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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: Andrey Belskiy

Heard: November 2, 2022 by electronic hearing in Winnipeg, Manitoba
Decision: November 2, 2022
Reasons for Decision: January 26, 2023

REASONS FOR DECISION

Hearing Panel of the Prairie Regional Council:

Sherri Walsh	Chair
Kathleen Jost	Industry Representative
Greg Wiebe	Industry Representative

Appearances:

Peter Gilmore	)	Enforcement Counsel for the Mutual Fund Dealers Association of Canada
Andrey Belskiy	)	Respondent

I. INTRODUCTION

1. On August 2, 2022 the Mutual Fund Dealers Association of Canada (the "MFDA") issued a Notice of Hearing pursuant to sections 20 and 24 of MFDA By-law No. 1 in respect of Andrey Belskiy (the "Respondent").

2. On September 12, 2022 the Respondent and MFDA Staff ("Staff") entered into a Settlement Agreement pursuant to which the Respondent agreed to a proposed settlement of matters for which he could be disciplined on the exercise of the discretion of the Hearing Panel pursuant to Section 24.1 of MFDA By-law No. 1 (the "Settlement Agreement").

3. On November 2, 2022 a settlement hearing (the "Hearing") was held by videoconference before a Hearing Panel of the MFDA Prairie Regional Council (the "Panel"). The Respondent attended the hearing and was self-represented.

4. At the outset of the Hearing, the Panel granted Staff's request for an Order that the Hearing be held in the absence of the public, pursuant to MFDA Rule of Procedure 15.2(2) and section 20.5 of MFDA By-law No. 1.

5. At the conclusion of the Hearing, the Panel decided to accept the Settlement Agreement and issued an Order to that effect. These are the Panel's Reasons for that decision.

II. CONTRAVENTIONS

6. In the Settlement Agreement, the Respondent admitted to having committed the following violations of the MFDA's By-laws, Rules or Policies:

a) between September 22, 2015 and August 14, 2019, the Respondent altered, and used to process transactions, 3 account forms in respect of 3 clients by altering information on the forms without having the client initial the alterations, contrary to MFDA Rule 2.1.1; and

b) between April 8, 2015 and June 10, 2020, the Respondent obtained, possessed, and used to process transactions, 26 pre-signed account forms in respect of 19 clients contrary to MFDA Rule 2.1.1.

III. TERMS OF SETTLEMENT

7. Staff and the Respondent agreed to the following terms of settlement:

a) the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member for a period of 9 months from the date that this Settlement Agreement is accepted by a Hearing Panel, pursuant to section 24.1.1(e) of MFDA By-law No. 1;

b) the Respondent shall pay a fine in the amount of $5,000 in certified funds, pursuant to section 24.1.1(b) of MFDA By-law No. 1;

c) the Respondent shall pay costs in the amount of $2,500 in certified funds, pursuant to section 24.2 of MFDA By-law No. 1;

d) the payment by the Respondent of the fine and costs shall be made to and received by the MFDA in certified funds as follows:

   i. $2,500 (costs) upon acceptance of the Settlement Agreement by the Hearing Panel;

   ii. $1,250 (fine) on or before the last business day of the first month following the date of the Settlement Agreement;

   iii. $1,250 (fine) on or before the last business day of the second month following the date of the Settlement Agreement;

   iv. $1,250 (fine) on or before the last business day of the third month following the date of the Settlement Agreement;

   v. $1,250 (fine) on or before the last business day of the fourth month following the date of the Settlement Agreement;

e) the Respondent shall in the future comply with MFDA Rule 2.1.1; and

f) the Respondent shall attend in person or by videoconference on the date set for the Settlement Hearing.

