



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: Perry Richard Graham

Heard: December 6, 2019 in Toronto, Ontario
Decision: December 6, 2019
Reasons for Decision: February 25, 2020

REASONS FOR DECISION

Hearing Panel of the Central Regional Council:

Frederick W. Chenoweth
Kenneth P. Mann
Joseph Yassi

Chair
Industry Representative
Industry Representative

Appearances:

Jacklyn Neborak)	Enforcement Counsel for the Mutual Fund
)	Dealers Association of Canada
)	
)	
Perry Richard Graham)	Respondent, in person
)	
)	

Background

1. By Notice of Settlement Hearing, a Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada (the “MFDA”) was convened to consider whether, pursuant to s. 24.4 of By-law No. 1 of the MFDA, the Hearing Panel should accept a settlement agreement dated November 14, 2019, (“Settlement Agreement”) entered into by the Staff of the MFDA (“Staff”) and Perry Richard Graham (“Respondent”).

2. At the outset of the proceeding, the Hearing Panel considered a joint motion by Staff and the Respondent to move the proceedings “in camera”. The Hearing Panel granted the motion. The Hearing Panel then considered the provisions of the Settlement Agreement, aided by submissions as to the applicable law, which should guide the Hearing Panel in determining whether or not to accept or reject the Settlement Agreement. The Hearing Panel unanimously accepted the Settlement Agreement and issued an Order accordingly. These are the Hearing Panel’s reasons for doing so. The Hearing Panel also made an Order at the end of the hearing, declaring the hearing open to the public.

The Contraventions

3. In the Settlement Agreement, the Respondent admits that:

- a) between May 2012 and March 2018, he obtained, possessed, and in some instances, used to process transactions, 49 pre-signed account forms in respect of 30 clients, contrary to MFDA Rule 2.1.1; and
- b) between February 2012 and March 2018, he altered, and used to process transactions, 124 account forms in respect of 66 clients by altering information on the account forms without having the client initial the alterations, contrary to MFDA Rule 2.1.1.

The Facts

4. In the Settlement Agreement, Staff and the Respondent agreed to a series of facts, which are set out in Part III of the said Settlement Agreement. The Settlement Agreement is attached as Appendix “A” to these Reasons.

5. As set out in the Settlement Agreement, the Respondent had been registered in the mutual fund industry since September 1986. Since September 1997, the Respondent had been registered in Ontario as a mutual fund sales person (now known as a dealing representative) with FundEX Investments Inc. (“FundEX”), a member of the MFDA. The Respondent had also been registered in Saskatchewan and in British Columbia with the member. At all material times, the Respondent conducted business in the Brantford, Ontario area.

Discussion

6. The Hearing Panel was aware that prior to accepting a Settlement Agreement, a Hearing Panel must be satisfied that:

- a) The facts admitted by the Respondent constitute misconduct in contravention of the By-laws, MFDA Rules or policies, or provincial securities legislation; and
- b) The penalties contemplated in the Settlement Agreement fall within a reasonable range of appropriateness, bearing in mind the nature and extent of the misconduct and all the circumstances.

7. The Hearing Panel accepted that 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 Mutual Inc. (Re), MFDA File No. 200820, Hearing Panel of the Central Regional Council, Decision and Reasons dated August 21, 2008 at para. 37.

Milewski (Re), [1999] I.D.A.C.D. No. 17 at p. 12, Ontario District Council Decision dated July 28, 1999.

Pre-Signed Forms

8. The Hearing Panel was also aware that the MFDA had been warning Approved Persons against the use of pre-signed and altered account forms for a number of years.

MFDA Staff Notice MSN-0066, dated October 31, 2007 (updated March 4, 2013 and January 26, 2017).

MFDA Bulletin #0661-E dated October 2, 2015.

9. MFDA Hearing Panels have consistently held that both categories of improper account forms, their creation and their use, constitute a contravention of the standard of conduct under MFDA Rule 2.1.1.

Price (Re), 2011 CanLII 72458 at paras. 115-138 (MFDA), SBA, Tab 6; *Symes (Re)*, 2017 LNCMFDA 104 at paras. 15-16.

Owen (Re), 2017 LNCMFDA 287 at paras. 31-34;

Lewis (Re), 2018 LNCMFDA 59 at para. 29.

10. The prohibition on the issue of pre-signed and altered account forms and their use, apply regardless of whether the client was aware, or authorized the use, of the pre-signed forms.

