



**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: Adele Harumi Hamer**

Heard: May 16, 2022 by electronic hearing in Calgary, Alberta

Decision: May 16, 2022

Reasons for Decision: July 21, 2022

**REASONS FOR DECISION**

Hearing Panel of the Prairie Regional Council:

Sherri Walsh  
Sean Shore  
Greg Wiebe

Chair  
Industry Representative  
Industry Representative

Appearances:

Zaid Sayeed	)	Enforcement Counsel for the Mutual Fund
	)	Dealers Association of Canada
	)	
Adele Harumi Hamer	)	Respondent
	)	
	)	

## **I. INTRODUCTION**

1. On February 25, 2022, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Settlement Hearing pursuant to Sections 20 and 24 of MFDA By-law No. 1 in respect of Adele Harumi Hamer (the “Respondent”).
2. On April 20, 2022, the Respondent and MFDA Staff (“Staff”) entered into a settlement agreement pursuant to which the Respondent agreed to a proposed settlement of matters for which she could be disciplined under Sections 20 and 24.1 of MFDA By-law No. 1 (the “Settlement Agreement”).
3. On May 16, 2022, a settlement hearing was held by videoconference (the “Hearing”) before a Hearing Panel of the MFDA Prairie Regional Council (the “Panel”). The Respondent attended the hearing where she was self-represented.
4. At the outset of the Hearing, the Panel granted Staff’s motion to move the proceedings *in camera*, pursuant to MFDA Rules of Procedures 15.2(2) and Section 20.5 of MFDA By-law No. 1.
5. At the conclusion of the Hearing, the Panel accepted the Settlement Agreement and issued an Order to that effect. These are the Panel’s reasons for that decision.

## **II. CONTRAVENTIONS**

6. In the Settlement Agreement, the Respondent admitted to having committed the following violations of the MFDA’s By-laws, Rules, or Policies:
  - a) On or about November 7, 2020, the Respondent signed the signature of a client on two account forms and submitted the forms to the Member for processing, contrary to MFDA Rule 2.1.1; and
  - b) On or about November 7, 2020, the Respondent signed the signature of a branch manager on two account forms and submitted the forms to the Member for processing, contrary to MFDA Rule 2.1.1.

## **III. TERMS OF SETTLEMENT**

7. Staff and the Respondent agreed to the following terms of settlement:

- a) The Respondent shall be permanently prohibited from acting as a branch manager or in any supervisory capacity for a Member of the MFDA, effective from the date of the Order, pursuant to section 24.1.1(f) of MFDA By-law No. 1;
- b) The Respondent's authority to conduct securities related business while in the employ of or associated with a Member of the MFDA shall be prohibited for a period of one (1) month, commencing on the first business day after acceptance of this Settlement Agreement, pursuant to s. 24.1.1(e);
- c) The Respondent shall pay a fine in the amount of \$12,500, pursuant to s. 24.1.1(b) of MFDA By-law No.1;
- d) The Respondent shall pay costs in the amount of \$2,500, pursuant to s. 24.2 of MFDA Bylaw No.1;
- e) The payment by the Respondent of the fine and costs shall be made to and received by the MFDA in certified funds as follows:
  - i) \$7,500 (Fine) upon acceptance of the Settlement Agreement by the Hearing Panel;
  - ii) \$2,500 (Costs) upon acceptance of the Settlement Agreement by the Hearing Panel;
  - iii) \$833.33 (Fine) on or before the last business day of the first month following the date of the Settlement Agreement;
  - iv) \$833.33 (Fine) on or before the last business day of the second month following the date of the Settlement Agreement;
  - v) \$833.33 (Fine) on or before the last business day of the third month following the date of the Settlement Agreement;
  - vi) \$833.33 (Fine) on or before the last business day of the fourth month following the date of the Settlement Agreement;
  - vii) \$833.33 (Fine) on or before the last business day of the fifth month following the date of the Settlement Agreement; and
  - viii) \$833.35 (Fine) on or before the last business day of the sixth month following the date of the Settlement Agreement;
- f) The Respondent shall successfully complete the Ethics and Professional Conduct Course offered by the IFSE Institute, or an ethics course acceptable to Staff of the MFDA, prior to becoming re-registered as a dealing representative with a Member of the MFDA, pursuant to s. 24.1.1(f) of MFDA By-law No. 1;
- g) The Respondent shall in the future comply with MFDA Rule 2.1.1; and
- h) The Respondent shall attend in person (via teleconference) on the date set for the Settlement Hearing.

