



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: Grant Bryan Page

Heard: March 27, 2013 in Winnipeg, Manitoba
Reasons for Decision: April 26, 2013

REASONS FOR DECISION

Hearing Panel of the Prairie Regional Council:

| | |
|--------------------|-------------------------|
| Robert Hucal | Chair |
| Barbara Shourounis | Industry Representative |
| Richard Sydenham | Industry Representative |

Appearances:

| | | |
|------------------|---|---|
| Shari L. Boyd |) | Enforcement Counsel for Mutual Fund Dealers |
| |) | Association of Canada (“MFDA”) |
| Grant Bryan Page |) | Respondent, was not represented by Counsel |
| |) | |

1. On March 27, 2013, after hearing representations from Enforcement Counsel and the Respondent, we approved a Settlement Agreement (Appendix “A”) reached between the MFDA and the Respondent. At the conclusion of the hearing, we signed an Order to that effect, with written reasons to follow. The Settlement Agreement provides that the Respondent pay a fine in the amount of \$5,000 and that he shall pay costs in the amount of \$2,500.

Agreed Facts

Registration History

2. The Respondent, who is a resident of Winnipeg, has been registered in Manitoba and Ontario as a mutual fund salesperson with Quadrus Investment Services Ltd. (“Quadrus”) since February 14, 2000 and remains registered in that capacity.

The 2010 Compliance Examination

3. Irregularities were found by a Quadrus employee when the Respondent provided two sets of blank and partially completed signed documents to an assistant for processing at which time the Branch Manager referred the matter to the compliance staff. A review of 25 client accounts showed that two client files contained two blank account document signed by the client and one partially completed New Account Application Form signed by the client.

4. The report identified the breach of MFDA rules and Quadrus policies and procedures relating to the maintenance and use of pre-signed forms and the Respondent was then informed and undertook to refrain from having clients sign blank documents in the future.

The 2011 Compliance Examination

5. Quadrus compliance staff conducted its regulatory audit of the Respondent in June 2011 and one pre-signed blank form was discovered. After a review of five client files, subsequently, 50 client files were reviewed and four additional pre-signed forms and two partially completed forms were found. A future examination by Quadrus determined that additional files contained

pre-signed blank forms or partially completed signed forms.

6. In September 2011, Quadrus provided the Respondent with a letter of reprimand indicating that the maintenance and use of pre-signed forms was prohibited and that the Respondent was not to possess them in the future. The Respondent was also placed on close supervision for one year.

7. There is no evidence that any client suffered financial harm as a result of the Respondent's maintenance and use of pre-signed forms nor were there client complaints directed to Quadrus or the MFDA concerning the Respondent's activities.

Contraventions

8. The Respondent admitted that between November 2007 and June 2011 he engaged in a practice unbecoming an Approved Person by maintaining and using partially completed and blank forms signed by clients to conduct Member business, contrary to MFDA Rule 2.1.1.

Mitigating Factors

9. The Respondent has not previously been a subject of MFDA disciplinary procedures.

10. The Respondent acknowledges the seriousness of his conduct and the importance of following MFDA rules and policies and Quadrus procedures and policies.

Discussion

11. It is generally agreed that the Hearing Panel should not interfere with a negotiated settlement so long as the penalties agreed upon are within a reasonable range of appropriateness given the circumstances.

12. The appropriateness depends on a number of factors and the Hearing Panel has taken into account the following circumstances when determining whether the proposed settlement should be accepted:

- (i) the seriousness of the allegations proved against the Respondent and whether the proposed settlement will prevent the type of conduct from occurring in the future;
- (ii) the Respondent's past conduct, including prior sanctions, and whether or not the Respondent recognizes the seriousness of the improper activity;
- (iii) whether or not the Settlement Agreement would be in the public interest and whether the penalties imposed will protect investors and, in that regard, the risk to investors and capital markets were the Respondent to continue conducting business;
- (iv) whether the Settlement Agreement is reasonable having regard to the conduct of the Respondent;
- (v) whether the Settlement Agreement addresses the issue of both specific and general deterrence;
- (vi) whether the Settlement Agreement will foster confidence in the integrity of the Canadian capital markets, the MFDA and the regulatory process; and
- (vii) previous decisions made in similar circumstances.