Price (Re), *supra* at paras. 122-124, SBA, Tab 6; *Symes (Re)*, *supra* at para. 18.

Owen (Re), *supra* at para. 32, SBA, Tab 8; *Lewis (Re)*, *supra* at para. 30.

11. The Hearing Panel considered in detail the agreed facts set out in the Settlement Agreement, and having done so, concluded that both allegations admitted by the Respondent had been proven and constitute misconduct in contravention of the By-laws, MFDA Rules or policies, or provincial securities legislation.

12. The Hearing Panel then proceeded to consider the appropriateness of the proposed penalty as set out in the Settlement Agreement. In doing so, the Hearing Panel considered the submissions of Staff and the Respondent, the MFDA Sanction Guidelines and the substantial case law to which it was referred.

13. The Hearing Panel was mindful that the primary goal of securities regulation is the protection of the investor. The Hearing Panel was further mindful that in addition to protection of the public, the goals of securities regulation also include fostering public confidence in the capital markets and the securities industry.

Pezim v. British Columbia (Superintendent of Brokers), [1994] 2 S.C.R. 557.

Breckenridge (Re), MFDA File No. 200718, Hearing Panel of the Central Regional Council, Decision and Reasons dated November 14, 2007 @ para. 71.

14. The Hearing Panel also accepted the submissions of Staff that the following factors are frequently considered by Hearing Panels 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 activity;
- 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 activity in the capital markets; and
- k) Previous decisions made in similar circumstances.

Breckenridge, supra.

15. The Hearing Panel further considered that settlements play an important and necessary role in facilitating the MFDA's principal goal of protecting the investing public. An administrative tribunal cannot adjudicate every matter that comes before it. Settlements provide an efficient and effective way for the MFDA to proscribe conduct that is harmful to the public, while providing a flexible remedy that can be tailored to address the interests of Staff and respondents:

But the power to settle, I find, is necessary if the Commission is going to carry out its purpose under s. 4(2) and its enforcement mandate under ss. 161 and 162 in an effective and efficient manner. Administrative tribunals do not and can not adjudicate on every matter that commences before them.

Settlements assist the Commission to ensure that its overriding objective, the protection of the public, is met. Settlements proscribe activities that are harmful to the public. In so doing, they are effective in accomplishing the purposes of

the statute. They provide means of reaching a flexible remedy that is tailored to address the interests of both the Commission and the person under investigation. Enforcement is rarely a concern because the settlement is voluntary. A person who is the subject of an investigation retains the option of refusing to settle and proceeding to a hearing. Settlements are also efficient. Both parties can forego the time and expense of a hearing.

British Columbia (Securities Commission) v. Seifert, [2006] B.C.J. No. 225 at paras. 48-49 (S.C.), aff'd, [2007] B.C.J. No. 2186 at para. 31 (C.A).

16. Accordingly, it is generally accepted that hearing panels will not lightly interfere in a settlement agreement reached between Staff and a respondent. Section 24.4.3 of MFDA By-Law No. 1 provides that hearing panels may only accept or reject a settlement in its entirety. A hearing panel's role is therefore not to determine *the correct* sanction, but instead to ascertain whether the sanction agreed to between Staff and a respondent falls within a reasonable range of appropriateness:

In a contested Hearing, the Hearing Panel attempts to determine the correct penalty. In a Settlement Hearing, the Hearing Panel takes into account the settlement process itself and the fact that the parties have agreed to the penalties set out in the Settlement Agreement. **In our view, a Hearing Panel should not interfere lightly in a negotiated settlement and should not reject a Settlement Agreement unless it views the penalty as clearly falling outside a reasonable range of appropriateness.** As has been said: "The settlement process is one of negotiation and compromise and the penalty imposed following a settlement will often be less onerous than one imposed following a Hearing where similar findings are made."

MFDA By-law No. 1.

Professional Investments (Kingston) Inc. (Re), 2009 LNCMFDA 9 at para. 13.
[Emphasis added.]

Ho (Re), 2018 LNCMFDA 21 at paras. 24-26.

