



**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: Thuy Nhu Nguyen**

Heard: February 28, 2017, in Edmonton Alberta  
Reasons for Decision: April 18, 2017

**REASONS FOR DECISION**

Hearing Panel of the Prairie Regional Council:

The Hon. René P. Foisy	Chair
Daniele Ayers	Industry Representative
Richard R. Sydenham	Industry Representative

Appearances:

Justin Dunphy	)	Counsel for the Mutual Fund Dealers
	)	Association of Canada
	)	
Darcy McAllister, Esq	)	Counsel for the Respondent
	)	
	)	
Thuy Nhu Nguyen	)	Respondent, In Person

1. By Notice of Settlement Hearing dated January 9, 2017, issued by the Mutual Fund Dealer Association of Canada (“MFDA”), and duly served upon Thuy Nhu Nguyen (“Respondent”), a Settlement Hearing was heard in Edmonton, Alberta on February 28, 2017.
2. The relevant facts are as follows:

## **AGREED FACTS**

### **Registration History**

7. Since June 2000, the Respondent has been registered as a mutual fund salesperson (now known as a Dealing Representative) in Alberta with Quadrus Investment Services Ltd. (“Quadrus”), a Member of the MFDA.
8. At all material times, the Respondent conducted business in the Edmonton, Alberta area.

### **Pre-Signed Account Forms**

9. At all material times, Quadrus’ policies and procedures prohibited its Approved Persons, including the Respondent, from holding, obtaining, or using pre-signed account forms.
10. Between January 2009 and June 2015, the Respondent obtained, possessed, and in some instances, used to process transactions, 16 pre-signed account forms in respect of 9 clients.
11. The pre-signed account forms consisted of Know-Your-Client, pre-authorized chequing, RESP withdrawal, mutual fund conversion, and redemption forms.
12. The Respondent submitted 11 of the pre-signed account forms to Quadrus to process transactions in client accounts.

### **Falsified Account Form**

13. At all material times, Quadrus' policies and procedures prohibited its Approved Persons, including the Respondent, from holding, obtaining, or using falsified account forms.

14. In April 2015, the Respondent falsified 1 pre-authorized chequing form in respect of 2 clients by altering the fund name and fund code on the form, without having the clients initial the alterations.

### **Quadrus' Investigation**

15. In November 2015, Quadrus' compliance staff identified the conduct that is the subject of this Settlement Agreement as a result of a branch review and subsequent file audit.

16. On December 2, 2015, Quadrus issued a warning letter to the Respondent for possessing and using pre-signed forms, placed her on close supervision for a period of six months, and required her to review Quadrus' policies and procedures and complete an internal retraining course.

17. In December 2015 and January 2016, as part of its investigation, Quadrus sent letters to all the clients whose accounts were serviced by the Respondent in order to determine whether the Respondent had engaged in any unauthorized trading. No clients reported any concerns.

### **Contraventions**

3. The Respondent has admitted that:

- a) between January 2009 and June 2015, she obtained, possessed, and in some instances, used to process transactions, 16 pre-signed account forms in respect of 9 clients, contrary to MFDA Rule 2.1.1; and
- b) in April 2015, she falsified 1 account form in respect of 2 clients by altering information on the account form without having the clients initial the alterations, contrary to MFDA Rule 2.1.1.

Settlement Agreement, at para. 4

## Terms of Settlement

4. The Respondent has agreed to the following terms of settlement:
- a) the Respondent shall pay a fine in the amount of \$7,500, pursuant to section 24.1.1(b) of By-law No. 1;
  - b) the Respondent shall pay costs in the amount of \$2,500, pursuant to section 24.2 of By-law No. 1;
  - c) the Respondent shall in the future comply with MFDA Rule 2.1.1; and
  - d) the Respondent will attend the Settlement Hearing in person.

Settlement Agreement, at para. 5

5. For the reasons set out herein, Staff submits that the settlement advances the public interest as it is reasonable and proportionate having regard to the nature and extent of the Respondent's misconduct and all of the circumstances.

