



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: Shaun David Collier

Heard: March 28, 2019 in Toronto, Ontario
Decision: March 28, 2019
Reasons for Decision: May 15, 2019

REASONS FOR DECISION

Hearing Panel of the Central Regional Council:

Paul M. Moore, QC
Brigitte J. Geisler
Guenther W. K. Kleberg

Chair
Industry Representative
Industry Representative

Appearances:

Paul Blasiak)	Enforcement Counsel for the Mutual Fund
)	Dealers Association of Canada
)	
)	
Rafal Szymanski)	Counsel for Respondent
)	
)	
Shaun David Collier)	Respondent, by teleconference
)	
)	

Acceptance of Settlement Agreement

1. The Hearing Panel accepted the settlement agreement dated January 8, 2019 (“Settlement Agreement”) between the Staff of the MFDA and Shawn David Collier (“Respondent”). A copy of the Settlement Agreement is attached to these reasons as Schedule “1”.

Agreed Facts

2. The agreed facts are set out in Part III of the Settlement Agreement.

Contraventions

3. The violations of the By-laws, Rules, or Policies of the MFDA admitted to by the Respondent are set out in para. 4 of the Settlement Agreement.

4. The Hearing Panel determined that the violations amounted to breaches of the By-laws, Rules, and/or Policies of the MFDA referred to in para. 4 of the Settlement Agreement.

Agreed Penalties

5. The agreed penalties are set out in para. 5 of the Settlement Agreement.

Considerations

6. 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 the reasonable range of appropriateness taking into account similar cases made by MFDA Hearing Panels in 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.

7. The Hearing Panel took into consideration submissions of Staff, the precedent cases provided by Staff, the MFDA Sanction Guidelines, and the additional factors set out in Sections 23 to 26 of the Settlement Agreement.

Determinations

8. The Hearing Panel concluded that the agreed penalties are consistent with the suggestions in the MFDA Sanction Guidelines and are within the reasonable range of appropriateness taking into account the precedent cases submitted to us by Staff. They are fair and reasonable and will serve as a specific and general deterrent.

9. 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.

Costs

10. The costs award is reasonable.

Conclusion

11. We concluded that the Settlement Agreement was in the public interest and, consequently, we accepted it and signed an order in the form of the order attached as Schedule “A” to the Settlement Agreement.

DATED this 15th day of May, 2019.

“Paul M. Moore”

Paul M. Moore, QC
Chair

“Brigitte J. Geisler”

Brigitte J. Geisler
Industry Representative

“Guenther W. K. Kleberg”

Guenther W. K. Kleberg
Industry Representative

DM 675151



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: Shaun David Collier

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada ("Staff") and the Respondent, Shaun David Collier (the "Respondent"), consent and agree to settlement of this matter by way of this agreement (the "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 Mutual Fund Dealers Association of Canada ("MFDA"):

- a) between March 2006 and February 2017, the Respondent obtained, possessed, and in some instances, used to process transactions, 12 pre-signed account forms in respect of 6 clients, contrary to MFDA Rule 2.1.1;
 - b) between September 2009 and May 2011, the Respondent altered, and used to process transactions, 7 account forms in respect of 4 clients by altering information on the account forms without having the clients initial the alterations, contrary to MFDA Rule 2.1.1; and
 - c) on or about January 12, 2010, the Respondent cut and pasted 2 client signatures from copies of account forms previously signed by 2 clients onto new account forms, and submitted the account forms for processing, 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 acting as a branch manager or in a supervisory position while in the employ of or associated with any Member of the MFDA for a period of 12 months, pursuant to s. 24.1.1(f) of MFDA By-law No. 1;
 - b) the Respondent shall successfully complete the branch manager course offered by either the Canadian Securities Institute or the Investment Funds Institute of Canada prior to acting as a branch manager in the future, pursuant to s. 24.1.1(f) of MFDA By-law No. 1;
 - c) the Respondent shall pay a fine in the amount of \$13,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.1.1(b) of MFDA By-law No.1;
 - d) the Respondent shall pay costs in the amount of \$2,500 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.2 of MFDA By-law No.1;
 - e) the Respondent shall in the future comply with MFDA Rule 2.1.1; and
 - f) 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. The Respondent was registered in the mutual fund industry commencing in May 1997.
8. Between November 2000 and December 2018, the Respondent was registered as a mutual fund salesperson (now known as a Dealing Representative) in Ontario with Canfin Magellan Investments Inc. (“Canfin”), a Member of the MFDA.
9. From April 2006 to June 2017, Canfin designated the Respondent as a branch manager.
10. On December 17, 2018, the Respondent resigned from Canfin, and he is not currently registered in the securities industry in any capacity.
11. At all material times, the Respondent conducted business in the Ajax, Ontario area.