IV. AGREED FACTS

8. The facts which Staff and the Respondent agreed upon to form the basis of the Settlement Agreement are set out at paragraphs 7 through 27 inclusive of that agreement and are reproduced below:

> 7. Commencing in 2009, the Respondent has been registered in Manitoba in the securities industry.
>
> 8. Since September 25, 2012, the Respondent has been registered in Manitoba as a dealing representative with Investia Financial Services Inc. (the "Member").
>
> 9. On January 25, 2022, the Respondent resigned from the Member, and he is not currently registered in the securities industry in any capacity.
>
> 10. At all material times, the Respondent conducted business in the Winnipeg, Manitoba area.

Altered Account Forms

11. At all material times, the Member's policies and procedures prohibited Approved Persons from altering or correcting any information on a signed document without the client initialing the document to show that the client approved the alteration.

12. Between September 22, 2015 and August 14, 2019, the Respondent altered, and used to process transactions, 3 account forms in respect of 3 clients by altering information on the forms without having the client initial the alterations.

13. The altered account forms included: 1 Know Your Client ("KYC") Form, and 2 Systematic Instruction Forms.

14. The alterations that the Respondent made to the account forms consisted of two instances of adding a Fund Code and Fund Number, and once instance of altering a client's net worth.

Pre-Signed Account Forms

15. At all material times, the Member's policies and procedures prohibited the use or holding of blank or incomplete pre-signed forms by Approved Persons.

16. Between April 8, 2015 and June 10, 2020, the Respondent obtained, possessed, and used to process transactions, 26 pre-signed accounts forms in respect of 19 clients.

17. The pre-signed account forms included KYC Forms, Transaction Forms, New Account Application Forms, Systematic Instruction Forms, and Transfer Forms.

The Member's Investigation

18. In June 2020, the Member discovered the account forms described above during a branch review.

19. Effective August 31, 2020, the Member placed the Respondent under strict supervision for a period of 90 days.

20. As part of the Member's investigation to address the deficiencies in the forms that it discovered, the Member sent letters to all clients whose accounts were serviced by the Respondent to verify the client's KYC information for each of their accounts. No clients reported any concerns to the Member.

21. The Respondent has paid the Member a total of $799 relating to the strict supervision imposed by the Member and the cost of client letters.

22. The Member issued the Respondent a Warning Letter for the account forms addressed in this Settlement Agreement.

Additional Factors

23. There is no evidence that the Respondent received any financial benefit from the conduct set out above beyond any commissions and fees to which he would ordinarily have been entitled had the transactions been carried out in the proper manner.

24. There is no evidence of client loss, complaints, or a lack of authorization.

25. The Respondent has not previously been the subject of MFDA disciplinary proceedings.

26. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources, and expenses associated with conducting a full hearing on the allegations.

> 27. The Respondent states that he has limited financial means and, as a result, he is unable to pay a monetary penalty that is greater than the total of the fine and costs amounts set out in this Settlement Agreement. MFDA Staff have received evidence which corroborates the Respondent's statement.

V. ANALYSIS

Role of the Panel

9. The role a Hearing Panel performs at a settlement hearing is fundamentally different from the role it performs at a contested hearing.

10. When considering a settlement agreement, a Hearing Panel has only two options: either to accept or reject the settlement agreement.

> MFDA By-law No. 1, s. 24.4.3

11. As stated by the Hearing Panel in *Sterling Mutuals Inc. (Re)* citing the I.D.A. Ontario District Council in *Milewski (Re)*:

> …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." (In *re Milewski*, [1999] I.D.A.C.D. No. 17)
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> *Sterling Mutuals Inc. (Re),* MFDA File No. 200820, Hearing Panel of the Central Regional Council, Decision and Reasons dated September 3, 2008, at para. 37

12. Hearing Panels have acknowledged that one of the reasons that settlement agreements which have been worked out by the parties should be respected is because Panels do not know what led to the settlement, or what was given up by the parties during the course of their negotiations.

