



**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: Robert Stephen Mitchell**

Heard: May 31, 2017 in Toronto, Ontario

Decision: May 31, 2017

Reasons for Decision: June 23, 2017

**REASONS FOR DECISION**

Hearing Panel of the Central Regional Council:

Paul M. Moore, Q.C.  
Kenneth Mann  
Joan Smart

Chair  
Industry Representative  
Industry Representative

Appearances:

Paul Blasiak	)	Counsel for the Mutual Fund Dealers
	)	Association of Canada
	)	
	)	
Robert Stephen Mitchell	)	Respondent, by teleconference
	)	
	)	
	)	

## **Settlement Agreement**

1. The Hearing Panel accepted the settlement agreement dated April 5, 2017 (“Settlement Agreement”) between Staff of the MFDA and Robert Stephen Mitchell (“Respondent”). A copy of the Settlement Agreement is attached to these reasons as Schedule “1”. The agreed facts are set out in Part IV of the Settlement Agreement.

## **Contraventions**

2. The Respondent admitted that:

- (a) between September 2014 and March 2015, he processed approximately 28 trades in respect of 10 clients where he determined the specific elements of the trades, including the mutual fund that was traded, the amount of the trade and/or the timing of the trade, thereby engaging in discretionary trading, contrary to MFDA Rules 2.3.1 and 2.1.1; and
- (b) between March 2005 and January 2015, he directly reimbursed 4 clients for deferred sales charge fees and short term trading fees incurred by clients, thereby engaging in personal financial dealings with clients which gave rise to a conflict of interest that he failed to address by the exercise of responsible business judgment influenced only by the best interests of the clients, contrary to MFDA Rules 2.1.4 and 2.1.1; and
- (c) between about March 2010 and August 2014, he obtained, possessed and, in some instances, used to process transactions, 25 pre-signed account forms in respect of 12 clients, contrary to MFDA Rule 2.1.1.

### **Agreed penalties**

3. The agreed penalties were: i) a one month suspension from transacting securities related business in any capacity while employed with a Member of the MFDA; ii) a \$30,000 fine; and (iii) a \$5,000 costs award.

4. Staff advised that it had agreed with the Respondent's request that the one month suspension be stated as for the month of June, 2017, rather than for one month commencing on the date of our order accepting the Settlement Agreement as provided in the Settlement Agreement. The panel accepted and implemented this request.

### **Considerations**

5. The Hearing Panel determined that it had to be satisfied regarding three considerations before it could accept the Settlement Agreement. First, the agreed penalty had to be within an acceptable range taking into account similar cases. Secondly, the agreed penalty had to be fair and reasonable (i.e. proportional to the seriousness of the contravention and taking into consideration other relevant circumstances) and should appear to be so to members of the public and industry. Thirdly, the agreed penalty should serve as a deterrent to the Respondent and to industry. To be satisfied on these three considerations required an understanding of the particular facts of the case, the circumstances of the Respondent, and the impact on him of the agreed penalty.

6. Staff advised that it had recommended to the Respondent that he not travel all the way from Thunder Bay to Toronto to appear at the hearing in person, and instead attend by telephone, notwithstanding the provision in the Settlement Agreement that he appear in person. The panel accepted that it was appropriate that the Respondent attend by teleconference.

## **The Misconduct**

7. Engaging in discretionary trading, possessing and using pre-signed account forms, and engaging in personal financial dealings in the circumstances of this matter amounted to serious contraventions of the MFDA Rules, as admitted by the Respondent.

## **No permanent prohibition or course of study**

8. The mandate of the MFDA is public protection and prevention of harm.

9. The panel was concerned that the Respondent had continued in the misconduct after the 2009 Branch Review, the 2010 Branch Review, and the 2014 Branch Review outlined in paragraphs 8 to 15 of the Settlement Agreement. This was notwithstanding his confirmation in writing and Action Plan, both to rectify the deficiencies, and the disciplinary letter referenced in the same paragraphs.

