



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: Edward Paul Clairmont

Heard: November 23, 2018 in Toronto, Ontario

Decision: November 23, 2018

Reasons for Decision: February 11, 2019

REASONS FOR DECISION

Hearing Panel of the Central Regional Council:

Paul M. Moore, QC
Matthew Onyeaju
Joseph Yassi

Chair
Industry Representative
Industry Representative

Appearances:

Alan Melamud)	Counsel for the Mutual Fund Dealers
)	Association of Canada
)	
)	
Bruce O’Toole)	Counsel for Respondent
)	
)	
Edward Paul Clairmont)	Respondent, by telephone
)	
)	

Background

1. The Hearing Panel accepted the settlement agreement dated November 14, 2018 (“Settlement Agreement”) between the staff of the MFDA and Edward Paul Clairmont (“Respondent”). A copy of the Settlement Agreement is attached to these reasons as Schedule “1”. The agreed facts are set out in Part IV of the agreement.

Contraventions

2. The Respondent admitted that:

- a) between August 1, 2016 and December 31, 2016 he arranged for 344 clients to execute new account application forms (NAAFs) and Know-Your-Client (KYC) forms to transfer the clients to a new Member, when he was not registered with the new Member, thereby engaging in registerable activity and securities related business outside the scope of his registration, contrary to MFDA Rules 1.1.1, and 2.1.1;
- b) between August 1, 2016 and December 31, 2016, he had 344 clients execute 829 undated NAAF, KYC forms, and transfer authorizations, which were later signed by another Approved Person registered with the new Member to effect transfers, contrary to MFDA Rule 2.1.1;
- c) between 2012 and 2016, he obtained, maintained, and/or used at least 46 pre-signed account forms, 16 account forms which were altered after the client had signed the form, and one account form on which the client’s signature had been copied and pasted from another form, contrary to the Member’s policies and procedures and MFDA Rules 2.1.1 and 2.5.1 and 1.1.2.;
- d) from 2012 to 2016, he falsely certified on the Member’s annual registration renewal that he did not have in his possession or control any pre-signed forms; and in 2016, he failed to disclose to his Member on an Annual Audit Questionnaire his arrangement to share office space with another Approved Person, thereby misleading his Member and acting contrary to MFDA Rule 2.1.1; and

- e) in or around November 2016, he engaged in 129 instances of discretionary trading, contrary to his Member's policies and procedures and MFDA Rules 2.3.1(b), 2.1.1, 2.5.1, and 1.1.2.
3. The agreed penalties were:
- i) an 18 month prohibition from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member;
 - ii) a fine in the amount of \$50,000;
 - iii) a requirement to re-write and pass the Ethics and Professionalism Conduct Course of the IFSE Institute prior to being reregistered; and
 - iv) costs in the amount of \$5,000.

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 penalties had to be within an acceptable range taking into account similar cases. Secondly, the agreed penalties had to be fair and reasonable (i.e. proportional to the seriousness of the contraventions and taking into consideration other relevant circumstances) and should appear to be so to members of the public and industry. Thirdly, the agreed penalties should serve as a deterrent to the Respondent and to 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 the Respondent of the agreed penalty.

Nature of the Misconduct

5. The misconduct admitted in the Settlement Agreement constituted misconduct under the cited rules.

6. The misconduct undermined two key principles of the investor protection mandate of the MFDA: (1) that securities related business be conducted by properly registered persons who are Approved Persons of the Member; and (2) that every Member and Approved Person learn the essential facts relative to each client.

7. A key factor of the investor protection scheme is that individuals who engage in securities related business with clients must be under the supervision of his or her Member.
8. The Respondent's conduct undermined the closed system of the regulatory regime. He obtained access to the new Member's back office system when he was not an Approved Person with the new Member. As a result he was able to take steps to open new accounts and complete KYC information on behalf of the new Member. His conduct was not subject to supervision by the new Member. Also, it undermined the new Member's ability to satisfy its regulatory obligations.
9. Using pre-signed forms, reproducing client signatures on forms, and altering forms after they have been signed by clients are also conduct contrary to the cited rules.
10. Submitting false information to his Member and failing to disclose requested information are conduct contrary to the cited rules.
11. Unauthorized discretionary trading is conduct contrary to the cited rules.