17. In respect of the factors considered specifically relating to this Respondent, the Hearing Panel was mindful that:

- a) The nature of the contraventions that had been admitted by the Respondent were serious and warranted significant penalties. In particular, the use of pre-signed account forms is a serious breach of MFDA Rule 2.1.1;

Balani (Re), MFDA File No. 201402, Hearing Panel of the Central Regional Council, Decision and Reasons dated January 15, 2015

- b) The Respondent did not have a history of previous contraventions or prior sanctions;
- c) There is no evidence that the transactions processed by the Respondent pursuant to the pre-signed and altered account forms resulted in any client loss or that the transactions were unauthorized;
- d) There is no evidence that the Respondent received any financial benefit from engaging in the misconduct that is the subject of this proceeding, beyond any commissions and fees that he would ordinarily be entitled to receive, had the transactions been carried out in a proper manner;
- e) By executing a Settlement Agreement, the Respondent has acknowledged his misconduct and avoided the necessity of a full trial related to the misconduct;
- f) It was noted that the Respondent was a long standing registrant in the mutual fund industry and should have known better;
- g) The Panel also considered that on July 16, 2018, the Member issued a reprimand letter to the Respondent for pre-signed forms and placed him under strict supervision. During the period of strict supervision, the Member imposed on the Respondent a monthly financial penalty of \$625. The strict supervision and monthly penalty imposed by the Member continued to the date of the Hearing. As of the date of the Hearing, in excess of \$9,000 had been deducted from the Respondent's commissions. The Respondent also paid the Member a total of \$1,010 in administrative fees;
- h) The Hearing Panel also considered the MFDA's new Sanction Guidelines, which came into effect on November 15, 2018. The Sanction Guidelines were not mandatory, but provided a summary of key factors upon which discretion can be exercised.

Mutual Fund Dealer Association of Canada Sanction Guidelines, dated November 15, 2018.

- i) With respect to costs, the Hearing Panel was assisted in a determination by a review of six similar cases with respect to obtaining, possession, using and altering account forms, all of which imposed costs in an amount of \$2,500.

Result

18. For all the above reasons, the Hearing Panel concluded that the Settlement Agreement was reasonable and proportionate. Accordingly, the following penalties were imposed upon the Respondent:

- i) The Respondent shall pay a fine in the amount of \$22,500 upon acceptance of the Settlement Agreement, pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
- ii) The Respondent shall pay costs in the amount of \$2,500 in certified funds, upon acceptance of the Settlement Agreement, pursuant s. 24.2 of MFDA By-Law No. 1;
- iii) The Respondent shall, in the future, comply with MFDA Rule 2.1.1;
- iv) If at any time a non-party to this proceeding, with the exception of the bodies set out in s. 23 of the 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 25th day of February, 2020.

“Frederick W. Chenoweth”

Frederick W. Chenoweth
Chair

“Kenneth P. Mann”

Kenneth P. Mann
Industry Representative

“Joseph Yassi”

Joseph Yassi
Industry Representative



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: Perry Richard Graham

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada ("Staff") and the Respondent, Perry Richard Graham (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 Mutual Fund Dealers Association of Canada ("MFDA"):

- a) between May 2012 and March 2018, the Respondent obtained, possessed, and in some instances, used to process transactions, 49 pre-signed account forms in respect of 30 clients, contrary to MFDA Rule 2.1.1; and
 - b) between February 2012 and March 2018, the Respondent altered and used to process transactions, 124 account forms in respect of 66 clients by altering information on the account forms without having the client initial the alterations, 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 \$22,500 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.1.1(b) of MFDA By-law No.1;
 - b) the Respondent shall pay costs in the amount of \$2,500 in certified funds upon acceptance of the Settlement Agreement, 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 September 1986, the Respondent has been registered in the mutual fund industry.
8. Since September 1997, the Respondent has been registered in Ontario as a mutual fund salesperson (now known as a dealing representative) with FundEX Investments Inc. (the “Member”), a Member of the MFDA.
9. From May 2010 to December 2014, the Respondent was registered in Saskatchewan as a dealing representative with the Member.

10. Since April 2017, the Respondent has been registered in British Columbia as a dealing representative with the Member.

11. At all material times, the Respondent conducted business in the Brantford, Ontario area.

Pre-Signed Account Forms

12. At all material times, the Member had policies and procedures that prohibited its Approved Persons from obtaining or using pre-signed account forms.

13. Between May 2012 and March 2018, the Respondent obtained, possessed, and in some instances, used to process transactions, 49 pre-signed account forms in respect of 30 clients.