> *Fike (Re),* MFDA File No. 2017102, Hearing Panel of the Central Regional Council, Decision and Reasons dated December 7, 2017, at paras. 22 and 23

13. The rationale for respecting settlements of the nature found in the Settlement Agreement in this case, was further articulated by the British Columbia Court of Appeal:

> Settlements assist the Commission to ensure that its overriding objective, the protection of the public, is met. Settlements proscribe activities that are harmful to the public. In so doing, they are effective in accomplishing the purposes of the statute. They provide means of reaching a flexible remedy that is tailored to address the interests of both the Commission and the person under investigation. Enforcement is rarely a concern because the settlement is voluntary. A person who is the subject of an investigation retains the option of refusing to settle and proceeding to a hearing. Settlements are also efficient. Both parties can forego the time and expense of a hearing. Or, they can settle some matters, and direct their resources to the matters that are in dispute, and therefore to be resolved by way of a hearing.

British Columbia (Securities Commission) v. Seifert, 2007 BCCA 484, at para. 31

14. Although the *Seifert* decision dealt with an agreement that was before the British Columbia Securities Commission, the case has frequently been cited by Hearing Panels in MFDA settlement hearings.

Factors Concerning Acceptance of a Settlement Agreement

15. Hearing Panels have repeatedly expressed the view that generally settlement agreements should be accepted, bearing in mind the following criteria:

a) That it is in the public interest to do so and that the penalties proposed will be sufficient to protect investors;
b) That the agreement is reasonable and proportionate, having regard to the conduct of the Respondent;
c) That the agreement addresses the issues of both specific and general deterrence;
d) That the agreement is likely to prevent the type of conduct set out in the facts;
e) That the agreement will foster confidence in the integrity of the Canadian capital markets;
f) That the agreement will foster confidence in the integrity of the MFDA; and
g) That the agreement will foster confidence in the regulatory process itself.

Sterling Mutuals Inc. (Re), supra, at para. 36

Appropriateness of the Proposed Penalty

16. The primary goal of all securities regulation is investor protection.

Pezim v. British Columbia (Superintendent of Brokers), [1994] 2 S.C.R. 557, at paras. 59 & 68

17. In addition to investor protection, the goals of securities regulation include fostering public confidence in the capital markets and in the securities industry, as a whole.

Pezim v. British Columbia (Superintendent of Brokers), supra, at paras. 59 & 68

18. 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), [2007] Hearing Panel of the Prairie Regional Council, MFDA File No. 200712, Reasons for Decision dated July 13, 2007 at para. 68

19. In determining the appropriateness of a proposed penalty, Hearing Panels frequently cite the decision in *Breckenridge (Re)*, where the Panel stated that sanctions "… should be preventative, protective and prospective in nature …" taking into account the following considerations:

a) the protection of the investing public;
b) the integrity of the securities markets;
c) specific and general deterrence;
d) the protection of the MFDA's membership; and
e) protection of the integrity of the MFDA's enforcement processes.

Breckenridge (Re), MFDA File No. 200718, Hearing Panel of the Central Regional Council, 2007 LNCMFDA 38, at paras. 75 & 76

20. The Panel in *Breckenridge (Re)* set out the following additional factors which a Hearing Panel should consider, having regard to the specific circumstances of the case:

a) the seriousness of the allegations proved against the respondent;
b) the respondent's experience in the capital markets;
c) the level of the respondent's activity in the capital markets;
d) the harm suffered by investors as a result of the respondent's activities;
e) the benefits received by the respondent as a result of the improper activity;
f) (the risk to investors and the capital markets in the jurisdiction, were the respondent to continue to operate in capital markets in the jurisdiction;
g) the damage caused to the integrity of the capital markets in the jurisdiction by the respondent's improper activities;
h) 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;
i) the need to alert others to the consequences of inappropriate activities to those who are permitted to participate in capital markets; and
j) previous decisions made in similar circumstances.

Breckenridge (Re), supra at para. 77

MFDA Sanction Guidelines

21. On November 15, 2018, the MFDA issued Sanction Guidelines (the "Guidelines") to assist Staff and Respondents in conducting disciplinary proceedings and negotiating settlement agreements and to assist Hearing Panels in determining the fair and efficient disposition of settled and contested disciplinary proceedings.