#### **IV. AGREED FACTS**

8. The facts which Staff and the Respondent agreed upon as the basis for the Settlement Agreement are set out at paragraphs 7 through 20 inclusive of that agreement and are reproduced below:

##### Registration History

7. From on or about June 29, 1994 to December 1, 2020, the Respondent was registered in Alberta as a dealing representative with TD Investment Services Inc. (the "Member"), a Member of the MFDA.

8. From July 20, 2010 to December 1, 2020, the Member designated the Respondent as a branch manager.

9. The Member terminated the Respondent as a result of the conduct described below, and she is no longer registered in the securities industry in any capacity.

10. At all material times, the Respondent conducted business in the Calgary, Alberta area.

The Respondent Signed the Signature of a Client and Branch Manager on Account Forms

11. At all material times, the Member's policies and procedures prohibited its Approved Persons from signing or initialing documentation for or on behalf of customers or falsifying any record or documentation in any way.

12. On November 7, 2020, the Respondent met client IS at a branch of the Member in order to complete documentation to transfer holdings from two existing Registered Educational Savings Plan ("RESP") accounts into a third RESP account. Client IS signed two Transaction and Account Maintenance forms to process the transactions on that day.

13. Subsequently on November 7, 2020, the Respondent completed two additional Transaction and Account Maintenance forms relating to the same transaction, signed the signatures of both client IS and the Respondent's branch manager on the two forms, and submitted them to the Member for processing.

The Member's Investigation

14. In November 2020, during a branch review, the Member discovered that the Respondent signed the signatures of both client IS and the branch manager on the account forms described at paragraph 13 above.

15. As part of its investigation into the Respondent's conduct, the Member reviewed client files maintained by the Respondent and did not identify any additional instances of the Respondent signing client signatures. The branch manager met with client IS in order to have the client sign additional Transaction and Account Maintenance forms in order to process the transaction described at paragraph 12 above.

Additional Factors

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

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

18. There is no evidence of client loss, complaint, or lack of authorization.

19. The Respondent states that, due to her financial circumstances and her spouse's medical condition, she requires the fine that she has agreed to pay pursuant to the terms of the Settlement Agreement to be paid in instalments. Staff has received evidence which corroborates the Respondent's statement. Staff has therefore agreed to the Respondent's request to pay a portion of the fine in installments as described below.

20. 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.

## **V. ANALYSIS**

### **Role of the Panel**

9. The role a Hearing Panel performs at a Settlement Hearing is fundamentally different from the role it performs at a Contested Hearing.

10. When considering a settlement agreement, a Hearing Panel has only two options: either to accept or reject the settlement agreement.

MFDA By-law No. 1, s. 24.4.3

11. As stated by the Hearing Panel in *Sterling Mutuals Inc. (Re)* citing the I.D.A. Ontario District Council in *Milewski (Re)*:

...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." (In *re Milewski*, [1999] I.D.A.C.D. No. 17)

*Sterling Mutuals Inc. (Re)*, MFDA File No. 200820, Hearing Panel of the Central Regional Council, Decision and Reasons dated September 3, 2008, at para. 37

12. Hearing Panels have acknowledged that one of the reasons that settlement agreements which have been worked out by the parties should be respected, is because Panels do not know what led to the settlement, or what was given up by the parties during the course of their negotiations.

*Fike (Re)*, MFDA File No. 2017102, Hearing Panel of the Central Regional Council, Decision and Reasons dated December 7, 2017, at paras. 22 and 23

13. The rationale for respecting settlements of the nature found in the Settlement Agreement in this case, was further articulated by the British Columbia Court of Appeal:

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. Or, they can settle some matters, and direct their resources to the matters that are in dispute, and therefore to be resolved by way of a hearing.

*British Columbia (Securities Commission) v Seifert*, 2007 BCCA 484, para. 31

14. Although the *Seifert* decision dealt with an agreement that was before the British Columbia Securities Commission, the case has been frequently cited by Hearing Panels in MFDA Settlement Hearings.

## **Factors Concerning Acceptance of a Settlement Agreement**

15. 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 proposed settlement 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.