14. The pre-signed account forms consisted of:

- a) 27 Order Entry forms;
- b) 8 Mutual Fund Trade Ticket forms;
- c) 3 Transfer Authorization for Registered Investments (“TARI”) forms;
- d) 3 Know Your Client (“KYC”) Update forms;
- e) 3 Registered Educational Savings Plan (“RESP”) Educational Assistance Payment forms;
- f) 2 Systematic Instruction forms;
- g) 1 Canada Revenue Agency Direct Transfer form;
- h) 1 Internal Transfer form; and
- i) 1 Fee For Service form;

Altered Account Forms

15. At all material times, the Member had policies and procedures that required client initials on all changes made to client documents.

16. Between February 2012 and March 2018, the Respondent altered and used to process transactions, 124 account forms in respect of 66 clients by altering information on the account forms without having the client initial the alterations.

17. The altered account forms consisted of:

- a) 40 Order Entry forms;
- b) 20 Mutual Fund Trade Ticket forms;
- c) 17 Systematic Instruction forms;
- d) 12 KYC Update forms;
- e) 10 Fee For Service Account Addendum forms;
- f) 5 Internal Transfer forms;
- g) 4 Letters of Direction;
- h) 4 New Client Application forms;
- i) 3 Self-Directed TFSA Application forms;
- j) 2 Self-Directed Account Application forms;
- k) 1 Information Sharing Consent form;
- l) 1 Multi-Plan Application form;
- m) 1 Annual Conversion of Free and/or Matured Units form;
- n) 1 Successor Annuitant and/or Beneficiary Designation form;
- o) 1 Designation/Withdrawal Request form;
- p) 1 TARI form; and
- q) 1 Application Family ESP account form.

18. The Respondent made alterations to information on these account forms including the plan type, account numbers, plan numbers, service fee amounts, investment knowledge, net worth, risk tolerance, investment time horizon, intended use of investment information, investment objective, employment information, date of a client signature and a client's name.

The Member's Investigation

19. On or about May 1, 2018, during the course of a branch audit, the Member reviewed all of the client files serviced by the Respondent and identified the pre-signed and altered account forms that are the subject of this Settlement Agreement.

20. On July 16, 2018, the Member issued a reprimand letter to the Respondent for pre-signed forms and placed him under strict supervision. During the period of strict supervision the Member

imposed on the Respondent a monthly financial penalty of \$625. The strict supervision and monthly penalty imposed by the Member will continue until the conclusion of the current MFDA proceeding. As of September 27, 2019, \$8,125 has been deducted from the Respondent's commissions. The Respondent also paid to the Member a total of \$1,010 in administrative fees to cover the cost of client mailings.

21. On July 23, 2018, the Respondent signed a Letter of Undertaking from the Member acknowledging that he agreed with the facts and discipline set out in the Member's reprimand letter dated July 16, 2018, and agreed that he had read and understood the Member's policies and procedures regarding pre-signed forms.

22. On July 23, 2018, the Respondent also signed an Acknowledgement of Understanding from the Member acknowledging that he would comply with the Member's policies and procedures, and any updates to the Member's compliance policies. The Respondent also acknowledged that he would comply with all applicable rules and regulations of the MFDA and provincial securities regulations in the jurisdictions in which he is registered.

23. On July 25, 2018, the Member sent a letter with a 3-year transactional summary to all clients serviced by the Respondent. The Member requested that the clients review their transaction summaries to ensure that the trading activity was completed as directed and to report any inconsistencies by August 25, 2018. No clients have reported any concerns.

24. On December 6, 2018, the Member issued a warning letter to the Respondent with respect to the pre-signed and altered account forms that are the subject of this Settlement Agreement.

Additional Factors

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

26. There is no evidence of client loss or lack of authorization for the underlying transactions.

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

28. 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

29. 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.

30. 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.

31. 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.

32. 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.

33. 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.

34. 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.

35. 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 14th day of November, 2019.

“Perry Richard Graham”

Perry Richard Graham

“WG”

Witness – Signature

WG

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. 201969



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: Perry Richard Graham

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 Perry Richard Graham (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:

- a) between May 2012 and March 2018, the Respondent obtained, possessed, and in some instances, used to process transactions, 49 pre-signed account forms in respect of 30 clients, contrary to MFDA Rule 2.1.1; and
- b) between February 2012 and March 2018, the Respondent altered and used to process transactions, 124 account forms in respect of 66 clients by altering

information on the account forms without having the client 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 \$22,500 in certified funds, pursuant to s. 24.1.1(b);
- 2. The Respondent shall pay costs in the amount of \$2,500 in certified funds, 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]