## LAW

### Applicable Provisions

6. The relevant MFDA provisions in this matter are:

Law	Details of Provision	Book of Authorities
MFDA Rule 2.1.1	Standard of Conduct	Tab 1.
MFDA By-law No. 1	<ul style="list-style-type: none"><li>o Section 24.1.1 – Power of Hearing Panels To Discipline – Approved Persons</li><li>o Section 24.2 – Costs</li><li>o Section 24.4 – Settlement Agreements</li></ul>	Tab 2.

## Factors Concerning Acceptance of a Settlement Agreement

7. Pursuant to s. 24.4.3 of MFDA By-law No. 1, a Hearing Panel has two options with respect to a settlement agreement referred to it on the recommendation of Staff. The Hearing Panel shall either accept the settlement agreement or reject it.

MFDA By-law No.1, Staff's Book of Authorities, Tab 2.

8. The role of a Hearing Panel at a settlement hearing is fundamentally different than its role at a contested hearing. As stated by the MFDA Hearing Panel in *Sterling Mutuals Inc. (Re)*, citing the I.D.A. Ontario District Council in *Milewski (Re)*:

“We also note that while in a contested hearing the Panel attempts to determine the correct penalty, in a settlement hearing the Panel “will tend not to alter a penalty that it considers to be within a reasonable range, taking into account the settlement process and the fact that the parties have agreed. It will not reject a settlement unless it views the penalty as clearly falling outside a reasonable range of appropriateness.” [Emphasis added.]

*Sterling Mutuals Inc. (Re)*, MFDA File No. 200820, Hearing Panel of the Central Regional Council, Decision and Reasons dated August 21, 2008 at para. 37, Staff's Book of Authorities, Tab 3.

*Milewski (Re)*, [1999] IDACD No. 17 at p. 12, Ontario District Council Decision dated July 28, 1999, Staff's Book of Authorities, Tab 4.

9. Settlements assist the MFDA in meeting its regulatory objective of protecting the public by proscribing activities that are harmful to the public, and by enabling flexible remedies tailored to the interests of both the MFDA and a respondent. Staff submits that the ability of the MFDA to enter into settlements is enhanced where Hearing Panels do not reject a settlement agreement unless the proposed penalty clearly falls outside the reasonable range of appropriateness.

*British Columbia Securities Commission v Seifert*, 2007 BCCA 484 at para. 31, Staff's Book of Authorities, Tab 5.

10. In past cases, MFDA Hearing Panels have taken into account the following considerations when determining whether a proposed settlement should be accepted:

- a) Whether acceptance of the settlement agreement would be in the public interest and whether the penalty imposed will protect investors;
- b) Whether the settlement agreement is reasonable and proportionate, having regard to the conduct of the Respondent as set out in the settlement agreement;
- c) Whether the settlement agreement addresses the issues of both specific and general deterrence;
- d) Whether the settlement agreement will prevent the type of conduct described in the settlement agreement from occurring again in the future;
- e) Whether the settlement agreement will foster confidence in the integrity of the Canadian capital markets;
- f) Whether the settlement agreement will foster confidence in the integrity of the MFDA; and
- g) Whether the settlement agreement will foster confidence in the regulatory process itself.

*Sterling Mutuals Inc. (Re)*, *supra*, at para. 36 and the decisions cited therein, Staff's Book of Authorities, Tab 3.

### **MFDA Penalty Guidelines**

11. The MFDA Penalty Guidelines are an additional resource that a Hearing Panel may consult when determining the appropriateness of the penalty to be imposed pursuant to a settlement agreement. The penalty types and ranges stated in the Penalty Guidelines are not mandatory or binding; they are intended to provide a basis upon which a Hearing Panel's discretion can be exercised consistently in like circumstances.

Excerpts from the MFDA Penalty Guidelines, Staff's Book of Authorities, Tab 6.

12. In cases involving misconduct of the type admitted to in the present case, the Penalty Guidelines recommend consideration of the following penalties and factors:

BREACH	PENALTY TYPE & RANGE	SPECIFIC FACTORS TO CONSIDER
<b>Standard of Conduct</b> (Rule 2.1.1) (Guidelines, p. 27)	<ul style="list-style-type: none"> <li>• Fine (AP): Minimum of \$5,000</li> <li>• Write or rewrite an appropriate industry course (e.g. IFIC Officers', Partners' and Directors' Course or Canadian Investment Funds Course)</li> <li>• Suspension</li> <li>• Permanent prohibition in egregious cases</li> </ul>	<ul style="list-style-type: none"> <li>• Nature of the circumstances and conduct</li> <li>• Number of individuals affected</li> <li>• Whether the conduct is likely to bring the individual, the Member or the mutual fund industry into disrepute</li> </ul>

Excerpts from the MFDA Penalty Guidelines at p. 27, Staff's Book of Authorities, Tab 6.

