



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: Jeremy Rebek

Heard: February 1, 2022 by electronic hearing in Toronto, Ontario

Decision: February 1, 2022

Reasons for Decision: February 22, 2022

REASONS FOR DECISION

Hearing Panel of the Central Regional Council:

Paul M. Moore, Q.C.
Susan Dicks
Cheryl Hamilton

Chair
Industry Representative
Industry Representative

Appearances:

Julie Grajales)	Enforcement Counsel for the Mutual Fund
)	Dealers Association of Canada
)	
)	
Jeremy Rebek)	Respondent
)	
)	
Ashley Thomassen)	Counsel for the Respondent
)	
)	

I. SETTLEMENT AGREEMENT

1. We accepted the settlement agreement dated November 30, 2021 (“Settlement Agreement”) between the staff of the MFDA (“Staff”) and Jeremy Rebek (“Respondent”) at an electronic settlement hearing held in accordance with MFDA rules for an electronic hearing.
2. A copy of the Settlement Agreement is attached to these Reasons as Schedule “1”. The agreed facts are set out in Part III of the Settlement Agreement.

II. CONTRAVENTIONS

3. The Respondent admits that:
 - a) on or about December 19, 2017, the Respondent photocopied signature pages from account forms that had previously been signed by a client and re-used the signature pages to complete 3 additional forms in respect of the client, contrary to MFDA Rule 2.1.1;
 - b) between March 4, 2015 and December 19, 2017, the Respondent altered and used to process transactions 5 account forms in respect of 5 clients by altering information on the account forms without having the clients initial the alterations, contrary to MFDA Rule 2.1.1; and
 - c) between November 27, 2014 and April 23, 2019, the Respondent obtained, possessed, and in some instances used to process transactions, 6 pre-signed account forms in respect of 3 clients, contrary to MFDA Rule 2.1.1

III. PROPOSED SANCTION

4. The Settlement Agreement provides that:
 - a) the Respondent shall pay a fine of \$15,000;
 - b) the Respondent shall pay costs of \$2,500; and
 - c) the payment by the Respondent of the fine and costs shall be made as follows:
 - i) \$10,000 upon acceptance of the Settlement Agreement;
 - ii) \$2,500 on or before the last business day of the first month following the date of the Settlement Agreement;
 - iii) \$2,500 on or before the last business day of the second month following the date of the Settlement Agreement; and

- iv) \$2,500 on or before the last business day of the third month following the date of the Settlement Agreement; and
- d) the Respondent shall in the future comply with MFDA Rule 2.1.1.

IV. CONSIDERATIONS

5. We determined that we had to be satisfied regarding three considerations before we 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 contraventions taking into consideration 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 the Respondent of the agreed penalty.

V. MISCONDUCT

6. The Respondent's conduct in photocopying and altering of forms, and his use of pre-signed forms was in violation of the standard of conduct codified by MFDA in Rule 2.1.1. This rule requires that Members and Approved Persons 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.

VI. OTHER CONSIDERATIONS

7. On October 22, 2019, the Member placed the Respondent on close supervision. The Respondent completed his close supervision on May 6, 2020, and paid the Member \$2,400 in close supervision fees.

8. There was no evidence that the Respondent received any 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.

9. There was no evidence of client complaints, client loss or lack of client authorization.

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

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

12. The agreed penalties are within the recommendations of the MFDA Sanction Guidelines and the reasonable range of appropriateness with regard to MFDA decisions submitted to us by Staff and Respondent's counsel, made by MFDA Hearing Panels in similar circumstances. They are fair and reasonable and will serve as a specific and general deterrent.

VII. COSTS

13. The costs award is reasonable.

VIII. CONCLUSION

14. We concluded that the Settlement Agreement was in the public interest and, consequently, we accepted it.

DATED this 22nd day of February, 2022.

“Paul M. Moore”

Paul M. Moore, Q.C.
Chair

“Cheryl Hamilton”

Cheryl Hamilton
Industry Representative

“Susan Dicks”

Susan Dicks
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: Jeremy Rebek

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada ("Staff") and the Respondent, Jeremy Rebek (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) on or about December 19, 2017, the Respondent photocopied signature pages from account forms that had previously been signed by a client and re-used the signature

pages to complete 3 additional forms in respect of the client, contrary to MFDA Rule 2.1.1;

- b) between March 4, 2015 and December 19, 2017, the Respondent altered and used to process transactions 5 account forms in respect of 5 clients by altering information on the account forms without having the clients initial the alterations, contrary to MFDA Rule 2.1.1; and
- c) between November 27, 2014 and April 23, 2019, the Respondent obtained, possessed, and in some instances used to process transactions, 6 pre-signed account forms in respect of 3 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 \$15,000, 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, pursuant to s. 24.2 of MFDA By-law No. 1;
- c) 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) \$10,000 upon acceptance of the Settlement Agreement by the Hearing Panel;
 - ii) \$2,500 on or before the last business day of the first month following the date of the Settlement Agreement;
 - iii) \$2,500 on or before the last business day of the second month following the date of the Settlement Agreement; and
 - iv) \$2,500 on or before the last business day of the third month following the date of the Settlement Agreement;
- d) the Respondent shall in the future comply with MFDA Rule 2.1.1; and
- e) the Respondent will attend by videoconference, on the date set for the Settlement Hearing.