22. The Guidelines, as their name suggests, are not mandatory. They state, under the heading: "Purpose of the Sanction Guidelines":

> "… The determination of the appropriate sanction in any given case is discretionary and a fact specific process. The appropriate sanction depends on the facts of a particular case and the circumstances of the conduct. The Sanction Guidelines are intended to provide a summary of the key factors upon which discretion may be exercised consistently and fairly in like circumstances, but are not binding on Hearing Panels. The list of key factors in the Sanction Guidelines is not exhaustive, and Hearing Panels may consider other aggravating and mitigating factors as appropriate.
>
> Hearing Panels should always exercise judgement and discretion, and consider appropriate aggravating and mitigating factors in determining appropriate sanctions in every case. In addition, Hearing Panels should identify the basis for the sanctions imposed in the Reasons for Decision."
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> MFDA Sanction Guidelines, p.1

Application of the Factors Listed Above in the Present Case

Seriousness of the Misconduct

23. The Panel finds that the admitted misconduct in this matter is conduct which amounts to a serious breach of MFDA Rule 2.1.1.

Standard of Conduct

24. MFDA Rule 2.1.1 prescribes the standard of conduct applicable to all registrants in the mutual fund industry. It requires that each Member and Approved Person: deal fairly, honestly, and in good 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.

25. The Rule has been interpreted and applied in a purposeful manner in a wide range of circumstances. As stated by the MFDA Hearing Panel in *Breckenridge (Re)*:

> The Rule articulates the most fundamental obligations of all registrants in the securities industry.

Breckenridge (Re), MFDA File No. 200718, Hearing Panel of the Central Regional Council, 2007 LNCMFDA 38, at para. 71

Use of Pre-Signed Forms is Not Permissible

26. The term "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, such as, for example, where 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.

27. Hearing Panels have consistently found that obtaining or using pre-signed account forms contravenes the standard of conduct set out in MFDA Rule 2.1.1.

Dias Pereira (Re), [2017] Hearing Panel of the Central Regional Council, MFDA File No. 201652, Reasons for Decision dated September 18, 2017

Baksh (Re), [2019] Hearing Panel of the Central Regional Council, MFDA File No. 201939, Reasons for Decision dated September 20, 2019

28. Hearing Panels of the MFDA, IIROC and Provincial Securities Commissions have confirmed that the possession and use of pre-signed forms is prohibited.

Price (Re), [2011] Hearing Panel of the Central Regional Council, MFDA File No. 200814, Hearing Panel Decision (Misconduct) dated April 18, 2011

29. The Hearing Panel in *Price (Re)* described the dangers posed by pre-signed forms, summarized as follows:

a) They present a legitimate risk that they may be used by an Approved Person to engage in discretionary trading;
b) At its worst they create a mechanism for an Approved Person to engage in acts of fraud, theft or other forms of harmful conduct toward a client; and,
c) They subvert the ability of a Member to properly supervise trading activity.

Price, supra, at paras. 122-124

30. With respect to this last point, the Panel in *Price (Re)* pointed out that the reason that pre-signed forms interfere with the Member's ability to properly supervise trading activity is because they destroy the audit trail. The Panel noted:

> 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, supra,* at para. 124

Altered Forms are not Permissible

31. The reasoning in *Price (Re)* is equally applicable to the use of altered account forms.

> *Bates (Re)*, [2020] Hearing Panel of the Pacific Regional Council, MFDA File No. 201948, Hearing Panel Decision dated April 6, 2020 at para. 9

32. When an Approved Person alters information on an account form without having the client initial the form to show that the client is aware of the alteration and has authorized it, the Approved Person engages in conduct that is contrary to MFDA Rule 2.1.1.

