



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 Shantz

Heard: December 18, 2020 by electronic hearing in Toronto, Ontario
Decision: December 18, 2020
Reasons for Decision: February 9, 2021

REASONS FOR DECISION

Hearing Panel of the Central Regional Council:

Frederick H. Webber
Samuel Mah
Eugene Park

Chair
Industry Representative
Industry Representative

Appearances:

Maria L. Abate)	Enforcement Counsel for the Mutual Fund
)	Dealers Association of Canada
)	
)	
Clarke Tedesco)	Counsel for the Respondent
)	
)	
Christopher Shantz)	Respondent
)	
)	

I. SETTLEMENT AGREEMENT

1. The Mutual Fund Dealers Association of Canada (the “MFDA”) entered into a settlement agreement dated September 18, 2020 (the “Settlement Agreement”), a copy of which is attached hereto as Appendix “A”, with Christopher Shantz (the “Respondent”), in which the Respondent admitted the following:

a) between September 4, 2013 and July 2, 2018, the Respondent obtained, possessed, and used to process transactions, 25 pre-signed account forms in respect of 14 clients, contrary to MFDA Rule 2.1.1.

2. In the proposed Settlement Agreement, the Respondent agreed to the following sanctions:

a) a fine in the amount of \$7,500 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.1.1(b) of MFDA By-law No. 1;

b) costs in the amount of \$2,500 in certified funds upon acceptance of the Settlement Agreement by the Hearing Panel, pursuant to section 24.2 of MFDA By-law No. 1; and

c) the Respondent shall in the future comply with MFDA Rule 2.1.1.

3. MFDA Staff submitted that the Hearing Panel ought to accept the Settlement Agreement as the proposed terms of settlement fall inside the reasonable range of appropriateness having regard to the nature of the conduct admitted by the Respondent and the MFDA’s regulatory objective of protecting the public.

II. FACTS

4. The relevant facts are set out in section III of the Settlement Agreement.

III. MFDA RULE 2.1.1

5. MFDA Rule 2.1.1 prescribes the standard of conduct applicable to registrants in the mutual fund industry. The Rule requires that each Member and Approved Person:

a) deal fairly, honestly, and in good faith with clients;

b) observe high standards of ethics and conduct in the transaction of business; and

c) refrain from engaging in any business conduct or practice which is unbecoming or detrimental to the public interest.

IV. PRE-SIGNED ACCOUNT FORMS

6. In the present case, the Respondent admitted to using pre-signed account forms, a generic term which is applied to a variety of situations where an Approved Person seeks to rely on a client's signature on a document when the signature was not provided by the client at the time the document was completed. Most commonly, an Approved Person obtains a client's signature on a partially or completely blank account form, such as an Order Entry Form or Know-Your-Client Form, adds additional information to the form, then uses the form to process transactions in the client's account. Alternatively, an Approved Person may use the signature page of one form and photocopy it for use in other forms.

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

Byce (Re), MFDA File No. 201311, at para. 8

8. Hearing panels have consistently found that obtaining or using pre-signed account forms contravenes the standard of conduct set out in MFDA Rule 2.1.1.

Dias Pereira (Re), [2017] MFDA File No. 201652

Baksh (Re), [2019] MFDA File No. 201939

9. In *Price (Re)*, [2011] MFDA File No. 200814, at paras. 122-124, the Hearing Panel explained:

Pre-signed forms present a legitimate risk that they may be used by an Approved Person to engage in discretionary trading....At its 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...Pre-signed forms also subvert the ability of a Member to properly supervise trading activity. They destroy the audit trail. The presence of the client's signature on a trade form can no longer be taken as confirmation that the client authorized a particular trade. It also compromises the ability of the Member to subsequently investigate and respond to a client complaint concerning the propriety of trading activity in his or her account.

10. In addition to the findings of previous panels on the issue of pre-signed and altered forms, the MFDA has been warning Approved Persons against this type of conduct for a number of years through the publication of Staff Notices and Bulletins.

