



**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: Kimberley Dawn Rudolph**

Heard: March 9, 2018 in Winnipeg, Manitoba

Decision: March 9, 2018

Reasons for Decision: June 5, 2018

**REASONS FOR DECISION**

Hearing Panel of the Prairie Regional Council:

Sherri Walsh	Chair
Daniele Ayers	Industry Representative
James Samanta	Industry Representative

Appearances:

Justin Dunphy	)	Counsel for the Mutual Fund Dealers
	)	Association of Canada
	)	
	)	
Maureen Doherty	)	Counsel for the Respondent
	)	
	)	
Kimberley Rudolph	)	Respondent, by teleconference
	)	

## **I. Background**

1. On February 9, 2018, the Mutual Fund Dealers Association of Canada ("MFDA") issued a Notice of Settlement Hearing pursuant to sections 20 and 24.1 of By-law No. 1 of the MFDA, in respect of Kimberley Dawn Rudolph ("Respondent").
2. The Notice stated that the purpose of the hearing was to consider whether, pursuant to section 24.4 of By-law No. 1 of the MFDA, the Hearing Panel should accept the settlement agreement ("Settlement Agreement") entered into between Staff of the MFDA and the Respondent, on February 2, 2018.
3. The settlement hearing took place on March 9, 2018. It was attended by counsel for both parties. The Respondent participated by telephone.
4. At the conclusion of the hearing, the Hearing Panel ("the Panel") accepted the Settlement Agreement. These are the Reasons for our decision.

## **II. Agreed Facts**

5. A copy of the Settlement Agreement is attached to these Reasons as Schedule "1". The facts which have been agreed to by the parties and which are relevant for the purposes of this decision are set out in section III of the Settlement Agreement.

## **III. Contraventions**

6. In the Settlement Agreement, the Respondent admitted to the following violation of the Rules of the MFDA:
  - a) between March 2009 and December 2013, the Respondent obtained, possessed, and used to process transactions, 18 pre-signed account forms in respect of 10 clients, contrary to MFDA Rule 2.1.1.

#### IV. Terms of Settlement

7. Staff and the Respondent agreed on the following terms of settlement:
- a) the Respondent shall pay a fine in the amount of \$5,000 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 Respondent shall in the future comply with MFDA Rule 2.1.1; and
  - d) the Respondent will attend in person or by teleconference, on the date set for the Settlement Hearing.

#### V. Analysis

##### Role of the Panel

8. A Hearing Panel has two options when considering a Settlement Agreement. It shall either accept the Settlement Agreement or reject it.

*MFDA By-law No. 1, s.24.4.3*

9. The role of a Hearing Panel at a Settlement Hearing is fundamentally different than the role a Panel performs at a contested hearing.

10. As stated by the MFDA Hearing Panel in *Sterling Mutuals Inc. (Re)* citing the I.D.A. Ontario District Council in *Milewski (Re)*, [1999] 1 DACD No. 17 at p.12:

“We also note that while in a contested hearing the Panel attempts to determine the correct penalty, in a settlement hearing the Panel

will tend not to alter a penalty that it considers to be within a reasonable range, taking into account the settlement process and the fact that the parties have agreed. **It will not reject a settlement unless it views the penalty as clearly falling outside a reasonable range of appropriateness.**”

[emphasis added]

*Sterling Mutuals Inc. (Re)*, MFDA File No. 200820, Hearing Panel of the Central Regional Council, Decision and Reasons dated August 21, 2008, at para.37

11. Hearing Panels have acknowledged that settlements worked out by the parties should be respected, since Panels do not know what led to the settlement or what was given up by the parties during the course of the negotiations. The presence of experienced legal counsel during the negotiation of a settlement agreement is also a factor to consider.

*Fike (Re)*, MFDA File No. 2017102, Hearing Panel of the Central Regional Council, Decision and Reasons dated December 7, 2017, at paras.22-23

12. The rationale for respecting settlements of the nature found in the Settlement Agreement in this case, was articulated by the British Columbia Court of Appeal as follows:

“Settlements assist the Commission to ensure that its overriding objective, the protection of the public, is met. Settlements proscribe activities that are harmful to the public. In so doing, they are effective in accomplishing the purposes of the statute. They provide means of reaching a flexible remedy that is tailored to address the interests of both the Commission and the person under investigation. Enforcement is rarely a concern because the settlement is voluntary. A person who is the subject of an investigation retains the option of refusing to settle and proceeding to a hearing. Settlements are also efficient. Both parties can forego the time and expense of a hearing. Or, they can settle some matters, and direct their resources to the matters that are in dispute, and therefore to be resolved by way of a hearing.”