13. We have reviewed the decisions noted below.^{1 2 3 4}

14. We have considered that the fine and costs are the minimum suggested in the penalty guidelines. We are satisfied that the Respondent immediately responded to the compliance deficiencies and ceased the violations as soon as pointed out. He demonstrated remorse and recognized his failures.

15. We are satisfied that the investing public is protected, as is the integrity of the capital

¹ In re: Kenneth Roy Breckenridge, MFDA Hearing Panel, Decision and Reasons dated November

² In re: Robert Roy Parkinson, MFDA Hearing Panel, Reasons for Decision dated April 29, 2005, pp. 20-21

³ In re: Arnold Tonnie, MFDA Hearing Panel, Reasons for Decision dated June 27, 2005, p. 22

⁴ In re: Stephan Headley, MFDA Hearing Panel, Reasons for Decision dated February 21, 2006, p. 24

markets and the MFDA enforcement process. Additionally, we believe that the fines will serve as a deterrent.

DATED this 26th day of April, 2013.

“Robert Hucal”

Robert Hucal,
Chair

“Barbara Shourounis”

Barbara Shourounis,
Industry Representative

“Richard Sydenham”

Richard Sydenham,
Industry Representative



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**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: Grant Bryan Page

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Settlement Hearing, 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 Prairie 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, Grant Bryan Page.

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 in Manitoba and Ontario as a mutual fund salesperson with Quadrus Investment Services Ltd. (“Quadrus”) since February 14, 2000 and remains registered in that capacity.

7. During the material time, the Respondent has resided in Winnipeg, Manitoba.

Pre-Signed Forms

8. In December 2010, the Respondent provided two sets of blank and partially completed client account documents to an assistant for processing. The assistant noticed some irregularities and referred the forms to the Branch Operations Manager, who in turn referred the issue to Compliance staff at Quadrus.

9. Quadrus Compliance staff completed a 25 file review of client accounts serviced by the Respondent and found two (2) client files that each contained three (3) blank account documents signed by the client and one (1) client file that contained a partially completed New Account Application Form (“NAAF”) signed by the client.

10. The Respondent was informed by Quadrus Compliance staff that the maintenance and use of pre-signed forms was not allowable under MFDA Rules or Quadrus policies and procedures.

11. On December 13, 2010, the Respondent indicated that he would not have clients sign blank account documents in the future.

12. In June 2011, Quadrus Compliance staff conducted its regulatory scheduled audit of the Respondent. Initially, five (5) client files were selected for review and one (1) pre-signed blank form was discovered. As a result of the discovery of the pre-signed blank form, an additional 50 client files were reviewed and four (4) additional pre-signed forms and two (2) partially completed signed forms were discovered.

13. Quadrus then reviewed all of the client files which the Respondent serviced and discovered additional client files that contained pre-signed blank forms or partially completed signed forms.

14. At the material time, the Respondent serviced 303 client accounts. The June 2011 Quadrus review uncovered the following partially completed and blank pre-signed forms:

(a) Partially Completed Signed Forms

- Client KS: NAAF;
- Client DS: NAAF;
- Client TB: NAAF; three (3) Transfer Authorization for Registered Investments forms;
- Client NL: NAAF; Education Saving Plan Application form;

- Client GV: PAC, AWD or RIF Payment Form;
- Client KB: Deferred Profit Sharing Plan (“DPSP”) or Registered Pension Plan (“RPP”) Transfer Form;
- Client LS: PAC, AWD, RIF Payment Form
- Client JD: Investment Form.

(b) Blank Pre-Signed Forms not used by the Respondent

- Client CD: two (2) Investment Forms; DPSP or RPP Transfer Form;
- Client LDA: four (4) Investment Forms;
- Client NH: Investment Form;
- Client DR: Investment Form;
- Client IS: DPSP or RPP Transfer Form;
- Client KC: NAAF; Transfer Authorization for Registered Investments form;
- Client IC: Transfer Authorization for Registered Investments form;
- Client PC: Investment Form;
- Client DD: Investment Form;
- Client SF: two (2) Investment Forms;
- Client KG: Investment Form;
- Client WG & KG: Investment Form;
- Client EG: Investment Form;
- Client MK: two (2) Investment Forms; three (3) Transfer Authorization for Registered Investments form;
- Client IL: Investment Form;
- Client MM & SM: Investment Form;
- Client AV: Investment Form.