### Appropriateness of the Proposed Penalty

13. The primary goal of securities regulation, whether in the context of a settlement hearing or a contested hearing, is protection of the investor.

*Pezim v British Columbia (Superintendent of Brokers)*, [1994] 2 SCR 557 (SCC) at paras. 59, 68, Staff's Book of Authorities, Tab 7.

*Breckenridge (Re)*, MFDA File No. 200718, Hearing Panel of the Central Regional Council, Decision and Reasons dated November 14, 2007 at para 74, Staff's Book of Authorities, Tab 8.

14. In addition to protection of the investor, the goals of securities regulation include fostering public confidence in the capital markets and the securities industry.

*Pezim v British Columbia (Superintendent of Brokers)*, *supra*, at paras. 59, 68, Staff's Book of Authorities, Tab 7.

15. Hearing Panels frequently consider the following factors when determining whether a penalty is appropriate:

- a) The seriousness of the allegations proved against the Respondent;
- b) The Respondent's past conduct, including prior sanctions;
- c) The Respondent's experience and level of activity in the capital markets;
- d) Whether the Respondent recognizes the seriousness of the improper activity;
- e) The harm suffered by investors as a result of the Respondent's activities;
- f) The benefits received by the Respondent as a result of the improper activity;
- g) The risk to investors and the capital markets in the jurisdiction, were the Respondent to continue to operate in capital markets in the jurisdiction;
- h) The damage caused to the integrity of the capital markets in the jurisdiction by the Respondent's improper activities;
- i) The need to deter not only those involved in the case being considered, but also any others who participate in the capital markets, from engaging in similar improper activity;
- j) The need to alert others to the consequences of inappropriate activities to those who are permitted to participate in the capital markets; and
- k) Previous decisions made in similar circumstances

*Breckenridge (Re), supra*, at para. 77 and the decisions cited therein, Staff's Book of Authorities, Tab 8.

### **APPLICATION IN THE PRESENT CASE**

16. Staff have taken the factors set out above into account in reaching the Settlement Agreement with the Respondent, as follows:

**i) Nature of the Misconduct: Pre-Signed and Falsified Forms**

17. The Respondent's misconduct is serious; she obtained, possessed and in some instances, used to process transactions, 16 pre-signed account forms in respect of 9 clients. She also

falsified 1 account form in respect of 2 clients by altering information on the account form without having the clients initial the alterations.

18. MFDA Rule 2.1.1 sets the standard of conduct to be followed by all Approved Persons. The Rule is designed to protect the public interest by requiring Approved Persons to adhere to a high standard of ethical conduct. The Rule has been interpreted and applied in a purposive manner in a wide range of circumstances. As stated by the MFDA Hearing Panel in *Breckenridge (Re)*: “The Rule articulates the most fundamental obligations of all registrants in the securities industry.”

*Breckenridge (Re)*, *supra*, at para. 71, Staff’s Book of Authorities, Tab 8.

*Price (Re)*, MFDA File No. 200814, Hearing Panel of the Central Regional Council, Decision and Reasons dated April 18, 2011, at paras. 118 – 121, Staff’s Book of Authorities, Tab 9.

19. MFDA Rule 2.1.1 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, Staff’s Book of Authorities, Tab 1

20. The MFDA has made clear to Approved Persons since October 31, 2007 (and updated as recently as January 26, 2017), that possessing and using pre-signed forms is contrary to the obligations of Rule 2.1.1.

MFDA Staff Notice 0066; Pre-Signed Forms, dated October 31, 2007 (updated January 26, 2017), Staff’s Book of Authorities, Tab 10

21. Hearing Panels of the MFDA, IIROC, and provincial securities commissions have also confirmed that the possession and use of pre-signed forms is prohibited.