*British Columbia (Securities Commission) v Seifert*, 2007 BCCA 484, para.31

13. Although the *Seifert* decision dealt with an agreement that was before the British Columbia Securities Commission, the findings in that case apply equally to settlements in the regulatory context of MFDA discipline proceedings and the case has been frequently cited by Hearing Panels in MFDA settlement hearings.

## Factors Concerning Acceptance of a Settlement Agreement

### Appropriateness of the Proposed Penalty

14. Hearing Panels have repeatedly expressed the view that generally, settlement agreements should be accepted bearing in mind the following criteria:

1. That it is in the public interest to do so and that the penalties proposed will be sufficient to protect investors;
2. That the agreement is reasonable and proportionate, having regard to the conduct of the Respondent;
3. That the agreement addresses the issues of both specific and general deterrence;
4. That the agreement is likely to prevent the type of conduct set out in the facts;
5. That the agreement will foster confidence in the integrity of the Canadian capital markets;
6. That the agreement will foster confidence in the integrity of the MFDA; and
7. That the agreement will foster confidence in the regulatory process itself. ...

*Sterling Mutuals Inc. (Re), supra*, at para.36

15. The primary goal of all securities regulation is investor protection.

*Pezim v British Columbia (Superintendent of Brokers)*, [1994] 2 S.C.R. 557 at paras.59 & 68

16. In addition to investor protection, the goals of securities regulation include fostering public confidence in the capital markets and in the securities industry.

*Pezim v British Columbia (Superintendent of Brokers), supra*, at paras.59 & 68

17. In determining the appropriateness of a proposed penalty, Hearing Panels also frequently cite the decision in *Breckenridge (Re)*, where the Panel stated that sanctions "... should be preventative, protective and prospective in nature ..." taking into account the following considerations:

- a) the protection of the investing public;
- b) the integrity of the securities markets;
- c) specific and general deterrence;
- d) the protection of the MFDA's membership; and
- e) protection of the integrity of the MFDA's enforcement processes.

*Breckenridge (Re)*, MFDA File No. 200718, Hearing Panel of the Central Regional Council, 2007 LNCMFDA 38, at paras. 75 & 76

18. The Panel in *Breckenridge (Re)* set out the following additional factors which a Panel should consider, having regard to the specific circumstances of the case:

- a) The seriousness of the allegations proved against the respondent;
- b) The respondent's experience in the capital markets;
- c) The level of the respondent's activity in the capital markets;
- d) The harm suffered by investors as a result of the respondent's activities;
- e) The benefits received by the respondent as a result of the improper activity;
- f) The risk to investors and the capital markets in the jurisdiction, were the respondent to continue to operate in capital markets in the jurisdiction;
- g) The damage caused to the integrity of the capital markets in the jurisdiction by the respondent's improper activities;
- h) The need to deter not only those involved in the case being considered, but also any others who participate in the capital markets, from engaging in similar improper activity;
- i) The need to alert others to the consequences of inappropriate activities to those who are permitted to participate in capital markets; and
- j) Previous decisions made in similar circumstances.

*Breckenridge (Re)*, *supra*, at para.77

## MFDA Penalty Guidelines

19. The MFDA Penalty Guidelines ("Guidelines") are an additional resource that a Hearing Panel may consult when determining the appropriateness of the penalty to be imposed pursuant to a Settlement Agreement. The penalty types and ranges set out in the Guidelines are not mandatory or binding. They are intended to provide a basis upon which a Hearing Panel's discretion can be exercised consistently, in like circumstances.

20. In cases involving misconduct of the type admitted to in the present case, the Penalty Guidelines recommend consideration of the following penalties and factors:

Breach	Penalty Type & Range	Specific Factors to Consider
Standard of Conduct (Rule 2.1.1) (Guidelines, p. 27)	<ul style="list-style-type: none"><li>• Fine (AP): Minimum of \$5,000</li><li>• Write or rewrite an appropriate industry course (e.g. IFIC Officers', Partners' and Directors' Course or Canadian Investment Funds Course)</li><li>• Suspension</li><li>• Permanent prohibition in egregious cases</li></ul>	<ul style="list-style-type: none"><li>• Nature of the circumstances and conduct</li><li>• Number of individuals affected</li><li>• Whether the conduct is likely to bring the individual, the Member or the mutual fund industry into disrepute</li></ul>

Excerpts from the MFDA Penalty Guidelines at page 27

21. The Guidelines also explain why it is reasonable to consider general deterrence as a factor when imposing an appropriate penalty:

“A general deterrent is preventative. The notion of general deterrence is neither punitive nor remedial. A penalty that is meant to generally deter is a penalty designed to discourage or hinder like behavior in others.”

