



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: Goran Stanimirovic

Heard: July 27, 2017 in Toronto, Ontario
Decision: July 27, 2017
Reasons for Decision: September 18, 2017

REASONS FOR DECISION

Hearing Panel of the Central Regional Council:

Frederick H. Webber	Chair
Brigitte J. Geisler	Industry Representative
Robert C. White	Industry Representative

Appearances:

Paul Blasiak)	Counsel for the Mutual Fund Dealers
)	Association of Canada
)	
Goran Stanimirovic)	Respondent
)	
)	
)	

Settlement Agreement

1. The Hearing Panel accepted the settlement agreement dated March 10, 2017 (“Settlement Agreement”) between the staff of the MFDA and Goran Stanimirovic (“Respondent”). A copy of the Settlement Agreement is attached to these reasons as Schedule “1”. The agreed facts are set out in Section III of the Settlement Agreement.

Contraventions

2. The Respondent admitted that:

- a) on November 6, 2015, he falsified the signature of one client on one account form, contrary to MFDA Rule 2.1.1; and
- b) between January 2016 and April 2016, he misled MFDA Staff during the course of an investigation into his conduct when he falsely advised MFDA Staff that he did not falsify the signature of a client on an account form, contrary to MFDA Rule 2.1.1.

Agreed penalties

3. The agreed penalties were: i) the Respondent shall be prohibited for three years from conducting securities related business in any capacity while in the employ of or associated with any Member of the MFDA; ii) he shall in the future comply with MFDA Rule 2.1.1. and (iii) he will attend the Settlement Hearing in person.

Considerations

4. The Hearing Panel determined that it had to be satisfied regarding three considerations before it could accept the Settlement Agreement. First, the agreed penalty had to be within an acceptable range taking into account similar cases. Secondly, the agreed penalty had to be fair

and reasonable (i.e. proportional to the seriousness of the contravention and taking into consideration other relevant circumstances) and should appear to be so to members of the public and the industry. Thirdly, the agreed penalty should serve as a deterrent to the Respondent and to the 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 him of the agreed penalty.

Nature of the Misconduct

5. Falsifying signatures and misleading MFDA Staff with respect thereto as admitted by the Respondent are both serious misconduct in violation of MFDA Rule 2.1.1.

Other considerations in determining acceptability of agreed penalties

6. There was no evidence of client loss, no client complaints and no evidence of unauthorized trading.

7. There was no evidence that the Respondent received any financial benefit from engaging in the misconduct.

8. The agreed penalties are significant and help the MFDA to send a message to the Respondent and others in the capital markets about the seriousness of the misconduct.

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

10. The Respondent has been registered in the mutual fund industry since 2007 and was sufficiently experienced that he ought to have known and respected the MFDA regulatory requirements.

11. The Respondent is impecunious and unable to pay any fines or costs, as confirmed by documentary evidence provided to the MFDA.

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

13. The agreed penalties are within the reasonable range of appropriateness with regard to penalties determined by MFDA Hearing Panels in similar circumstances, in MFDA decisions submitted to us by staff, and are in accordance with the MFDA penalty guidelines.

Conclusion

14. We concluded that the agreed penalties were within an acceptable range based on precedents, would serve as a specific and general deterrent, and were fair and reasonable. We concluded, therefore, that the Settlement Agreement was in the public interest and, consequently, we accepted it.

DATED this 18th day of September, 2017.