*Price (Re)*, *supra* at para. 135 and the decisions cited therein,  
Staff's Book of Authorities, Tab 9

22. The MFDA Hearing Panel in *Price (Re)* identified the dangers posed by pre-signed forms which can be summarized as follows:

- a) pre-signed forms present a legitimate risk that they may be used by an Approved Person to engage in discretionary trading;
- b) at worst, pre-signed forms create a mechanism for an Approved Person to engage in acts of fraud, theft or other forms of harmful conduct towards a client; and
- c) Pre-signed forms subvert the ability of a Member to properly supervise trading activity.

*Price (Re)*, *supra*, at paras. 122 – 124, Staff's Book of Authorities,  
Tab 9.

23. The prohibition on the use of pre-signed account forms applies regardless of whether the client was aware, or authorized the use, of the pre-signed forms, and whether the forms were actually used by the Approved Person for discretionary trading or other improper purposes.

*Wellman (Re)*, MFDA File No. 201529, Hearing Panel of the  
Central Region Council, Decision and Reasons dated December  
21, 2015, at para. 10, Staff's Book of Authorities, Tab 11.

24. Like pre-signed account forms, a prohibition against falsifying forms exists regardless of the existence of client authorization or the motive behind the use of the form; and, like pre-signed account forms, the MFDA has warned Approved Persons against the use of altered forms.

MFDA Staff Notice 0066, *supra*, Staff's Book of Authorities, Tab.  
10

25. Hearing Panels have held that falsifying client account forms in a contravention of the standard of conduct as set out in MFDA Rule 2.1.1.

*Byce (Re)*, MFDA File No. 201311, Hearing panel of the Central Regional Council, Decision and Reasons dated September 4, 2013, Staff's Book of Authorities, Tab 12.

*Weller (Re)*, MFDA File No. 201544, Hearing Panel of the Central Regional Council, Decision and Reasons dated February 19, 2016, Staff's Book of Authorities, Tab 13.

26. Like pre-signed account forms, the creation, possession or use of a falsified form is considered serious misconduct. Similar to pre-signed forms, altered forms destroy the audit trail and impugn the integrity of a client account form. The presence of the client's signature on a trade form can no longer be taken as confirmation that the client authorized a particular trade. It also compromises the ability of the Member to subsequently investigate and respond to a client complaint concerning the propriety of trading activity in his or her account.

*Price (Re), supra*, at paras. 122-124, Staff's Book of Authorities, Tab 9.

27. MFDA Staff considers this type of form to be a more serious violation of the contravention of the standard of conduct under MFDA Rule 2.1.1. Unlike pre-signed account forms, where the client knows he or she is signing an incomplete form to be used in some way, in the case of a form altered or falsified by the Approved Person, the possibility exists that the client is unaware of the Approved Person's actions.

*Wellman (Re), supra*, at para. 11, Staff's Book of Authorities, Tab 11.

28. On the basis of the foregoing, by obtaining and using falsified and pre-signed forms as described in Part III of the Settlement Agreement, the Respondent engaged in conduct prohibited by MFDA Rule 2.1.1, and therefore engaged in misconduct that should be regarded as serious.

**ii) The Respondent's Past Conduct**

29. The Respondent has never previously been the subject of an MFDA disciplinary proceeding.

Settlement Agreement, at para. 20.

**iii) The Respondent's Experience in the Securities Industry**

30. The Respondent has been registered as a mutual fund dealing representative since June 2000.

Settlement Agreement, at para. 7.

**iv) The Respondent's Recognition of the Seriousness of her Misconduct**

31. By entering into the Settlement Agreement, the Respondent has accepted Responsibility for her misconduct and avoided the necessity of the MFDA incurring the additional time and expense of a full contested hearing. The Respondent also cooperated with Staff's investigation of this matter.

Settlement Agreement, at para. 21.

**v) Client Harm and Benefits Received by the Respondent**

32. Staff's investigation did not reveal any evidence of unauthorized trades or client losses. There is no evidence to suggest that the Respondent received a financial or other benefit through her conduct, and there were no client complaints.

Settlement Agreement, at paras. 18 and 19.

