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: Jeffery John Burchill

Heard: July 27, 2017 in Toronto, Ontario
Decision: July 27, 2017
Reasons for Decision: September 18, 2017

REASONS FOR DECISION

Hearing Panel of the Central Regional Council:

Frederick H. Webber	Chair
Brigitte J. Geisler	Industry Representative
Robert C. White	Industry Representative

Appearances:

Sarah Glickman	)	Counsel for the Mutual Fund Dealers Association of Canada
	)	
David DiPaolo	)	Counsel for the Respondent
	)	
Jeffery John Burchill	)	Respondent
	)	
	)	

Settlement Agreement

1. The Hearing Panel accepted the settlement agreement dated May 9, 2017 ("Settlement Agreement") between the staff of the MFDA and Jeffery John Burchill ("Respondent"). A copy of the Settlement Agreement is attached to these reasons as Schedule "1". The agreed facts are set out in Section III of the Settlement Agreement.

Contraventions

2. The Respondent admitted that between October 2003 and February 2015, he obtained, possessed, and used to process transactions, 222 pre-signed account forms in respect of 92 clients, contrary to MFDA Rule 2.1.1.

Agreed penalties

3. The agreed penalties were: i) a fine of $20,000, with $10,000 due immediately on approval of the Settlement Agreement and $10,000 due by August 1, 2017 (ii) costs of $2500, (iii) the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with a Member of the MFDA for a 30 day period from August 15, 2017 to September 14, 2017, (iv) he shall in the future comply with MFDA Rule 2.1.1. and (v) he will attend the Settlement Hearing in person.

Considerations

4. The Hearing Panel determined that it had to be satisfied regarding three considerations before it could accept the Settlement Agreement. First, the agreed penalty had to be within an acceptable range taking into account similar cases. Secondly, the agreed penalty had to be fair and reasonable (i.e. proportional to the seriousness of the contravention and taking into consideration other relevant circumstances) and should appear to be so to members of the public and the industry. Thirdly, the agreed penalty should serve as a deterrent to the Respondent and to

the industry. To be satisfied on these three considerations required an understanding of the particular facts of the case, the circumstances of the Respondent, and the impact on him of the agreed penalty.

Nature of the Misconduct

5. Obtaining and/or using pre-signed account forms is serious misconduct in violation of MFDA Rule 2.1.1.

Other considerations in determining acceptability of agreed penalties

6. There was no evidence of client loss, no client complaints and no evidence of unauthorized trading.

7. There was no evidence that the Respondent received any financial benefit from engaging in the misconduct other than the commissions or fees he would ordinarily be entitled to had the transactions been completed in the proper manner.

8. The Respondent's misconduct occurred before October 2015, when the MFDA issued its latest Bulletin on pre-signed account forms.

9. The agreed penalties are significant and help the MFDA to send a message to the Respondent and others in the capital markets about the seriousness of the misconduct.

10. The Respondent has not previously been subject to MFDA disciplinary proceedings.

11. The Respondent cooperated with his Member's investigation into his conduct.

12. By entering into the Settlement Agreement, the Respondent has accepted responsibility for his misconduct and avoided the necessity of the MFDA incurring the time and expense of conducting a full disciplinary hearing.

13. The Respondent's Member placed the Respondent under close supervision and issued a warning letter to him in respect of the pre-signed account forms.

14. The Respondent has been registered in the mutual fund industry since 1992. As an experienced mutual fund salesperson, he ought to have known and respected the compliance requirements of the Member and the MFDA.

15. The agreed penalties are within the reasonable range of appropriateness with regard to penalties determined by MFDA Hearing Panels in similar circumstances, in MFDA decisions submitted to us by staff, and are in accordance with the MFDA penalty guidelines.

Conclusion

16. We concluded that the agreed penalties were within an acceptable range based on precedents, would serve as a specific and general deterrent, and were fair and reasonable. We concluded, therefore, that the Settlement Agreement was in the public interest and, consequently, we accepted it.