MFDA Staff Notice #MSN-0035 dated December 10, 2004

MFDA Staff Notice #MSN-0066 dated October 31, 2007, (updated March 4, 2013 and January 26, 2017)

MFDA Bulletin #0661-E dated October 2, 2015

11. In Bulletin #0661-E issued October 2, 2015 (the “Bulletin”), the MFDA provided examples of the negative consequences that can arise when an Approved Person engages in Signature Falsification (a term that includes conduct like pre-signed account forms, altered account forms and the falsification of a client signature):

- there is an adverse effect on the integrity and reliability of the documents;
- the audit trail is destroyed
- the Approved Person’s ability to produce valid documentation to support transactions that come into question is impacted
- the client is prejudiced by making it appear as if the client has executed a particular document when this is not the case
- the Member’s supervisory personnel are misled as to the circumstances as to how the document was obtained
- the Approved Person’s credibility is negatively affected
- Member complaint handling is negatively affected
- The Approved Person uses the forms to facilitate further misconduct like unauthorized trading, fraud and misappropriation of monies

12. In the Bulletin and also in MFDA Staff Notice #MSN-0066, updated on January 26, 2017, Staff advised Approved Persons that it would be seeking enhanced penalties at MFDA disciplinary proceedings for Signature Falsification conduct that occurred after the publication of the Bulletin on October 2, 2015.

V. ACCEPTANCE OF SETTLEMENT AGREEMENTS

13. Pursuant to section 24.4.3 of MFDA By-law No.1, a hearing panel has two options with respect to a settlement agreement. It may either accept the settlement agreement or reject it.

14. The role of a hearing panel at a settlement hearing is fundamentally different than its role at a contested hearing. As was stated by the MFDA Hearing Panel in *Sterling Mutuals Inc. (Re)*, quoting the reasoning in the I.D.A matter of *Milewski (Re)*:

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), 2008 LNCMFDA 16, at para. 37

Milewski (Re), [1999] I.D.A.C.D. No. 17 at p. 11

15. The principle that a hearing panel will not reject a settlement agreement unless the proposed penalty clearly falls outside the reasonable range of appropriateness assists the MFDA to fulfill its regulatory objective of protecting the public. Settlements advance this regulatory objective by proscribing activities that are harmful to the public, while enabling the parties to reach a flexible remedy tailored to address the interests of both the regulator and a respondent.

British Columbia Securities Commission v. Seifert, 2007 BCCA 484 at para. 3

16. The primary goal of securities regulation is the protection of the investor.

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

17. MFDA hearing panels have taken into account the following considerations when determining 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.

Jacobson (Re) [2007] MFDA File No. 200712, at para. 68

18. This Hearing Panel agrees with the principles stated above and has followed them in making its decision in this case.

VI. FACTORS REGARDING APPROPRIATENESS OF PENALTY

19. Factors that hearing panels frequently consider when determining whether a penalty is appropriate include the following:

- a) the seriousness of the allegations proved against the Respondent;
- b) the Respondent's past conduct, including prior sanctions;
- c) the Respondent's experience and level of activity in the capital markets;
- d) whether the Respondent recognizes the seriousness of the improper activity;
- e) the harm suffered by investors as a result of the Respondent's activities;
- f) the benefits received by the Respondent as a result of the improper activity;
- g) the risk to investors and the capital markets in the jurisdiction, were the Respondent to continue to operate in capital markets in the jurisdiction;
- h) the damage caused to the integrity of the capital markets in the jurisdiction by the Respondent's improper activities;
- i) 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;
- 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] MFDA File No. 200509, at para. 85

20. The MFDA Sanction Guidelines (the "Guidelines") are an additional source of factors to be taken into account with regards to penalty. The Guidelines are not mandatory but are intended to assist hearing panels, the MFDA and Respondents in considering the appropriate penalties in MFDA disciplinary proceedings.

21. In this case, in addition to the MFDA's disciplinary hearing and its terms of settlement, the Respondent also had sanctions imposed on him for the same misconduct by his Member. As described in paragraphs 14 and 15 of the Settlement Agreement, the Respondent was placed on strict supervision for a period of one year and, from December 29, 2018 to December 22, 2019, the Respondent paid an administrative penalty totalling \$8,000 to his Member for his misconduct. This Hearing Panel considered this to be a mitigating factor as per point eight of the Guidelines.

