



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: William Todd Gillick

Heard: October 29, 2009 in Toronto, Ontario
Reasons: November 12, 2009

REASONS FOR DECISION

Hearing Panel of the Central Regional Council

The Hon. Edward Saunders, Q.C.
Sandy Grant
Selwyn Kossuth

Chair
Industry Representative
Industry Representative

Appearances:

Michelle Pong) For the Mutual Fund Dealers Association
) of Canada
)

Kevin Richard) For the Respondent
)
)

1. This is a request by the Staff of the Mutual Fund Dealers Association of Canada (the “MFDA”) and the Respondent, William Todd Gillick, for the acceptance of a settlement agreement.

2. Mr. Gillick, who held a position of trust, admitted that he betrayed that trust and those admissions are set out in paragraphs 24 to 27 of the Settlement Agreement which is attached to these Reasons for Decision as Schedule “A”. Of particular note is that he forged the signatures of his clients on wills and swore a false affidavit of execution. There is no more solemn document in our society than a will and his misdeeds in that connection are very serious indeed. It was said that no-one suffered financially and that Mr. Gillick received no financial benefit from his actions. While that is fortunate, it is beside the point.

3. It is always desirable that parties settle these matters and the panel should not lightly fail to approve a settlement if it falls within a reasonable range.

4. The agreed penalty is less than that set out in the MFDA penalty guidelines. There is a suspension for nine months rather than a permanent prohibition. The suspension period appears short though it should be noted that Mr. Gillick has not been in the industry since December 2007. There is a fine of \$20,000 rather than the minimum fine of \$25,000, as set out in the guidelines.

5. This matter has given the panel a great deal of anxiety because the industry cannot tolerate the kind of behaviour admitted by the Respondent. At the end of the day, we are persuaded that he should be given a second chance in part because his record in the industry, to this point, has been without fault. We wish to emphasize, however, that we consider the penalty agreed to by the parties to be at the very lowest end of the acceptable range.

DATED at Toronto, Ontario this 12th day of November, 2009

“Edward Saunders”

The Hon. Edward Saunders, Chair

“Sandy Grant”

Sandy Grant, Industry Representative

“Selwyn Kossuth”

Selwyn Kossuth, Industry Representative



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SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Hearing dated March 31, 2009, the Mutual Fund Dealers Association of Canada (the "MFDA") announced that it proposed to hold a hearing concerning a disciplinary proceeding commenced against William Todd Gillick (the "Respondent"). Staff of the MFDA ("Staff") and the Respondent propose to make a request to a hearing panel of the MFDA Central Regional Council (the "Hearing Panel") to consider whether, pursuant to section 24.4 of By-law No. 1, the Hearing Panel should accept the settlement agreement (the "Settlement Agreement") entered into between Staff and the Respondent.

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff conducted an investigation of the Respondent's activities. The investigation disclosed that the Respondent had engaged in 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.

3. Staff and the Respondent recommend settlement of the matters disclosed by the investigation in accordance with the terms and conditions set out below. The Respondent agrees to the settlement on the basis of the facts set out in Part IV herein and consents to the making of an Order in the form attached as Schedule “A”.

4. Staff and the Respondent agree that the terms of this 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.

III. ACKNOWLEDGEMENT

5. Staff and the Respondent agree with the facts set out in Part IV herein for the purposes of this Settlement Agreement only and further agree that this agreement of facts is without prejudice to the Respondent or Staff in any other proceeding of any kind including, but without limiting the generality of the foregoing, any proceedings brought by the MFDA (subject to paragraph 34) or any civil or other proceedings which may be brought by any other person or agency, whether or not this Settlement Agreement is approved by the MFDA.

IV. AGREED FACTS

Registration History

6. The Respondent was registered as a mutual fund salesperson in Ontario from July 4, 1994 to December 4, 2007 and in Saskatchewan from 2003 to December 4, 2007 with Investors Group Financial Services Inc. (“IGFS” or the “Member”). The Respondent is also a licensed insurance agent. The Respondent was terminated following the events described therein. The Respondent has never before been the subject of a disciplinary proceeding by the MFDA.

7. IGFS is registered as a mutual fund dealer in all provinces and territories and as a limited market dealer in Ontario. IGFS has been a Member of the MFDA since February 8, 2002.

Allegations #1, #2 and #3

8. JP and MP were clients of IGFS. The Respondent was the Approved Person responsible for servicing their accounts. The Respondent, through an IGFS entity, also provided assistance and advice to JP and MP on insurance products. As well, the Respondent and his wife, TLW were friends with JP and MP. JP and MP were in their late seventies.