10. We were concerned that the Respondent had not learned from his mistakes, or that he did not take seriously his duty to obey the rules, and that since it appeared that he had disregarded his undertakings to follow the rules, he might well do so again in the future.

11. In baseball, with 3 strikes, you're out. We needed to be satisfied that the agreed penalties would be a sufficient deterrent for the Respondent and that there was no reasonable basis to fear that he would offend yet again. Otherwise, a permanent prohibition would seem to be necessary for the settlement to be acceptable.

12. Staff and the Respondent referred to the disciplinary action the MFDA had taken against the Respondent's Member concerning its compliance supervision and dealings with the Respondent. The Respondent also referred to facts and evidence that he had provided to staff in its investigation of the Respondent and his misunderstandings about the application of the subject MFDA Rules.

13. In February, 2015, the Respondent's Member placed him under close supervision as outlined in paragraph 33 of the Settlement Agreement. The extensive reviews by the branch manager provided for were expanded in July 2015 as outlined in paragraph 34 of the Settlement Agreement.

14. No further concerns have arisen since July 20, 2015 and the Respondent continues to be under close supervision.

15. Staff advised that it had not required that the Respondent undertake a course of study as part of the agreed penalties because staff was satisfied that it was not necessary in view of what the Respondent has learned from this whole process.

16. We accepted the *bona fides* of the Respondent's explanations as to his misunderstanding of the application of the rules and the deficiencies that were repeated by him, and that the compliance supervision and help which he sought from his Member had been inadequate to assist him in understanding the rules. Although ignorance of the rules is no excuse, we were satisfied that he now understands the rules, that he took seriously his duty to obey the rules, and that his past conduct was not a reasonable basis to fear that he would offend yet again. We were satisfied that the agreed penalties provide an adequate deterrent.

17. We sought the views of staff on this and were advised that Staff was of the same view.

#### **Other considerations in determining acceptability of agreed penalties**

18. There was no evidence of client harm or client complaints.

19. The Respondent did not benefit from his misconduct beyond the commissions and fees that he would ordinarily have been entitled to receive had the transactions be carried out in the proper manner.

20. The Respondent has not previously been subject to MFDA disciplinary proceedings.

21. The agreed penalties are within the reasonable range of appropriateness with regard to MFDA decisions submitted to us by staff, made by MFDA Hearing panels in similar circumstances. They are not inconsistent with the MFDA penalty guidelines.

### **Costs**

22. A costs award of \$5,000 is reasonable in the circumstances.

### **Conclusion**

23. In summary, we concluded that the agreed penalties were within an acceptable range based on precedents, would serve as a specific and general deterrent, and were fair and reasonable. We concluded, therefore, that the Settlement Agreement was in the public interest and, consequently, we accepted it.

**DATED** this 23<sup>rd</sup> day of June, 2017.

“Paul M. Moore”

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Paul M. Moore, Q.C.  
Chair

“Kenneth P. Mann”

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Kenneth P. Mann  
Industry Representative

“Joan Smart”

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Joan Smart  
Industry Representative

## Schedule “1”

Settlement Agreement

File No. 201689



**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  
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**Re: Robert Stephen Mitchell**

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## **SETTLEMENT AGREEMENT**

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### **I. INTRODUCTION**

1. By News Release, the Mutual Fund Dealers Association of Canada (the “MFDA”) will announce that it proposes to hold a hearing to consider whether, pursuant to section 24.4 of By-law No. 1, a hearing panel of the Central Regional Council (the “Hearing Panel”) of the MFDA should accept the settlement agreement (the “Settlement Agreement”) entered into between Staff of the MFDA (“Staff”) and the Respondent, Robert Stephen Mitchell (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 Part IX) or any civil or other proceedings which may be brought by any other person or agency, whether or not this Settlement Agreement is accepted by the Hearing Panel.

