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

**IN THE MATTER OF  
THE MUTUAL FUND DEALER RULES**

**and**

**Albert Marcel Joseph Routhier**

Heard: February 21, 2023 by electronic hearing in Toronto, Ontario

Decision: February 21, 2023

Reasons for Decision: April 19, 2023

**REASONS FOR DECISION**

Hearing Panel of the Ontario District Hearing Committee:

Paul M. Moore, K.C.  
Cheryl Hamilton  
Jeff Page

Chair  
Industry Representative  
Industry Representative

Appearances:

Michael A. M. Mantle	)	Enforcement Counsel for the New Self-
	)	Regulatory Organization of Canada
	)	(Mutual Fund Division)
	)	
Rafal Szymanski	)	Counsel for Respondent
	)	
	)	
Albert Marcel Joseph Routhier	)	Respondent
	)	
	)	

## **I. INTRODUCTION**

1. Effective January 1, 2023 the Mutual Fund Dealers Association of Canada (“MFDA”) and the Investment Industry Regulatory Organization of Canada consolidated to form the New Self-Regulatory Organization of Canada (“New SRO”).
2. On December 19, 2022, the MFDA issued a Notice of Settlement Hearing commencing a disciplinary proceeding in respect of Albert Marcel Joseph Routhier (the “Respondent”).
3. Pursuant to Rule 1A of the Mutual Fund Dealer Rules of the New SRO, and s. 14(6) of By-law No. 1 of the New SRO, any enforcement proceeding commenced by the MFDA prior to January 1, 2023, shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practices and procedures of the MFDA in effect and applicable to such a proceeding at the time it was commenced, and contraventions of former MFDA regulatory requirements may be enforced by the New SRO.

## **II. SETTLEMENT AGREEMENT**

4. We accepted the settlement agreement dated December 16, 2022 (“Settlement Agreement”) between the staff of the MFDA (“Staff”) and Albert Marcel Joseph Routhier (“Respondent”) at an electronic settlement hearing held in accordance with New SRO rules for an electronic hearing.
5. 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. Some capitalized terms used in these reasons are defined in the Settlement Agreement.

## **III. CONTRAVENTIONS**

6. The Respondent admits that
  - a) between November 2015 and February 2021, the Respondent altered and used to process transactions, 42 account forms in respect of 34 clients, by altering information on the account forms without having the client initial the alterations, contrary to MFDA Rule 2.1.1; and

- b) between April, 2016 and July 2019, the Respondent obtained, possessed and used to process transactions, 3 pre-signed account forms in respect of 3 clients, contrary to MFDA Rule 2.1.1.

#### **IV. SANCTIONS**

- 7. The Settlement Agreement provides that:
  - a) the Respondent shall pay a fine of \$25,000; and
  - b) the Respondent shall pay costs of \$2,500.

#### **V. CONSIDERATIONS**

8. We determined that we had to be satisfied regarding three considerations before we could accept the Settlement Agreement. First, the sanctions had to be within an acceptable range taking into account similar cases. Secondly, the sanctions 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 sanctions 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 sanctions.

#### **VI. MISCONDUCT**

9. The Respondent's conduct was in violation of the standard of conduct required by MFDA 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. A multitude of MFDA disciplinary cases have found conduct similar to that of the Respondent in our case to be a contravention of MFDA Rule 2.1.1.

#### **VII. OTHER CONSIDERATIONS**

10. There was 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.

11. There was no evidence of client complaints, client loss or lack of client authorization for the underlying transactions.

12. The Member required the Respondent to pay \$992 consisting of an administrative charge and the costs of an audit letter mailing to clients.

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

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

### **VIII. CONCLUSIONS**

15. The sanctions 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, made by MFDA Hearing Panels in similar circumstances. They are fair and reasonable and will serve as a specific and general deterrent.

16. The costs award is reasonable.

**DATED** this 19 day of April, 2023.

“Paul M. Moore”

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Paul M. Moore, K.C.  
Chair

“Cheryl Hamilton”

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Cheryl Hamilton  
Industry Representative

“Jeff Page”

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Jeff Page  
Industry Representative

## Schedule “1”

Settlement Agreement

File No. 202270



**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: Albert Marcel Joseph Routhier**

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### **SETTLEMENT AGREEMENT**

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#### **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 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, Albert Marcel Joseph Routhier (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.

#### **CONTRAVENTIONS**

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

- (a) Between November 2015 and February 2021, the Respondent altered, and used to process transactions, 42 account forms in respect of 34 clients by altering information on the account forms without having the client initial the alterations, contrary to MFDA Rule 2.1.1; and
- (b) Between April 2016 and July 2019, the Respondent obtained, possessed, and used to process transactions, 3 pre-signed account forms in respect of 3 clients, contrary to MFDA Rule 2.1.1.

### **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 \$25,000 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 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 this Settlement Agreement herein and consent to the making of an Order in the form attached as Schedule "A".