VII. CONSIDERATIONS IN THIS CASE

22. Of the factors set out above, the following factors are particularly relevant to the Settlement Agreement and to the Hearing Panel's decision in this case.

a) Nature of the misconduct

23. The Hearing Panel considers that the Respondent's actions constitute a serious breach of MFDA Rule 2.1.1 for the reasons set out above in paragraphs 9-12.

b) Client harm

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

c) Benefits received by the Respondent

25. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct at issue in this proceeding.

d) Respondent's experience and level of activity in the capital markets

26. The Respondent has been an Approved Person since 2006. He ought to have known and respected the Member's compliance requirements and those of the MFDA.

e) Deterrence

27. The proposed penalty is significant and helps the MFDA send a message to the Respondent and others in the capital markets about the seriousness of the misconduct at issue.

f) Respondent's past conduct

28. The Respondent has not previously been subject to MFDA disciplinary proceedings.

g) Respondent's recognition of the seriousness of his misconduct

29. By entering into this Settlement Agreement, the Respondent has accepted responsibility for his misconduct and avoided the necessity of the MFDA incurring the time and expense of conducting full disciplinary hearings.

h) Previous Decisions Made in Similar Circumstances

30. While no two cases are exactly alike, the proposed resolution is within the reasonable range of appropriateness with regard to other decisions in similar circumstances, which were reviewed with the Hearing Panel by MFDA counsel.

Case:	Contraventions:	Penalty:
<p><i>Rosborough, Trevor (Re)</i>, [2018] MFDA Hearing Panel of the Central Regional Council, MFDA File No. 201865, Reasons for Decision dated July 23, 2018, MFDA Staff's Book of Authorities, Tab 16</p>	<ul style="list-style-type: none"> • Between September 2009 and November 2016, the Respondent obtained, possessed, and in at least 14 instances used to process transactions, 23 account forms in respect of 18 clients. • No financial benefit to the Respondent • No evidence of client losses or lack of client authorization. • No client complaints. • No previous disciplinary history with MFDA • Activity was pre and post bulletin • Terminated by his Member • No administrative fine or payment to the Member 	<p>The Hearing Panel approved the <i>Settlement Agreement</i> with the following terms:</p> <p>\$10,000 fine \$2,500 costs .</p>
<p><i>Beausoleil, Michael (Re)</i>, [2019], MFDA Hearing Panel of the Central Regional Council, MFDA File No. 201913, Reasons for Decision dated June 10, 2019, MFDA Staff's Book of Authorities, Tab 17.</p>	<ul style="list-style-type: none"> • Between January 2008 and March 2017, the Respondent obtained, possessed and in some instances, used to process transactions 29 pre-signed forms in respect of 14 clients. • 6 forms were obtained by the Respondent post MFDA Bulletin #0661-E (October 2015) • No financial benefit to the Respondent • No evidence of client loss or lack of authorization • No previous disciplinary history with MFDA • Respondent recognized seriousness of misconduct by entering into settlement • Terminated by his Member • No administrative fine or payment to the Member. 	<p>The Hearing Panel approved the <i>Settlement Agreement</i> with the following terms:</p> <p>\$11,500 fine \$2,500 costs</p>
<p><i>Kawka, Marek Stanislaw (Re)</i> [2020] MFDA Hearing Panel of the Central Regional Council, MFDA File No. 202033, Reasons for Decision dated August 11, 2020, MFDA Staff's Book of Authorities, Tab 18.</p>	<ul style="list-style-type: none"> • Between February 2014 and March 2018, the Respondent obtained, possessed and in some instances, used to process transactions 15 pre-signed forms • Between March 2014 and February 2017, the Respondent possessed 11 altered forms and used them to process transactions • Activity was pre and post bulletin • Respondent placed on strict supervision by Member • No administrative fine or payment to the Member 	<p>The Hearing Panel approved the <i>Settlement Agreement</i> with the following terms:</p> <p>\$11,500 Fine \$2,500 Costs</p>

Case:	Contraventions:	Penalty:
<i>Prabhune, Aparna Nandkumar (Re)</i> , [2020] Hearing Panel of the Central Regional Council, MFDA File No. 202042, Settlement Agreement dated August 7, 2020 and Order dated November 18, 2020, MFDA MFDA Staff's Book of Authorities, Tab 19	<ul style="list-style-type: none"> • Between 2010 and December 2018, the Respondent obtained and possessed 10 pre-signed forms in respect of 7 clients. • Between September 2013 and August 2016, the Respondent possessed 16 altered account forms and used them to process transactions. • The Respondent paid approximately \$7,000 in administrative penalties to the Member • The Respondent was placed on close supervision for slightly more than one year. • The Respondent wrote the Conduct & Practices Course (CPH) with the Canadian Securities Institute. 	<p>The Hearing Panel approved the Settlement Agreement with the following terms:</p> <p>\$8,500 Fine \$2,500 Costs</p>

31. The above-referenced cases all involve serious misconduct similar to the allegation set out in the Settlement Agreement. In each of these cases, the mitigating factors of no client harm, no financial benefit to the Respondent, no lack of client authorization, no prior disciplinary history and a remorseful Respondent are present. The cases also demonstrate that the proposed penalty in this matter is within a reasonable range and is appropriate.