### **IV. AGREED FACTS**

#### **Registration History**

6. The Respondent has been registered as a mutual fund salesperson (now known as a dealing representative) with Quadrus Investment Services Ltd. (“Quadrus”), a Member of the MFDA, in Ontario since September 1997, Alberta since November 2001, and British Columbia since July 2008.

7. At all material times, the Respondent conducted business in the Thunder Bay, Ontario area.

## **Background**

8. In March 2009, Quadrus compliance staff conducted a review of the Respondent's branch office (the "2009 Branch Review"). During this review, Quadrus compliance staff detected that the Respondent had, or may have, among other things, engaged in discretionary trading with clients and personal financial dealings with a client by reimbursing or offering to reimburse a deferred sales charge ("DSC") fee incurred by a client.

9. Following the conclusion of the 2009 Branch Review, the Respondent confirmed, in writing, that he would rectify the deficiencies identified in the 2009 Branch Review.

10. In September 2010, Quadrus compliance staff conducted a review of the Respondent's branch office (the "2010 Branch Review"). During this review, Quadrus compliance staff detected that the Respondent had, or may have, among other things, engaged in discretionary trading with clients, engaged in personal financial dealings with clients by reimbursing or offering to reimburse DSC and short term trading ("STT") fees incurred by clients, and used pre-signed account forms.

11. In April 2011, the Respondent signed an "Action Plan" confirming that he would rectify the deficiencies identified in the 2010 Branch Review.

12. In September 2014, Quadrus compliance staff conducted a review of the Respondent's branch office (the "2014 Branch Review"). During this review, Quadrus compliance staff detected that the Respondent had obtained, possessed or used to process transactions, 12 pre-signed account forms.

13. In November 2014, Quadrus issued a disciplinary letter to the Respondent advising the Respondent that he was prohibited from possessing or using pre-signed account forms (the "Disciplinary Letter").

14. In March 2015, as a result of the conduct detected during the branch reviews, Quadrus compliance staff reviewed all of the client files maintained by the Respondent (the “File Review”).

15. The misconduct described in this Notice of Hearing was detected during the 2009 Branch Review, 2010 Branch Review and 2014 Branch Review, and File Review described above.

### **Discretionary Trading**

16. At all material times, Quadrus’ policies and procedures prohibited its Approved Persons from engaging in discretionary trading.

17. Between September 2014 and March 2015, the Respondent processed approximately 28 trades (the “Trades”) in respect of 10 clients where he determined the specific elements of the Trades, including the mutual fund that was traded, the amount of the trade and/or the timing of the trade.

18. The clients provided the Respondent or his assistant with a general authorization to process the Trades without specifying the specific elements of the Trades, or the Respondent contacted the clients after he processed the Trades and informed the clients that he had “rebalanced” their accounts.

19. The Respondent engaged in the conduct described above after:

- i) the Respondent confirmed, in response to the 2009 Branch Review, that he would not engage in discretionary trading; and
- ii) the Respondent signed the Action Plan following the 2010 Branch Review which required him to, among other things, “always contact his client by phone or email before rebalancing any accounts”.

20. By virtue of the foregoing, the Respondent engaged in discretionary trading, contrary to MFDA Rules 2.3.1 and 2.1.1.

### **Personal Financial Dealings**

21. At all material times, Quadrus' policies and procedures prohibited its Approved Persons from directly reimbursing commission payments to clients.

22. Since at least April 2008, Quadrus' policies and procedures prohibited its Approved Persons from engaging in personal financial dealings with clients "which might affect or appear to affect decisions or actions taken with regard to Quadrus", or from making "contributions to a client's account or paying for adjustments to a client's investments without Quadrus' knowledge and approval".

