



Now New Self-Regulatory Organization of Canada, a consolidation of IIROC and the MFDA

**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: Christopher Glenn Roberts

Heard: September 12, 2022 by electronic hearing in Vancouver, British Columbia

Decision: September 12, 2022

Reasons for Decision: December 15, 2022

REASONS FOR DECISION

Hearing Panel of the Pacific Regional Council:

Lynn Smith, O.C., K.C.
Susan E. Monk
Tammi Walsh

Chair
Industry Representative
Industry Representative

Appearances:

Peter Gilmore)	Enforcement Counsel for the Mutual Fund
)	Dealers Association of Canada
)	
Brian Grootendorst)	Counsel for Respondent
)	
)	
Christopher Glenn Roberts)	Respondent
)	

I. INTRODUCTION

1. On June 20, 2022, Christopher Glenn Roberts (the “Respondent”) entered into a settlement agreement dated June 20, 2022 (the “Settlement Agreement”) with the Mutual Fund Dealers Association of Canada (the “MFDA”) pursuant to 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.

2. In the Settlement Agreement the Respondent admits to the following violations of the By-laws, Rules or Policies of the MFDA:

Between October 20, 2020 and October 22, 2020, the Respondent signed a client’s signature on four account forms and submitted the forms to the Member for processing contrary to MFDA Rule 2.1.1.

3. The Settlement Agreement provides that Staff and the Respondent agree to the following terms of settlement:

- a) The Respondent shall pay a fine in the amount of \$10,000 in certified funds upon acceptance of the Settlement Agreement, 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 in certified funds upon acceptance of the Settlement Agreement, 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 shall attend in person or by videoconference on the date set for the Settlement Hearing.

4. This matter came before the Hearing Panel as a settlement hearing on September 12, 2022. The Respondent did not attend the settlement hearing in person nor was he represented by counsel. Mr. Gilmore, Enforcement Counsel tendered the signed Settlement Agreement.

5. At the commencement of the hearing, the Panel granted Enforcement Counsel’s motion to conduct the proceedings *in camera* while the Panel considered the Settlement Agreement. Proceeding *in camera* ensures that members of the public do not become privy to the confidential contents of the Settlement Agreement unless and until it is accepted by the Panel. After hearing submissions by counsel for the MFDA, and the Respondent having failed to appear or make submissions, the Panel, having considered the submissions, the Settlement Agreement, and the

authorities, decided to accept the Settlement Agreement and issued an order to that affect. These are the written reasons for the Panels' decision.

II. THE AGREED FACTS

6. The Agreed Facts in the Settlement Agreement are as set out below.

7. The Respondent was registered in the securities industry in British Columbia commencing in 2014. From February 27, 2019 to November 17, 2020, he was a dealing representative with TD Investment Services Inc. a Member of the MFDA (the "Member"). The Respondent conducted business at the material times in the Chilliwack, B.C., area.

8. The Member terminated the Respondent on November 17, 2020, as a result of the conduct that was the subject of this settlement, and the Respondent is not currently registered in the securities industry in any capacity.

9. The Respondent, contrary to the Member's policies and procedures prohibiting the falsification of any account information, record or documentation, signed a client's signature on four Transaction and Account Maintenance Forms from October 20 to 22, 2020, and submitted those forms to the Member for processing.

10. After the falsification was discovered, the Member contacted the client, who confirmed that he did not sign the account forms but that the transactions were authorized. The client re-signed the account forms in question.

11. The Member reviewed the Respondent's trading activity from October 2019 to October 2020, and no additional instances where the Respondent signed client signatures were identified.

12. It does not appear that the Respondent received any financial benefit from the conduct beyond the commission and fees to which he would ordinarily have been entitled had the transactions been carried out in the proper manner.

13. It does not appear that the client suffered loss, or complained regarding the Respondent's having applied his signature to the Forms.

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

15. The Respondent says that he was under stress due to his spouse's serious illness at the relevant time, and exercised poor judgment in signing his client's name on the account forms.