VIII. COSTS

32. This Hearing Panel agrees that an award of costs against the Respondent in the amount of \$2,500 would be appropriate in the circumstances.

IX. CONCLUSION

33. It is in the public interest for the Hearing Panel to accept the Settlement Agreement having regard to all the foregoing circumstances. The proposed penalty is reasonable, proportionate to the misconduct in question, 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 Approved Persons.

DATED this 9th day of February, 2021.

“Frederick H. Webber”

Frederick H. Webber
Chair

“Samuel Mah”

Samuel Mah
Industry Representative

“Eugene Park”

Eugene Park
Industry Representative



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 Shantz

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada ("Staff") and the Respondent, Christopher Shantz (the "Respondent"), consent and agree to settlement of this matter by way of this agreement (the "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 violation of the By-laws, Rules or Policies of the Mutual Fund Dealers Association of Canada ("MFDA"):

Between September 4, 2013 and July 2, 2018, the Respondent obtained, possessed, and used to process transactions, 25 pre-signed account forms in respect of 14 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 \$7,500 in certified funds upon acceptance of the Settlement Agreement, 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 in certified funds upon acceptance of the Settlement Agreement by the Hearing Panel, 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 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 July 20, 2006, the Respondent has been registered in Ontario as a mutual fund salesperson (now known as a Dealing Representative) with Sun Life Investment Services Inc. (the "Member"), a Member of the MFDA.
8. At all material times, the Respondent conducted business in the Kitchener, Ontario area.

Pre-signed forms

9. At all material times, the Member's policies and procedures prohibited its Approved Persons from obtaining pre-signed blank forms from clients. The Member's Approved Persons were only permitted to use a form after it had been duly executed by a client and after the information on the form has been properly completed.
10. Between September 4, 2013 and July 2, 2018, the Respondent obtained, possessed, and used to process transactions, 25 pre-signed account forms in respect of 14 clients. The account forms consisted of Know Your Client forms; application forms; trade tickets; transfer forms and Pre-Authorized Account Contribution forms.

Member's Investigation

11. On December 18, 2018, the Member conducted a full review of the client files maintained by the Respondent and identified the account forms that are the subject of this Settlement Agreement.

12. On December 20, 2018, the Member imposed a program of close supervision on the Respondent and additional supervision pertaining to the Respondent's completion of account forms for processing by the Member.

13. On February 27, 2019, the Member wrote to clients whose accounts were serviced by the Respondent and for whom the Respondent obtained pre-signed forms. The letter requested that clients review and confirm their authorization for account transactions that occurred during the material time. None of the responses received by the clients raised any concerns.

14. On April 2, 2019, the Member issued a Warning Letter to the Respondent for the conduct described in the Settlement Agreement and placed him under close supervision for a 12 month period.

15. From December 29, 2018 to December 27, 2019, the Respondent paid \$8,000 to the Member for fees related to the close supervision imposed by the Member.

Additional Factors

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

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

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

19. 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.

IV. ADDITIONAL TERMS OF SETTLEMENT

20. 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.

21. 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. 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.

22. 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.

23. 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 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) 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. 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.

24. 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.

25. 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.

26. 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 18th day of September, 2020.

“Christopher Shantz”

Christopher Shantz

“MS”

Witness – Signature

MS

Witness – Print Name

“Charles Toth”

Staff of the MFDA
Per: Charles Toth
Vice-President, Enforcement

Schedule "A"

Order
File No.



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 Shantz

ORDER

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 Christopher Shantz (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 between September 4, 2013 and July 2, 2018, the Respondent obtained, possessed, and used to process transactions, 25 pre-signed account forms in respect of 14 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 \$7,500 in certified funds upon acceptance of the Settlement Agreement, 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 in certified funds upon acceptance of the Settlement Agreement by the Hearing Panel, 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]

DM 797065