23. Between March 2005 and January 2015, the Respondent directly reimbursed 4 clients for DSC fees and STT fees incurred by the clients. The reimbursements are summarized in the table below:

<b>Client</b>	<b>Date of Reimbursement</b>	<b>Type of Reimbursement</b>	<b>Amount Reimbursed</b>
WB	March 29, 2005	DSC	\$881.73
### Inc.	April 30, 2008	DSC	\$225.93
MH Ltd.	May 14, 2009	STT	\$500.00
HC	January 20, 2015	DSC	\$49.36

24. The Respondent directly reimbursed client HC for a DSC fee after:

- i) the Respondent confirmed, in response to the 2009 Branch Review, that he would not engage in personal financial dealings with clients; and
- ii) the Respondent signed the Action Plan following the 2010 Branch Review which required him to cease this activity.

25. By virtue of the foregoing, the Respondent engaged in personal financial dealings with clients, which gave rise to a conflict or potential conflict of interest between the Respondent and

the clients that the Respondent failed to address by the exercise of responsible business judgment influenced only by the best interests of the clients, contrary to MFDA Rules 2.1.4 and 2.1.1.

### **Pre-Signed Account Forms**

26. At all material times, Quadrus' policies and procedures prohibited its Approved Persons from using pre-signed account forms.

27. Between about March 2010 and August 2014, the Respondent obtained, possessed and, in some instances, used to process transactions, 25 pre-signed account forms in respect of 12 clients.

28. The pre-signed account forms included Switch Forms, Redemption Forms, Subsequent Investment Forms, an RESP Education Assistance Payment Form, and a Transfer Form.

29. The Respondent obtained, possessed or used to process transactions, 12 of the 25 pre-signed account forms described above after the Respondent signed the Action Plan in April 2011 which required him to cease using pre-signed account forms.

30. The Respondent obtained, possessed or used to process transactions, 8 of the 25 pre-signed account forms described above after Quadrus had issued the Disciplinary Letter to him prohibiting him from possessing or using pre-signed account forms.

31. By virtue of the foregoing, the Respondent obtained, possessed and, in some instances, used to process transactions, 25 pre-signed account forms in respect of 12 clients, contrary to MFDA Rule 2.1.1.

## **Action Taken by the Member**

32. In November 2014 and May 2015, Quadrus sent letters to all of the Respondent's clients to determine whether the Respondent had engaged in any unauthorized trading activity in the clients' accounts. None of the clients reported any concerns.

33. In February 2015, Quadrus placed the Respondent on close supervision whereby, among other things, the Respondent's branch manager was required to:

- i) review all trade documentation related to trades processed by the Respondent on corporate client accounts during the period of close supervision to verify that evidence of client authorization was present for each trade; and
- ii) review two of the Respondent's client files per month to test for instances of discretionary trading, personal financial dealings with clients, and the use of pre-signed forms.

34. On July 20, 2015, Quadrus expanded the terms of the close supervision to require the Respondent's branch manager to review all trades processed by the Respondent on individual as well as corporate client accounts to verify that evidence of client authorization was present for each trade. No further concerns have arisen since July 20, 2015. The Respondent remains under close supervision.

35. In October 2015, Quadrus compliance staff conducted a further review of 25 of the Respondent's client files. During the review, Quadrus did not identify any further instances where the Respondent had engaged in discretionary trading, engaged in personal financial dealings with clients, or used pre-signed account forms.

## **Additional Factors**

36. There is no evidence of client harm with respect to the misconduct described in this Settlement Agreement and there have been no client complaints.

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

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

39. 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. CONTRAVENTIONS**

40. The Respondent admits that:

- (a) between September 2014 and March 2015, the Respondent processed approximately 28 trades in respect of 10 clients where he determined the specific elements of the trades, including the mutual fund that was traded, the amount of the trade and/or the timing of the trade, thereby engaging in discretionary trading, contrary to MFDA Rules 2.3.1 and 2.1.1;
- (b) between March 2005 and January 2015, the Respondent directly reimbursed 4 clients for deferred sales charge fees and short term trading fees incurred by the clients, thereby engaging in personal financial dealings with the clients which gave rise to a conflict or potential conflict of interest that the Respondent failed to address by the exercise of responsible business judgment influenced only by the best interests of the clients, contrary to MFDA Rules 2.1.4 and 2.1.1; and
- (c) between about March 2010 and August 2014, the Respondent obtained, possessed and, in some instances, used to process transactions, 25 pre-signed account forms in respect of 12 clients, contrary to MFDA Rule 2.1.1.