Other considerations in determining acceptability of agreed penalties

12. The MFDA Sanction Guidelines suggest that a respondent should not be permitted to retain benefits from his misconduct. We questioned why the fine did not include an amount for the \$80,000 consulting fee the Respondent received under the consulting contract referenced in the Settlement Agreement. Staff submitted that Staff did not regard this benefit as a benefit from the misconduct, but as a payment connected to the sale of the Respondent's book of business. There was nothing wrong with the Respondent selling his book of business . We accepted Staff's answer.
13. The Respondent has not previously been subject to MFDA or any other regulatory disciplinary proceedings.
14. The Respondent cooperated with the MFDA in its investigation into his conduct.
15. There was no evidence of client loss as a result of the misconduct.

16. The Respondent voluntarily surrendered his registration and retired from the mutual fund industry on December 31, 2016 and is not currently registered in the securities industry in any capacity.

17. The Respondent has expressed remorse for his actions.

18. 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.

19. The agreed penalties are consistent with the suggestions in the MFDA Sanction Guidelines and the reasonable range of appropriateness with regard to MFDA decisions submitted to us by staff, made by MFDA Hearing Panels in similar circumstances. They are fair and reasonable and will serve as a specific and general deterrent.

Costs

20. The costs award is reasonable.

Conclusion

21. We concluded that the Settlement Agreement was in the public interest and, consequently, we accepted it.

DATED this 11th day of February, 2019.

“Paul M. Moore”

Paul M. Moore, QC
Chair

“Matthew Onyeaju”

Matthew Onyeaju
Industry Representative

“Joseph Yassi”

Joseph Yassi
Industry Representative



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THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: Edward Paul Clairmont

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Settlement Hearing, the Mutual Fund Dealers Association of Canada (the "MFDA") will announce that it proposes to hold a hearing to consider whether, pursuant to section 24.4 of By-law No. 1, a hearing panel of the Central Regional Council (the "Hearing Panel") of the MFDA should accept the settlement agreement (the "Settlement Agreement") entered into between Staff of the MFDA ("Staff") and the Respondent, Edward Paul Clairmont.

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff conducted an investigation of the Respondent's activities. The investigation disclosed that the Respondent had engaged in 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.

3. Staff and the Respondent recommend settlement of the matters disclosed by the investigation in accordance with the terms and conditions set out below. The Respondent agrees

to the settlement on the basis of the facts set out in Part IV herein and consents to the making of an Order in the form attached as Schedule “A”.

4. Staff and the Respondent agree that the terms of this 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.

III. ACKNOWLEDGEMENT

5. Staff and the Respondent agree with the facts set out in Part IV herein for the purposes of this Settlement Agreement only and further agree that this agreement of facts is without prejudice to the Respondent or Staff in any other proceeding of any kind including, but without limiting the generality of the foregoing, any proceedings brought by the MFDA (subject to Part X) or any civil or other proceedings which may be brought by any other person or agency, whether or not this Settlement Agreement is accepted by the Hearing Panel.

IV. AGREED FACTS

Registration History

6. From March 15, 1993 to December 31, 1996, the Respondent was registered as a mutual fund salesperson (now known as a dealing representative¹) with The Guardian Group of Funds Limited.

7. From December 31, 1996 to November 22, 2006, the Respondent was registered as a dealing representative with Worldsource Financial Management Inc. (“WFM”), a Member of the MFDA.

8. From November 24, 2006 to May 31, 2012, the Respondent was registered as a dealing representative with HollisWealth Advisory Services Inc., a Member of the MFDA.

¹ In September 2009, the registration category mutual fund salesperson was changed to “dealing representative” when National Instrument 31-103 came into force.