DATED this 18th day of September, 2017.

"Frederick H., Webber"

Frederick H. Webber
Chair

"Brigitte J. Geisler"

Brigitte J. Geisler
Industry Representative

"Robert C. White"

Robert C. White
Industry Representative

Schedule "1"

Settlement Agreement

File No. 201755

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: Jeffery John Burchill

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada ("Staff") and the Respondent, Jeffery John Burchill ("Respondent"), consent and agree to settlement of this matter by way of this agreement ("Settlement Agreement").

2. Staff conducted an investigation of the Respondent's activities which disclosed activity for which the Respondent could be penalized on the exercise of the discretion of the Hearing Panel pursuant to s. 24.1 of By-law No. 1.

II. JOINT SETTLEMENT RECOMMENDATION

3. Staff and the Respondent jointly recommend that the Hearing Panel accept the Settlement Agreement.

4. The Respondent admits to the following violations of the By-laws, Rules or Policies of the MFDA:

a) between October 2003 and February 2015, the Respondent obtained, possessed, and used to process transactions, 222 pre-signed account forms in respect of 92 clients, contrary to MFDA Rule 2.1.1.

5. Staff and the Respondent agree and consent 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 a Member of the MFDA for a 30 day period between August 15, 2017 and September 14, 2017 pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
b) the Respondent shall pay a fine in the amount of $20,000 pursuant to s. 24.1.1(b) of MFDA By-law No. 1 with $10,000 due immediately upon approval of this settlement agreement and $10,000 due August 1, 2017;
c) the Respondent shall pay costs in the amount of $2,500 pursuant to s. 24.2 of MFDA By-law No. 1;
d) the Respondent shall in the future comply with MFDA Rule 2.1.1; and
e) the Respondent will attend in person, on the date set for the Settlement Hearing.

6. Staff and the Respondent agree to the settlement on the basis of the facts set out in Part III herein and consent to the making of an Order in the form attached as Schedule "A".

III. AGREED FACTS

Registration History

7. Since 1992, the Respondent has been registered in Ontario as a mutual fund salesperson (now known as a Dealing Representative) with Sun Life Financial Investment Services (Canada) Inc.[1], a Member of the MFDA.

8. At all material times, the Respondent conducted business in the Sarnia, Ontario area.

Pre-Signed Account Forms

9. Sun Life's policies and procedures prohibited its Approved Persons, including the Respondent, from using pre-signed account forms.

10. Between October 2003 and February 2015, the Respondent obtained, possessed, and used to process transactions, 222 pre-signed account forms in respect of 92 clients, contrary to MFDA Rule 2.1.1.

11. The pre-signed account forms included order tickets, pre-authorized contribution forms, and transfer authorization forms.

Sun Life's Investigation

12. In or around February 2015, Sun Life's Dealer Operations Group identified pre-signed account forms during its routine review of documents that the Respondent submitted for processing. As part of its investigation, Sun Life reviewed all client files serviced by the

[1] In July 1999, Mutual Investco Inc. changed its name to Clarica Investco Inc.; in June 2005, Clarica Investco Inc. changed its name to Sun Life.

Respondent, and identified further pre-signed account forms that make up part of this Settlement Agreement.

13. Sun Life sent letters to all of the clients serviced by the Respondent in order to determine if the Respondent engaged in any unauthorized trading. No clients raised concerns.

14. Sun Life placed the Respondent under close supervision and issued him a warning letter in respect of the pre-signed account forms.

Additional Factors

15. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above beyond the commissions and fees that he would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

16. There is no evidence of client loss.

17. There is no evidence of lack of client authorization.

18. The Respondent cooperated with Sun Life's investigation into his conduct.

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

20. The misconduct set out in this Settlement Agreement occurred before October 2015, when the MFDA issued its latest Bulletin on pre-signed account forms.

21. 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.

