

Decision (Penalty) and Reasons

File No. 2018118



Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels

**IN THE MATTER OF A DISCIPLINARY HEARING
PURSUANT TO SECTIONS 20 AND 24 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: Peter Anthony Varteresian

Heard: July 24, 2020 by electronic hearing in Halifax, Nova Scotia
Decision (Penalty) and Reasons: November 6, 2020

DECISION (PENALTY) AND REASONS

Hearing Panel of the Atlantic Regional Council:

George W. MacDonald, QC
Barbara Leighton
Darrell Bing

Chair
Industry Representative
Industry Representative

Appearances:

Lyla Simon)	Enforcement Counsel for the Mutual Fund
)	Dealers Association of Canada
)	
Peter Anthony Varteresian)	Respondent, not in attendance or represented by
)	counsel
)	
)	

1. A penalty hearing was convened by electronic hearing on July 24, 2020 (the “Hearing”) to allow the Hearing Panel to receive oral submissions from the parties dealing with the issue of sanctions. Written submissions were received from Staff of the MFDA (“Staff”) in advance of oral submissions being made. The Respondent, Peter Anthony Varteresian, did not provide any written submissions, and did not appear at the Hearing.
2. Counsel for the MFDA made oral submissions at the Hearing, which in effect were comments on, and expansions of, written Submissions. MFDA Staff sought to have the Hearing Panel impose a fine in the amount of \$10,000 on the Respondent and to have costs awarded in the amount of \$5,000.
3. Counsel for the MFDA provided a Bill of Costs for \$9,050 to the Hearing Panel.
4. On February 27, 2020, the Hearing Panel issued its Decision and Reasons on the three allegations of misconduct of the Respondent, evidence of which was advanced by the MFDA during the Hearing on the Merits held November 20-21, 2019. The Hearing Panel dismissed the first two allegations of misconduct, but found the third allegation of misconduct by the Respondent to have been proven. Virtually the entire time of the Hearing was consumed dealing with the first two allegations of misconduct, both of which were dismissed.
5. Having considered the submissions of the MFDA Staff, the Hearing Panel finds that costs in the amount of \$2,000 are awarded to MFDA and must be paid by the Respondent.
6. Concerning the fine which MFDA Staff sought to have the Hearing Panel assess against the Respondent, the Hearing Panel does not consider this to be an appropriate case to assess a fine.
7. The Respondent did violate the provisions of the MFDA By-laws when he failed to update client’s Know-Your-Client (“KYC”) information, knowing there had been a material decrease in the client’s income which was shown on the client’s KYC. In the past, the Respondent had committed other violations of MFDA By-laws, which resulted in the requirement that his work be carefully monitored by his employer. Such disregard of the By-laws of the MFDA must attract a significant penalty.

8. The Hearing Panel understands the Respondent has not been engaged in the Securities business for some period of time. If the Respondent ever seeks to conduct securities related business in any capacity over which the MFDA has jurisdiction pursuant to section 24.1.1 of MFDA By-law No. 1, the Hearing Panel orders that he be suspended from conducting any such business for a period of 3 months. Once that time period expires, and in the event the Respondent seeks to become re-registered to conduct securities related business while in the employ of or associated with a Member of the MFDA, the Respondent shall be subject to strict supervision by the Member with which he becomes re-registered for a further period of 15 months.

DATED this 6th day of November, 2020.

“George W. MacDonald”
George W. MacDonald, QC
Chair

“Barbara Leighton”
Barbara Leighton
Industry Representative

“Darrell Bing”
Darrell Bing
Industry Representative

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