9. From June 7, 2012 to December 30, 2016, the Respondent was registered as a dealing representative with WFM.
10. From June 7, 2012 to November 13, 2012, the Respondent was registered as a branch manager with WFM.
11. At all material times, the Respondent carried on business out of a branch office located in Tecumseh, Ontario.
12. The Respondent is not currently registered in the securities industry in any capacity.

Background

13. In early 2016, the Respondent entered into an arrangement to sell his book of business to DP, an Approved Person with Quadrus Investment Services Ltd., a Member of the MFDA. DP expected to become a registered with Olympian Financial Inc. (“OFI”), a Member of the MFDA, following which the Respondent would transfer his clients to OFI. The Respondent would then transfer his registration to OFI and serve as DP’s licensed assistant to assist him with servicing the transferred clients.
14. On April 8, 2016, DP became registered with OFI. At that time, DP also moved into office space owned by the Respondent, located in Tecumseh, Ontario.
15. The Respondent and DP entered into a Consulting Agreement dated August 31, 2016 with respect to the sale of the Respondent’s book of business and the Respondent’s transfer to OFI. Pursuant to the Consulting Agreement, DP agreed to compensate the Respondent, beginning January 2017, based on the revenue generated from the Respondent’s clients.
16. The Respondent never became an Approved Person with OFI. Following the events described below, the Respondent voluntarily surrendered his registration and retired from the mutual fund industry on December 30, 2016.

The Respondent Engages in Securities Related Business for OFI

17. In or around the beginning of August 2016, DP provided the Respondent with his password to OFI’s back office system to facilitate the transfer of the Respondent’s clients to OFI. Using the

password, the Respondent, or his unlicensed assistant for whom he was responsible, accessed OFI's back office system in order to generate and pre-populate OFI New Account Application/KYC Forms ("NAAF/KYC Forms"), B2B Bank Financial Service Inc.² account application forms ("B2B Account Application Forms"), and transfer authorizations ("Transfer Authorizations") for the Respondent's clients.

18. As the Respondent was not registered with OFI, neither the Respondent nor his unlicensed assistant was authorized to have access to OFI's back office system or the confidential information stored therein, or to use the system to generate OFI forms.

19. From August 1, 2016 to December 31, 2016, the Respondent held meetings, either in person or by telephone, with at least 344 clients and had them execute pre-populated NAAF/KYC Forms, B2B Account Application Forms, and Transfer Authorizations to transfer their investment accounts to DP at OFI. In each case, the Respondent had the clients sign the forms undated.

20. DP did not attend the meetings with the clients.

21. After the Respondent collected a batch of signed NAAF/KYC Forms, B2B Account Application Forms, and Transfer Authorizations, he provided them to DP who executed the Account Application Forms as the Approved Person of record for OFI. The clients' signatures and DP's signature were then dated as of the same date, thereby creating the false appearance that the clients and the Respondent had met and signed the forms on the same date.

22. By completing the NAAF/KYC Forms and B2B Account Application Forms with his clients, the Respondent engaged in securities related business on behalf of OFI, while he remained registered with WFM.

23. In 2017, the Respondent received at least \$80,000 from DP pursuant to the Consulting Agreement, notwithstanding that he never became DP's licensed assistant.

² B2B is OFI's carrying broker.

The Respondent Does Not Disclose His Office Sharing Arrangement to WFM

24. At all material times, WFM's policies and procedures required Approved Persons to disclose all office sharing arrangements with other financial service entities and ensure that clients were adequately advised.