MFDA *Penalty Guidelines – Part I*, at page 4, citing *Re Cartaway Resources Corp.*, [2004] 1 SCC 672 at para.60

## Application in the Present Case

### Staff's Submission

22. In its written submissions Staff identified that in reaching the Settlement Agreement they took the factors set out above, into account as follows<sup>1</sup>:

#### **i) Nature of the Misconduct: Pre-Signed Account Forms**

18. The Respondent's misconduct is serious; she obtained, possessed, and used to process transactions, 18 pre-signed account forms in respect of 10 clients.

19. MFDA Rule 2.1.1 sets the standard of conduct to be followed by all Approved Persons. The Rule is designed to protect the public interest by requiring Approved Persons to adhere to a high standard of ethical conduct. The Rule has been interpreted and applied in a purposive manner in a wide range of circumstances. As stated by the MFDA Hearing Panel in *Breckenridge (Re)*: "The Rule articulates the most fundamental obligations of all registrants in the securities industry."

*Breckenridge (Re), supra, at para. 71*

*Price (Re)*, MFDA File No. 200814, Hearing Panel of the Central Regional Council, Decision and Reasons dated April 18, 2011, at paras. 118 – 121, Staff's Book of Authorities, Tab 13.

20. [sic] Hearing Panels of the MFDA, IIROC, and provincial securities commissions have also confirmed that the possession and use of pre-signed forms is prohibited.

*Price (Re), supra at para. 135 and the decisions cited therein, Staff's Book of Authorities, Tab 13.*

21. The MFDA Hearing Panel in *Price (Re)* identified the dangers posed by pre-signed forms which can be summarized as follows:

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<sup>1</sup> Staff's Submission, paras.17-30

- a) pre-signed forms present a legitimate risk that they may be used by an Approved Person to engage in discretionary trading;
- b) at worst, pre-signed forms create a mechanism for an Approved Person to engage in acts of fraud, theft or other forms of harmful conduct towards a client; and
- c) pre-signed forms subvert the ability of a Member to properly supervise trading activity.

*Price (Re), supra*, at paras. 122 – 124, Staff’s Book of Authorities, Tab 13.

22. The prohibition on the use of pre-signed account forms applies regardless of whether the client was aware, or authorized the use, of the pre-signed forms, and whether the forms were actually used by the Approved Person for discretionary trading or other improper purposes.

*Wellman (Re)*, MFDA File No. 201529, Hearing Panel of the Central Regional Council, Decision and Reasons dated December 21, 2015, at para. 10, Staff’s Book of Authorities, Tab 14.

## **ii) The Respondent’s Experience in the Securities Industry**

23. The Respondent has been registered as a mutual fund dealing representative since December 2007.

Settlement Agreement, at para. 7.

24. The Respondent states that at the time of the misconduct, she was acting under the direction of another approved person, LM, whom she is no longer employed with.

Settlement Agreement, at paras 17, 18.

**iii) The Respondent's Recognition of the Seriousness of her Misconduct**

25. By entering into the Settlement Agreement, the Respondent has accepted responsibility for her misconduct and avoided the necessity of the MFDA incurring the additional time and expense of a full contested hearing.

Settlement Agreement, at para. 21.

**iv) Client Harm and Benefits Received by the Respondent**

26. Staff's investigation did not reveal any evidence of unauthorized trades or client losses. There is no evidence to suggest that the Respondent received a financial or other benefit through her conduct, and there were no client complaints.

Settlement Agreement, at paras. 14, 16, 19.

**v) Deterrence**

27. Staff considers a fine of \$5,000 to be a serious penalty which will be sufficient to achieve the goals of specific and general deterrence, having regard to the aggravating factors described above.

28. The penalty demonstrates that the Respondent's misconduct in all of the circumstances is serious and has significant consequences. The penalty will also deter others in the capital markets from engaging in similar activity.

**vi) Penalty Guidelines**

29. Staff is seeking a penalty which meets the minimum fine recommended by the Penalty Guidelines for an Approved Person's breach of the standard of conduct. This is primarily due to the number of forms at issue in the present matter.

