



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: Susan Bernadette Doyle

Heard: July 27, 2017 in Toronto, Ontario
Decision: July 27, 2017
Reasons for Decision: September 18, 2017

REASONS FOR DECISION

Hearing Panel of the Central Regional Council:

Frederick H. Webber	Chair
Brigitte J. Geisler	Industry Representative
Robert C. White	Industry Representative

Appearances:

Sarah Glickman)	Counsel for the Mutual Fund Dealers
)	Association of Canada
)	
Greg Temelini)	Counsel for the Respondent
)	
Susan Bernadette Doyle)	Respondent (by teleconference)
)	
)	

Settlement Agreement

1. The Hearing Panel accepted the settlement agreement dated February 9, 2017 (“Settlement Agreement”) between the staff of the MFDA and Susan Bernadette Doyle (“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 Settlement Agreement.

Contraventions

2. The Respondent admitted that:

- a) on or about July 31, 2015, she opened an account and processed a trade for a client without communicating with the client, thereby failing to use due diligence to learn the essential facts relative to the client and each order or account accepted, contrary to the Member’s policies and procedures and MFDA Rules 2.2.1, 1.1.2, 2.5.1 and 2.1.1; and
- b) on or about July 31, 2015, she submitted to the Member for processing, 3 forms that she knew contained client signatures that were falsified by another Approved Person in order to open an account for a client and process a trade, contrary to MFDA Rule 2.1.1.

Agreed penalties

3. The agreed penalties were: i) a fine of \$10,000, (ii) costs of \$2500, the fines and costs payable in certified funds as follows: \$2500 (Costs) upon entering into the Settlement Agreement; and \$1666.66 on the last business day of the first through and including the sixth month following the date of the Settlement Agreement; (iii) the Respondent shall be prohibited from acting in the capacity of a branch manager for a period of 6 months; (iv) the Respondent shall in the future comply with MFDA Rule 2.1.1. and (v) she will attend the Settlement Hearing by teleconference.

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 the industry. Thirdly, the agreed penalty should serve as a deterrent to the Respondent and to the 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 her of the agreed penalty.

Nature of the Misconduct

5. Acting without communicating with a client and using falsified forms are serious forms of misconduct in violation of MFDA Rule 2.1.1.

Other considerations in determining acceptability of agreed penalties

6. There was no evidence of client loss, no client complaints and no evidence of unauthorized trading.

7. There was no evidence that the Respondent received any financial benefit from engaging in the misconduct.

8. The agreed penalties are significant and help 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 her misconduct and avoided the necessity of the MFDA incurring the time and expense of conducting a full disciplinary hearing.

11. The Respondent has expressed remorse for her actions and cooperated with her Member's investigation.

12. The Respondent's Member reprimanded the Respondent, suspended her for one week without pay, and required the Respondent to obtain the approval of her supervisor before processing transactions.

13. The Respondent has been registered in the mutual fund industry since 1994. Since 2006, her Member designated her as a branch manager. As an experienced mutual fund salesperson, she ought to have known and respected the compliance requirements of the Member and the MFDA.

14. The agreed penalties are within the reasonable range of appropriateness with regard to penalties determined by MFDA Hearing Panels in similar circumstances, in MFDA decisions submitted to us by staff, and are in accordance with the MFDA penalty guidelines.

Conclusion

15. We concluded that the agreed penalties were within an acceptable range based on precedents, would serve as a specific and general deterrent, and were fair and reasonable. We concluded, therefore, that the Settlement Agreement was in the public interest and, consequently, we accepted it.

DATED this 18th day of September, 2017.

“Frederick H. Webber”

Frederick H. Webber
Chair

“Brigitte J. Geisler”

Brigitte J. Geisler
Industry Representative

“Robert C. White”

Robert C. White
Industry Representative

Schedule “1”

Settlement Agreement

File No. 201719



Mutual Fund Dealers Association of Canada
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PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF
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Re: Susan Bernadette Doyle

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and the Respondent, Susan Bernadette Doyle (“Respondent”), consent and agree to settlement of this matter by way of this agreement (“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 July 31, 2015, the Respondent opened an account and processed a trade for a client without communicating with the client, thereby failing to use due diligence to learn the essential facts relative to the client and each order or account accepted, contrary to the Member's policies and procedures and MFDA Rules 2.2.1, 1.1.2, 2.5.1 and 2.1.1; and
- b) on or about July 31, 2015, the Respondent submitted to the Member for processing, 3 forms that she knew contained client signatures that were falsified by another Approved Person in order to open an account for a client and process a trade, 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 \$10,000 pursuant to s. 24.1.1(b) of MFDA By-law No. 1 (the "Fine");
- b) the Respondent shall pay costs in the amount of \$2,500 pursuant to s. 24.2 of MFDA By-law No. 1 ("Costs")
- c) the Respondent shall pay the Fine and Costs in certified funds as follows:
 - i) \$2,500 (Costs) payable upon entering into the Settlement Agreement;
 - ii) \$1666.66 on the last business day of the first month following the date of Settlement agreement;
 - iii) \$1666.66 on the last business day of the second month following the date of Settlement agreement;
 - iv) \$1666.66 on the last business day of the third month following the date of Settlement agreement;
 - v) \$1666.66 on the last business day of the fourth month following the date of Settlement agreement;