**vi) Deterrence**

33. A fine of \$7,500 is necessary and sufficient to achieve the goals of specific and general deterrence, having regard to the aggravating factors described above.

34. The penalty demonstrates that the Respondent's misconduct in all of the circumstances is serious and has significant consequences. The penalty will also deter others in the capital markets from engaging in similar activity.

**vii) Penalty Guidelines**

35. Staff is seeking a \$7,500 fine, which is higher than the minimum fine Recommended by the Penalty Guidelines for an Approved Person's breach of the standard of conduct. Staff submits that a higher than minimum fine is appropriate in the present case, having regard to the above noted aggravating factors.

**viii) Previous Decisions in Similar Cases**

36. The following penalties have been imposed in similar circumstances:

CASE	FACTS	OUTCOME
<i>Wellman (Re)</i> <sup>1</sup>	<ul style="list-style-type: none"> <li>• The Respondents admitted that they:               <ul style="list-style-type: none"> <li>○ obtained, maintained, and in some instances, used to process trades, 29 pre-signed account forms, and one pre-signed cheque in respect of 16 clients;</li> <li>○ altered risk tolerances, investment objectives, or investment instructions recorded on 7 account forms in respect of 6 clients; and</li> <li>○ processed a trade in a client account without documenting the client’s authorization of the trade.</li> </ul> </li> <li>• There was no evidence of client complaints and no evidence of harm.</li> <li>• The Respondents did not have any discipline history.</li> </ul>	<p>The Hearing Panel accepted the following settlement terms for each Respondent:</p> <ul style="list-style-type: none"> <li>• Fine of \$10,000</li> <li>• Costs of \$1,000</li> </ul>
<i>Byce (Re)</i> <sup>2</sup>	<ul style="list-style-type: none"> <li>• The Respondent admitted that he:               <ul style="list-style-type: none"> <li>○ obtained and maintained 23 pre-signed account forms in respect of 17 clients; and</li> <li>○ falsified one client’s signature on one KYC form.</li> </ul> </li> <li>• The Respondent did not have any discipline history.</li> </ul>	<p>The Hearing Panel accepted the following settlement terms:</p> <ul style="list-style-type: none"> <li>• Fine of \$5,000</li> <li>• Costs of \$2,500</li> </ul>
<i>Weller (Re)</i> <sup>3</sup>	<ul style="list-style-type: none"> <li>• The Respondent admitted that he:               <ul style="list-style-type: none"> <li>○ obtained, possessed, and in some instances, used to process transactions, 20 pre-signed account forms in respect of 11 clients; and</li> <li>○ altered information on 2 account forms in respect of 2 clients without obtaining client initials authorizing the changes.</li> </ul> </li> <li>• There was no evidence of client harm and the Respondent did not have any discipline history.</li> </ul>	<p>The Hearing Panel accepted the following settlement terms:</p> <ul style="list-style-type: none"> <li>• Fine of \$10,000</li> <li>• Costs of \$2,500</li> </ul>
<i>Estabrooks (Re)</i> <sup>4</sup>	<ul style="list-style-type: none"> <li>• The Respondent admitted that he:               <ul style="list-style-type: none"> <li>○ altered 2 client account forms in respect of 2 clients without obtaining client initials authorizing the changes; and</li> <li>○ obtained, possessed, and used to process transactions, 26 pre-signed account forms in respect of 13 clients.</li> </ul> </li> </ul>	<p>The Hearing Panel accepted the following settlement terms:</p> <ul style="list-style-type: none"> <li>• Fine of \$7,500</li> <li>• Costs of \$2,500</li> </ul>

<sup>1</sup> *Wellman (Re)*, *supra*, Staff’s Book of Authorities, Tab 11.

<sup>2</sup> *Byce (Re)*, *supra*, Staff’s Book of Authorities, Tab 12.

<sup>3</sup> *Weller (Re)*, *supra*, Staff’s Book of Authorities, Tab 13.

<sup>4</sup> *Estabrooks (Re)*, MFDA File No. 201638, Hearing Panel of the Prairie Regional Council, Decision and Reasons dated August 31, 2016, Staff’s Book of Authorities, Tab 14.