*Jacobson (Re)*, 2007 LNCMFDA 27, at para. 68

## **Appropriateness of the Proposed Penalty**

16. The primary goal of all securities regulation is investor protection.

*Pezim v British Columbia (Superintendent of Brokers)*, [1994] 2 S.C.R. 557, at para. 68

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

*Pezim v British Columbia (Superintendent of Brokers)*, *supra*, at paras. 59 & 68

18. In determining the appropriateness of a proposed penalty, Hearing Panels frequently cite the decision in *Breckenridge (Re)*, where the Panel stated that sanctions "... should be preventative, protective and prospective in nature ..." taking into account the following considerations:

- a) the protection of the investing public;
- b) the integrity of the securities markets;
- c) specific and general deterrence;
- d) the protection of the MFDA's membership; and
- e) protection of the integrity of the MFDA's enforcement processes.

*Breckenridge (Re)*, MFDA File No. 200718, Hearing Panel of the Central Regional Council, 2007 LNCMFDA 38, at paras. 75 & 76

19. The Panel in *Breckenridge (Re)* set out the following additional factors which a Hearing Panel should consider, having regard to the specific circumstances of the case:

- a) the seriousness of the allegations proved against the respondent;
- b) the respondent's experience in the capital markets;
- c) the level of the respondent's activity in the capital markets;
- d) the harm suffered by investors as a result of the respondent's activities;
- e) the benefits received by the respondent as a result of the improper activity;
- f) the risk to investors and the capital markets in the jurisdiction, were the respondent to continue to operate in capital markets in the jurisdiction;
- g) the damage caused to the integrity of the capital markets in the jurisdiction by the respondent's improper activities;
- h) 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;
- i) the need to alert others to the consequences of inappropriate activities to those who are permitted to participate in capital markets; and
- j) previous decisions made in similar circumstances.

*Breckenridge (Re)*, *supra*, at para. 77

### **MFDA Sanction Guidelines**

20. On November 15, 2018, the MFDA issued Sanction Guidelines (the "Guidelines") to assist Staff and Respondents in conducting disciplinary proceedings and negotiating settlement agreements and to assist Hearing Panels in determining the fair and efficient disposition of settled and contested disciplinary proceedings.

21. The Guidelines, as their name suggests, are not mandatory. They state, under the heading “Purpose of the Sanction Guidelines”:

... The determination of the appropriate sanction in any given case is discretionary and a fact specific process. The appropriate sanction depends on the facts of a particular case and the circumstances of the conduct. The Sanction Guidelines are intended to provide a summary of the key factors upon which discretion may be exercised consistently and fairly in like circumstances, but are not binding on Hearing Panels. The list of key factors in the Sanction Guidelines is not exhaustive, and Hearing Panels may consider other aggravating and mitigating factors as appropriate.

Hearing Panels should always exercise judgement and discretion, and consider appropriate aggravating and mitigating factors in determining appropriate sanctions in every case. In addition, Hearing Panels should identify the basis for the sanctions imposed in the Reasons for Decision.

MFDA Sanction Guidelines p. 1

22. In cases involving the type of misconduct in the present case, the following factors contained in the Sanction Guidelines are relevant to the Panel’s decision:

- a) General and specific deterrence;
- b) Public confidence;
- c) Seriousness of the allegations proved against the Respondent;
- d) The Respondent’s recognition of the seriousness of the misconduct;
- e) Previous decisions made in similar circumstances; and
- f) The Respondent’s ability to pay.

### **Application of the Factors Listed Above in the Present Case**

#### **Nature of the Misconduct**

23. The misconduct at issue in this matter involves the Respondent’s signing the signature of both a client and a branch manager on two account forms and submitting the forms to the Member for processing, contrary to MFDA Rule 2.1.1.

#### **Standard of Conduct**

24. MFDA Rule 2.1.1 prescribes the standard of conduct applicable to all registrants in the mutual fund industry. It requires that each Member and Approved Person: deal fairly, honestly, and in good 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.

25. The Rule has been interpreted and applied in a purposeful 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

26. Hearing Panels have specifically held that when an Approved Person signs a client's signature to a form they contravene the standard of conduct set out in MFDA Rule 2.1.1.