16. The Respondent is 64 years of age, is retired, and says that he has no intention of again working in the financial services industry.

17. As a result of the Settlement Agreement, the MFDA is not required to spend the time and resources entailed in a full hearing of the allegations.

III. APPLICABLE RULES AND PROVISIONS

18. MFDA Rule 2.1.1 requires registrants in the mutual fund industry to abide by this standard of conduct:

Each Member and Approved Person of a Member shall: deal fairly, honestly and in good faith with its clients; observe high standards of ethics and conduct in the transaction of business; and not engage in any business conduct or practice which is unbecoming or detrimental to the public interest.

19. The purpose of the Rule is to support the protection of investors, and public confidence in the Canadian mutual fund industry.

20. Signing a client's signature has been held to constitute a contravention of the standard of conduct prescribed by MFDA Rule 2.1.1: *Stemshorn-Russell (Re)*, [2018] Hearing Panel of the Pacific Regional Council, MFDA File No. 201792, Panel Decision dated March 7, 2018 at paras. 20-22; *Tian (Re)*, [2017] Hearing Panel of the Central Regional Council, MFDA File No. 2016112, Panel Decision dated March 27, 2017.

21. Falsifying a signature is a serious matter, as explained by the Hearing Panel in *Barnai (Re)*, [2015] Hearing Panel of the Central Regional Council, MFDA File No. 200814, Panel Decision (Misconduct) dated April 18, 2011 at paras. 122-124:

Falsifying client signatures or initials is serious misconduct. Signature falsification (like the use of pre-signed forms) adversely affects the integrity and reliability of account documents, 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.

As a Hearing Panel of the Investment Dealers Association (now IIROC) stated in *Bell (Re)*:

Forgery is always serious. It is unequivocally condemned because it is fundamentally dishonest and dangerous. Any act of forgery is a step onto a steep

and slippery slope of deception that is always potentially harmful to clients and actually harmful to the Member firm and the securities industry as a whole.

22. In this case, as well, the Member's policies and procedures specifically prohibited the falsification of any account information, record or documentation in any way, including signing or initialling documents on behalf of a client.

IV. POWERS OF THE HEARING PANEL AND GOVERNING PRINCIPLES

23. Under s. 24.4.3 of MFDA By-law No. 1, this Panel has two options: it may either accept the settlement agreement or reject it.

24. A Hearing Panel should not interfere lightly in a negotiated settlement as long as the penalties agreed upon are within a reasonable range of appropriateness having regard to the conduct of the Respondent: *Jacobson (Re)*, [2007] Hearing Panel of the Prairie Regional Council, MFDA File No. 200712, Panel Decision dated July 13, 2007, at para. 68. This principle supports the making of settlements with appropriate remedies, and the regulatory mandate of the MFDA to protect the public.

25. The *Jacobson* case also sets out (at para. 70) the relevant considerations for a Hearing Panel in assessing 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.

26. In deciding whether or not a penalty is appropriate, the Hearing Panel is to take into account a number of factors including:

- a) the seriousness of the allegations;
- b) past conduct of the Respondent;
- c) the Respondent's experience and level of activity in capital markets;
- d) whether the Respondent recognizes the seriousness of the improper activity;
- e) the harm suffered by investors as a result of the activity;
- f) the benefits received by the Respondent as a result of that activity;
- g) the risk to investors and the capital markets in the jurisdiction if the Respondent were to continue to operate in capital markets in that jurisdiction;
- h) damage caused to the integrity of the capital markets in the jurisdiction;
- i) the need for specific and general deterrence;
- j) the need to alert others to the consequences of inappropriate activities to those who are permitted to participate in the capital markets; and
- k) previous decisions made in similar circumstances.

Headley (Re), [2006] Hearing Panel of the Ontario Regional Council, MFDA File No. 200509, Panel Decision dated February 21, 2006, at para. 85.

