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: Mary Lauretta Stanley-Beitz

Heard: April 20, 2015, in Toronto, Ontario
Reasons for Decision: May 20, 2015

REASONS FOR DECISION

Hearing Panel of the Central Regional Council:

Paul M. Moore Q.C.	Chair
Guenther Kleberg	Industry Representative
Matthew Onyeaju	Industry Representative

Appearances:

H. C. Clement Wai	)	For the Mutual Fund Dealers Association of Canada
Karen E. Jacques	)	For the Respondent (via teleconference)
Mary Lauretta Stanley-Beitz	)	Present (via teleconference)

Reasons

1. We accept the settlement agreement and approve it as being in the public interest. I, as Chair, am going to give oral reasons for our approval. We will then obtain a transcript, and we will edit the transcript to provide a written record of the panel's reasons for accepting the settlement agreement.

2. We find the penalty fine of $2,500 to be acceptable although it is $2,500 less than the minimum suggested in the guidelines of the MFDA. The guidelines are suggestions only, and are not mandatory. They are not necessarily applicable in every single case, as the guideline so states.

3. We note that there is also a six-month prohibition and a $2,500 cost award.

4. At first blush, we felt that the prohibition of six months may be a little severe under the circumstances, especially since the Respondent has been out of the industry since mid-2013, following her termination by the Member because of the infractions which are the subject matter of this hearing.

5. We are of the view that the suspension was not absolutely necessary for us to approve this settlement as a quid pro quo for the fine being less than the suggested minimum of $5,000.

6. Staff argued that time served should not count in setting a prohibition period. We accept that statement as a guideline, but would caution that it not be necessarily applied in every situation regardless of the circumstances. However, in this case, we have no problem with the agreement of the parties that a six-month suspension is appropriate.

7. We take to heart the submission of Staff that we don't have all the facts behind this matter and those facts that may have played somewhat on the parties' minds when they were negotiating a settlement. But we have been given the essential facts for us to know in order to decide whether or not the settlement is acceptable as being within reasonable parameters.

8. We note that there were approximately 170 pre-signed forms in this matter, some of which were used. However, none were used contrary to, or in lieu of, client instructions, and no client suffered any harm.

9. The MFDA Rules and the Member's Policies and Procedures make it clear that pre-signed, incomplete forms are not allowed, and therefore, there clearly were violations, and there needs to be consequences.

10. We note that the Respondent has no history of regulatory problems or concerns.

11. We do not believe that there were any extenuating circumstances that we should take into account, such as the personal concerns that the Respondent may have had in dealing with family matters. These were mentioned in the settlement agreement and Staff's submission. They were not relevant.

12. In conclusion, there were violations, and there should be consequences, and these were agreed to in the settlement agreement, which we find to be acceptable in the circumstances. We find the settlement agreement is fair to the parties, and therefore we approve it, notwithstanding the fact that the fine amount was below the minimum suggested, and notwithstanding the fact that there is a six-month suspension.

DATED this 20th day of May, 2015.

"Paul M. Moore"

Paul M. Moore, Q.C.
Chair

"Guenther Kleberg"

Guenther Kleberg
Industry Representative

"Matthew Onyeaju"

Matthew Onyeaju
Industry Representative

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