9. In or about September 2005, JP and MP approved an insurance driven estate plan developed for them by the Respondent.

10. By September 2006, JP and MP's insurance policies had been approved and put in place. JP and MP asked the Respondent for a referral to a lawyer. The Respondent referred JP and MP to DK, a lawyer with a large national Canadian law firm, to prepare wills, powers of attorney and a trust document (the "Estate Documents") for use in the operation of a charitable foundation to be established by them and funded by insurance policy proceeds as part of the estate plan.

11. DK met with JP and MP in September 2006 and prepared the Estate Documents on their instructions. By February 2007, JP and MP had not come into DK's office to sign the Estate Documents.

12. On or about February 1, 2007, DK provided copies of the Estate Documents marked "Draft" to JP and MP by sending them care of the Respondent. The Respondent met with JP and MP and provided the Draft Estate Documents to them along with a letter from DK that advised JP and MP that as he understood they did not currently have any wills or powers of attorney, their estates would not be dealt with as they wished in the event anything happened to them unless they signed the finalized Estate Documents. The Respondent walked JP and MP through the Draft Estate Documents to confirm that they were in accordance with their wishes and subsequently had a number of discussions with JP and MP about their wishes and the Draft Estate Documents.

13. In late March 2007, JP and MP returned the following Draft Estate Documents to TLW:

- (i) Will of JP appointing the Respondent as alternate executor of JP's will and trustee of JP's estate should MP predecease JP;

- (ii) Three Powers of Attorney for Property given by JP appointing MP, the Respondent and TLW as JP's attorneys for property;
- (iii) Will of MP appointing the Respondent as alternate executor of MP's will and trustee of MP's estate should JP predecease MP;
- (iv) Three Powers of Attorney for Property given by MP appointing JP, the Respondent and TLW as MP's attorneys for property;
- (v) Power of Attorney for Personal Care given by JP (but signed by MP) appointing MP as JP's attorney for personal care.

14. The Draft Estate Documents had been signed by JP and MP and dated March 13, 2007, except one was dated March 15, 2007. None of the signatures had been witnessed and the Draft Estate Documents were still marked "Draft" on their face.

15. In or about April 2007, the Respondent proceeded to try to make arrangements with JP and MP to sign and have witnessed the non-draft versions of the Estate Documents. JP said that he did not want to deal with the Estate Documents and MP said she knew they needed to be signed but did not know how to get JP to sign them at that time. No arrangements were made to sign the Estate Documents.

16. On April 30, 2007, the Respondent took it upon himself to sign the Estate Documents with the purported signatures of JP and MP on the following Estate Documents:

- (i) Will of JP;
- (ii) General and Continuing Power of Attorney for Property given by JP, appointing MP as his attorney for property;
- (iii) Power of Attorney for Personal Care given by JP;
- (iv) Will of MP;
- (v) General and Continuing Power of Attorney for Property given by MP appointing JP as her attorney for property;
- (vi) Power of Attorney for Personal Care given by MP; and
- (vii) Deed of Trust Establishing The J and M P Charitable Foundation.

17. The Respondent had two assistants in his office sign as witnesses after telling them that JP and MP had signed the Estate Documents.

18. Both wills appointed the Respondent as alternate executor of the wills and trustee of the estates of JP and MP should either predecease the other. The powers of attorney for personal care appointed as alternates, either the Respondent or TLW as attorney for personal care should either JP or MP predecease the other. The Respondent was listed as a trustee in the deed of trust.

19. On or about April 30, 2007, the Respondent handwrote a note to file which stated that he had met with JP and MP at their home on April 30, 2007 for the purpose of having them sign their wills, powers of attorney and the deed of trust, when he knew that he had not met with them. The note also stated that on April 30, 2007, the Respondent had “walked them through the wills to verify [they were] the same as their rough notes & drafts.” The Respondent filed the handwritten note in the clients’ file at IGFS. The Respondent did not meet with either JP or MP on April 30, 2007.

20. On or about October 2, 2007, the Respondent was presented with affidavits of execution for the wills of JP and MP by DK and asked to sign them. He signed the affidavits of execution which stated that on or about April 30, 2007 the Respondent and the two assistants referred to in paragraph 17 above were present together and witnessed JP and MP sign their respective wills, when he knew that not to be the case.