25. The Respondent did not disclose to WFM that he had rented office space to DP beginning in April 2016.

26. On September 7, 2016, the Respondent completed WFM's 2016 Advisor Audit Questionnaire, wherein he gave the following answers to questions concerning his office sharing arrangements:

Question	Answer
4. Do you share office space with entities that are not registered with WFM? If yes... a. Please list the entities. b. Are you maintaining the required Share Office Disclosure form? c. Do you share a fax, photocopier, scanner, etc? d. Who opens the mail?	- Tenants rent space. - Self enclosed work space - Ed owns – standalone office building
5. Do any of these entities listed above perform Financial Planning?	No

The Respondent's Use of Pre-Signed & Altered Account Forms

27. At all material times, WFM's policies and procedures prohibited the use of pre-signed account forms.

28. From 2012 to 2016, the Respondent repeatedly engaged in the practice of obtaining, maintaining, and using account and transaction forms that were pre-signed or altered. Specifically, he obtained, maintained, and/or used at least:

- a) 46 pre-signed account forms;
- b) 16 accounts forms which were altered after the client had signed the forms; and
- c) 1 account form on which the client's signature had been copied and pasted from another form.

29. WFM had expressly warned the Respondent against the use of pre-signed forms in a cautionary letter dated May 21, 2014.

30. Furthermore, the WFM Registration Renewals executed by the Respondent in 2012, 2013, 2014, and 2015, all contained the following certification:

I acknowledge and certify that I do not have in my possession or control any pre-signed client forms for WFM related business and I understand that having pre-signed forms is a violation of corporate and regulatory policies.

31. The Respondent thereby misled WFM by executing the WFM Registration Renewals, notwithstanding his repeated use of pre-signed account forms.

The Respondent Engages in Discretionary Trading

32. At all material times, WFM's policies and procedures prohibited discretionary trading by Approved Persons. WFM had warned the Respondent that discretionary trading was prohibited in a cautionary letter dated February 4, 2015.

33. In November 2016, the Respondent engaged in 129 instances of discretionary trading. The Respondent submitted 129 "Transfer Authorization for Registered and Non-registered Investments" forms of a third-party insurance company (the "**Transfer Forms**") to redeem mutual funds from his clients' accounts at WFM and transfer the monies into segregated funds. The Respondent had his clients sign the Transfer Forms undated, so that he could later submit them together at a time of his choosing. All 129 Transfer Forms were dated November 9, 10, or 11, 2016.

Additional Factors

34. The Respondent was in the mutual fund industry for over 20 years. The Respondent has not been previously disciplined by the MFDA or any other securities regulator.

35. The Respondent cooperated with the MFDA's investigation into his conduct.

36. There is no evidence that any clients suffered a loss as a result of the Respondent's misconduct.

37. By entering into this Settlement Agreement, the Respondent has saved the MFDA significant time and resources associated with conducting a fully contested hearing on the merits.

38. The Respondent has expressed remorse for his actions.

V. CONTRAVENTIONS

39. The Respondent admits that between August 1, 2016 and December 31, 2016, he arranged for 344 clients to execute new account application forms and Know-Your-Client forms to transfer the clients to a new Member, when he was not registered with the new Member, thereby engaging in registrable activity and securities related business outside the scope of his registration, contrary to MFDA Rules 1.1.1 and 2.1.1.

40. The Respondent admits that between August 1, 2016 and December 31, 2016, he had 344 clients execute 829 undated new account application forms, Know-Your-Client forms, and transfer authorizations, which were later signed by another Approved Person registered with the new Member to effect the transfers, contrary to MFDA Rule 2.1.1.

41. The Respondent admits that, between 2012 and 2016, he obtained, maintained, and/or used at least:

- a) 46 pre-signed account forms;
- b) 16 accounts forms which were altered after the client had signed the forms; and
- c) 1 account form on which the client's signature had been copied and pasted from another form,
- d) contrary to the Member's policies and procedures and MFDA Rules 2.1.1 and 2.5.1 and 1.1.2.

42. The Respondent admits that:

- a) from 2012 to 2016, he falsely certified on the Member's annual registration renewal that he did not have in his possession or control any pre-signed forms; and
- b) in 2016, he failed to disclose to his Member on an Annual Audit Questionnaire his arrangement to share office space with another Approved Person,

- c) thereby misleading his Member and acting contrary to MFDA Rule 2.1.1.