> *Mandic (Re)*, [2020] Hearing Panel of the Central Regional Council, MFDA File No. 202031, Hearing Panel Decision dated August 19, 2020 at para. 14
>
> *Kawka (Re)*, [2020] Hearing Panel of the Central Regional Council, MFDA File No. 202033, Hearing Panel Decision dated August 11, 2020 at para. 32

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

a) the client was aware or authorized the use of the altered account forms; and

b) the forms were used by the Approved Person for discretionary trading or other improper purposes.

> *Techer,* [2016] MFDA File No. 201662, Hearing Panel of the Prairie Regional Council, Decision and Reasons dated December 5, 2016 at para. 34
>
> *Wellman*, MFDA File No. 201529, Hearing Panel of the Central Regional Council, Decision and Reasons dated December 21, 2015 at para. 10

34. The MFDA has been warning Approved Persons against this type of conduct for a number of years.

> MFDA Staff Notice #MSN-0035 dated December 10, 2004
>
> MFDA Staff Notice #MSN-0066 dated October 31, 2007, (updated March 4, 2013 and January 26, 2017)
>
> MFDA Bulletin #0661-E dated October 2, 2015

35. In MFDA Bulletin #0661-E dated October 2, 2015 (the "Bulletin"), the MFDA provided the following examples of the negative consequences that can arise when an Approved Person engages in Signature Falsification (a term that includes conduct like pre-signed account forms, altered account forms and the falsification of a client signature):

- there is an adverse effect on the integrity and reliability of the documents
- the audit trail is destroyed
- the Approved Person's ability to produce valid documentation to support transactions that come into question is impacted
- the client is prejudiced by making it appear as if the client has executed a particular document when this is not the case
- the Member's supervisory personnel are misled as to the circumstances as to how the document was obtained
- the Approved Person's credibility is negatively affected
- Member complaint handling is negatively affected
- The Approved Person uses the forms to facilitate further misconduct like unauthorized trading, fraud and misappropriation of monies

> MFDA Bulletin #0661-E dated October 2, 2015

36. For all of the above reasons, the Panel finds that the Respondent engaged in misconduct that must be regarded as serious.

37. The Respondent's misconduct is aggravated by the fact that account forms were obtained after the MFDA issued the Bulletin on October 2, 2015. MFDA Hearing Panels have consistently held this to be an aggravating factor.

> *Lo (Re)*, [2018] Hearing Panel of the Central Regional Council, MFDA File No. 201776, Panel Decision dated February 7, 2018 at paras. 16 & 18
>
> *Ackerman (Re)*, [2017] Hearing Panel of the Prairie Regional Council, MFDA File No. 201734, Panel Decision dated September 13, 2017 at para. 29

The Respondent's Past Conduct Including Prior Sanctions

38. The Respondent has not previously been the subject of MFDA disciplinary proceedings.

The Respondent's Recognition of the Seriousness of the Misconduct

39. The Respondent has acknowledged that his conduct constitutes a serious contravention of MFDA Rules. By entering into the Settlement Agreement, the Respondent has accepted responsibility for his misconduct, and has saved the MFDA the time, resources and expenses associated with a contested disciplinary hearing. Hearing Panels have considered that such savings are, in themselves, in the public interest.

> *Ramjohn (Re)*, [2021], Hearing Panel of the Central Regional Council, MFDA File No. 202067, Panel Decision dated October 22, 2021 at para. 26

Client Harm and Benefits Received by the Respondent

40. There is no evidence of any client loss, complaints or lack of authorization nor is there any evidence that the Respondent received any financial benefit from the conduct which is the subject of these proceedings beyond any commissions and fees to which he would ordinarily have been entitled had the transactions been carried out in the proper manner.

Deterrence

41. Both the Supreme Court of Canada and MFDA Hearing Panels have held that deterrence is an appropriate factor to be taken into account when determining the appropriateness of a penalty.

