



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: Roxanne Marie Carter

NOTICE OF HEARING

NOTICE is hereby given that a first appearance will take place by teleconference before a hearing panel of the Central Regional Council (“Hearing Panel”) of the Mutual Fund Dealers Association of Canada (“MFDA”) on March 14, 2023 at 11:00 a.m. (Eastern), or as soon thereafter as the appearance can be held, concerning a disciplinary proceeding commenced by the MFDA against Roxanne Marie Carter (the “Respondent”). Members of the public who would like to listen to the teleconference should contact hearings@mfd.ca to obtain particulars.

DATED this 22nd day of December, 2022.

“Michelle Pong”

Michelle Pong
Director, Regional Councils

Mutual Fund Dealers Association of Canada
121 King Street West, Suite 1000
Toronto, ON M5H 3T9
Telephone: 416-945-5134
Email: corporatesecretary@mfd.ca

NOTICE is further given that the MFDA alleges the following violations of the By-laws, Rules or Policies of the MFDA:

Allegation #1: Between March 2017 and January 2020, the Respondent altered, and used to process transactions, 7 account forms in respect of 7 clients by altering information on the account forms without having the client initial the alterations, contrary to MFDA Rule 2.1.1.

Allegation #2: Between January 2016 and March 2019, the Respondent obtained and possessed, and used to process transactions, 35 pre-signed account forms in respect of 6 clients, contrary to MFDA Rule 2.1.1.

PARTICULARS

NOTICE is further given that the following is a summary of the facts alleged and intended to be relied upon by the MFDA at the hearing:

Registration History

1. Since approximately 2004, the Respondent has been registered in the securities industry.
2. Since June 23, 2015 the Respondent has been registered in Ontario as a dealing representative with Quadrus Investment Services Ltd. (the “Member”), a Member of the MFDA.
3. Effective October 7, 2022, the Respondent resigned, and she is not currently registered in the securities industry in any capacity.
4. At all material times, the Respondent conducted business in the London, Ontario area.

Allegation #1 - Altered Account Forms

5. At all material times, the Member’s policies and procedures prohibited Approved Persons from altering or correcting any information on a signed document without having the client initial the document to show that the change was approved.
6. Between March 2017 and January 2020, the Respondent altered, and used to process transactions, 7 account forms in respect of 7 clients by altering information on the account forms without having the client initial the alterations.

7. The account forms consisted of:

- a) 2 Switch Forms;
- b) 2 Redemption Forms;
- c) 1 Non-Financial Change Form;
- d) 1 Registered Education Savings Plan (RESP) Transfer Form; and
- e) 1 Pre-Authorized Chequing (PAC) Form.

8. The alterations made by the Respondent consisted of alterations to redemption amounts, a client signature field, a fund name and number, social insurance numbers, a plan number, and dates.

9. By virtue of the foregoing, the Respondent failed to observe a high standard of conduct and ethics in the transaction of business and engaged in conduct unbecoming of an Approved Person, contrary to MFDA Rule 2.1.1.

Allegation #2 - Pre-Signed Account Forms

10. At all material times, the Member's policies and procedures prohibited Approved Persons from obtaining or using pre-signed account forms.

11. Between January 2016 and March 2019, the Respondent obtained and possessed, and used to process transactions, 35 pre-signed account forms in respect of 6 clients.

12. The account forms consisted of:

- a) 19 Switch Forms;
- b) 5 Electronic Fund Transfer (EFT) Forms;
- c) 5 Pre-Authorized Chequing (PAC) Forms;
- d) 5 Subsequent Investment Forms; and
- e) 1 Electronic Fund Transfer (EFT) Form.

13. By virtue of the foregoing, the Respondent failed to observe a high standard of conduct and ethics in the transaction of business and engaged in conduct unbecoming of an Approved Person, contrary to MFDA Rule 2.1.1.

NOTICE is further given that the Respondent shall be entitled to appear and be heard and be represented by counsel or agent at the hearing and to make submissions, present evidence and call, examine and cross-examine witnesses.

NOTICE is further given that MFDA By-laws provide that if, in the opinion of the Hearing Panel, the Respondent:

- has failed to carry out any agreement with the MFDA;
- has failed to comply with or carry out the provisions of any federal or provincial statute relating to the business of the Member or of any regulation or policy made pursuant thereto;
- has failed to comply with the provisions of any By-law, Rule or Policy of the MFDA;
- has engaged in any business conduct or practice which such Regional Council in its discretion considers unbecoming or not in the public interest; or
- is otherwise not qualified whether by integrity, solvency, training or experience,

the Hearing Panel has the power to impose any one or more of the following penalties:

- a) a reprimand;
- b) a fine not exceeding the greater of:
 - (i) \$5,000,000.00 per offence; and
 - (ii) an amount equal to three times the profit obtained or loss avoided by such person as a result of committing the violation;
- c) suspension of the authority of the person to conduct securities related business for such specified period and upon such terms as the Hearing Panel may determine;
- d) revocation of the authority of such person to conduct securities related business;
- e) prohibition of the authority of the person to conduct securities related business in any capacity for any period of time; and
- f) such conditions of authority to conduct securities related business as may be considered appropriate by the Hearing Panel.

NOTICE is further given that the Hearing Panel may, in its discretion, require that the Respondent pay the whole or any portion of the costs of the proceedings before the Hearing Panel and any investigation relating thereto.

NOTICE is further given that the Respondent must **serve a Reply** on Enforcement Counsel and **file a Reply** with the Office of the Corporate Secretary within twenty days from the date of service of this Notice of Hearing.

A **Reply** shall be **served** upon Enforcement Counsel at:

Mutual Fund Dealers Association of Canada
121 King Street West, Suite 1000
Toronto, ON M5H 3T9
Attention: Michael A. M. Mantle
Email: mmantle@mfd.ca

A **Reply** shall be **filed** by:

- a) providing four copies of the **Reply** to the Office of the Corporate Secretary by personal delivery, mail or courier to:

The Mutual Fund Dealers Association of Canada
121 King Street West, Suite 1000
Toronto, ON M5H 3T9
Attention: Office of the Corporate Secretary; or

- b) transmitting one electronic copy of the **Reply** to the Office of the Corporate Secretary by e-mail at corporatesecretary@mfd.ca.

A **Reply** may either:

- (i) specifically deny (with a summary of the facts alleged and intended to be relied upon by the Respondent, and the conclusions drawn by the Respondent based on the alleged facts) any or all of the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing; or
- (ii) admit the facts alleged and conclusions drawn by the MFDA in the Notice of Hearing and plead circumstances in mitigation of any penalty to be assessed.

NOTICE is further given that the Hearing Panel may accept as having been proven any facts alleged or conclusions drawn by the MFDA in the Notice of Hearing that are not specifically denied in the **Reply**.

NOTICE is further given that if the Respondent fails:

- a) to **serve** and **file** a **Reply**; or
- b) attend at the hearing specified in the Notice of Hearing, notwithstanding that a **Reply** may have been served,

the Hearing Panel may proceed with the hearing of the matter on the date and the time and place set out in the Notice of Hearing (or on any subsequent date, at any time and place), without any further notice to and in the absence of the Respondent, and the Hearing Panel may accept the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing as having been proven and may impose any of the penalties described in the By-laws.

END.

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