and in good with faith with clients, observe high standards of ethics and conduct in the transaction of business, and refrain from engaging in any business conduct or practice which is unbecoming or detrimental to the public interest.

MFDA Rule 2.1.1, MFDA Staff's Book of Authorities, Tab 1

Pre-Signed Account Forms are Not Permissible

28. In the present case, the Respondent Meunier admits that she obtained, possessed, and in 3 instances, used to process transactions, 29 pre-signed account forms or photocopies of pre-signed account forms in respect of 20 clients.

29. Between February 3, 2014 and November 18, 2014, the Respondent Bandola admits that she obtained, possessed and used to process transactions, 17 pre-signed account forms in respect of 10 clients.

30. "Pre-signed account forms" is a generic term which applies to a variety of situations where an Approved Person seeks to rely on a client's signature on a document when the

signature was not provided by the client at the time the document was completed. Most commonly, an Approved Person obtains a client's signature on a partially or completely blank account form, completes the form, then uses the form to process transactions in the client's account.

31. The MFDA has warned Approved Persons against the use of pre-signed account forms for a number of years.

MFDA Staff Notice #MSN-0035 dated December 20, 2004, MFDA Staff's Book of Authorities, Tab 3

MFDA Staff Notice #MSN-0066 dated October 31, 2007 (updated March 4, 2013), MFDA Staff's Book of Authorities, Tab 4

MFDA Bulletin #0661-E dated October 2, 2015, MFDA Staff's Book of Authorities, Tab 5

32. Hearing Panels have held that obtaining or using pre-signed account forms is a contravention of the standard of conduct under MFDA Rule 2.1.1.

Byce (Re), [2013] Hearing Panel of the Central Regional Council, MFDA File No. 201311, Panel Decision dated September 4, 2013, MFDA Staff's Book of Authorities, Tab 6

Price (Re), [2011] Hearing Panel of the Central Regional Council, MFDA File No. 200814, Panel Decision (Misconduct) dated April 18, 2011, MFDA Staff's Book of Authorities, Tab 7

33. The use of pre-signed account forms adversely affects the integrity and reliability of account documents, leads to the destruction of the audit trail, has a negative impact on Member complaint handling, and has the potential for misuse in the form of unauthorized trading, fraud and misappropriation. As the Hearing Panel explained in *Price (Re)*:

Pre-signed forms present a legitimate risk that they may be used by an Approved Person to engage in discretionary trading....At its worst, pre-signed forms create a mechanism for an Approved Person to engage in acts of fraud, theft or other forms of harmful conduct towards a client...Pre-signed forms also subvert the ability of a Member to properly supervise trading activity. They destroy the audit trail. The presence of the client's signature on a trade form can no longer be

taken as confirmation that the client authorized a particular trade. It also compromises the ability of the Member to subsequently investigate and respond to a client complaint concerning the propriety of trading activity in his or her account.

Price (Re), supra, MFDA Staff's Book of Authorities, Tab 7, at paras 122-124

34. The prohibition on the use of pre-signed account forms applies regardless of whether:

- a) the client was aware, or authorized the use, of the pre-signed account forms; and
- b) the forms were used by the Approved Person for discretionary trading or other improper purposes.

Byce (Re), supra, MFDA Staff's Book of Authorities, Tab 6

Price (Re), supra, MFDA Staff's Book of Authorities, Tab 7

Falsifying Forms is Not Permissible

35. In the present case, the Respondent Meunier admits that she falsified and used to process a transaction, one client account form in respect of one client, by altering the client account form without having the client initial the alterations.

36. Like pre-signed account forms, the prohibition against falsifying forms exists regardless of the existence of client authorization or the motive behind the use of the form, and, like pre-signed account forms, the MFDA has been warning Approved Persons against falsifying forms for a number of years.

MFDA Member Regulation Notice #MR-0035 dated December 20, 2004,
MFDA Staff's Book of Authorities, Tab 3

MFDA Notice #MSN-0066 dated October 31, 2007 (updated March 4, 2013),
MFDA Staff's Book of Authorities, Tab 4

MFDA Bulletin #0661-E dated October 2, 2015, MFDA Staff's Book of
Authorities, Tab 5

37. Hearing Panels have held that falsifying forms is a contravention of the standard of conduct as set out in MFDA Rule 2.1.1.