> *Cartaway Resources Corp. (Re)*, [2004] 1 SCR 672 (SCC) at paras. 52-62

42. The effect of general deterrence advances the goal of protecting investors. As a result, the penalty levied should be sufficient so as to affirm public confidence in the regulatory system and that the misconduct is not repeated by others in the industry.

> *Cartaway Resources Corp. (Re), supra*, at para. 61

43. In reaching our decision, the Panel noted that MFDA Hearing Panels are increasingly emphasizing the need to impose penalties which will dissuade Approved Persons from engaging in the type of misconduct which is the subject of these proceedings.

> *Ramjohn (Re)*, *supra*, at para. 1
>
> *Gilchrist (Re)*, [2017] Hearing Panel of the Pacific Regional Council, MFDA File No. 2016100, Panel Decision dated May 29, 2017 at para. 16

44. The Panel is of the view that the proposed penalty is necessary to achieve effective deterrence within the industry.

45. We find that the penalty which is proposed in the Settlement Agreement is sufficient to demonstrate that the Respondent's misconduct in all of the circumstances is serious and carries significant consequences.

46. The proposed penalty will specifically deter the Respondent from engaging in similar activity by imposing a sanction upon him which is meaningful to him and reflects the seriousness of the misconduct at issue.

47. It will also act as a general deterrent by reinforcing the message that the misconduct described in these proceedings will not be tolerated within the mutual fund industry and will result in significant sanctions.

Inability to Pay

48. The Respondent has advised Staff that he has limited financial means and as a result, would be unable to pay a monetary penalty greater than the amount of the total of the fine and costs set out in the Settlement Agreement. Staff advised that they received evidence which corroborates the Respondent's advice in this regard.

49. In considering the Respondent's inability to pay, Staff referred the Hearing Panel to the MFDA Sanction Guidelines.

50. A Respondent's ability to pay is one of the factors which the Guidelines say may be considered when a Hearing Panel is assessing the appropriateness of the proposed monetary sanction.

51. The Guidelines explicitly state that the burden is on the Respondent to raise the issue and to provide evidence of their inability to pay:

> The burden is on the Respondent to raise the issue and to provide evidence of inability to pay, such as tax returns or audited financial statements. Evidence of a *bona fide* inability to pay may result in the reduction or waiver of a fine, or in the imposition of an installment payment plan. In cases in which Hearing Panels impose a lesser monetary sanction based on a bona fide inability to pay, the Reasons for Decision should so indicate."
>
> MFDA Sanction Guidelines

52. Based on the advice of Staff, the Panel finds that the Respondent has met this burden and we have therefore taken this information into account when assessing the proposed penalty.

53. We also note, as the Panel in *Ramjohn (Re), supra* commented, this is not a case that involves misappropriation, conflict of interest or other gross misconduct where the ability to pay factor should be given diminished weight or no weight at all.

Ramjohn (Re), supra at para. 24

54. In our view, a nine month suspension from working in the securities industry is a significant sanction which, together with a fine of $5,000 and costs of $2,500, should deter the Respondent and others from engaging in similar conduct in the future.

Previous Decisions made in Similar Circumstances

55. Staff provided the Panel with the following MFDA decisions which address similar facts to the matters which are the subject of these proceedings:

Case:	Contraventions:	Penalty:	Other Factors:
Boutilier (Re), [2021] Hearing Panel of the Atlantic Regional Council, MFDA File No. 202108, Panel Decision dated October 4, 2021	• Between September 2018 and August 2019, the Respondent signed the signature of 8 clients on 8 account forms, and submitted the forms to the Member for processing.	**Settlement** • $1,800 fine. • $1,800 costs. • 1 year prohibition	• The Respondent stated that he had limited financial means and, as a result, that he was unable to pay a monetary penalty that was greater than the total of the fine and costs amounts set out in the Settlement Agreement. MFDA Staff received evidence to corroborate that statement.
Ramjohn (Re), *supra*,	• Between December 10, 2015 and November 8, 2018, the Respondent obtained, possessed, and used to process transactions, 9 pre-signed account forms in respect of 6 clients, contrary to MFDA Rule 2.1.1. • Between September 9, 2015 and October 28, 2018, the Respondent altered and used to process transactions 43 account forms in respect of 20 clients, by altering information on the account forms without having the clients initial the alterations, contrary to MFDA Rule 2.1.1.	**Settlement** • $2,500 fine. • $2,500 costs. • 3 month prohibition	• The Respondent had not previously been the subject of an MFDA disciplinary proceeding. • The Respondent stated that she had limited financial means and, as a result, that he was unable to pay a monetary penalty that was greater than the total of the fine and costs amounts set out in the Settlement Agreement. MFDA Staff received evidence to corroborate that statement.