- vi) \$1666.66 on the last business day of the fifth month following the date of Settlement agreement;
- vii) \$1666.66 on the last business day of the sixth month following the date of Settlement agreement;

- d) the Respondent shall be prohibited from acting in the capacity of branch manager for a period of 6 months pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
- e) the Respondent shall in the future comply with MFDA Rules 2.2.1, 1.1.2, 2.5.1 and 2.1.1; and
- f) the Respondent will attend by teleconference 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 1994, the Respondent has been registered in Ontario as a mutual fund salesperson (now known as a Dealing Representative) with TD Investment Services Inc. (“TD”), a member of the MFDA.

8. Since 2006, TD has designated the Respondent as a branch manager.

9. At all material times, the Respondent conducted business in the Nepean, Ontario area.

Acted Without Communicating with Client and Used Falsified Forms

10. At all material times, TD's policies and procedures required that in the process of opening a new account, an Approved Person interview the customer in order to obtain the essential facts about the customer that will support the assessment of the suitability of any trades.

11. On or about July 31, 2015, an Approved Person who worked with the Respondent (the "Co-Worker") asked the Respondent to open a new mutual fund account for the Co-Worker's sister, client LS, and transfer monies from client LS's bank account into the new mutual fund account (the "Transaction").

12. Without speaking to client LS, Respondent prepared a new account application form ("NAAF"), which contained Know-Your-Customer information for client LS provided to her by the Co-Worker, and two bank account forms required by the Member to complete the Transaction.

13. In the presence of the Respondent, the Co-Worker falsified client LS' signature on the NAAF and the two bank account forms.

14. The Respondent signed her name on the NAAF in her capacity as an Approved Person and on one of the bank account forms, and submitted the three forms to TD for processing.

TD's Investigation

15. On or about August 11, 2015, the Respondent's supervisor became aware of the conduct described above and notified TD's compliance staff.

16. TD commenced an investigation and reviewed all of the Respondent's mutual fund transactions over a one year period, identifying no further deficiencies. TD also confirmed with client LS that she authorized the Transaction.

17. TD formally reprimanded the Respondent, suspended her for one week without pay, and required the Respondent to obtain the approval of her supervisor before processing transactions.

Additional Factors

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

19. There is no evidence of client loss or lack of authorization.

20. The Respondent has expressed remorse for her actions.

21. The Respondent cooperated with TD in its investigation.

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

23. 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

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

29. 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.

30. 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 9th day of February, 2017.

“Susan Bernadette Doyle”

Susan Bernadette Doyle

“TM”

Witness – Signature

TM

Witness – Print Name

“Shaun Devlin”

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



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Re: Susan Bernadette Doyle

ORDER

WHEREAS on [date], the Mutual Fund Dealers Association of Canada ("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] ("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) on or about July 31, 2015, the Respondent opened an account and processed a trade for a client without communicating with the client, thereby failing to use due diligence to learn the essential facts relative to the client and each order or account

accepted, contrary to the Member's policies and procedures and MFDA Rules 2.2.1, 1.1.2, 2.5.1 and 2.1.1; and

- b) on or about July 31, 2015, the Respondent submitted to the Member for processing, 3 forms that she knew contained client signatures that were falsified by another Approved Person in order to open an account for a client and process a trade, 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 \$10,000 pursuant to s. 24.1.1(b) of MFDA By-law No. 1 (the "Fine");
2. the Respondent shall pay costs in the amount of \$2,500 pursuant to s. 24.2 of MFDA By-law No. 1 ("Costs");
3. the Respondent shall pay the Fine and Costs in certified funds as follows:
 - a) \$2,500 (Costs) payable upon entering into the Settlement Agreement;
 - b) \$1666.66 on the last business day of the first month following the date of Settlement agreement;
 - c) \$1666.66 on the last business day of the second month following the date of Settlement agreement;
 - d) \$1666.66 on the last business day of the third month following the date of Settlement agreement;
 - e) \$1666.66 on the last business day of the fourth month following the date of Settlement agreement;
 - f) \$1666.66 on the last business day of the fifth month following the date of Settlement agreement;
 - g) \$1666.66 on the last business day of the sixth month following the date of Settlement agreement;

4. the Respondent shall be prohibited from acting in the capacity of branch manager for a period of 6 months pursuant to s. 24.1.1(e) of MFDA By-law No. 1;

5. the Respondent shall in the future comply with MFDA Rules 2.2.1, 1.1.2, 2.5.1 and 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]

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