Byce (Re), supra, MFDA Staff's Book of Authorities, Tab 6

Ewart (Re), [2015] Hearing Panel of the Central Regional Council, MFDA File No. 201528, Panel Decision dated September 11, 2015, MFDA Staff's Book of Authorities, Tab 8

38. Like pre-signed account forms, the creation, possession or use of a falsified form is considered serious misconduct. The reasoning in *Price (Re)*, above, at paragraph 33, for why pre-signed account forms affect the integrity and reliability of account documents also applies to falsified forms.

39. MFDA Staff considers this type of form to be a more serious violation of the contravention of the standard of conduct under MFDA Rule 2.1.1. The falsification of a client signature or initials is particularly serious.

40. Unlike pre-signed account forms, where the client knows he or she is signing an incomplete form to be used in some way, in the case of a form falsified by the Approved Person, the possibility exists that the client is unaware of the Approved Person's actions.

Supervision of Licensed Assistant

41. Licensed assistants are often employed to provide support to Approved Persons with respect to client servicing. In these situations, the Approved Person remains responsible for the acts of the licensed assistants.

42. MFDA Rule 2.1.1 has a broad application. It provides for a standard that is able to encompass misconduct not directly captured by the Rules. For example, in *Barak (Re)*, the Hearing Panel found that the Approved Person was responsible for the actions of his assistant, who obtained, possessed, and in some instances, used to process transactions, pre-signed account forms.

Barak (Re), [2016] Hearing Panel of the Central Regional Council, MFDA File No. 201635, Panel Decision dated September 8, 2016, MFDA Staff's Book of Authorities, Tab 9

43. In the present case, in respect of the pre-signed account forms as described above, Meunier did not adequately supervise her licensed assistant to ensure that pre-signed account forms were not obtained or used. As the advisor who services the clients' accounts, Meunier is responsible for the misconduct of her licensed assistant.

Shah (Re), [2015] Hearing Panel of the Central Regional Council, MFDA File No. 201530, Panel Decision dated December 21, 2015, MFDA Staff's Book of Authorities, Tab 21, at para 13.

General Principles Regarding the Acceptance of Settlement Agreements

44. For the reasons set out below, it is in the public interest for the Hearing Panel to accept the Settlement Agreement having regard to the nature of the conduct admitted to by the Respondents and the MFDA's mandate to protect the public.

45. Pursuant to s. 24.4.3 of MFDA By-law No. 1, a Hearing Panel has two options with respect to a settlement agreement. It may either accept the settlement agreement or reject it.

MFDA By-law No. 1, s. 24.4.3, MFDA Staff's Book of Authorities, Tab 2

46. The role of a Hearing Panel at a settlement hearing is fundamentally different than its role at a contested hearing. As was stated by the MFDA Hearing Panel in *Sterling Mutuals Inc. (Re)*, quoting the reasoning in the I.D.A matter of *Milewski (Re)*:

We also note that while in a contested hearing the Panel attempts to determine the correct penalty, in a settlement hearing the Panel "will tend not to alter a penalty that it considers to be within a reasonable range, taking into account the settlement process and the fact that the parties have agreed. It will not reject a settlement unless it views the penalty as clearly falling outside a reasonable range of appropriateness. [Emphasis added.]

Sterling Mutuals Inc. (Re), [2008] Hearing Panel of the Central Regional Council, MFDA File No. 200820, Panel Decision dated August 21, 2008, MFDA Staff's Book of Authorities, Tab 10, at page 9

Milewski (Re), [1999] IDACD No. 17, Ontario District Council Decision dated July 28, 1999, MFDA Staff's Book of Authorities, Tab 11, at page 11

47. The principle that a Hearing Panel will not reject a settlement agreement unless the proposed penalty clearly falls outside the reasonable range of appropriateness assists the MFDA to fulfill its regulatory objective of protecting the public. Settlements advance this regulatory objective by proscribing activities that are harmful to the public, while enabling the parties to reach a flexible remedy tailored to address the interests of both the regulator and a respondent.

