



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: Jared Keith Saffran

Heard: March 20, 2020 in Calgary, Alberta
Decision: March 20, 2020
Reasons for Decision: April 2, 2020

REASONS FOR DECISION

Hearing Panel of the Prairie Regional Council:

Shelley L. Miller, QC
Charlene Snell
Sean Shore

Chair
Industry Representative
Industry Representative

Appearances:

Sakeb Nazim)	Enforcement Counsel for the Mutual Fund
)	Dealers Association of Canada
)	
)	
Maureen Doherty)	Counsel for the Respondent, by teleconference
)	
)	
Jared Keith Saffran)	Respondent, by teleconference
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)	

I. BACKGROUND

1. On December 12, 2019 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 Jared Keith Saffran (the “Respondent”).
2. The Respondent entered into a Settlement Agreement with Staff of the MFDA, dated December 10, 2019 in which the Respondent agreed to a proposed settlement of matters.
3. Because of extenuating circumstances and by mutual agreement, all participants attended this hearing by teleconference.
4. On March 20, 2020, after hearing submissions from Enforcement Counsel and Counsel for the Respondent, this Hearing Panel approved the Settlement Agreement, and signed an Order reflecting that approval. These are our written reasons for doing so.

II. AGREED FACTS

Registration History

5. Since June 2007, the Respondent has been registered in Alberta as a mutual fund salesperson (now known as a dealing representative) with Sun Life Financial Investment Services (Canada) Inc. a Member of the MFDA (the Member).
6. At all material times, the Respondent carried on business in the Airdrie, Alberta area.

Pre-Signed Account Forms

7. At all material times, the Member’s policies and procedures prohibited its Approved Persons, including the Respondent, from holding, obtaining, or using pre-signed account forms.
8. Between June 2013 and September 2017, the Respondent obtained, possessed, and used to process transactions, 28 pre-signed account forms in respect of 17 clients.
9. The pre-signed account forms consisted of Limited Trade Authorization, Transfer Authorization, Know-Your-Client and Pre-Authorized Chequing forms.

Altered Account

10. Between June 2013 and August 2017, the Respondent altered and used to process transactions, 13 account forms in respect of 9 clients, by altering information on the account forms without having the clients initial the alterations.

11. The altered forms consisted of Know-Your-Client, Transfer Authorization, Registered Education Savings Program and Pre-Authorized Chequing forms.

12. The alterations made by the Respondent consist of changes to purchase amount percentages, fund names, and account numbers.

Member's Investigation

13. In December 2017, the Member identified one of the altered forms that are the subject of this Settlement Agreement during an onsite branch review. The Member subsequently commenced a review of all of the client files serviced by the Respondent and identified the remaining pre-signed and altered account forms that are the subject of this Settlement Agreement.

14. On February 6, 2018, the Member placed the Respondent under close supervision.

15. On February 28, 2018, as part of its investigation, the Member sent audit letters to all of the clients whose accounts the Respondent serviced to determine if they had any unauthorized transactions in their accounts. No clients reported any concerns.

16. On May 16, 2018, the Member issued a warning letter to the Respondent for possessing and using pre-signed and altered account forms, and placed him under continued close supervision until February 6, 2019.

Additional Factors

17. The Respondent has not previously been the subject of an MFDA disciplinary proceeding.

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

19. There is no evidence of any client loss or that the transactions were unauthorized.
20. 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.

III. ANALYSIS

21. The Respondent admits that he obtained, possessed, and used to process transactions 28 pre-signed account forms.
22. The Respondent also altered 13 account forms by altering information on the account forms without having the clients initial the alterations.
23. The forms were processed after the MFDA issued MFDA Bulletin #0661-E on October 2, 2015. In the Bulletin, Staff advised Members and Approved Persons that Staff will be seeking enhanced penalties at MFDA disciplinary proceedings for conduct that occurred after the publication of the Bulletin on October 2, 2015, (the “MFDA Bulletin”).
24. The conduct here was committed after the issuance of the MFDA Bulletin.
25. The Settlement Agreement provides that the Respondent has agreed to pay a fine of \$12,500 and costs of \$2,500.
26. A hearing panel should not interfere lightly in a negotiated settlement and should not reject a settlement agreement unless it views the proposed penalty as clearly falling outside the range of reasonableness. In our view, this Settlement Agreement advances the public interest and is reasonable and proportionate, having regard to all of the circumstances.
27. We have arrived at this conclusion having considered the following factors:
 - (a) The Respondent’s Experience in the Securities Industry***
28. The Respondent was registered as a mutual fund dealing representative since June 2007. He is an experienced dealing representative who ought to have known and respected the MFDA’s and the Member’s compliance requirements.

(b) The Respondent's Past Conduct

29. The Respondent has not previously been disciplined by the MFDA.

(c) The Respondent's Recognition of the Seriousness of his Misconduct

30. 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.

(d) Client Harm and Benefits Received by the Respondent

31. There is no evidence of client harm. There is no evidence that the Respondent received any financial or other benefit through his conduct, and there was no client complaint.

(e) Deterrence

32. A fine of \$12,500 is necessary and sufficient to achieve the goals of specific and general deterrence, having regard to the factors described above. It 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.

IV. CONCLUSION

33. We have considered the existing precedents on penalty, as well as the MFDA non-binding Sanction Guidelines.

34. In summary, we find that the Settlement Agreement is in the public interest, it is reasonable and proportionate, it addresses specific and general deterrence and will foster public confidence in the integrity of the Canadian capital markets, and the industry.

V. ORDER

35. For these reasons, the Settlement Agreement was approved.

36. We thank Enforcement Counsel and the Respondent for their cooperation during the hearing.

DATED this 2nd day of April, 2020.

“Shelley L. Miller”

Shelley L. Miller, QC
Chair

“Charlene Snell”

Charlene Snell
Industry Representative

“Sean Shore”

Sean Shore
Industry Representative

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