



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: Deborah Ann Cummins

Heard: October 27, 2016 in Toronto, Ontario

Decision: October 27, 2016

Reasons for Decision: June 8, 2017

REASONS FOR DECISION

Hearing Panel of the Central Regional Council:

H. Michael Kelly, Q.C.

Chair

Kenneth P. Mann

Industry Representative

Robert C. White

Industry Representative

Appearances:

Sarah Glickman

)

Counsel for the Mutual Fund Dealers
Association of Canada

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Laura Paglia

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Counsel for the Respondent

)

)

Deborah Cummins

)

Respondent, In Person

1. As a result of a Settlement Agreement entered into by Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and Deborah Ann Cummins (“Respondent”), on October 11, 2016, a Settlement Hearing was conducted on October 27, 2016 in Toronto. MFDA Staff was represented by Enforcement Counsel Sarah Glickman. The Respondent and her counsel Laura Paglia attended the Hearing. MFDA Staff filed written submissions and a Book of Authorities, and delivered oral submissions. On October 27, 2016, the Hearing Panel, pursuant to s. 24.4.3 of By-law No. 1, accepted the factual allegations set out in the Settlement Agreement, and the propriety of the penalty agreed to therein, and issued an Order to that effect. The Settlement Agreement and Order are attached hereto as Schedules 1 and 2.

Registration History

2. Since November 1999, the Respondent has been registered as a mutual fund salesperson (now known as a Dealing Representative) with CIBC Securities Inc., a Member of the MFDA (the “Member”).

3. Between September 2005 and August 2007, the Member designated the Respondent as a branch manager.

4. At all material times, the Respondent conducted business in the Delhi, Ontario area.

Failing to Process Requested Trades

5. On September 25, 2014, clients PR and MR instructed the Respondent to immediately process switches in the following accounts in order to move their investments from mutual funds with medium risk profiles to mutual funds with low risk profiles:

- a) client MR’s Registered Retirement Savings Plan (“RRSP”) account;
- b) client PR’s RRSP account; and
- c) client PR’s Locked In Retirement Account (“LIRA”)

(collectively, the “Switches”).

6. The Respondent failed to process the Switches requested by the clients.
7. The Respondent states that she did not process the Switches since she believed at the time that they were unnecessary because the capital markets would improve.
8. On October 15, 2014, the Respondent processed the Switches after the clients instructed her to comply with their initial instructions once they became aware the Respondent’s inaction. The Respondent then advised her General Manager of the issue.
9. Clients PR and MR incurred losses in the amount of \$4,783.95 because the Respondent did not process the Switches. The Member paid full compensation to the clients. Clients PR and MR declined to pursue a formal complaint against the Respondent.

Opening a Client Account without Authorization

10. At all material times, the Member’s policies and procedures required that:
 - a) the opening of client accounts must take place at a branch with each applicant present; and
 - b) the New Account Application Form must be signed by each account holder at the time of account opening.
11. On or about May 5, 2015, the Respondent met with clients DD1 and DD2, who are spouses, about the possibility of opening a new joint investment account called a Personal Portfolio Services account (the “Joint PPS Account”). The Respondent states that she provided clients DD1 and DD2 with an unsigned PPS Account form and the relevant Personal Portfolio Services portfolios.

12. On or about May 26, 2015, the Respondent met with client DD1 (client DD2 did not attend the meeting) to further discuss opening the Joint PPS Account, and transferring monies from a bank account belonging to clients DD1 and DD2 to the Joint PPS Account. The money transfer could be processed by using a Joint PPS Account application form.

13. At this meeting, Client DD1 signed the Joint PPS Account application form. The Respondent states that client DD1 confirmed that she and DD2 wanted to open the Joint PPS Account and that the Respondent provided a copy of the Joint Account form to DD1 for DD2's signature.

14. Client DD2 never signed the Joint PPS Account form or authorized the Respondent to open the Joint PPS Account or transfer the monies.