CASE	FACTS	OUTCOME
<i>Coelho (Re)</i> <sup>5</sup>	<ul style="list-style-type: none"> <li>• The Respondent admitted that he obtained, possessed, and in some instances used to process transactions, 49 pre-signed account forms in respect of 27 clients.</li> </ul>	<p>The Hearing Panel accepted the following settlement terms:</p> <ul style="list-style-type: none"> <li>• Fine of \$12,500</li> <li>• Costs of \$2,500</li> </ul>
<i>Gibson (Re)</i> <sup>6</sup>	<ul style="list-style-type: none"> <li>• The Respondent admitted that he: <ul style="list-style-type: none"> <li>○ obtained, maintained, and in some instances, used to process transactions, 19 pre-signed account forms in respect of 16 clients; and</li> <li>○ falsified, and in some instances, used to process trades, 5 account form in respect of 6 clients.</li> </ul> </li> </ul>	<p>The Hearing Panel accepted the following settlement terms:</p> <ul style="list-style-type: none"> <li>• Fine of \$10,000</li> <li>• Costs of \$2,500</li> </ul>
<i>Richardson (Re)</i> <sup>7</sup>	<ul style="list-style-type: none"> <li>• The Respondent admitted that he: <ul style="list-style-type: none"> <li>○ obtained, and possessed 13 pre-signed account forms in respect of 10 clients; and</li> <li>○ failed to accurately respond to the Member's annual attestations by incorrectly affirming that he did not obtain or possess any pre-signed forms;</li> </ul> </li> </ul>	<p>The Hearing Panel accepted the following settlement terms:</p> <ul style="list-style-type: none"> <li>• Fine of \$8,750</li> <li>• Costs of \$2,500</li> </ul>

## **CONCLUSION**

37. Having regard to all of other foregoing factors, the Panel concludes that the penalties proposed in the Settlement Agreement are reasonable and proportionate and will deter the Respondent and other Approved Persons from obtaining, maintaining and using pre-signed or falsified forms. Accordingly, acceptance of this Settlement Agreement will advance the public interest and the objective of the MFDA to enhance investor protection and ensure high standards of conduct in the mutual fund industry.

38. The Settlement Agreement is accepted.

<sup>5</sup> *Coelho (Re)*, MFDA File No. 201551, Hearing Panel of the Central Regional Council, Decision and Reasons dated April 25, 2016, Staff's Book of Authorities, Tab 15.

<sup>6</sup> *Gibson (Re)*, MFDA File No. 201620, Hearing Panel of the Pacific Regional Council, Decision and Reasons dated May 2, 2016, Staff's Book of Authorities, Tab 16.

<sup>7</sup> *Richardson (Re)*, MFDA File No. 201536, Hearing Panel of the Central Regional Council, Decision and Reasons dated October 2, 2015, Staff's Book of Authorities, Tab 17.

39. The formal Order is attached as Schedule “A” hereto.

**DATED** this 18<sup>th</sup> day of April, 2017.

“René P. Foisy”

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The Hon. René P. Foisy  
Chair

“Daniele Ayers”

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Daniele Ayers  
Industry Representative

“Richard R. Sydenham”

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Richard R. Sydenham  
Industry Representative

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## Schedule "A"



**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: Thuy Nhu Nguyen**

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### **ORDER**

(ARISING FROM SETTLEMENT HEARING ON FEBRUARY 28, 2017)

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**WHEREAS** on January 9, 2017, 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 Thuy Nhu Nguyen (the "Respondent");

**AND WHEREAS** the Respondent entered into a settlement agreement with Staff of the MFDA, dated December 8, 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 the Respondent:

- a) between January 2009 and June 2015, obtained, possessed, and in some instances, used to process transactions, 16 pre-signed account forms in respect of 9 clients, contrary to MFDA Rule 2.1.1; and

b) in April 2015, falsified 1 account form in respect of 2 clients by altering information on the account form without having the clients initial the alterations, 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 \$7,500 pursuant to s. 24.1.1(b) if 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 28<sup>th</sup> day of February, 2017.

“Rene P. Foisy”

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The Hon. Rene P. Foisy  
Chair

“Daniele Ayers”

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Daniele Ayers  
Industry Representative

“Richard Sydenham”

Richard Sydenham  
Industry Representative

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