*Fahad (Re)*, [2022] Hearing Panel of the Central Regional Council, MFDA File No. 20120, Hearing Panel Decision dated March 23, 2022 at para. 20

*Markus (Re)*, [2018] Hearing Panel of the Central Regional Council, MFDA File No. 201774, Hearing Panel Decision dated February 7, 2018

27. In the present case, the Respondent has admitted that she signed both the signature of a client and a branch manager on two account forms and submitted them to the Member for processing, contrary to MFDA Rule 2.1.1.

28. The MFDA has been warning Approved Persons against signing client signatures for many years. See, for example:

- MFDA Staff Notice #MSN-0035 dated December 10, 2004 (updated March 4, 2013)
- 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

29. Bulletin #0661-E, which Staff issued on October 2, 2015, regarding "Signature Falsification" was a reminder that MFDA Hearing Panels have consistently ruled that falsification of a client's signature is not permissible under MFDA Rules.

30. The Bulletin specifically identified signing a client's name to a document, as an example of conduct which amounts to signature falsification.

31. The Bulletin warned that the improper use of forms can:

- adversely affect the integrity and reliability of documents;
- destroy the audit trail;

- impact the ability of APs to produce valid documentation to support transactions that come into question;
- prejudice a client by making it appear that they have executed a particular document when they have not;
- mislead Members' supervisory personnel;
- negatively affect the credibility of the AP;
- negatively affect Member complaint handling; and
- be used to facilitate other misconduct such as unauthorized trading, fraud and misappropriation of funds.

32. It further stated that any falsification is unacceptable whether or not:

- it is done for the purposes of client convenience;
- the client instructs or otherwise consents the AP falsifying the document;
- the client complains or there is financial harm to the client;
- it was the AP's intention to deceive a client or other person; and
- the document is used to commit a further breach of the rules.

33. MFDA Panels have confirmed that the prohibition against falsifying form exists regardless of the existence of client authorization or the motive behind the use of the form.

*Techer*, MFDA File No. 201662, Hearing Panel of the Prairie Regional Council, Decision and Reasons dated December 5, 2016, at para. 34

34. In the Panel's view, the falsification of a client's signature is particularly serious misconduct.

35. As the Panel in *Techer* noted, unlike with pre-signed account forms where the client knows that they are signing an incomplete form to be used in some way, in the case of a form which has been falsified by the Approved Person, the possibility exists that the client is unaware of the Approved Person's actions.

*Techer, supra* at para. 38

36. The authenticity of client signatures is one of the foundations upon which client trust is established and client instructions are carried out.

37. Signing a client's signature on an account document adversely affects the integrity and reliability of the account document, leads to the destruction of the audit trail, has a negative impact on Member complaint handling and has the potential for misuse in the form of unauthorized trading, fraud and misappropriation.

*Fahad (Re), supra*, at para. 24

*Price*, MFDA File No. 200814, Hearing Panel of the Central Regional Council, Decision and Reasons dated April 18, 2011 at paras. 122-124

38. For all of the above reasons, the Panel finds that the Respondent engaged in misconduct that must be regarded as serious.

### **Post-Bulletin Conduct**

39. The signature falsification which is the subject of these proceedings occurred after the MFDA had issued Bulletin #0661-E on October 2, 2015. MFDA Hearing Panels have considered this to be an aggravating factor.

*Techer, supra*, at para. 44

*Terrill, (Re)*, [2019] Hearing Panel of the Prairie Regional Council, MFDA File No. 201909, Hearing Panel Decision dated May 9, 2019 at paras. 27 and 29

40. In reaching our decision, the Panel noted that in recent decisions, MFDA Hearing Panels have emphasized the importance of imposing penalties which will dissuade Approved Persons from engaging in the type of misconduct which is the subject of these proceedings. See, for example, the following statement:

This kind of misconduct by Approved Persons has occurred too frequently in the past. The sanction in this case should serve the goal of general deterrence by sending a message to others in the mutual fund industry that the subject conduct will not be tolerated and that those who engage in similar conduct will face meaningful penalties. If that does not prove to be the case in the future, the MFDA may need to consider imposing even more significant sanctions in order to curtail similar misconduct in the mutual fund industry

*Myers (Re)*, [2021] Hearing Panel of the Central Regional Council, MFDA File No. 202145, Hearing Panel Decision dated January 10, 2022 at para. 29

41. The other aspect of the Respondent's misconduct which the Panel specifically considered in determining that the proposed penalty is appropriate is the fact that the Respondent was acting in the role of branch manager at the material time and further, that she deliberately signed the name of another branch manager. We find that these aspects of the Respondent's conduct demonstrate

the seriousness of her misconduct and therefore attract a penalty at the higher range of what is considered appropriate.