15. Without the necessary authorization, on or about May 27, 2015, the Respondent opened the Joint PPS Account electronically and transferred the monies from clients DD1 and DD2's bank account to the Joint PPS Account.

The Member's Investigation

16. The Member became aware that the Respondent failed to process the Switches after clients PR and MR complained to the Respondent on October 15, 2014.

17. As part of its investigation, the Member reviewed all trades processed by the Respondent between September 2014 and November 2014 in order to determine whether the Respondent had processed unauthorized trades in client accounts or failed to process trades in compliance with client instructions. No concerns were identified.

18. The Member became aware that the Respondent opened a client account without authorization after client DD1 complained to the Respondent on June 4, 2015.

19. On June 9, 2015, the Member closed the Joint PPS Account and reversed the transfer of monies.

20. As a result of the Respondent's conduct, the Member restricted the financial products the Respondent is permitted to sell.

Additional Factors

21. There is no evidence that the Respondent received any financial benefit from the misconduct described above.

22. The Respondent cooperated with the Member and the MFDA's investigation into her conduct.

23. The Respondent is remorseful.

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

25. 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.

Agreed Penalty

26. The Respondent shall pay a fine in the amount of \$13,000 pursuant to section 24.1.1(b) of By-law No.1 (the "Fine").

27. The Respondent shall pay costs in the amount of \$2,500 pursuant to section 24.2 of MFDA By-law No.1 (the "Costs").

28. The Fine and Costs shall be paid in seven installments: the first installment in the amount of \$2,500 shall be paid on the date of the settlement hearing; the remaining six installments in the

amount of \$2,166.67 each are payable on or before the final business day of the six months that follow the date of the acceptance of the settlement agreement by the Hearing Panel.

29. The Respondent shall in the future comply with MFDA Rules 1.1.2, 2.5.1 and 2.1.1; and the Respondent will attend in person, on the date set for the Settlement Hearing.

Reasons for Acceptance of the Settlement Agreement

30. Pursuant to Rule 24.4.3 of MFDA By-law No.1, a Hearing Panel may either accept or reject a settlement agreement. A Hearing Panel will not, and should not, reject a settlement agreement unless the proposed penalty clearly falls outside the range of appropriate penalty.¹ An appropriate penalty is one that is fair and reasonable, addressing the nature and severity of the infraction, the element of specific and general deterrence, and the preservation of investor and public confidence in the integrity of the investment industry.² An appropriate penalty is one that, generally speaking, accords with the range of penalties, imposed by MFDA Hearing Panels in Hearings addressing similar violations, while taking into account the specific aggravating or mitigating factors that may apply.

MFDA Rule 2.1.1 – High Standard of Ethics

31. MFDA Rule 2.1.1 prescribes the standard of conduct applicable to registrants in the mutual fund industry. The Rule requires that each Member and Approved Person: deal fairly, honestly, and in good with faith with clients; observe high standards of ethics and conduct in the transaction of business; and refrain from engaging in any business conduct or practice which is unbecoming or detrimental to the public interest. MFDA Rule 2.1.1 has a broad application. It provides for a standard that is able to encompass misconduct not directly captured by the Rules.

¹ *Sterling Mutuals Inc. (Re)* 2008 LNCMFDA16; *Milewski (Re)* [1999] I.D.A.C.D. No 17 Ontario District Council, 1999