21. In November 2007, during the course of an investigation by IGFS in response to a complaint from MP and JP about the suitability of their insurance policies and the trust document for use in the operation of their charitable foundation, the Respondent brought the above-mentioned matters to the attention of IGFS.

Allegation #4

22. In or about early June 2007, the Respondent completed IGFS’s 2007 Annual Consultant Certificate on-line, covering the period June 1, 2006 to May 31, 2007. In response to statement

1(j), which provided “I have not forged a client’s signature;” the Respondent falsely responded “True.”

V. COOPERATION BY THE RESPONDENT

23. The Respondent cooperated with Staff’s investigation of the matters that form the subject matter of the Notice of Hearing.

VI. CONTRAVENTIONS

24. The Respondent admits that on April 30, 2007, he signed the Estate Documents with the purported signatures of JP and MP, and thereby engaged in conduct that was contrary to MFDA Rule 2.1.1.

25. The Respondent admits that on or about April 30, 2007, he created a record of a meeting with JP and MP on April 30, 2007 which never occurred, and thereby engaged in conduct that was contrary to MFDA Rule 2.1.1.

26. The Respondent admits that on or about October 2, 2007, he signed affidavits of executions for the wills of JP and MP which stated that on or about April 30, 2007 the Respondent and the two assistants were present together and witnessed JP and MP sign their respective wills, when he knew that not to be the case, and thereby engaged in conduct that was contrary to MFDA Rule 2.1.1.

27. The Respondent admits that in or about early June 2007, he misled the Member by providing a false response in IGFS’s 2007 Annual Consultant Certificate, and thereby engaged in conduct that was contrary to MFDA Rule 2.1.1.

VII. TERMS OF SETTLEMENT

28. The Respondent agrees to the following terms of settlement:

- (a) the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of, or in association with, any MFDA Member for a period of nine months, which shall be deemed to have commenced on the latter of the date that the Settlement Agreement is fully executed and the MFDA is in receipt of two certified cheques in payment of the fine and costs, pursuant to section 24.1.1(e) of MFDA By-law No. 1;
- (b) the Respondent shall pay a fine in the amount of \$20,000, pursuant to section 24.1.1(b) of MFDA By-law No. 1;
- (c) the Respondent shall successfully complete the IFSE (IFIC) Mutual Fund Dealer Compliance course (the “Course”), pursuant to section 24.1.1(f) of MFDA By-law No. 1;
- (d) in the event that the Respondent does not successfully complete the Course by the end of the nine month prohibition, the prohibition would continue until such time as the Respondent successfully completed the Course, pursuant to section 24.1.1(f) of MFDA By-law No. 1;
- (e) the Respondent shall pay \$2,500 in respect of the costs of the investigation and settlement of this matter, pursuant to section 24.2 of MFDA By-law No. 1; and
- (f) the Respondent shall in the future comply with all MFDA By-laws, Rules and Policies, and all applicable securities legislation and regulations made thereunder, including MFDA Rule 2.1.1.

VIII. STAFF COMMITMENT

29. If this Settlement Agreement is accepted by the Hearing Panel, Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the facts set out in Part IV and contraventions described in Part VI of this Settlement Agreement, subject to the provisions of paragraph 34 below. 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 Parts IV and VI of this Settlement Agreement or in respect of conduct that occurred outside the specified date ranges of the facts and contraventions set out in Parts IV and VI, whether known or unknown at the time of settlement. Furthermore, nothing in this Settlement Agreement shall relieve the Respondent from fulfilling any continuing regulatory obligations.

IX. PROCEDURE FOR APPROVAL OF SETTLEMENT

30. Acceptance of this Settlement Agreement shall be sought at a hearing of the Central Regional Council of the MFDA on a date agreed to by counsel for Staff and the Respondent.

31. Staff and the Respondent may refer to any part, or all, of the Settlement Agreement at the settlement hearing. Staff and the Respondent also agree that if this Settlement Agreement is accepted by the Hearing Panel, it will constitute the entirety of the evidence to be submitted respecting the Respondent in this matter, and the Respondent agrees to waive his 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.

32. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel, then the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to s. 24.1.1 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.

33. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel, 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 him.

34. If this Settlement Agreement is accepted by the Hearing Panel and, at any subsequent time, the Respondent fails to honour any of the Terms of Settlement set out herein, Staff reserves the right to bring proceedings under the By-laws of the MFDA against the Respondent based on,

but not limited to, the facts set out in Part IV of the Settlement Agreement, as well as the breach of the Settlement Agreement.