(c) Blank Pre-signed Forms used by the Respondent

- Client AE: Investment Form used February 25, 2011;
- Client TE: Investment Form used February 25, 2011

15. On September 13, 2011, Quadrus provided the Respondent with a letter of reprimand that indicated that the maintenance and use of pre-signed forms was prohibited and that the Respondent must not possess them in the future. In addition, Quadrus placed the Respondent on close supervision for one (1) year.

16. Quadrus's policy and procedures manual specifically prohibited the use of pre-signed forms:

Chapter 19 – Sales Practice

Unacceptable Sales Practice

Unacceptable sales activities may include, but are not limited to:

... ..

- Using pre-signed forms;

... ..

17. Quadrus reviewed each client file where the Respondent maintained or used pre-signed forms and determined that in all cases the clients authorized the trades or transactions which took place in the account. As a result, there is no evidence that any clients suffered financial harm as a result of the Respondent's maintenance and use of pre-signed forms. No client complaints concerning the Respondent's activity have been received by either Quadrus or the MFDA.

Mitigating Factors

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

19. The Respondent has co-operated with MFDA Staff's investigation into his conduct.

20. The Respondent acknowledges the seriousness of his conduct and the importance of following MFDA Rules and policies and Quadrus policies and procedures.

V. CONTRAVENTIONS

21. The Respondent admits that between November 2007 and June 2011, he engaged in a practice unbecoming an Approved Person by maintaining and using partially completed and

blank forms signed by clients to conduct Member business, contrary to MFDA Rule 2.1.1.

VI. TERMS OF SETTLEMENT

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

- (a) the Respondent shall pay a fine in the amount of \$5,000.00, pursuant to Section 24.1.1(b) of MFDA By-law No. 1;
- (b) the Respondent shall pay costs in the amount of \$2,500.00, pursuant to Section 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.

VII. STAFF COMMITMENT

23. If this Settlement Agreement is accepted by the Hearing Panel, Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the facts set out in Part IV and 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 facts and contraventions that are not set out in Parts IV and V of this Settlement Agreement or in respect of conduct that occurred outside the specified date ranges of the facts and contraventions set out in Parts IV and 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

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

25. 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 its 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.

26. 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. 24.1.2 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.

27. 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 it him.

IX. FAILURE TO HONOUR SETTLEMENT AGREEMENT

28. 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

29. 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.

30. Whether or not this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees that it 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

31. 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.

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

XII. EXECUTION OF SETTLEMENT AGREEMENT

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

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

Dated this 8th day of January, 2013.

“Regina Kowaliszyn”
Witness – Signature

Regina Kowaliszyn
Witness - Print name

“Grant Bryan Page”
Grant Bryan Page

“Shaun Devlin”
Staff of the MFDA
Per: Shaun Devlin
Vice-President, Enforcement



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Re: Gary Golden

ORDER

WHEREAS on _____, 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 Grant Bryan Page (the "Respondent");

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated _____ (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 between November 2007 and June 2011 the Respondent engaged in a practice unbecoming an Approved Person by maintaining and using partially completed and blank forms signed by clients to conduct Member business, contrary to MFDA Rule 2.1.1.

IT IS HEREBY ORDERED THAT the Settlement Agreement is accepted, as a consequence of which:

1. If at any time a non-party to this proceeding requests production of, or access to, any materials filed in, or the record of, this proceeding, including all exhibits and transcripts, then the MFDA Corporate Secretary shall not provide copies of, or access to, the requested documents to the non-party without first redacting from them any and all intimate financial or personal information, pursuant to Rules 1.8(2) and (5) of the MFDA *Rules of Procedure*;

2. The Respondent shall pay a fine in the amount of \$5,000.00, pursuant to Section 24.1.1(b) of MFDA By-law No.1;

3. The Respondent shall pay costs in the amount of \$2,500.00, pursuant to Section 24.2 of MFDA By-law No. 1;

4. The Respondent shall in the future comply with all MFDA By-laws, Rules and Policies, and all applicable securities legislation and regulations made thereunder, including MFDA Rule 2.1.1.

DATED this [day] day of [month], 20[].

Per: _____
[Name of Public Representative], Chair

Per: _____
[Name of Industry Representative]

Per: _____
[Name of Industry Representative]