British Columbia Securities Commission v Seifert, 2007 BCCA 484, MFDA Staff's Book of Authorities, Tab 12, at para 31

General Considerations Concerning the Acceptance of a Settlement Agreement

48. The primary goal of securities regulation is the protection of the investor.

Pezim v British Columbia (Superintendent of Brokers), [1994] 2 SCR 557 (SCC) MFDA Staff's Book of Authorities, Tab 13, at paras 59, 68

49. MFDA Hearing Panels have taken into account the following considerations when determining whether a proposed settlement should be accepted:

- a) whether acceptance of the settlement agreement would be in the public interest and whether the penalty imposed will protect investors;
- b) whether the settlement agreement is reasonable and proportionate, having regard to the conduct of the Respondent as set out in the settlement agreement;
- c) whether the settlement agreement addresses the issues of both specific and general deterrence;
- d) whether the proposed settlement will prevent the type of conduct described in the settlement agreement from occurring again in the future;
- e) whether the settlement agreement will foster confidence in the integrity of the Canadian capital markets;

- f) whether the settlement agreement will foster confidence in the integrity of the MFDA; and
- g) whether the settlement agreement will foster confidence in the regulatory process itself.

Jacobson (Re), [2007] Hearing Panel of the Prairie Regional Council, MFDA File No. 200712, Panel Decision dated July 13, 2007, MFDA Staff's Book of Authorities, Tab 14, at page 9

50. A Hearing Panel should not interfere lightly in a negotiated settlement as long as the penalties agreed upon are within a reasonable range of appropriateness having regard to the conduct of the Respondent.

Jacobson (Re), *supra*, MFDA Staff's Book of Authorities, Tab 14, at page 10

Specific Factors Concerning the Appropriateness of the Penalty

51. Factors that Hearing Panels frequently consider when determining whether a penalty is appropriate include the following:

- a) the seriousness of the allegations proved against the Respondent;
- b) the Respondent's past conduct, including prior sanctions;
- c) the Respondent's experience and level of activity in the capital markets;
- d) whether the Respondent recognizes the seriousness of the improper activity;
- e) the harm suffered by investors as a result of the Respondent's activities;
- f) the benefits received by the Respondent as a result of the improper activity;
- g) the risk to investors and the capital markets in the jurisdiction, were the Respondent to continue to operate in capital markets in the jurisdiction;
- h) the damage caused to the integrity of the capital markets in the jurisdiction by the Respondent's improper activities;
- i) the need to deter not only those involved in the case being considered, but also any others who participate in the capital markets, from engaging in similar improper activity;

- j) the need to alert others to the consequences of inappropriate activities to those who are permitted to participate in the capital markets; and
- k) previous decisions made in similar circumstances.

Headley (Re), [2005] Hearing Panel of the Ontario Regional Council, MFDA File No. 200509, Panel Decision dated February 21, 2006, MFDA Staff's Book of Authorities, Tab 15, at pages 25-26

52. The MFDA Penalty Guidelines are an additional source of factors to be taken into account with regards to penalty. The MFDA Penalty Guidelines are not mandatory but are intended to assist Hearing Panels, MFDA Staff and Respondents in considering the appropriate penalties in MFDA disciplinary proceedings.

Excerpts from the *MFDA Penalty Guidelines*, MFDA Staff's Book of Authorities, Tab 16

53. In cases involving misconduct of the type admitted to in the present case, the Penalty Guidelines recommend consideration of the following penalties and factors:

BREACH	PENALTY TYPE & RANGE	SPECIFIC FACTORS TO CONSIDER
Standard of Conduct (Rule 2.1.1) (Guidelines, p. 27)	<ul style="list-style-type: none"> • Fine (AP): Minimum of \$5,000 • Write or rewrite an appropriate industry course (e.g. IFIC Officers', Partners' and Directors' Course or Canadian Investment Funds Course) • Suspension • Permanent prohibition in egregious cases 	<ul style="list-style-type: none"> • Nature of the circumstances and conduct • Number of individuals affected • Whether the conduct is likely to bring the individual, the Member or the mutual fund industry into disrepute

Excerpts from the *MFDA Penalty Guidelines*, MFDA Staff's Book of Authorities, Tab 16

Considerations in the Present Case

54. MFDA Staff has taken the factors set out above into account in reaching its Settlement Agreement with the Respondent. Set out below are a number of factors particularly relevant to the Settlement Agreement.

(a) Nature of the Misconduct

55. The possession and use of pre-signed and falsified account forms, generally, is a serious breach of MFDA Rule 2.1.1.

Byce (Re), supra, MFDA Staff's Book of Authorities, Tab 6
Ewart (Re), supra, MFDA Staff's Book of Authorities, Tab 8

(b) Client Harm

56. There is no evidence of client harm.

(c) Benefits Received by the Respondents

57. There is no evidence that the Respondents received any financial benefit from engaging in the misconduct at issue in this proceeding other than the commissions and fees they would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

(d) Respondent's Experience and Level of Activity in the Capital Markets

58. Meunier has been registered in the mutual fund industry since 2010. She ought to have known and respected the compliance requirements of the Member and the MFDA.