“Frederick H. Webber”

Frederick H. Webber
Chair

“Brigitte J. Geisler”

Brigitte J. Geisler
Industry Representative

“Robert C. White”

Robert C. White
Industry Representative



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SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada ("Staff") and Goran Stanimirovic ("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) on November 6, 2015, the Respondent falsified the signature of one client on one account form, contrary to MFDA Rule 2.1.1; and
- b) between January 2016 and April 2016, the Respondent misled MFDA Staff during the course of an investigation into his conduct when he falsely advised MFDA Staff that he did not falsify the signature of a client on an account form, 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 be prohibited for three years from conducting securities related business in any capacity while in the employ of or associated with any Member of the MFDA, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
- b) the Respondent shall in the future comply with MFDA Rule 2.1.1; and
- c) 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. From April 2007 to July 2009 and from January 2011 to November 2015, the Respondent was registered in Ontario as a mutual fund salesperson (now known as a dealing representative) with TD Investment Services Inc. ("TDIS"), a Member of the MFDA. On November 13, 2015, the Respondent was terminated as a result of the matter described herein.

8. The Respondent is not currently registered in the securities industry.

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

Falsification of Client's Signature

10. At all material times, AJ was an Approved Person registered with TDIS and conducted business at the Respondent's branch office.

11. On November 6, 2015, the Respondent requested that AJ process a redemption in client SS's account at TDIS in the amount of \$19,217.23 (the "Redemption"). Client SS is the Respondent's mother.

12. The Respondent falsified client SS's signature on the trade form (the "Trade Form") that AJ submitted to TDIS in order to process the Redemption. The Respondent informed AJ that he had falsified client SS's signature because client SS was unable to personally attend at the branch office to sign the Trade Form.

13. Later on November 6, 2015, AJ reported the matter to the Respondent's branch manager. The Respondent's branch manager questioned the Respondent about the signature falsification, and the Respondent admitted that he had falsified client SS's signature on the Trade Form.

14. TDIS cancelled the Redemption before it was processed in client SS's account.

Misleading MFDA Staff

15. On January 12, 2016, MFDA Staff requested a written response from the Respondent advising whether the Respondent had falsified a client's signature on an account form.

16. On January 26, 2016, the Respondent provided his written response to MFDA Staff and falsely advised MFDA Staff that he did not falsify anyone's signature.

17. On March 8, 2016, MFDA Staff requested a written response from the Respondent specifically advising whether the Respondent had falsified client SS's signature on the Trade Form.

18. On March 12, 2016, the Respondent provided his written response to MFDA Staff and falsely advised MFDA Staff that he did not falsify client SS's signature on the Trade Form.

19. On April 26, 2016, MFDA Staff interviewed the Respondent. During the interview, the Respondent falsely advised MFDA Staff that he did not falsify client SS's signature on the Trade Form.

Additional Factors

20. The Respondent states that he is impecunious and unable to pay any amount towards either a fine or costs, and he has provided documentary evidence in that regard to MFDA Staff.

21. The Respondent did not receive any financial benefit from engaging in the misconduct described above and there was no client complaint.

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

23. 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

24. 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.

25. The Settlement Agreement is subject to acceptance by the Hearing Panel which shall be sought at a hearing (“Settlement Hearing”). At, or following the conclusion of, the Settlement Hearing, the Hearing Panel may either accept or reject the Settlement Agreement.

26. 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.

27. 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.

28. 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.

29. 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.

30. 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 10th day of March, 2017.

“Goran Stanimirovic”
Goran Stanimirovic

“TS”
Witness - Signature

TS
Witness - Print name

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



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ORDER

WHEREAS on [date], the Mutual Fund Dealers Association of Canada ("MFDA") issued a Notice of Settlement Hearing pursuant to section 24.4 of By-law No. 1 in respect of Goran Stanimirovic ("Respondent");

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated [date] ("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:

- a) on November 6, 2015, the Respondent falsified the signature of one client on one account form, contrary to MFDA Rule 2.1.1; and
- b) between January 2016 and April 2016, the Respondent misled MFDA Staff during the course of an investigation into his conduct when he falsely advised

MFDA Staff that he did not falsify the signature of a client on an account form, 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 be prohibited for three years from conducting securities related business in any capacity while in the employ of or associated with any Member of the MFDA, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;

2. The Respondent shall in the future comply with MFDA Rule 2.1.1; and

3. 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]