² *Jacobson (Re)*, 2007 LNCMFDA 27, at para. 68

Failing to Act on Client Instructions

32. The Respondent's failure to follow the instructions of clients PR and MR, to effect the "switches" (referred to in paragraph 2, above) was a serious breach of Rule 2.1.1. In the Settlement Agreement, the Respondent admits that she failed to process three transactions requested by the said clients, in breach of MFDA Rule 2.1.1. Although the two clients instructed her to process the three transactions in order to move their investments from mutual funds with medium risk profiles to mutual funds with low risk profiles, she did not act on these instructions because she believed at the time that the transactions were unnecessary because the capital markets would improve. The Panel is satisfied that the Respondent was not motivated by dishonest or fraudulent intention. She thought that her decision was of benefit to the clients. That failure to follow client instructions caused a loss that was reimbursed to the clients by the Member. Even had there been no loss, the Respondent's conduct violated Rule 2.1.1. The conduct was equivalent to discretionary trading by the Respondent, a category of misbehavior consistently found by MFDA Panels to be serious violation of industry guidelines and Rules. It is never permissible for the Approved Person to substitute his or her decision for that of the client.

33. The Respondent's actions are similar to cases where the Approved Person processes transactions without client authorization, which Hearing Panels have found violate MFDA Rule 2.1.1. In both the present case and in cases involving lack of client authorization for a transaction, the Approved Person substitutes his or her decision for that of the client, which is not permissible.

Stolarz (Re) [2016] Hearing Panel of the Atlantic Regional Council, MFDA File no. 201642, Panel Order dated October 20, 2016, MFDA Staff's Book of Authorities, Tab 2 ("*Stolarz*")

Moakler (Re) [2016] Hearing Panel of the Central Regional Council, MFDA File no. 201571, Panel Decision dated May 24, 2016, MFDA Staff's Book of Authorities, Tab 3 ("*Moakler*")

Leo Alexander O'Brian and David Baxter Snow (Re), [2008] Hearing Panel of the Atlantic Regional Council, MFDA File No. 200809, Panel Decision dated November 25, 2008 at para. 19, Staff's Book of Authorities, Tab 4 ("*Snow*")

Opening a Client Account without Authorization

34. In the present case, the Respondent admits that she opened a client account and processed a transaction, without obtaining client authorization, in breach of MFDA Rules 1.1.2, 2.5.1, and 2.1.1.

35. In doing so, the Respondent failed to comply with the Member's policies and procedures in respect of the opening of client accounts.

36. Hearing Panels have held that when an Approved Person fails to comply with the Member's policies and procedures, the Approved Person acts contrary to MFDA Rules 1.1.2 and 2.5.1.

Rutley (Re) [2015] Hearing Panel of the Central Regional Council, MFDA File no. 201523, Panel Decision dated October 2, 2015, MFDA Staff's Book of Authorities, Tab 5.

Tewahade (Re) [2016] Hearing Panel of the Central Regional Council; MFDA File no. 201425, Panel Decision dated January 13, 2016, MFDA Staff's Book of Authorities, Tab 6.

37. Hearing Panels have found that when an Approved Person processes transactions without client authorization, he or she violates MFDA Rule 2.1.1.

Stolarz, supra, MFDA Staff's Book of Authorities, Tab 2

Moakler, supra, MFDA Staff's Book of Authorities, Tab 3

Snow, supra, MFDA Staff's Book of Authorities, Tab 4

38. By failing to obtain proper client authorization before opening a client account and processing a transaction, the Respondent failed to deal honestly with the affected client and to observe the high standard of ethics and conduct expected of an Approved Person, contrary to MFDA Rule 2.1.1.

39. The Panel is satisfied that the Respondent acted without any dishonest intent. However, her actions were serious violations of the Rules. The Respondent was registered in the mutual fund industry since 1999, and therefore should have known and respected the compliance requirements of the Member and the MFDA.

40. She expressed remorse, and co-operated fully with the MFDA investigation. Her potential range of investment products that she would be authorized to sell was, as a consequence of her violations, restricted by the Member. Her co-operation with respect to the Settlement Agreement saved the MFDA significant costs.

41. The Panel is therefore satisfied that the penalty agreed to in the Settlement Agreement, in the amount of \$13,000 is appropriate, and conforms to the parameters applied in other MFDA decisions addressing similar misconduct. The Panel also is satisfied that the agreement on costs in the amount of \$2,500 is appropriate.