43. The Respondent admits that in or around November 2016, he engaged in 129 instances of discretionary trading, contrary to his Member's policies and procedures and MFDA Rules 2.3.1(b), 2.1.1, 2.5.1, and 1.1.2.

VI. TERMS OF SETTLEMENT

44. The Respondent agrees to the following terms of settlement:

- a) the Respondent shall be prohibited for a period of 1½ years (18 months), commencing from the date the Settlement Agreement is accepted by the Hearing Panel, from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member, pursuant to section 24.1.1(e) of MFDA By-Law No. 1;
- b) the Respondent shall pay a fine of \$50,000, in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.1.1(b) of MFDA By-Law No. 1;
- c) the Respondent shall write or rewrite and pass the Ethics and Professionalism Conduct Course offered by the IFSE Institute prior to being re-registered in the mutual fund industry, pursuant to section 24.1.1(f) of MFDA By-Law No. 1;
- d) the Respondent shall pay costs in the amount of \$5,000, in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.2 of MFDA By-Law No. 1;
- e) the Respondent shall in the future comply with MFDA Rules 1.1.1, 2.1.1, 2.3.1(b) and 2.5.1 and 1.1.2; and
- f) the Respondent will attend by teleconference, on the date set for the Settlement Hearing.

VII. STAFF COMMITMENT

45. If this Settlement Agreement is accepted by the Hearing Panel, Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the contraventions described in Part V of this Settlement Agreement, subject to the provisions of Part

X below. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any contraventions that are not set out in Part V of this Settlement Agreement or in respect of conduct that occurred outside the specified date ranges of the contraventions set out in Part V, whether known or unknown at the time of settlement. Furthermore, nothing in this Settlement Agreement shall relieve the Respondent from fulfilling any continuing regulatory obligations.

VIII. PROCEDURE FOR APPROVAL OF SETTLEMENT

46. Acceptance of this Settlement Agreement shall be sought at a hearing of the Central Regional Council of the MFDA on a date agreed to by counsel for Staff and the Respondent. MFDA Settlement Hearings are typically held in the absence of the public pursuant to section 20.5 of MFDA By-law No. 1 and Rule 15.2(2) of the MFDA Rules of Procedure. If the Hearing Panel accepts the Settlement Agreement, then the proceeding will become open to the public and a copy of the decision of the Hearing Panel and the Settlement Agreement will be made available at www.mfda.ca.

47. Staff and the Respondent may refer to any part, or all, of the Settlement Agreement at the Settlement Hearing. Staff and the Respondent also agree that if this Settlement Agreement is accepted by the Hearing Panel, it will constitute the entirety of the evidence to be submitted respecting the Respondent in this matter, and the Respondent agrees to waive his 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.

48. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel, then the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to s. 24.1.1 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.

49. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel, 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 him.

IX. FAILURE TO HONOUR SETTLEMENT AGREEMENT

50. If this Settlement Agreement is accepted by the Hearing Panel and, at any subsequent time, the Respondent fails to honour any of the Terms of Settlement set out herein, Staff reserves the right to bring proceedings under section 24.3 of the By-laws of the MFDA against the Respondent based on, but not limited to, the facts set out in Part IV of the Settlement Agreement, as well as the breach of the Settlement Agreement. If such additional enforcement action is taken, the Respondent agrees that the proceeding(s) may be heard and determined by a hearing panel comprised of all or some of the same members of the hearing panel that accepted the Settlement Agreement, if available.

51. If the Respondent does not comply with paragraph 2 of the draft Order attached as Schedule “A”, Staff and the Respondent shall have the right to appear before the Hearing Panel, upon a minimum of 10 days’ notice, for additional guidance on fulfilling the terms of the Order. Notwithstanding paragraph 45 of the Settlement Agreement the Hearing Panel may provide such further guidance and directions or impose such further and other terms, conditions, or penalties as allowed under section 24.1.2 of MFDA By-law No. 1, as the Hearing Panel considers appropriate in the circumstances.