6. Staff and the Respondent agree to the settlement on the basis of the facts set out in Part III herein and consent to the making of an Order in the form attached as Schedule "A".

III. AGREED FACTS

Registration History

7. Since April 17, 2014, the Respondent has been registered in Ontario as a Dealing Representative with Sun Life Financial Investment Services (Canada) Inc. (the “Member”), a Member of the MFDA.

8. At all material times, the Respondent conducted business in the Sault Ste. Marie, Ontario area.

Re-Used Client Signatures

9. At all material times, the Member’s policies and procedures prohibited Approved Persons from photocopying a document to re-use a client’s signature.

10. On December 19, 2017, the Respondent photocopied two signature pages from account forms that had previously been signed by a client and re-used the signature pages to complete 3 additional forms in respect of the client.

11. The Respondent submitted all of the account forms to the Member for processing.

12. The account forms consisted of 2 Transfer Authorization forms and 1 Know Your Client (“KYC”) form.

Altered Account Forms

13. At all material times, the Member’s policies and procedures prohibited Approved Persons from altering or correcting any information on a signed document, without having the client initial the changes.

14. Between March 4, 2015 and December 19, 2017, the Respondent altered and used to process transactions 5 account forms in respect of 5 clients by altering information on the account forms without having the clients initial the alterations.

15. The account forms consisted of:

- a) 4 KYC forms; and
- b) 1 Limited Trade Authorization form.

16. The Respondent altered clients' net worth, investment objectives, risk tolerance, and a client's signature date on the account forms.

Pre-signed Account Forms

17. At all material times, the Member's policies and procedures prohibited Approved Persons from obtaining or using pre-signed account forms.

18. Between November 27, 2014 and April 23, 2019, the Respondent obtained, possessed, and in some instances used 6 pre-signed account forms in respect of 3 clients to process transactions.

19. The account forms consisted of:

- a) 1 KYC form; and
- b) 5 Tax Free Savings Account Application forms.

The Member's Investigation

20. In August 2019, during the course of a branch audit, the Member identified one of the pre-signed account forms described above. Subsequently, the Member completed a full review of the client files serviced by the Respondent and discovered the remaining account forms.

21. On October 22, 2019, the Member placed the Respondent on close supervision. The Respondent completed his close supervision on May 6, 2020, and paid the Member \$2,400 in close supervision fees.

22. The Member commenced an investigation to determine whether the transactions were authorized by the clients and that the KYC information the Member had on file was accurate, including by writing the affected clients in order to have the clients review their transaction history and KYC information. No clients reported any concerns to the Member.

23. On December 6, 2019, the Member issued the Respondent a Warning Letter in respect of the account forms described above.

Additional Factors

24. 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.

25. There is no evidence of client loss, client complaints, or lack of authorization.
26. The Respondent has not previously been the subject of MFDA disciplinary proceedings.
27. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources, and expenses associated with conducting a full hearing on the allegations.

IV. ADDITIONAL TERMS OF SETTLEMENT

28. 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.
29. 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.
30. 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.
31. 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 and 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.

32. 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.

33. 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.

34. 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 30th day of November, 2021.

“Jeremy Rebek”

Jeremy Rebek

“SM”

Witness – Signature

SM

Witness – Print Name

“Charles Toth”

Staff of the MFDA

Per: Charles Toth

Vice-President, Enforcement



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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: Jeremy Rebek

ORDER

WHEREAS on February 1, 2022, 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 Jeremy Rebek (the "Respondent");

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated November 30, 2021 (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:

- a) on or about December 19, 2017, the Respondent photocopied signature pages from account forms that had previously been signed by a client and re-used the signature pages to complete 3 additional forms in respect of the client, contrary to MFDA Rule 2.1.1;
- b) between March 4, 2015 and December 19, 2017, the Respondent altered and used to process transactions 5 account forms in respect of 5 clients by altering information on the account forms without having the clients initial the alterations, contrary to MFDA Rule 2.1.1; and

- c) between November 27, 2014 and April 23, 2019, the Respondent obtained, possessed, and in some instances used to process transactions, 6 pre-signed account forms in respect of 3 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 \$15,000, 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, pursuant to s. 24.2 of MFDA By-law No. 1;
3. The payment by the Respondent of the fine and costs shall be made to and received by the MFDA in certified funds as follows:
 - a) \$10,000 upon acceptance of the Settlement Agreement by the Hearing Panel;
 - b) \$2,500 on or before March 31, 2022;
 - c) \$2,500 on or before April 29, 2022
 - d) \$2,500 on or before May 31, 2022;
4. The Respondent shall in the future comply with MFDA Rule 2.1.1; 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]

DM 872896