



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: Brianne Nicole Stoutley

Heard: September 28, 2017 in Toronto, Ontario
Decision: September 28, 2017
Reasons for Decision: November 30, 2017

REASONS FOR DECISION

Hearing Panel of the Central Regional Council:

Paul M. Moore, QC	Chair
Kenneth P. Mann	Industry Representative
Joseph Yassi	Industry Representative

Appearances:

Sarah Glickman)	Counsel for the Mutual Fund Dealers
)	Association of Canada
)	
Brianne Nicole Stoutley)	Respondent, In Person
)	
)	
)	

Settlement Agreement

1. The Hearing Panel accepted the settlement agreement dated June 30, 2017 (“Settlement Agreement”) between the staff of the MFDA and Brianne Nicole Stoutley (“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 agreement.

Contraventions

2. The Respondent admitted that:
- a) on or about May 31, 2016, she falsified a client signature on an account form and used the account form to process a transaction, contrary to MFDA Rule 2.1.1.

Agreed penalties

3. The agreed penalties were: i) a 6 month prohibition from conducting securities related business in any capacity while in the employ of or associated with a Member of the MFDA; and ii) a costs award of \$2,500.

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 industry. Thirdly, the agreed penalty should serve as a deterrent to the Respondent and to 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 her of the agreed penalty.

Nature of the Misconduct

5. Falsifying a client's signature and using a form with such signature are conduct contrary to MFDA rule 2.1.1.

Other considerations in determining acceptability of agreed penalties

6. There was no evidence of client loss.

7. There was no evidence that the Respondent received any financial benefit from engaging in the misconduct beyond any commissions and fees that she would normally be entitled to receive if the transactions had been carried out in the proper manner.

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

9. On June 9, 2016, her Member terminated the employment of the Respondent and she is no longer registered in the securities business in any capacity.

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

11. The agreed penalties are within the recommendations of the MFDA penalty guidelines and the reasonable range of appropriateness with regard to MFDA decisions submitted to us by staff, made by MFDA Hearing Panels in similar circumstances. They are fair and reasonable. They will serve as a specific and general deterrent. 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: they will serve as a specific and general deterrent.

Costs

12. The costs award is reasonable.

Conclusion

13. We concluded, therefore, that the Settlement Agreement was in the public interest and, consequently, we accepted it.

DATED this 30th day of November, 2017.

“Paul M. Moore”

Paul M. Moore, QC
Chair

“Kenneth P. Mann”

Kenneth P. Mann
Industry Representative

“Joseph Yassi”

Joseph Yassi
Industry Representative

Schedule “1”

Settlement Agreement

File No. 201768



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Re: Brianne Nicole Stoutley

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and the Respondent, Brianne Nicole Stoutley (“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 or about May 31, 2016, the Respondent falsified a client signature on an account form, and used the account form to process a transaction, 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 from conducting securities related business in any capacity while in the employ of or associated with a Member of the MFDA for a period of 6 months pursuant to s. 24.1.1(e) 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, 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. Between June 2015 and June 2016, the Respondent was registered in Ontario as a mutual fund salesperson (now known as a Dealing Representative) with TD Investment Services Inc. ("TD"), a Member of the MFDA.

8. On June 9, 2016, as a result of the conduct that is the subject of this Settlement Agreement, TD terminated the Respondent. The Respondent is no longer registered in the securities industry in any capacity.

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

Falsification of Client Signature

10. At all material times, client AN was a client of TD whose account was serviced by the Respondent.

11. On April 2, 2016, client AN signed an account form updating his client information profile, which account form was subsequently misplaced.

12. On or about May 31, 2016, the Respondent's branch manager asked the Respondent to obtain a new signed client update form from client AN to replace the missing account form.

13. Rather than meet with client AN to obtain a new account form, the Respondent falsified client AN's signature on a new client update form and submitted the account form to TD for processing (the "Falsified Form").

TD's Investigation

14. On June 2, 2016, TD became aware of the Respondent's conduct after the Respondent's branch compliance officer identified an inconsistency between the signature on the Falsified Form and an account form previously signed by client AN.

15. As part of its investigation, TD reviewed 18 client accounts serviced by the Respondent and identified no other signature falsifications.

16. On June 9, 2016, as a result of the conduct that is the subject of this Settlement Agreement, TD terminated the Respondent.

Additional Factors

17. There is no evidence that the Respondent received any benefit from the conduct set out above beyond the commissions or fees she would ordinarily be entitled to receive had the transactions been carried out in the proper manner.
18. There is no evidence of client loss.
19. The Respondent cooperated with TD during its investigation into her conduct.
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 on 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 (“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.
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 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.

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 30th day of June, 2017.

“Brienne Nicole Stoutley”

Brienne Nicole Stoutley

“AP”

Witness – Signature

AP

Witness – Print Name

“Shaun Devlin”

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 Brianne Nicole Stoutley ("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 on or about May 31, 2016, the Respondent falsified a client signature on an account form, and used the account form to process a transaction, 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 from conducting securities related business in any capacity while in the employ of or associated with a Member of the MFDA for a period of 6 months pursuant to s. 24.1.1(e) 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]