X. NON-ACCEPTANCE OF SETTLEMENT AGREEMENT

52. If, for any reason whatsoever, this Settlement Agreement is not accepted by the Hearing Panel or an Order in the form attached as Schedule “A” is not made 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 this Settlement Agreement or the settlement negotiations.

53. Whether or not this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for

any allegation against the MFDA of lack of jurisdiction, bias, appearance of bias, unfairness, or any other remedy or challenge that may otherwise be available.

XI. DISCLOSURE OF AGREEMENT

54. The terms of this Settlement Agreement will be treated as confidential by the parties hereto until accepted by the Hearing Panel, and forever if, for any reason whatsoever, this Settlement Agreement is not accepted by the Hearing Panel, except with the written consent of both the Respondent and Staff or as may be required by law.

55. Any obligations of confidentiality shall terminate upon acceptance of this Settlement Agreement by the Hearing Panel.

XII. EXECUTION OF SETTLEMENT AGREEMENT

56. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.

57. A facsimile copy of any signature shall be effective as an original signature.

DATED this 14th day of November, 2018.

“Edward Paul Clairmont”

Edward Paul Clairmont

“DS”

Witness – Signature

DS

Witness – Print Name

“Shaun Devlin”

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

Schedule “A”

**Order
File No.**



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PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: Edward Paul Clairmont

ORDER

WHEREAS on [date], 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 Edward Paul Clairmont (the “Respondent”);

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated [date] (the “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 the Respondent:

- a) between August 1, 2016 and December 31, 2016, arranged for 344 clients to execute new account application forms and Know-Your-Client forms to transfer the clients to a new Member, when he was not registered with the new Member, thereby engaging in registrable activity and securities related business outside the scope of his registration, contrary to MFDA Rules 1.1.1 and 2.1.1;

- b) between August 1, 2016 and December 31, 2016, had 344 clients execute 829 undated new account application forms, Know-Your-Client forms, and transfer authorizations, which were later signed by another Approved Person registered with the new Member to effect the transfers, contrary to MFDA Rule 2.1.1;
- c) between 2012 and 2016, obtained, maintained, and/or used at least:
 - i) 46 pre-signed account forms;
 - ii) 16 accounts forms which were altered after the client had signed the forms; and
 - iii) 1 account form on which the client's signature had been copied and pasted from another form,contrary to the Member's policies and procedures and MFDA Rules 2.1.1 and 2.5.1 and 1.1.2;
- d) from 2012 to 2016:
 - i) falsely certified each year on the Member's annual registration renewals that he did not have in his possession or control any pre-signed forms; and
 - ii) failed to disclose to his Member on the 2016 Annual Audit Questionnaire his arrangement to share office space with another Approved Person,contrary to MFDA Rule 2.1.1; and
- e) in or around November 2016, engaged in 129 instances of discretionary trading, contrary to his Member's policies and procedures and MFDA Rules 2.3.1(b), 2.1.1, 2.5.1, and 1.1.2.

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

1. The Respondent shall be prohibited for a period of 1½ years (18 months), commencing from the date the Settlement Agreement is accepted by the Hearing Panel, from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member, pursuant to section 24.1.1(e) of MFDA By-Law No. 1;

2. The Respondent shall pay a fine of \$50,000, pursuant to section 24.1.1(b) of MFDA By-Law No. 1;

3. The Respondent shall write or rewrite and pass Ethics and Professionalism Conduct Course offered by the IFSE Institute prior to being re-registered in the mutual fund industry, pursuant to section 24.1.1(f) of MFDA By-Law No. 1; The Respondent shall pay costs in the amount of \$5,000, pursuant to section 24.2 of MFDA By-Law No. 1;

4. The Respondent shall in the future comply with MFDA Rules 1.1.1, 2.1.1, 2.3.1(b) and 2.5.1 and 1.1.2; 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 656439