### **AGREED FACTS**

#### **Registration History**

- 7. Since approximately March 1993, the Respondent has been registered in the securities industry.

8. Since approximately September 2008, the Respondent has been registered in Ontario as a dealing representative with Investia Financial Services Inc. (the “Member”), a Member of the MFDA.<sup>1</sup>

9. At all material times, the Respondent conducted business in the Kanata, Ontario area.

### **Altered Account Forms**

10. At all material times, the Member’s policies and procedures prohibited altering or correcting any information on a signed document without the client initialing the document to show that the change was approved.

11. Between November 2015 and February 2021, the Respondent altered, and used to process transactions, 42 account forms in respect of 34 clients.

12. The altered forms included:

- a) 27 Order Instruction Forms;
- b) 3 Systematic Instruction Forms;
- c) 2 Tax-Free Savings Account Mutual Fund Application Forms;
- d) 1 Representative or Dealer/Representative Change Form;
- e) 1 Tax-Free Savings Account Application Form;
- f) 1 CI Investments Transfer Authorization For Registered Investments Form;
- g) 1 Know Your Client (KYC) Update Form;
- h) 1 Order Instruction Form - Systematic Purchases - Investia Nominee Accounts Form;
- i) 1 Fidelity Investments Transfer Authorization For Registered Investments Form;
- j) 1 Client Account Agreement Form;
- k) 1 F-Series Service Fee Agreement - Investia Nominee Plan Form;
- l) 1 TD Asset Management Mutual Funds Application Form; and
- m) 1 New Account Application Form.

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<sup>1</sup> The Respondent is also registered as a dealing representative in British Columbia and Manitoba, and has previously been registered in the provinces of Alberta, Nova Scotia, and Quebec.

13. The alterations made by the Respondent consisted of alterations to: purchase amounts, special instructions, FEL percentages, sales charge percentages, fund descriptions, names, transaction types, liabilities, account numbers, and dates.

#### ***IX.* PRE-SIGNED ACCOUNT FORMS**

14. At all material times, the Member's policies and procedures prohibited having a client sign a form which is blank or only partially completed.

15. Between April 2016 and July 2019, the Respondent obtained, possessed, and used to process transactions, 3 pre-signed account forms in respect of 3 clients.

16. The pre-signed forms included: 2 KYC Update Forms and 1 Self-Directed (Nominee) New Client Application Form.

#### ***X.* THE MEMBER'S INVESTIGATION**

17. In April 2021, the Member conducted a review of client files maintained by the Respondent, and discovered the account forms described above.

18. On June 25, 2021, the Member placed the Respondent under strict supervision until October 15, 2021.

19. As part of the Member's investigation, in July 2021, the Member sent audit letters to the client's whose accounts the Respondent serviced.

20. Where the pre-signed or altered account forms described above contained KYC information, the Member sent letters to clients which included a three-year transaction summary and the client's KYC information on file. The Member requested that the clients contact it if any of the transactions in their accounts were not authorized or if they had concerns with the accuracy of their KYC information on record. Where the account forms described above did not contain KYC information, the Member sent letters to the Respondent's clients which included a three-year transaction summary and requested that the clients contact it if any of the transactions in their accounts were not authorized. No clients reported any concerns to the Member in response to its letters.

21. The Member required the Respondent to pay a total of \$992 consisting of an administrative charge and the costs of the audit letter mailings to clients.

### **Additional Factors**

22. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above beyond the commissions or fees to which he would have ordinarily been entitled had the transactions been carried out in the proper manner.

23. There is no evidence of client loss, complaints, or lack of authorization.

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

25. The Respondent states that he engaged in the conduct described within the settlement agreement for the purpose of client convenience, but he acknowledges that this is not an acceptable justification for such conduct.

### **ADDITIONAL TERMS OF SETTLEMENT**

26. 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.

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

28. 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. 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.

29. 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 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.

30. 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.

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. 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.

32. 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 16<sup>th</sup> day of December, 2022.

“Albert Marcel Joseph Routhier”

\_\_\_\_\_  
Albert Marcel Joseph Routhier

“RB”

\_\_\_\_\_  
Witness – Signature

RB

\_\_\_\_\_  
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: Albert Marcel Joseph Routhier**

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**ORDER**

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**WHEREAS** on [date], the Mutual Fund Dealers Association of Canada (the "MFDA") provided notice to the public of a Settlement Hearing in respect of Albert Marcel Joseph Routhier (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 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 the Respondent:

- a) Between November 2015 and February 2021, the Respondent altered, and used to process transactions, 42 account forms in respect of 34 clients by altering information on the account forms without having the client initial the alterations, contrary to MFDA Rule 2.1.1; and
- b) Between April 2016 and July 2019, the Respondent obtained, possessed, and used to process transactions, 3 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 \$25,000 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 21 day of February, 2023.

“Paul M. Moore”

Name,  
Chair

“Cheryl Hamilton”

Name,  
Industry Representative

“Jeff Page”

Name,  
Industry Representative

DM 907828