**iv) Previous Decisions in Similar Cases**

30. The following penalties have been imposed in similar circumstances:

Case	Facts	Outcome
<i>Meunier (Re)</i> <sup>1</sup>	<ul style="list-style-type: none"> <li>The Respondent admitted that she, or her assistant for whom she was responsible, obtained, possessed, and used to process transactions, 29 pre-signed forms in respect of 20 clients.</li> <li>The Respondent altered 1 form without having the client initial the alterations.</li> </ul>	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> <li>Fine of \$8,500</li> <li>Costs of \$1,250</li> </ul>
<i>Bandola (Re)</i> <sup>2</sup>	<ul style="list-style-type: none"> <li>The Respondent admitted that she obtained, possessed, and used to process transactions, 17 pre-signed forms in respect of 10 clients.</li> </ul>	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> <li>Fine of \$5,000</li> <li>Costs of \$1,250</li> </ul>
<i>Cheng (Re)</i> <sup>3</sup>	<ul style="list-style-type: none"> <li>The Respondent admitted that he obtained, possessed, and in some cases, used, 16 pre-signed forms in respect of 10 clients.</li> </ul>	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> <li>Fine of \$5,000</li> <li>Costs of \$2,500</li> </ul>
<i>Kakkar (Re)</i> <sup>4</sup>	<ul style="list-style-type: none"> <li>The Respondent admitted that she obtained, possessed, and used 14 pre-signed forms in respect of 6 clients.</li> <li>All pre-signed forms were obtained after MFDA Staff issued Bulletin 0661-E.</li> </ul>	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> <li>Fine of \$7,500</li> <li>Costs of \$2,500</li> </ul>
<i>Mundell (Re)</i> <sup>5</sup>	<ul style="list-style-type: none"> <li>The Respondent admitted that she obtained, possessed, and in some instances, used to process transactions, 14 pre-signed forms in respect of 11 clients.</li> </ul>	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> <li>Fine of \$5,000</li> <li>Costs of \$2,500</li> </ul>

<sup>1</sup> *Meunier (Re)*, MFDA File No. 201657, Hearing Panel of the Prairie Regional Council, Decision and Reasons dated December 5, 2016, Staff's Book of Authorities, Tab 19.

<sup>2</sup> *Bandola (Re)*, MFDA File No. 201657, Hearing Panel of the Prairie Regional Council, Decision and Reasons dated December 5, 2016, Staff's Book of Authorities, Tab 19.

<sup>3</sup> *Cheng (Re)*, MFDA File No. 201648, Hearing Panel of the Central Regional Council, Decision and Reasons dated May 23, 2017, Staff's Book of Authorities, Tab 23.

<sup>4</sup> *Kakkar (Re)*, MFDA File No. 201708, Hearing Panel of the Prairie Regional Council, Decision and Reasons dated December 8, 2017, Staff's Book of Authorities, Tab 24.

<sup>5</sup> *Mundell (Re)*, MFDA File No. 201733, Hearing Panel of the Central Regional Council, Decision and Reasons dated November 30, 2017, Staff's Book of Authorities, Tab 25.

## **Respondent's Submission**

23. At the hearing, while not in any way detracting from the admissions that the Respondent made in the Settlement Agreement, Respondent's counsel highlighted the following additional factors pertaining to the Respondent, which are also set out in the Settlement Agreement:

- a) when the Respondent engaged in the misconduct described in the Settlement Agreement, she was acting under the direction and supervision of Approved Person LM, who was her employer at the time (Settlement Agreement para.17);
- b) the Respondent nonetheless acknowledges responsibility for her misconduct and is no longer employed as an assistant to Approved Person LM (Settlement Agreement para. 18); and
- c) the Respondent had not previously been the subject of MFDA disciplinary proceedings (Settlement Agreement para. 20)..

24. Respondent's counsel also submitted that since the matters detailed in the Settlement Agreement, the Respondent has had no further allegations of misconduct made against her.

## **Conclusion**

25. Having reviewed the written submissions of Staff and having heard oral submissions from both Staff and counsel for the Respondent, the Panel is satisfied, based on the totality of the evidence that the proposed penalty which is set out in the Settlement Agreement falls within a reasonable range of appropriateness.

26. It satisfies the primary goal of securities regulation - to protect investors. It is reasonable and proportionate and appropriately addresses issues of both specific and general deterrence.