27. Similar factors are set out in the MFDA's Sanction Guidelines.

V. APPLICATION OF THE PRINCIPLES TO THIS CASE

28. The Hearing Panel has concluded that the alleged offence has been admitted by the Respondent, that the penalties agreed upon are within a reasonable range of appropriateness having regard to the conduct of the Respondent, and that the Settlement Agreement should be approved.

29. While the Respondent's breach of the MFDA Rule was a serious one, the client was unharmed and made no complaint. The Respondent has accepted responsibility and provided an explanation (stress flowing from his wife's illness) and entered into the Settlement Agreement. This was the first occasion upon which the Respondent has faced disciplinary proceedings. He is retired and does not intend to work in the financial services industry in the future.

30. Previous cases referred to by Enforcement Counsel are: *Homer (Re)*, [2022] Hearing Panel of the Prairie Regional Council, MFDA File No. 202207, Panel Decision dated July 21, 2022; *Armstrong (Re)*, [2021] Hearing Panel of the Pacific Regional Council, MFDA File No. 202161,

Panel Decision dated November 30, 2021; *Yu (Re)*, [2021] Hearing Panel of the Prairie Regional Council, MFDA File No. 202170, Panel Decision dated May 12, 2022; and *Terrill (Re)*, [2019] Hearing Panel of the Prairie Regional Council, MFDA File No. 201909, Panel Decision dated May 9, 2019. In all of these cases the Respondent’s misconduct involved the falsification of signatures or initials on client documents, and the matter was the subject of a settlement agreement. The fines ranged from \$12,500 to \$7,500, and the costs were consistently set at \$2,500.

31. We agree with Enforcement Counsel that the proposed penalty of a \$10,000 fine plus payment of costs in the amount of \$2,500 is within the range of penalties imposed in previous cases, should have a significant deterrent effect, and is in keeping with the MFDA’s mandate to enhance investor protection and strengthen public confidence in the Canadian mutual fund industry by ensuring high standards of conduct by Members and those they employ.

VI. CONCLUSION

32. The Hearing Panel has concluded that the Settlement Agreement should be accepted and it is so ordered. The Settlement Agreement is attached as Schedule “1” to these Reasons.

DATED this 15th day of December, 2022.

“Lynn Smith”

Lynn Smith, O.C., K.C.
Chair

“Susan E. Monk”

Susan E. Monk
Industry Representative

“Tammi Walsh”

Tammi Walsh
Industry Representative

Schedule "1"

Settlement Agreement

File No. 202225



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: Christopher Glenn Roberts

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. The Mutual Fund Dealers Association of Canada (the "MFDA") will announce that it proposes to hold a hearing (the "Settlement Hearing") to consider whether, pursuant to section 24.4 of MFDA By-law No. 1, a hearing panel of the Pacific 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 Christopher Glenn Roberts (the "Respondent").

2. Staff and the Respondent, consent and agree to the terms of this Settlement Agreement.

3. Staff and the Respondent jointly recommend that the Hearing Panel accept the Settlement Agreement.

II. CONTRAVENTIONS

4. The Respondent admits to the following violations of the By-laws, Rules or Policies of the MFDA:

Between October 20, 2020 and October 22, 2020, the Respondent signed a client's signature on 4 account forms and submitted the forms to the Member for processing contrary to MFDA Rule 2.1.1.

III. TERMS OF SETTLEMENT

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 \$10,000 in certified funds upon acceptance of the Settlement Agreement, 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 in certified funds upon acceptance of the Settlement Agreement, 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 shall attend in person or 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 this Settlement Agreement herein and consent to the making of an Order in the form attached as Schedule "A".

IV. AGREED FACTS

Registration History

7. Commencing in 2014, the Respondent was registered in British Columbia in the securities industry.

8. From February 27, 2019 to November 17, 2020, the Respondent was registered in British Columbia as a dealing representative with TD Investment Services Inc. (the "Member"), a Member of the MFDA.