59. Bandola has been registered in the mutual fund industry since 2013. She ought to have known and respected the compliance requirements of the Member and the MFDA.

(e) Deterrence

60. The proposed fines and costs are significant and help the MFDA send a message both Respondents and others in the capital markets about the seriousness of the misconduct at issue.

(f) Respondents' Past Conduct

61. The Respondents have not previously been subject to MFDA disciplinary proceedings.

(g) Respondents' Recognition of the Seriousness of Their Misconduct

62. By entering into the Settlement Agreement, the Respondents have accepted responsibility for their misconduct and avoided the necessity of the MFDA incurring the time and expense of conducting full disciplinary hearings.

(h) Penalty Guidelines

63. With respect to Meunier, the proposed penalty of a fine of \$8,500 is greater than the \$5,000 suggested minimum penalty for the violations as set out in the Penalty Guidelines above. This is due to multiple violations of MFDA Rule 2.1.1, which merits a higher penalty than the suggested minimum.

64. With respect to Bandola, the proposed penalty of a fine of \$5,000 is the suggested minimum penalty for the violations as set out in the Penalty Guidelines above for a violation of Rule 2.1.1.

(i) Previous Decisions Made in Similar Circumstances

65. The proposed resolution is within the reasonable range of appropriateness with regard to other decisions made by MFDA Hearing Panels in similar circumstances.

Case:	Facts:	Penalties:
<i>Gibson (Re)</i> , [2016] Hearing Panel of the Pacific Regional Council, MFDA File No. 201620, Panel Decision dated May 2, 2016, MFDA Staff's Book of Authorities, Tab 17	<ul style="list-style-type: none"> The Respondent obtained, maintained, and in some instances used to process transactions, 19 pre-signed account forms in respect of 16 clients. The Respondent falsified, and in some instances, used to process transactions, 5 falsified client account forms in respect of 6 clients. 	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> Fine of \$10,000 Costs of \$2,500
<i>Fenton (Re)</i> , [2016] Hearing Panel of the Central Regional Council, MFDA File No. 201607, Panel Decision dated August 8, 2016, MFDA Staff's Book of Authorities, Tab 18	<ul style="list-style-type: none"> The Respondent obtained, possessed, and in some instances used to process transactions, 12 pre-signed account forms in respect of 8 clients. The Respondent failed to accurately respond to the Member's annual attestations for Approved Persons. 	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> Fine of \$8,000 Completion of the CSI Branch Manager's Course Costs of \$2,500
<i>Weller (Re)</i> , [2016] Hearing Panel of the Central Regional Council, MFDA File No. 201544, Panel Decision dated February 19, 2016, MFDA Staff's Book of Authorities, Tab 19	<ul style="list-style-type: none"> The Respondent obtained, possessed, and in some instances used to process transactions, 20 pre-signed account forms in respect of 11 clients. The Respondent altered information on 2 account forms in respect of 2 clients without obtaining client initials authorizing the changes. 	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> Fine of \$10,000 Costs of \$2,500
<i>White (Re)</i> , [2016] Hearing Panel of the Central Regional Council, MFDA File No. 201569, Panel Decision dated July 28, 2016, MFDA Staff's Book of Authorities, Tab 20	<ul style="list-style-type: none"> The Respondent obtained, possessed, and used to process transactions, 11 pre-signed account forms in respect of 6 clients. 	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> Fine of \$5,000 Costs of \$2,500
<i>Carty (Re)</i> , [2016] Hearing Panel of the Central Regional Council, MFDA File No. 201568, Panel Decision dated July 28, 2016, MFDA Staff's Book of Authorities, Tab 20	<ul style="list-style-type: none"> The Respondent obtained, possessed, and used to process transactions, 13 pre-signed account forms in respect of 2 clients. 	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> Fine of \$5,000 Costs of \$2,500
<i>Shah (Re)</i> , [2015] Hearing Panel of the Central Regional Council, MFDA File No. 201530, Panel Decision dated December 21, 2015, MFDA Staff's Book of Authorities, Tab 21	<ul style="list-style-type: none"> The Respondent obtained, maintained, and in some instances used to process transactions, 24 pre-signed account forms in respect of 19 clients. The Respondent had been found 	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> Fine of \$10,000 Costs of \$2,500

	with a pre-signed account form in October 2009 and had signed an acknowledgement and undertaking from the Member to stop using pre-signed account forms, which he breached.	
<i>Kent (Re)</i> , [2016] Hearing Panel of the Atlantic Regional Council, MFDA File No. 201554, Panel Decision dated April 4, 2016, MFDA Staff's Book of Authorities, Tab 22	<ul style="list-style-type: none"> The Respondent obtained and used to process trades, 11 pre-signed account forms in respect of 8 clients. 	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> Fine of \$6,000 Costs of \$2,500