42. The Panel hereby confirms acceptance of the Settlement Agreement.

DATED this 8th day of June, 2017.

“H. Michael Kelly”

H. Michael Kelly, Q.C.
Chair

“Kenneth P. Mann”

Kenneth P. Mann
Industry Representative

“Robert C. White”

Robert C. White
Industry Representative

Schedule “1”

Settlement Agreement

File No. 201645



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: Deborah Ann Cummins

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and the Respondent, Deborah Ann Cummins (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) on or about September 25, 2014, the Respondent failed to process 3 transactions requested by two clients, contrary to MFDA Rule 2.1.1; and
- b) on or about May 27, 2014, the Respondent opened a client account and processed a transaction, without obtaining client authorization, contrary to MFDA Rules 1.1.2, 2.5.1 and 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 \$13,000 pursuant to section 24.1.1(b) of By-law No.1 (the “Fine”);
- b) the Respondent shall pay a costs in the amount of \$2,500 pursuant to section 24.2 of MFDA By-law No.1 (the “Costs”);
- c) the Fine and Costs shall be paid in seven installments: the first installment in the amount of \$2,500 shall be paid on the date of the settlement hearing, the remaining six installments in the amount of \$2,166.67 each are payable on or before the final business day of the six months that follow the date of the acceptance of the settlement agreement by the Hearing Panel;
- d) the Respondent shall in the future comply with MFDA Rules 1.1.2, 2.5.1 and 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 November 1999, the Respondent has been registered as a mutual fund salesperson (now known as a Dealing Representative) with CIBC Securities Inc., a Member of the MFDA (the “Member”).
8. Between September 2005 and August 2007, the Member designated the Respondent as a branch manager.
9. At all material times, the Respondent conducted business in the Delhi, Ontario area.

Failing to Process Requested Trades

10. On September 25, 2014, clients PR and MR instructed the Respondent to immediately process switches in the following accounts in order to move their investments from mutual funds with medium risk profiles to mutual funds with low risk profiles:
 - a) client MR’s Registered Retirement Savings Plan (“RRSP”) account;
 - b) client PR’s RRSP account; and
 - c) client PR’s Locked In Retirement Account (“LIRA”) (collectively, the “Switches”).
11. The Respondent failed to process the Switches requested by the clients.
12. The Respondent states that she did not process the Switches since she believed at the time that they were unnecessary because the capital markets would improve.

13. On October 15, 2014, the Respondent processed the Switches after the clients instructed her to comply with their initial instructions once they became aware the Respondent's inaction. The Respondent then advised her General Manager of the issue.

14. Clients PR and MR incurred losses in the amount of \$4,783.95 because the Respondent did not process the Switches. The Member paid full compensation to the clients. Clients PR and MR declined to pursue a formal complaint against the Respondent.

Opening a Client Account without Authorization

15. At all material times, the Member's policies and procedures required that:

- a) the opening of client accounts must take place at a branch with each applicant present; and
- b) the New Account Application Form must be signed by each account holder at the time of account opening.

16. On or about May 5, 2015, the Respondent met with clients DD1 and DD2, who are spouses, about the possibility of opening a new joint investment account called a Personal Portfolio Services account (the "Joint PPS Account"). The Respondent states that she provided clients DD1 and DD2 with an unsigned PPS Account form and the relevant Personal Portfolio Services portfolios.

17. On or about May 26, 2015, the Respondent met with client DD1 (client DD2 did not attend the meeting) to further discuss opening the Joint PPS Account, and transferring monies from a bank account belonging to clients DD1 and DD2 to the Joint PPS Account. The money transfer could be processed by using a Joint PPS Account application form.

18. At this meeting, Client DD1 signed the Joint PPS Account application form. The Respondent states that client DD1 confirmed that she and DD2 wanted to open the Joint PPS

Account and that the Respondent provided a copy of the Joint Account form to DD1 for DD2's signature.