9. On November 17, 2020, the Member terminated the Respondent as a result of the conduct described herein, and he is not currently registered in the securities industry in any capacity.

10. At all material times, the Respondent conducted business in the Chilliwack, British Columbia area.

Signing a Client's Signature

11. At all material times, the Member's policies and procedures prohibited the falsification of any account information, record or documentation in any way, including signing or initialing documents on behalf of a client.

12. From October 20, 2020 and October 22, 2020, the Respondent signed a client's signature on 4 Transaction and Account Maintenance Forms and submitted the forms to the Member for processing.

The Member's Investigation

13. On October 9, 2020, the Respondent submitted 3 Transaction and Account Maintenance forms to the Member for processing. The Respondent's branch manager discovered inconsistencies in the information recorded on the forms and asked the Respondent to clarify the inconsistencies with the client.

14. From October 20 to October 22, 2020, the Respondent then submitted the 4 new Transaction and Account Maintenance forms described above. The branch manager reviewed the signatures on these forms and noted that the client signatures were different than the client signatures found on the Transaction and Account Maintenance forms that were previously submitted by the Respondent described in paragraph 13. The branch manager contacted the client who confirmed that that he did not sign the account forms.

15. The Member confirmed that the transactions were authorized, and the client re-signed the account forms in question.

16. The Member completed a review of the Respondent's trading activity from October 2019 to October 2020, and no additional instances where the Respondent signed client signatures were identified.

Additional Factors

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

18. There is no evidence of client loss or complaint. The transactions processed by the Respondent using the account forms described above were authorized by the client.

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

20. The Respondent states that during the material time of the contravention his spouse had a serious illness, and as a result of stress that the Respondent was experiencing during this time he exercised poor judgment when he signed the client's signature on the account forms as described above.

21. The Respondent is currently 64 years of age, is retired, and states that he has no intention of working in the financial services industry in the future.

22. 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.

V. ADDITIONAL TERMS OF SETTLEMENT

23. 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.

24. The Settlement Agreement is subject to acceptance by the Hearing Panel. 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.

25. 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.

26. 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 at the settlement hearing, subject to rule 15.3 of the MFDA Rules of Procedure;
- 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) Except for any proceedings commenced to address an alleged failure to comply with this Settlement Agreement, Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the contraventions described in this Settlement Agreement. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any contraventions that are not set out in this Settlement Agreement, 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;
- d) the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to section 24.1.1 of MFDA By-law No. 1 for the purpose of giving notice to the public thereof in accordance with section 24.5 of MFDA 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.

27. 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 this 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.

28. 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 MFDA By-law No. 1, unaffected by the Settlement Agreement or the settlement negotiations.

29. 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. The terms of the Settlement Agreement, including the attached Schedule “A”, will be released to the public if and when the Settlement Agreement is accepted by the Hearing Panel.

30. The Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement. A facsimile or electronic copy of any signature shall be as effective as an original signature.

DATED this 20th day of June, 2022.

“Christopher Glenn Roberts”

Christopher Glenn Roberts

“RS”

Witness – Signature

RS

Witness – Print name

“Charles Toth”

Staff of the MFDA

Per: Charles Toth

Vice-President, Enforcement



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: Christopher Glenn Roberts

ORDER

WHEREAS on July 4, 2022, the Mutual Fund Dealers Association of Canada (the "MFDA") provided notice to the public of a Settlement Hearing in respect of Christopher Glenn Roberts (the "Respondent");

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated June 20, 2022 (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 based upon the admissions of the Respondent in the Settlement Agreement, the Hearing Panel is of the opinion that:

From October 20, 2020 and October 22, 2020, the Respondent signed a client's signature on 4 account forms and submitted the forms to the Member for processing, 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 \$10,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 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 section 24.2 of MFDA By-law No.1;
3. the Respondent shall in the future comply with MFDA Rule 2.1.1; and
4. 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 899178