27. Accordingly, the Panel accepts the Settlement Agreement

**DATED** this 5<sup>th</sup> day of June, 2018.

“Sherri Walsh”

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Sherri Walsh  
Chair

“Daniele Ayers”

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Daniele Ayers  
Industry Representative

“James Samanta”

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James Samanta  
Industry Representative

DM 616501



**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: Kimberley Dawn Rudolph**

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**SETTLEMENT AGREEMENT**

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**I. INTRODUCTION**

1. Staff of the Mutual Fund Dealers Association of Canada ("Staff") and the Respondent, Kimberley Dawn Rudolph ("Respondent"), consent and agree to settlement of this matter by way of this agreement ("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 MFDA:

- a) between March 2009 and December 2013, the Respondent obtained, possessed, and used to process transactions, 18 pre-signed account forms in respect of 10 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 \$5,000 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 Respondent shall in the future comply with MFDA Rule 2.1.1; and
- d) the Respondent will attend in person or by teleconference, 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 December 2007, the Respondent has been registered in Manitoba as a mutual fund salesperson (now known as a dealing representative) with Sun Life Financial investment Services (Canada) Inc. ("Sun Life"), a Member of the MFDA.

8. From December 2007 until January 2014, the Respondent was employed as an assistant for Approved Person LM.

9. At all material times, the Respondent conducted business in the Thompson, Manitoba area.

### **Pre-Signed Account Forms**

10. At all material times, Sun Life's policies and procedures prohibited its Approved Persons, including the Respondent, from obtaining, holding, or using pre-signed account forms.
11. Between March 2009 and December 2013, the Respondent obtained, possessed, and used to process transactions, 18 pre-signed account forms in respect of 10 clients.
12. The pre-signed account forms consisted of:
  - a) 3 mutual fund application forms;
  - b) 1 Know Your Client form;
  - c) 3 limited trade authorization forms;
  - d) 3 order tickets; and
  - e) 8 pre-authorized chequing forms.

### **Sun Life's Investigation**

13. In February 2016, Sun Life commenced an investigation into the use of pre-signed account forms by Approved Person LM and, as a result, also identified the pre-signed account forms obtained and used by the Respondent that are the subject of this Settlement Agreement.
14. On or about May 2, 2016, as part of its investigation, Sun Life sent letters to all of the clients whose accounts were serviced by Approved Person LM and the Respondent in order to determine whether the Respondent or Approved Person LM had engaged in any unauthorized trading. No clients reported any concerns.
15. On or about May 30, 2016, Sun Life issued a warning letter to the Respondent for possessing and using pre-signed account forms, placed the Respondent on close supervision for a period of 12 months, and required her to complete an industry course. The Respondent's close supervision was completed on or about June 25, 2017 and she completed the industry course on or about December 31, 2016.

## **Additional Factors**

16. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above beyond any commissions and fees that she would ordinarily be entitled to receive had the transactions been carried out in the proper manner.
17. The Respondent states that when she engaged in the misconduct described above, she was acting under the direction and supervision of Approved Person LM, who was her employer at the time.
18. The Respondent acknowledges responsibility for her misconduct and is no longer employed as an assistant to Approved Person LM.
19. There is no evidence of any client loss or that the transactions were unauthorized.
20. The Respondent has not previously been the subject of MFDA disciplinary proceedings.
21. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources, and expenses associated with conducting a full hearing of the allegations.

## **IV. ADDITIONAL TERMS OF SETTLEMENT**

22. 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.
23. 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.
24. 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.

25. 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 waives any 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;
- 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.

26. 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.

27. 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.

28. 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 2<sup>nd</sup> day of February, 2018.

“Kimberley Dawn Rudolph”  
\_\_\_\_\_  
Kimberley Dawn Rudolph

“GT”  
\_\_\_\_\_  
Witness – Signature

GT  
\_\_\_\_\_  
Witness – Print Name

“Shaun Devlin”  
\_\_\_\_\_  
Shaun Devlin  
Staff of the MFDA  
Per: Shaun Devlin  
Senior Vice-President,  
Member Regulation – Enforcement

**Schedule “A”**

**Order**

**File No. 201827**



**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: Kimberley Dawn Rudolph**

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**ORDER**

(ARISING FROM SETTLEMENT HEARING ON MARCH 9, 2018)

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**WHEREAS** on [date], 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 Kimberley Dawn Rudolph (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 By-law No. 1;

**AND WHEREAS** the Hearing Panel is of the opinion that the Respondent:

- a) between March 2009 and December 2013, obtained, possessed, and used to process transactions, 18 pre-signed account forms in respect of 10 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 \$5,000 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 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]