Costs

66. An award of costs in the amount of \$2,500 is appropriate in the circumstances.

Conclusion

67. Having regard to all the foregoing circumstances, the proposed penalties are reasonable, proportionate to the misconducts in question, and are in keeping with the MFDA's mandate to enhance investor protection and strengthen public confidence in the Canadian mutual fund industry by ensuring high standards of conduct by Members and Approved Persons.

The Settlement Agreement is accepted

68. The formal Order is attached as Schedule "A" hereto.

DATED this 5th day of December, 2016.

"René P. Foisy"

The Hon. René P. Foisy
Chair

"Kathleen Jost"

Kathleen Jost
Industry Representative

“Marc Albert”

Marc Albert
Industry Representative

Schedule “A”

Order

File No. 201657



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

**IN THE MATTER OF A SETTLEMENT HEARING
PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: Jacqueline Ann Meunier and Lori Gay Bandola

ORDER

(ARISING FROM SETTLEMENT HEARING ON NOVEMBER 8, 2016)

WHEREAS on August 2, 2016, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Settlement Hearing pursuant to section 24.4 of By-law No. 1 in respect of Jacqueline Ann Meunier (“Meunier”) and Lori Gay Bandola (“Bandola”), (collectively the “Respondents”);

AND WHEREAS the Respondents entered into a settlement agreement with Staff of the MFDA, dated August 16, 2016 (the “Settlement Agreement”), in which the Respondents agreed to a proposed settlement of matters for which the Respondent could be disciplined pursuant to ss. 20 and 24.1 of By-law No. 1;

AND WHEREAS the Hearing Panel is of the opinion that:

- a) on or about October 19, 2011, Meunier altered and used to process a transaction, one client account form by altering information on the client account form without having the client initial the alteration, contrary to MFDA Rule 2.1.1;
- b) between May 8, 2012 and September 2, 2014, Meunier, or her assistant for whom she was responsible, obtained, possessed and used to process transactions, 29 pre-signed account forms in respect of 20 clients, contrary to MFDA Rule 2.1.1 and
- c) between February 3, 2014 and November 18, 2014, Bandola obtained, possessed and used to process transactions, 17 pre-signed account forms in respect of 10 clients, contrary to MFDA Rule 2.1.1.

IT IS HEREBY ORDERED THAT the Settlement Agreement is accepted, as a consequence of which:

1. Meunier shall pay a fine in the amount of \$8,500 upon acceptance of this Settlement Agreement, pursuant to section 24.1.1(b) of By-law No. 1;
2. Bandola shall pay a fine in the amount of \$5,000, pursuant to section 24.1.1(b) of By-law No. 1, payable as follows:
 - (i) \$3,000 upon acceptance of this Settlement Agreement;
 - (ii) \$1,000 by no later than three months from the date of the settlement hearing; and
 - (iii) \$1,000 by no later than six months from the date of the settlement hearing;
3. the Respondents shall jointly pay costs in the amount of \$2,500, pursuant to section 24.2 of By-law No. 1;
4. the Respondents shall in the future comply with MFDA Rule 2.1.1; and
5. If at any time a non-party to this proceeding, with the exception of the bodies set out in section 23 of MFDA By-law No. 1, requests production of or access to exhibits in this

proceeding that contain personal information as defined by the MFDA Privacy Policy, then the MFDA Corporate Secretary shall not provide copies of or access to the requested exhibits to the non-party without first redacting from them any and all personal information, pursuant to Rules 1.8(2) and (5) of the MFDA *Rules of Procedure*.

DATED this 8th day of October, 2016.

“Rene P. Foisy”

The Hon. Rene P. Foisy
Chair

“Kathleen Jost”

Kathleen Jost
Industry Representative

“Marc Albert”

Marc Albert
Industry Representative

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