



Now New Self-Regulatory Organization of Canada, a consolidation of IIROC and the MFDA

**IN THE MATTER OF
THE MUTUAL FUND DEALER RULES¹
and
Matthew James Ewonus**

ORDER

(ARISING FROM AN SETTLEMENT HEARING ON MARCH 21, 2023)

WHEREAS on September 9, 2022, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Hearing pursuant to sections 20 and 24 of By-law No. 1 [now Mutual Fund Dealer Rules 7.3 and 7.4] in respect of a disciplinary proceeding commenced against Matthew James Ewonus (the “Respondent”);

AND WHEREAS an appearance was held by videoconference before a Hearing Panel of the Pacific Regional Council of the MFDA in this matter on December 6, 2022;

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the Corporation, dated March 20, 2023 (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 MFDA By-law No. 1 [now Mutual Fund Dealer Rules 7.3 and 7.4.1];

AND WHEREAS based upon the admissions of the Respondent in the Settlement Agreement, the Hearing Panel is of the opinion that the Respondent:

- a) Between March 23, 2020 and March 24, 2020, offered compensation to a client in response to a complaint without the prior written consent of the Member, contrary to

the Member's policies and procedures, and MFDA Rules 1.1.2 (as it relates to Rule 2.5.1), 2.1.1, and 2.1.4¹, and MFDA Policy No. 3 (now Mutual Fund Dealer Rules 1.1.2, 2.5.1, 2.1.1, 2.1.4 and 300);

- b) Between March 23, 2020 and March 24, 2020, provided a guarantee to a client of a specific result that she would receive from her investments, contrary to the Member's policies and procedures, and MFDA Rules 2.1.1, 2.1.4, and 1.1.2 (as it relates to Rule 2.5.1) (now Mutual Fund Dealer Rules 2.1.1, 2.1.4, 1.1.2, and 2.5.1); and
- c) Between March 30, 2020 and October 9, 2020, made false or misleading statements to the Member and MFDA Staff during the course of an investigation into his conduct, contrary to the Member's policies and procedures and MFDA Rule 2.1.1 (now Mutual Fund Dealer Rule 2.1.1);

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

1. The Respondent shall be suspended from conducting securities related business in any capacity while in the employ of or associated with any Member of the MFDA for a period of six months, commencing on March 27, 2023, pursuant to section 24.1.1(c) of MFDA By-law No. 1 (now Mutual Fund Dealer Rule 7.4.1.1(c)).
2. The Respondent shall pay a fine in the amount of \$30,000 in certified funds on the date of this Order, pursuant to section 24.1.1(b) of MFDA By-law No. 1 (now Mutual Fund Dealer Rule 7.4.1.1(b)).
3. The Respondent shall pay costs in the amount of \$5,000 in certified funds on the date of this Order, pursuant to section 24.2 of MFDA By-Law No. 1 (now Mutual Fund Dealer Rule 7.4.2).
4. If at any time a non-party to this proceeding, with the exception of the bodies set out in Mutual Fund Dealer Rule 6.3 (formerly 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 Corporate Secretary's Office, Mutual Fund Dealer Division of the

¹On June 30, 2021, MFDA Rule 2.1.4 was amended to conform with client focused reform amendments to National Instrument 31-103 that came into effect on the same day. As the conduct addressed in this Settlement Agreement pre-dated the amendment to this Rule, all allegations set out in this Settlement Agreement that make reference to that Rule concern the version of the Rule that was in effect between February 27, 2006 and June 30, 2021.

Corporation 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 21st day of March, 2023.

“Joseph A. Bernardo”

Joseph A. Bernardo
Chair

“Barbara Fraser”

Barbara Fraser
Industry Representative

“Tammi Walsh”

Tammi Walsh
Industry Representative

DM 904646

ⁱ On January 1, 2023, the Investment Industry Regulatory Organization of Canada (“IIROC”) and the Mutual Fund Dealers Association of Canada (the “MFDA”) were consolidated into a single self-regulatory organization recognized under applicable securities legislation. The New Self-Regulatory Organization of Canada (referred to herein as the “Corporation”) adopted interim rules that incorporate the pre-amalgamation regulatory requirements contained in the rules and policies of IIROC and the by-law, rules and policies of the MFDA (the “Interim Rules”). The Interim Rules include (i) the Investment Dealer and Partially Consolidated Rules, (ii) the UMIR and (iii) the Mutual Fund Dealer Rules. These rules are largely based on the rules of IIROC and certain by-laws, rules and policies of the MFDA that were in force immediately prior to amalgamation. Where the rules of IIROC and the by-laws, rules and policies of the MFDA that were in force immediately prior to amalgamation have been incorporated into the Interim Rules, Enforcement Staff have referenced the relevant section of the Interim Rules. Pursuant to Mutual Fund Dealer Rule 1A, MFDA By-law No. 1 continues to be applicable to this proceeding and pursuant to Mutual Fund Dealer Rule 1A and s.14.6 of By-Law No.1 of the Corporation, contraventions of former MFDA regulatory requirements may be enforced by the Corporation.