### **The Respondent's Recognition of the Misconduct**

42. By entering into the Settlement Agreement, the Respondent has accepted responsibility for her misconduct and has saved the MFDA the time, resources and expenses associated with a full disciplinary hearing.

43. The Panel notes that in her oral submission, the Respondent demonstrated genuine remorse for and recognition of her misconduct.

### **The Respondent's Past Conduct Including Prior Sanctions**

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

### **Harm Suffered by Investors**

45. There is no evidence of any client loss, client complaint or lack of client authorization resulting from the Respondent's conduct described in the Settlement Agreement.

### **Benefits Received by the Respondent**

46. There is no evidence that the Respondent received any financial benefit from her misconduct beyond any commissions and fees to which she would ordinarily have been entitled had the transactions been carried out in the proper manner.

### **Deterrence**

47. Both the Supreme Court of Canada and MFDA Hearing Panels have held that deterrence is an appropriate factor to be taken into account when determining the appropriateness of a penalty.

*Cartaway Resources Corp. (Re)*, [2004] 1 NSCR 672 SCC at paras. 52-62

48. The effect of general deterrence should advance the goal of protecting investors. A penalty should be sufficient so as to affirm public confidence in the regulatory system and ensure that the misconduct is not repeated by others in the industry. As the Supreme Court of Canada stated:

A penalty that is meant to deter generally is a penalty that is designed to keep an occurrence from happening; it discourages similar wrongdoing in others. In a word, a general deterrent is preventative. It is therefore

reasonable to consider general deterrence as a factor, albeit not the only one, in imposing a sanction ... The respective importance of general deterrence as a factor will vary according to the breach of the Act and the circumstances of the person charged ...

*Cartaway Resources Corp. (Re), supra*, at para. 61

49. We find that the penalty which is proposed in the Settlement Agreement is sufficient to demonstrate that the Respondent's misconduct in all of the circumstances is serious and carries significant consequences.

50. We agree with Staff's submission that the proposed penalty is necessary in order to communicate to other Approved Persons that the misconduct engaged in by the Respondent in this matter has no place in the mutual fund industry.

51. The proposed sanction will also prevent future misconduct by the Respondent. In particular, on this point we note that the sanction includes a requirement that prior to becoming re-registered as a dealing representative with a Member of the MFDA, should she so choose, the Respondent shall successfully complete the Ethics and Professional Conduct Course offered by the IFSE Institute, or an ethics course acceptable to Staff of the MFDA.

### **The Respondent's Financial Circumstances**

52. Section 11 of the MFDA Sanction Guidelines identifies that a Respondent's ability to pay may be a consideration in determining the appropriate monetary sanction to be imposed. The burden is on a Respondent, however, to raise the issue and to provide evidence of inability to pay. Evidence of a *bona fide* inability to pay may result in a reduction or waiver of the fine or in the imposition of an installment payment plan.

53. In this matter, the Settlement Agreement specifically identified that Staff had received evidence which corroborated the Respondent's statement that due to her financial circumstances and her spouse's medical condition, she required the fine to be paid in installments. Staff agreed to that request.

54. The Panel is satisfied, therefore, that the Respondent has discharged the burden of establishing why it is appropriate to allow her to pay the proposed fine in installments.

## Previous Decisions Made in Similar Circumstances

55. Staff submitted that the proposed penalty is consistent with the penalties imposed by MFDA Hearing Panels in previous cases as reflected in the decisions cited in the chart below:

CASE	MISCONDUCT	PENALTIES	OTHER FACTORS
<p><i>Armstrong (Re)</i>, [2021] Hearing Panel of the Pacific Regional Council, MFDA File No. 202161, Hearing Panel Decision dated November 30, 2021,</p>	<ul style="list-style-type: none"> <li>• Photocopied signature pages from account forms that had previously been signed by clients and re-used the signature pages to complete 5 new account forms in respect of 4 clients; and</li> <li>• Altered information on the account form of 1 client without having the client initial the alteration and used the altered form to process a transaction.</li> </ul>	<p>Settlement:</p> <ul style="list-style-type: none"> <li>• \$12,000 fine; and</li> <li>• Costs of \$2,500.</li> </ul>	<ul style="list-style-type: none"> <li>• Post-bulletin conduct</li> </ul>
<p><i>Fahad (Re)</i>, [2022] Hearing Panel of the Central Regional Council, MFDA File No. 202120, Hearing Panel Decision dated March 23, 2022.</p>	<ul style="list-style-type: none"> <li>• Signed the signatures or initials of 16 clients on 38 accounts forms, in some instances submitting them for processing;</li> <li>• Signed the signature of another Approved Person on 3 account forms in respect of 2 clients and submitted the forms for processing;</li> <li>• Altered 2 account forms in respect of 1 client without having the client initial the alterations; and</li> <li>• Obtained and possessed 3 pre-signed account forms in respect of 3 clients.</li> </ul>	<p>Settlement:</p> <ul style="list-style-type: none"> <li>• 2 year prohibition;</li> <li>• \$21,000 fine;</li> <li>• Costs of \$5,000; and</li> <li>• Ethics Course requirement</li> </ul>	<ul style="list-style-type: none"> <li>• Post-bulletin conduct</li> </ul>
<p><i>Yu (Re)</i>, [2021] Hearing Panel of the Prairie Regional Council, MFDA File No. 202170, Order dated January 26, 2022 and Settlement Agreement dated October 27, 2021.</p>	<ul style="list-style-type: none"> <li>• Copied and pasted the signature of a client from an account form previously signed by the client onto a new account form; and</li> <li>• Signed a client's initials on an account form and submitted the account form for processing.</li> </ul>	<p>Settlement:</p> <ul style="list-style-type: none"> <li>• \$9,500 fine;</li> <li>• Costs of \$2,500.</li> </ul>	<ul style="list-style-type: none"> <li>• Post-bulletin conduct</li> </ul>

CASE	MISCONDUCT	PENALTIES	OTHER FACTORS
<i>Terrill (Re)</i> , [2019] Hearing Panel of the Prairie Regional Council, MFDA File No. 201909, Hearing Panel Decision dated May 9, 2019	<ul style="list-style-type: none"> <li>• Directed his assistant to alter information on 2 client account forms in respect of 1 client and sign the client's initials on the forms; and</li> <li>• Obtained, possessed and used 1 pre-signed account form in respect of 2 clients.</li> </ul>	Settlement: <ul style="list-style-type: none"> <li>• \$7,500 fine;</li> <li>• Costs of \$2,500.</li> </ul>	<ul style="list-style-type: none"> <li>• Post-bulletin conduct</li> <li>• Member fine of \$2,000</li> </ul>
<i>Markus (Re)</i> , supra SBA	<ul style="list-style-type: none"> <li>• Signed the signature of one client on an account form</li> </ul>	Settlement: <ul style="list-style-type: none"> <li>• \$5,000 fine;</li> <li>• Costs of \$2,500.</li> </ul>	<ul style="list-style-type: none"> <li>• Post-bulletin conduct</li> </ul>

56. At the Hearing, Staff spent considerable time reviewing the above referenced decisions for the Panel's benefit to assist us in determining whether the proposed penalty falls within a reasonable range of appropriateness having regard to the circumstances of this case.

57. Based on Staff's submission and our review of the cases, the Panel is satisfied that the proposed penalty falls within the range of penalties appropriate for the type of misconduct which is the subject of these proceedings, having regard to all of the circumstances.

## VI. CONCLUSION

58. Having reviewed the Settlement Agreement and having considered the submissions from both Staff and the Respondent, the Panel is satisfied that the penalty proposed in the Settlement Agreement is reasonable and proportionate having regard to the Respondent's conduct in the circumstances of the case.

59. We find that this penalty will deter the Respondent and other Approved Persons from engaging in the type of conduct that is the subject of these proceedings and will advance both the public interest and the MFDA's objectives to enhance investor protection and ensure high standards of conduct in the mutual fund industry.

60. For all of the above reasons, the Panel accepts the Settlement Agreement.

**DATED** this 21<sup>st</sup> day of July, 2022.

“Sherri Walsh”

Sherri Walsh  
Chair

“Sean Shore”

Sean Shore  
Industry Representative

“Greg Wiebe”

Greg Wiebe  
Industry Representative

DM 894231