



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: Timothy James Laskey

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and the Respondent, Timothy James Laskey (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 February 14, 2017 and December 22, 2020, the Respondent photocopied and re-used 5 account forms that had previously been signed by clients to process new transactions in respect of 4 clients, contrary to MFDA Rule 2.1.1;

- b) between March 12, 2015 and January 20, 2021, the Respondent altered and used to process transactions, 15 account forms in respect of 12 clients by altering information on the forms without having the clients initial the alterations, contrary to MFDA Rule 2.1.1; and
 - c) between April 19, 2016 and February 11, 2020, the Respondent obtained, possessed, and in some instances used to process transactions, 36 pre-signed account forms in respect of 10 clients, 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 \$28,000 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 be prohibited from acting as a branch manager or in any supervisory capacity for a Member of the MFDA for a period of 18 months, commencing upon the date the Settlement Agreement is accepted by the Hearing Panel, pursuant to s. 24.1.1(f) of MFDA By-law No.1;
 - d) the Respondent shall successfully complete the branch manager's course offered by either the Canadian Securities Institute or the Investment Funds Institute of Canada prior to acting as a branch manager in the future, pursuant to s. 24.1.1(f) of MFDA By-law No. 1;
 - e) the Respondent shall in the future comply with MFDA Rule 2.1.1; and
 - f) 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. Commencing on or around November 23, 1998, the Respondent became registered in the securities industry in Ontario as a dealing representative with Quadrus Investment Services Ltd. (the "Member"), a Member of the MFDA.
8. From approximately August 19, 2009 to December 3, 2018, the Member designated the Respondent as a branch manager.
9. The Respondent has also been registered with the Member since approximately August 17, 2018 in British Columbia, and since approximately January 4, 2022 in Alberta.
10. At all material times, the Respondent conducted business in the London, Ontario area.

The Respondent Re-used Client Signatures

11. Between February 14, 2017 and December 22, 2020, the Respondent photocopied and re-used 5 account forms that had previously been signed by clients to process new transactions in respect of 4 clients.
12. In some instances the Respondent photocopied account forms that had previously been signed by the clients and, using liquid correction fluid, altered information on the account forms and used the form to process new transactions.
13. The account forms consisted of:
 - a) 3 Quadrus Redemption Forms; and
 - b) 2 Quadrus Switch or Conversion Forms.

Altered Account Forms

14. Between March 12, 2015 and January 20, 2021, the Respondent altered and used to process transactions, 15 account forms in respect of 12 clients by altering information on the forms without having the clients initial the alterations.
15. The account forms consisted of:
 - a) 6 Quadrus Switch or Conversion Forms;

- b) 1 Canada Revenue Agency Direct Transfer of a Single Amount under Subsection 147(19) or Section 147.3 Form;
- c) 1 Canada Life and Quadrus Transfer Authorization For Non-Registered Investments Form;
- d) 1 Quadrus Management and Administration Services Fee Agreement for Wrap Fee eligible funds; and
- e) 6 Quadrus Redemption Forms.

16. The Respondent altered information on various sections of the account forms described above, including: fund amounts, fund percentages, fund names and codes, fund load options, directions for delivery of proceeds, transfer section content, account numbers, plan types, client names, client identification information, minimum asset information, approximate tax withheld, and client signature dates.

Pre-Signed Account Forms

17. Between April 19, 2016 and February 11, 2020, the Respondent obtained, possessed, and in some instances used to process transactions, 36 pre-signed account forms in respect of 10 clients.

18. The account forms consisted of:

- a) 24 Quadrus Switch or Conversion Forms;
- b) 2 Quadrus Subsequent Investment Forms; and
- c) 10 Quadrus Redemption Forms.

The Member's Investigation

19. On or about February 26, 2021, the Member conducted a review of the client files maintained by the Respondent and discovered some of the account forms described above.

20. The Member subsequently commenced an investigation into the Respondent's conduct and discovered the remaining account forms described above.

21. As a result of the Respondent's conduct, on or about March 19, 2021, the Member issued a disciplinary letter in respect of photocopying and altering signed account forms as described in this Settlement Agreement.

22. On the same date, the Member also placed the Respondent under close supervision for a minimum period of six months, and imposed a \$400 monthly fee on the Respondent in respect of close supervision. The Respondent has paid a total of \$2,400 to the Member in respect of the close supervision.

23. In March and April 2021, the Member sent audit letters to the clients whose accounts the Respondent serviced along with portfolio summaries in order to confirm that the transactions in their accounts were accurate and authorized. No clients responded to the Member with any concerns.

24. The Member also required the Respondent to review MFDA Notice #MSN-0066 – Signature Falsification; review the Member’s policies and procedures regarding pre-signed forms and altered forms; and complete Member internal training.

25. On or about May 10, 2021, the Respondent signed a document confirming that he would not engage in the practice of using pre-signed forms, photocopying forms, or using altered forms that were not initialed by clients in the future.

26. The Member completed its close supervision of the Respondent on September 30, 2021, and did not identify any further concerns during the close supervision period.

Additional Factors

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

28. There is no evidence of client loss, client complaints, or lack of authorization.

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

30. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources, and expenses associated with conducting a contested hearing on the allegations.

IV. ADDITIONAL TERMS OF SETTLEMENT

31. 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.

32. 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.

33. 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.

34. 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 agrees to waive any rights to a full hearing, a review hearing or appeal 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 or 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.

35. 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.

36. 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.

37. 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 6th day of September, 2022.

“Timothy Laskey”

Timothy Laskey

“MS”

Witness – Signature

MS

Witness – Print name

“Charles Toth”

Staff of the MFDA

Per: Charles Toth

Vice-President, Enforcement



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Re: Timothy James Laskey

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 MFDA By-law No. 1 in respect of Timothy James Laskey (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 MFDA By-law No. 1;

AND WHEREAS the Hearing Panel is of the opinion that the Respondent:

- a) between February 14, 2017 and December 22, 2020, the Respondent photocopied and re-used 5 account forms that had previously been signed by clients to process new transactions in respect of 4 clients, contrary to MFDA Rule 2.1.1;
- b) between March 12, 2015 and January 20, 2021, the Respondent altered and used to process transactions, 15 account forms in respect of 12 clients by altering information on the forms without having the clients initial the alterations, contrary to MFDA Rule 2.1.1; and

- c) between April 19, 2016 and February 11, 2020, the Respondent obtained, possessed, and in some instances used to process transactions, 36 pre-signed account forms in respect of 10 clients, 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 \$28,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
2. 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;
3. The Respondent shall be prohibited from acting as a branch manager or in any supervisory capacity for a Member of the MFDA for a period of 18 months, commencing upon the date the Settlement Agreement is accepted by the Hearing Panel, pursuant to section 24.1.1(f) of MFDA By-law No.1;
4. The Respondent shall successfully complete the branch manager's course offered by either the Canadian Securities Institute or the Investment Funds Institute of Canada prior to acting as a branch manager in the future, pursuant to s. 24.1.1(f) of MFDA By-law No. 1;
5. The Respondent shall in the future comply with MFDA Rule 2.1.1; and
6. 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]

DM 897658