Coronel (Re), [2020] Hearing Panel of the Central Regional Council, MFDA File No. 202026, Panel Decision dated July 21, 2020	• Between January 2018 and September 2018, the Respondent, on 8 occasions, signed the initials of clients next to alterations he made to information on accounts forms, and submitted them to the Member for processing, contrary to MFDA Rule 2.1.1. • The Respondent altered and used to process a transaction 1 account form in respect of 1 client by altering information on the account form without having the client initial the alterations, contrary to MFDA Rule 2.1.1. • Between January 2015 and October 2018, the Respondent obtained, possessed and used to process transactions, 30 pre-signed account forms in respect of 21 clients, contrary to MFDA Rule 2.1.1.	**Settlement** • $2,500 fine. • $2,500 costs. • 9 month prohibition	• The Respondent stated that he had limited financial means and, as a result, that he was unable to pay a monetary penalty that was greater than the total of the fine and costs amounts set out in the Settlement Agreement. MFDA Staff received evidence to corroborate that statement. • The Respondent stated that he and his spouse were the primary caregivers to two children, including a child with a serious medical condition and as a result he incurred additional costs associated with caring for his children.
Bott (Re), [2019] Hearing Panel of the Central Regional Council, MFDA File No. 2018121, Panel Decision dated February 28, 2019	• Between November 2006 and April 2017, the Respondent obtained, possessed and, in some instances, used to process transactions, 51 pre-signed account forms in respect of 18 clients. • Between October 2007 and February 2017, the Respondent altered, and used to process transactions, 3 account forms in respect of 3 clients by altering information on the account forms without having the clients initial the alterations.	**Settlement** • $5,000 fine. • $2,500 costs. • 9 month prohibition	• The Respondent stated that he had limited financial means and, as a result, that he was unable to pay a monetary penalty that was greater than the total of the fine and costs amounts set out in the Settlement Agreement.

56. In all of the decisions referenced above, the respondent established they had limited financial means and the Panel accepted that the appropriate penalty should consist of a period of suspension combined with a requirement to pay a lower monetary fine and costs.

57. Based on a review of these cases and taking into consideration all of the factors discussed above, the Panel is satisfied that the proposed penalty set out in the Settlement Agreement falls within a reasonable range of appropriateness.

VI. CONCLUSION

58. Having reviewed the Settlement Agreement and considered Staff's submissions, both written and oral, and having heard from the Respondent himself, the Panel is satisfied that acceptance of the Settlement Agreement will advance the public interest.

59. The penalty which is set out in that agreement falls within a reasonable range of appropriateness having regard to the nature and extent of the Respondent's misconduct and personal circumstances.

60. The penalty is reasonable and proportionate and will deter the Respondent and other Approved Persons from engaging in the type of misconduct that is the subject of these proceedings. It will advance the public interest and the MFDA's objective to enhance investor protection and ensure high standards of conduct in the mutual fund industry.

61. For all of the above reasons, therefore, the Panel accepts the Settlement Agreement.

DATED this 26th day of January, 2023.

"Sherri Walsh"
Sherri Walsh
Chair

"Kathleen Jost"
Kathleen Jost
Industry Representative

"Greg Wiebe"
Greg Wiebe
Industry Representative

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