35. If, for any reason whatsoever, this Settlement Agreement is not accepted by the Hearing Panel or an Order in the form attached as Schedule “A” is not made 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 this Settlement Agreement or the settlement negotiations.

36. Whether or not this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any allegation against the MFDA of lack of jurisdiction, bias, appearance of bias, unfairness, or any other remedy or challenge that may otherwise be available.

X. DISCLOSURE OF AGREEMENT

37. The terms of this Settlement Agreement will be treated as confidential by the parties hereto until accepted by the Hearing Panel, and forever if, for any reason whatsoever, this Settlement Agreement is not accepted by the Hearing Panel, except with the written consent of both the Respondent and Staff or as may be required by law.

38. Any obligations of confidentiality shall terminate upon acceptance of this Settlement Agreement by the Hearing Panel.

XI. EXECUTION OF SETTLEMENT AGREEMENT

39. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.

40. A facsimile copy of any signature shall be effective as an original signature.

Dated: October 5, 2009

“Tannis Walters”

Witness- Signature

“William Todd Gillick”

William Todd Gillick

Tannis Walters

Witness- Print name

“Mark Gordon”

Staff of the MFDA
Per: Mark T. Gordon
Executive Vice-President



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Re: William Todd Gillick

ORDER

WHEREAS on March 31, 2009, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Hearing pursuant to sections 20 and 24 of MFDA By-law No. 1 in respect of a disciplinary proceeding commenced against William Todd Gillick (the “Respondent”);

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA (the “Settlement Agreement”) in which the Respondent agreed to a proposed settlement of matters for which the Respondent could be disciplined pursuant to sections 20 and 24.1.1 of MFDA By-law No. 1;

AND WHEREAS the Hearing Panel of the Central Regional Council (the “Hearing Panel”) is of the opinion that on April 30, 2007, the Respondent signed the Estate Documents (referred to in paragraph 16 of the Settlement Agreement) with the purported signatures of JP and MP, and thereby engaged in conduct that was contrary to MFDA Rule 2.1.1;

AND WHEREAS the Hearing Panel is of the opinion that on or about April 30, 2007, the Respondent created a record of a meeting with JP and MP on April 30, 2007 which never occurred, and thereby engaged in conduct that was contrary to MFDA Rule 2.1.1;

AND WHEREAS the Hearing Panel is of the opinion that on October 2, 2007, the Respondent signed affidavits of executions for the wills of JP and MP which stated that on or about April 30, 2007 the Respondent and the two assistants (referred to in paragraph 17 of the Settlement Agreement) were present together and witnessed JP and MP sign their respective wills, when he knew that not to be the case, and thereby engaged in conduct that was contrary to MFDA Rule 2.1.1;

AND WHEREAS the Hearing Panel is of the opinion that in or about early June 2007, the Respondent misled the Member (or Investors Group Financial Services Inc.) by providing a false response in Investors Group Financial Services Inc.'s 2007 Annual Consultant Certificate, and thereby engaged in conduct that was contrary to MFDA Rule 2.1.1;

IT IS HEREBY ORDERED THAT:

- (i) the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of, or in association with, any MFDA Member for a period of nine months, which shall be deemed to have commenced on the latter of the date that the Settlement Agreement is fully executed and the MFDA is in receipt of two certified cheques in payment of the fine and costs, pursuant to section 24.1.1(e) of MFDA By-law No. 1;
- (ii) the Respondent shall pay a fine in the amount of \$20,000 pursuant to section 24.1.1(b) of MFDA By-law No. 1;
- (iii) the Respondent shall successfully complete the IFSE (IFIC) Mutual Fund Dealer Compliance course (the "Course"), pursuant to section 24.1.1(f) of MFDA By-law No. 1;
- (iv) in the event that the Respondent does not successfully complete the Course by the end of the nine month prohibition, the prohibition would continue until such time as the Respondent successfully completed the Course, pursuant to section 24.1.1(f) of MFDA By-law No. 1;

- (v) the Respondent shall pay \$2,500 in respect of the costs of the investigation and settlement of this matter, pursuant to section 24.2 of MFDA By-law No. 1; and
- (vi) if at any time a non-party to this proceeding requests production of or access to exhibits in this proceeding that contain intimate financial or personal information, 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 intimate financial or personal information, pursuant to Rules 1.8(2) and (5) of the MFDA Rules of Procedure.

DATED this [day] day of [month], 2009.

Per: _____
The Hon. Edward Saunders, Q.C., Chair

Per: _____
Sandy Grant, Industry Representative

Per: _____
Selwyn Kossuth, Industry Representative