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: Brian Thomas Cormier

Heard: January 26, 2017 in Toronto, Ontario
Decision: January 26, 2017
Reasons for Decision: March 29, 2017

REASONS FOR DECISION FOR ACCEPTANCE OF SETTLEMENT AGREEMENT

Hearing Panel of the Central Regional Council:

Paul M. Moore, Q.C.	Chair
Robert C. White	Industry Representative
Kenneth Mann	Industry Representative

Appearances:

Sarah Glickman	)	Counsel for the Mutual Fund Dealers
	)	Association of Canada
	)	
	)	
Brian Cormier	)	In Person
	)	

Settlement Agreement

1. The Hearing Panel accepted the settlement agreement dated October 16, 2016 (the "Settlement Agreement") between the staff of the MFDA and Brian Thomas Cormier (the "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 agreement.

Contraventions

2. The Respondent admitted that between December 2009 and May 2015, the respondent obtained, possessed, and in two (2) instances, used to process transactions, ten (10) pre-signed forms, contrary to MFDA Rule 2.1.1.

Agreed penalties

3. The agreed penalty was a fine of $4,000. In addition, the respondent agreed to pay a costs award of $2,500.

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 industry. Thirdly, the agreed penalty 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 him of the agreed penalty.

Nature of the Misconduct

5. The possession and/or use of pre-signed account forms is a serious breach of MFDA Rule 2.1.1.

Other considerations in determining acceptability of agreed penalty

6. The Respondent was placed under close supervision by the Member for six (6) months from May 6, 2015.

7. There was no evidence of client harm nor evidence that any of the transactions with the account forms were unauthorized.

8. The agreed penalty is significant and helps the MFDA to send a message to the respondent and others in the capital markets about the seriousness of the misconduct.

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

10. 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.

11. The MFDA penalty guidelines recommend one or more of the following sanctions for misconduct of the nature in our case: a minimum fine of $5,000; writing or re-writing an appropriate industry course; suspension. The guidelines are not mandatory but are intended to assist hearing panels, MFDA staff and respondents in considering the appropriate penalties in MFDA disciplinary proceedings. The agreed penalty is close to the suggested minimum fine.

12. The agreed penalty is within the reasonable range of appropriateness with regard to other decisions, submitted to us by staff, made by MFDA hearing panels in similar circumstances.

Conclusion

13. We concluded that the agreed penalty was within an acceptable range based on precedents, would serve as a specific and general deterrent, and was fair and reasonable. We considered the costs award to be reasonable in the circumstances. We concluded, therefore, that the Settlement Agreement was in the public interest and, consequently, we accepted it.

DATED this 29th day of March, 2017.

"Paul M. Moore"

Paul M. Moore, Q.C.
Chair

"Robert C. White"

Robert C. White
Industry Representative

"Kenneth Mann"

Kenneth Mann
Industry Representative

DM 528647 v1

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: Brian Thomas Cormier

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada ("Staff") and the Respondent, Brian Thomas Cormier (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 MFDA:

a) between December 2009 and May 2015, the Respondent obtained, possessed, and in two instances, used to process transactions, 10 pre-signed account forms, 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 pay a fine in the amount of $4,000 pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
b) the Respondent shall pay costs in the amount of $2,500 pursuant to s. 24.2 of MFDA By-law No. 1;
c) the Respondent shall in the future comply with MFDA Rule 2.1.1; and
d) 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. Between 1999 and May 29, 2015, the Respondent was been registered in Ontario as a mutual fund salesperson (now known as a Dealing Representative) with Armstrong & Quaile Associates Inc. ("Armstrong & Quaile"). On May 29, 2015, Armstrong & Quaile amalgamated with Sterling Mutuals Inc. ("Sterling"), a Member of the MFDA, at which time the Respondent was registered with Sterling.

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

Pre-Signed Account Forms

9. Between December 2009 and May 2015, the Respondent obtained, possessed, and in two instances, used to process transactions, 10 pre-signed account forms.

10. The pre-signed account forms included redemption forms, dealer/representative change forms, and withdrawal request forms.

Member Investigation

11. On or about May 6, 2015, during a branch audit, Armstrong & Quaile's compliance department first detected the conduct that is the subject of this Settlement Agreement. After the amalgamation on May 29, 2015, Sterling continued the investigation.

12. On May 6, 2015, Armstrong & Quaile placed the Respondent under close supervision for a period of 6 months.

13. In or around October 2015, Sterling reviewed all client files serviced by the Respondent, identifying no further additional pre-signed account forms.

Additional Factors

14. 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.

15. There is no evidence of client harm or lack of authorization.

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

17. 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

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. 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.

24. 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 23rd day of September, 2016.

"Brian Thomas Cormier"
Brian Thomas Cormier

"RM"
Witness – Signature

RM
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. 201685

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: Brian Thomas Cormier

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 [Respondent] (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 between December 2009 and May 2015, the Respondent obtained, possessed, and in two instances, used to process transactions, 10 pre-signed account forms, 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 pay a fine in the amount of $4,000 pursuant to s. 24.1.1(b) of MFDA By-law No. 1;

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

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

4) 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]