19. Client DD2 never signed the Joint PPS Account form or authorized the Respondent to open the Joint PPS Account or transfer the monies.

20. Without the necessary authorization, on or about May 27, 2015, the Respondent opened the Joint PPS Account electronically and transferred the monies from clients DD1 and DD2's bank account to the Joint PPS Account.

The Member's Investigation

21. The Member became aware that the Respondent failed to process the Switches after clients PR and MR complained to the Respondent on October 15, 2014.

22. As part of its investigation, the Member reviewed all trades processed by the Respondent between September 2014 and November 2014 in order to determine whether the Respondent had processed unauthorized trades in client accounts or failed to process trades in compliance with client instructions. No concerns were identified.

23. The Member became aware that the Respondent opened a client account without authorization after client DD1 complained to the Respondent on June 4, 2015.

24. On June 9, 2015, the Member closed the Joint PPS Account and reversed the transfer of monies.

25. As a result of the Respondent's conduct, the Member restricted the financial products the Respondent is permitted to sell.

Additional Factors

26. There is no evidence that the Respondent received any financial benefit from the misconduct described above.
27. The Respondent cooperated with the Member and the MFDA's investigation into her conduct.
28. The Respondent is remorseful.
29. The Respondent has not previously been the subject of MFDA disciplinary proceedings.
30. 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

31. 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.
32. 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.
33. 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.

34. 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.

35. 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.

36. 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.

37. 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 11th day of October, 2016.

“Deborah Ann Cummins”

Deborah Ann Cummins

“VW”

Witness – Signature

VW

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. 201645



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: Deborah Ann Cummins

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 on or about September 25, 2014, the Respondent failed to process 3 transactions requested by two clients, contrary to MFDA Rule 2.1.1; and that on or about May 27, 2014, the Respondent opened a client account and processed a transaction, without obtaining client authorization, contrary to MFDA Rules 1.1.2, 2.5.1 and 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 \$13,000 pursuant to section 24.1.1(b) of By-law No.1 (the “Fine”);
2. the Respondent shall pay a costs in the amount of \$2,500 pursuant to section 24.2 of MFDA By-law No.1 (the “Costs”);
3. the Fine and Costs shall be paid in seven installments: the first installment in the amount of \$2,500 shall be paid on the date of the settlement hearing, the remaining six installments in the amount of \$2,166.67 each are payable on or before the final business day of the six months that follow the date of the acceptance of the settlement agreement by the Hearing Panel;
4. the Respondent shall in the future comply with MFDA Rules 1.1.2, 2.5.1 and 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]

Schedule “2”

Order

File No. 201645



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: Deborah Ann Cummins

ORDER

(ARISING FROM SETTLEMENT HEARING ON OCTOBER 27, 2016)

WHEREAS on June 23, 2016, 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 Deborah Ann Cummins (the “Respondent”);

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated October 11, 2016 (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 on or about September 25, 2014, the Respondent failed to process 3 transactions requested by two clients, contrary to MFDA Rule 2.1.1; and that on or about May 27, 2014, the Respondent opened a client account

and processed a transaction, without obtaining client authorization, contrary to MFDA Rules 1.1.2, 2.5.1 and 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 \$13,000 pursuant to section 24.1.1(b) of By-law No.1 (the “Fine”);
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3. The Fine and Costs shall be paid in seven installments: the first installment in the amount of \$2,500 shall be paid on the date of the settlement hearing, the remaining six installments in the amount of \$2,166.67 each are payable on or before the final business day of the six months that follow the date of the acceptance of the settlement agreement by the Hearing Panel;
4. The Respondent shall in the future comply with MFDA Rules 1.1.2, 2.5.1 and 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 27th day of October, 2016.

“H. Michael Kelly”

H. Michael Kelly, Q.C.
Chair

“Kenneth P. Mann”

Kenneth P. Mann
Industry Representative

“Robert C. White”

Robert C. White
Industry Representative