



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: Bruce David Gilboord

Heard: November 24, 2016, in Toronto, Ontario
Reasons for Decision: January 19, 2017

REASONS FOR DECISION

Hearing Panel of the Central Regional Council:

Paul M. Moore, Q.C.	Chair
Guenther W. K. Kleberg	Industry Representative
Robert C. White	Industry Representative

Appearances:

Sarah Glickman)	Counsel for the Mutual Fund Dealers
)	Association of Canada
)	
Bruce David Gilboord)	In Person
)	
)	

1. The Hearing Panel accepted the settlement agreement dated August 2, 2016 (the “Settlement Agreement”) between the Mutual Fund Dealers Association of Canada (the “MFDA”) and Bruce David Gilboord (the “Respondent”), a copy of which is attached as Schedule ‘1’ to these reasons.
2. The violations admitted to, the relevant law, and the pertinent facts and considerations taken into account in arriving at the penalty, are set out and explained in the Settlement Agreement.
3. The Respondent admitted that he had obtained, possessed, and in some instances used to process transactions, 32 pre-signed account forms in respect of 17 clients and one (1) prospective client.
4. The agreed penalties include a 3 months suspension from conducting securities related business while employed by or in association with a Member of the MFDA; and the payment of a costs award of \$2,500.
5. The Respondent is no longer in the securities business.
6. There was no evidence of any client harm or that the transactions were unauthorized.
7. There was no evidence that the Respondent received anything from the transactions other than the usual fees and commissions.
8. The Respondent has no history of prior disciplinary proceedings with the MFDA.
9. There was no evidence or suggestion that the Respondent had in anyway acted dishonestly or with fraudulent intent.
10. Although the agreed penalties do not include a fine, they do include a suspension. In addition, the Respondent is no longer in the securities business. While the agreed penalties may

appear to be on the lighter end of the range of penalties provided for in the precedent cases submitted by staff, we concluded that in the circumstances of this Respondent, they were within the range of appropriateness.

11. Therefore, we concluded that in all the circumstances they were fair and reasonable and appropriate and provide an adequate deterrent to the respondent and to the industry in general.

12. For the above reasons we accepted the Settlement Agreement because it was in the public interest to do so.

DATED this 19th day of January, 2017.

“Paul M. Moore”

Paul M. Moore, Q.C.
Chair

“Guenther W. K. Kleberg”

Guenther W. K. Kleberg
Industry Representative

“Robert C. White”

Robert C. White
Industry Representative

DM 516075 v1

Schedule "1"

Settlement Agreement

File No. 201658



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Re: Bruce David Gilboord

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada ("Staff") and the Respondent, Bruce David Gilboord (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 June 2004 and March 2011, the Respondent obtained, possessed, and in some instances, used to process transactions, 32 pre-signed account forms in respect of 17 clients and 1 prospective client, 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 be prohibited for a period of three months from conducting securities related business in any capacity while in the employ of or associated with any Member of the MFDA pursuant to s. 24.1.1(e) 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. Since 1991, the Respondent has been registered in Ontario as a mutual fund salesperson (now known as a Dealing Representative) with Sun Life Financial Investment Services Inc.¹ ("Sun Life"), a Member of the MFDA.

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

¹ The Respondent was also registered with Clarica Investco Inc. prior to when it merged with Sun Life in 2005.

9. In July 2015, Sun Life terminated the Respondent, in part, due to the misconduct set out in this Settlement Agreement. The Respondent is no longer working in the securities industry in any capacity.

Pre-Signed Account Forms

10. Between June 2004 and March 2011, the Respondent obtained, possessed, and in some instances, used to process transactions, 32 pre-signed account forms in respect of 17 clients and 1 prospective client, contrary to MFDA Rule 2.1.1.

11. The Respondent, who is also licensed to sell insurance, obtained 4 of the pre-signed account forms from an insurance client, who was not a mutual fund client at that time, in order to switch monies from a segregated fund to mutual funds.

12. The pre-signed account forms included Limited Trade Authorization forms, Know-Your-Client forms, and Transfer Authorization forms.

SunLife's Investigation

13. Sun Life's compliance staff became aware of the conduct that is the subject of this Settlement Agreement when it reviewed the Respondent's files after receiving a client complaint.

14. As part of its investigation, Sun Life sent letters to all clients serviced by the Respondent in order to determine whether the Respondent had engaged in any unauthorized trading. No clients reported any concerns related to the use of pre-signed account forms.

Additional Factors

15. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above beyond any commissions and fees that he would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

16. There is no evidence of any client harm or that the transactions were unauthorized.

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

18. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources, and expenses associated with conducting a full hearing of the allegations.

IV. ADDITIONAL TERMS OF SETTLEMENT

19. 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.

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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 2nd day of August, 2016.

“Bruce David Gilboord”

Bruce David Gilboord

“SG”

Witness – Signature

SG

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. 201658



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Re: Bruce David Gilboord

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 June 2004 and March 2011, the Respondent obtained, possessed, and in some instances, used to process transactions, 32 pre-signed account forms in respect of 17 clients and 1 prospective client, contrary to MFDA Rule 2.1.1.

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

1. Respondent shall be prohibited for a period of three months from conducting securities related business in any capacity while in the employ of or associated with any Member of the MFDA pursuant to s. 24.1.1(e) 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]