Pre-Signed Account Forms

12. Since at least 2008, Canfin’s policies and procedures prohibited its Approved Persons from using pre-signed account forms.
13. Between March 2006 and February 2017, the Respondent obtained, possessed, and in some instances, used to process transactions, 12 pre-signed account forms in respect of 6 clients.
14. The pre-signed account forms consisted of client application, plan application, and trade instruction forms.

Altered Account Forms

15. Between September 2009 and May 2011, the Respondent altered, and used to process transactions, 7 account forms in respect of 4 clients by altering information on the account forms without having the clients initial the alterations.
16. The altered account forms consisted of new plan application, new account application, and trade instruction forms.

Cut and Pasted Client Signatures

17. On or about January 12, 2010, the Respondent cut and pasted 2 client signatures from copies of account forms previously signed by 2 clients onto new account forms, and submitted the account forms for processing.

18. The clients confirmed in writing that they had instructed the Respondent to complete the new account forms using the clients' signatures from forms previously signed by the clients.

19. The account forms with cut and pasted client signatures consisted of trade instruction forms.

Canfin's Investigation

20. On June 12, 2017, Canfin identified the account forms that are the subject of this Settlement Agreement as a result of a routine branch audit. During this audit, Canfin conducted a review of all client files serviced by the Respondent.

21. As part of its investigation, Canfin either called or sent letters to all of the Respondent's clients to determine whether the Respondent had engaged in any unauthorized trading. No clients reported any concerns.

22. On June 19, 2017, Canfin placed the Respondent under close supervision for a period of one year.

Additional Factors

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

24. There is no evidence of client loss or lack of authorization for the underlying transactions.

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 of the allegations.

IV. ADDITIONAL TERMS OF SETTLEMENT

27. 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.

28. 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. 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.

29. 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.

30. 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 contraventions described in this Settlement Agreement. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any 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.

31. 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.

32. 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.

33. 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 8th day of January, 2019.

“Shaun David Collier”

Shaun David Collier

“RC”

Witness – Signature

RC

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. 2018126



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: Shaun David Collier

ORDER

WHEREAS on December 14, 2018, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Hearing pursuant to ss. 20 and 24 of By-law No. 1 in respect of Shaun David Collier (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:

- a) between March 2006 and February 2017, the Respondent obtained, possessed, and in some instances, used to process transactions, 12 pre-signed account forms in respect of 6 clients, contrary to MFDA Rule 2.1.1;
- b) between September 2009 and May 2011, the Respondent altered, and used to process transactions, 7 account forms in respect of 4 clients by altering information

on the account forms without having the clients initial the alterations, contrary to MFDA Rule 2.1.1; and

- c) on or about January 12, 2010, the Respondent cut and pasted 2 client signatures from copies of account forms previously signed by 2 clients onto new account forms, and submitted the account forms for processing, 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 acting as a branch manager or in a supervisory position while in the employ of or associated with any Member of the MFDA for a period of 12 months, pursuant to s. 24.1.1(f) of MFDA By-law No. 1;
2. The Respondent shall successfully complete the branch manager course offered by either the Canadian Securities Institute or the Investment Funds Institute of Canada prior to acting as a branch manager in the future, pursuant to s. 24.1.1(f) of MFDA By-law No. 1;
3. The Respondent shall pay a fine in the amount of \$13,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.1.1(b) of MFDA By-law No.1;
4. The Respondent shall pay costs in the amount of \$2,500 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.2 of MFDA By-law No.1;
5. The Respondent shall in the future comply with MFDA Rule 2.1.1; and
6. 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]