## **VI. TERMS OF SETTLEMENT**

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

- a) the Respondent shall be suspended from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member for a period of one month commencing from the date of the Hearing Panel's final Order herein, pursuant to s. 24.1.1(c) of MFDA By-law No. 1;
- b) the Respondent shall pay a fine in the amount of \$30,000 pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
- c) the Respondent shall pay costs in the amount of \$5,000 pursuant to s. 24.2 of MFDA By-law No 1;
- d) the Respondent shall in the future comply with MFDA Rules 2.1.1, 2.1.4 and 2.3.1; and
- e) the Respondent will attend in person on the date set for the Settlement Hearing.

## **VII. STAFF COMMITMENT**

42. 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 contraventions described in Part V of this Settlement Agreement, subject to the provisions of Part IX below. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any contraventions that are not set out in Part V of this Settlement Agreement or in respect of conduct that occurred outside the specified date ranges of the contraventions set out in Part V, 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.

## VIII. PROCEDURE FOR APPROVAL OF SETTLEMENT

43. 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. 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](http://www.mfda.ca).

44. 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.

45. 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.

46. 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.

## **IX. FAILURE TO HONOUR SETTLEMENT AGREEMENT**

47. 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 section 24.3 of 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. If such additional enforcement action is taken, the Respondent agrees that the proceeding(s) may be heard and determined by a hearing panel comprised of all or some of the same members of the hearing panel that accepted the Settlement Agreement, if available.

## **X. NON-ACCEPTANCE OF SETTLEMENT AGREEMENT**

48. 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.

49. 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.

## **XI. DISCLOSURE OF AGREEMENT**

50. 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.

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

**XII. EXECUTION OF SETTLEMENT AGREEMENT**

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

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

**DATED** this 5<sup>th</sup> day of April, 2017.

“Robert Stephen Mitchell”  
\_\_\_\_\_  
Robert Stephen Mitchell

“MC”  
\_\_\_\_\_  
Witness – Signature

MC  
\_\_\_\_\_  
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. 201689**



**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: Robert Stephen Mitchell**

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**ORDER**

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**WHEREAS** on November 15, 2016, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Hearing pursuant to ss. 20 and 24 of By-law No. 1 in respect of Robert Stephen Mitchell (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 September 2014 and March 2015, the Respondent processed approximately 28 trades in respect of 10 clients where he determined the specific elements of the trades, including the mutual fund that was traded, the amount of

the trade and/or the timing of the trade, thereby engaging in discretionary trading, contrary to MFDA Rules 2.3.1 and 2.1.1;

- b) between March 2005 and January 2015, the Respondent directly reimbursed 4 clients for deferred sales charge fees and short term trading fees incurred by the clients, thereby engaging in personal financial dealings with the clients which gave rise to a conflict or potential conflict of interest that the Respondent failed to address by the exercise of responsible business judgment influenced only by the best interests of the clients, contrary to MFDA Rules 2.1.4 and 2.1.1; and
- c) between about March 2010 and August 2014, the Respondent obtained, possessed and, in some instances, used to process transactions, 25 pre-signed account forms in respect of 12 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 be suspended from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member for a period of one month commencing from the date of this Order, pursuant to s. 24.1.1(c) of MFDA By-law No. 1;
2. The Respondent shall pay a fine in the amount of \$30,000 pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
3. The Respondent shall pay costs in the amount of \$5,000 pursuant to s. 24.2 of MFDA By-law No 1;
4. The Respondent shall in the future comply with MFDA Rules 2.1.1, 2.1.4 and 2.3.1; and
5. 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]