IV. ADDITIONAL TERMS OF SETTLEMENT

22. This settlement is agreed upon in accordance with section 24.4 of MFDA By-law No. 1 and Rules 14 and 15 of the MFDA Rules of Procedure.

23. The Settlement Agreement is subject to acceptance by the Hearing Panel which shall be sought at a hearing (the "Settlement Hearing"). At, or following the conclusion of, the Settlement Hearing, the Hearing Panel may either accept or reject the Settlement Agreement.

24. The Settlement Agreement shall become effective and binding upon the Respondent and Staff as of the date of its acceptance by the Hearing Panel. Unless otherwise stated, any monetary penalties and costs imposed upon the Respondent are payable immediately, and any suspensions, revocations, prohibitions, conditions or other terms of the Settlement Agreement shall commence, upon the effective date of the Settlement Agreement.

25. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel:

a) the Settlement Agreement will constitute the entirety of the evidence to be submitted respecting the Respondent in this matter;
b) the Respondent waives any rights to a full hearing, a review hearing before the Board of Directors of the MFDA or any securities commission with jurisdiction in the matter under its enabling legislation, or a judicial review or appeal of the matter before any court of competent jurisdiction;
c) Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the facts and contraventions described in this Settlement Agreement. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any facts and contraventions that are not set out in this Settlement Agreement. Furthermore, nothing in this

Settlement Agreement shall relieve the Respondent from fulfilling any continuing regulatory obligations;

d) the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to s. 24.1.2 of By-law No. 1 for the purpose of giving notice to the public thereof in accordance with s. 24.5 of By-law No. 1; and

e) neither Staff nor the Respondent will make any public statement inconsistent with this Settlement Agreement. Nothing in this section is intended to restrict the Respondent from making full answer and defence to any civil or other proceedings against the Respondent.

26. If, for any reason, this Settlement Agreement is not accepted by the Hearing Panel, each of Staff and the Respondent will be entitled to any available proceedings, remedies and challenges, including proceeding to a disciplinary hearing pursuant to sections 20 and 24 of By-law No. 1, unaffected by the Settlement Agreement or the settlement negotiations.

27. Staff and the Respondent agree that the terms of the Settlement Agreement, including the attached Schedule "A", will be released to the public only if and when the Settlement Agreement is accepted by the Hearing Panel.

28. The Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement. A facsimile copy of any signature shall be effective as an original signature.

DATED this 9th day of May, 2017.

"Jeffery John Burchill"
Jeffery John Burchill

"BI"
Witness – Signature

BI
Witness – Print Name

"Shaun Devlin"
Shaun Devlin
Staff of the MFDA
Per: Shaun Devlin
Senior Vice-President,
Member Regulation – Enforcement

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: Jeffery John Burchill

ORDER

WHEREAS on [date], the Mutual Fund Dealers Association of Canada ("MFDA") issued a Notice of Settlement Hearing pursuant to section 24.4 of By-law No. 1 in respect of [Respondent] (the "Respondent");

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated [date] ("Settlement Agreement"), in which the Respondent 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 between October 2003 and February 2015, the Respondent obtained, possessed, and used to process transactions, 222 pre-signed account forms in respect of 92 clients, contrary to MFDA Rule 2.1.1.

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

1. the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with a Member of the MFDA for a 30 day period between August 15, 2017 and September 14, 2017 pursuant to s. 24.1.1(e) of MFDA By-law No. 1;

2. the Respondent shall pay a fine in the amount of $20,000 pursuant to s. 24.1.1(b) of MFDA By-law No. 1 with $10,000 due upon approval of this settlement agreement and the balance due on August 1, 2017;

3. the Respondent shall pay costs in the amount of $2,500 pursuant to s. 24.2 of MFDA By-law No. 1;

4. the Respondent 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 [day] day of [month], 20[ ].

Per: _____
[Name of Public Representative], Chair

Per: _____
[Name of Industry Representative]

Per: _____
[Name of Industry Representative]

DM 571593 v1