



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: Charles Edward Symes

Heard: July 15, 2016, in Moncton, New Brunswick
Reasons for Decision: May 12, 2017

REASONS FOR DECISION

Hearing Panel of the Atlantic Regional Council:

Edward W. Keyes	Chair
Susan Nixon	Industry Representative
Joanne Hébert	Industry Representative

Appearances:

Paul Blasiak)	Counsel for the Mutual Fund Dealers
)	Association of Canada
)	
David Di Paolo)	Counsel for the Respondent (by teleconference)
)	
)	
Charles Edward Symes)	Respondent, In Person

Introduction

1. At a Settlement Hearing on July 15, 2016, this Hearing Panel was asked to accept a Settlement Agreement dated April 5, 2016 (“Settlement Agreement”) negotiated between Staff of the Mutual Fund Dealers Association of Canada (“MFDA”) and Charles Edward Symes (“Respondent”).
2. Mr. Symes was present before us and was represented by his counsel who attended the hearing by teleconference.
3. In accordance with Section 24.4.3 of By-law No. 1 of the MFDA, a Settlement Agreement was referred to this Hearing Panel for acceptance or rejection. After hearing counsel for the parties, considering the exhibits filed, and the submissions of counsel, we concluded that we should accept the Settlement Agreement. These are our written reasons for so doing.

The Settlement Agreement

4. The Settlement Agreement is attached as Schedule “1” to these Reasons for Decision.
5. Pursuant to this Settlement Agreement, the Respondent admitted the following violations of the By-laws, Rules and/or Policies of the MFDA:
 - a) between January 1, 2006 and July 2014, the Respondent altered and, in some instances, used to process transactions, 18 account forms in respect of 13 clients, contrary to MFDA Rule 2.1.1;
 - b) between January 2004 and January 2015, the Respondent obtained and possessed three (3) pre-signed account forms in respect of three (3) clients, contrary to MFDA Rule 2.1.1.

6. The key portions of the Settlement Agreement entered into with the MFDA by the Respondent are as follows:

III. AGREED FACTS

Registration History

7. The Respondent has been registered as a mutual fund sales person (now known as a dealing representative) with Sun Life Financial Investment Services (Canada) Inc. ("Sun Life"), a Member of the MFDA in New Brunswick since October 1989, and Nova Scotia since June 2008.

8. From February 2005 to February 2015, the Respondent was registered as a branch manager with Sun Life in New Brunswick.

9. At all material times, the Respondent conducted business in the Moncton, New Brunswick area.

Altered Forms

10. Between January 2006 and July 2014, the Respondent altered and, in some instances, used to process transactions, 18 account forms in respect of 13 clients. In particular, the Respondent altered the investment instructions, client signature dates, addresses and/or account numbers that were recorded on the account forms.

11. The forms, 16 of which were used to process the transactions, consisted of:

- a) 6 direct transfer forms;
- b) 2 order ticket forms;
- c) 2 pension benefit transfer forms;
- d) 2 request to unlock funds forms;
- e) 1 payment election form;

- f) 1 mutual fund switch authorization form;
- g) 1 mutual fund application form;
- h) 1 Know-Your-Client form;
- i) 1 Limited Trade Authorization form; and
- j) 1 appointment of beneficiary form.

12. The Respondent made the alterations described above without obtaining the clients' initials next to the alterations.

Pre-Signed Forms

13. At all material times, Sun Life's policies and procedures prohibited its Approved Persons, including the Respondent, from obtaining or possessing pre-signed account forms.

14. Between 2004 and January 2015, the Respondent obtained and possessed 3 pre-signed account forms in respect of 3 clients. The forms consisted of:

- a) 1 pre-signed identity verification form containing a photocopied client signature;
- b) 1 pre-signed direct transfer form containing a photocopied client signature; and
- c) 1 pre-signed mutual fund switch authorization form containing an original client signature.

Action Taken by the Member

15. Sun Life detected the conduct that is the subject of this Settlement Agreement during a compliance audit conducted on October 8, 2014 and a further follow-up audit on January 21-22, 2015. This audit included a review of all client files maintained by the Respondent

16. As part of its investigation, Sun Life sent letters to those clients of the Respondent whose files were found to contain altered or pre-signed account forms. None of the clients reported any concerns to Sun Life.

17. On May 19, 2015, Sun Life sent a warning letter to the Respondent regarding the conduct described above. The warning letter instructed the Respondent to immediately cease using pre-signed account forms and to always obtain the client's initials or signature next to any alterations made on account forms. Sun Life placed the Respondent on close supervision for a period of 24 months, and during this period he is no longer acting as a branch manager.

GENERAL PRINCIPLES ON THE ACCEPTANCE OF A SETTLEMENT AGREEMENT

7. At a settlement hearing the role of a Hearing Panel is fundamentally different than its role at a contested hearing. The often cited reasoning from the I.D.A. decision of *Milewski (Re)* succinctly sets out the role of the Hearing Panel at a settlement hearing:

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.”

Milewski (Re) [1999] I.D.A.C.D. No.17 at p. 10, Ontario District Council Decision dated July 28, 1999.

8. A Hearing Panel, pursuant to s. 24.4.3 of MFDA By-law No. 1, has two options with respect to a settlement agreement; it can only accept or reject the settlement agreement.

GENERAL CONSIDERATIONS ON THE ACCEPTANCE OF THE SETTLEMENT AGREEMENT

9. It is clear from the jurisprudence emanating from the Courts and previous MFDA hearing panels that this Hearing Panel's task is not to decide whether we would have arrived at the same decision as that reached by the parties in this case. Rather, it is this Hearing Panel's responsibility to determine whether the penalty agreed upon falls within a reasonable range of appropriateness having regard to the conduct of the Respondent. If the negotiated settlement maintains the integrity of the investment industry, it is our duty to accept it.

10. In deciding whether to accept or reject the proposed Settlement Agreement in this matter, we have taken into account the following considerations as set out by previous decisions of Courts and MFDA hearing panels:

- a) Whether acceptance of the Settlement Agreement would be in the public interest;
- b) Whether the Settlement Agreement is reasonable in proportion 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 deterrents;
- d) Whether the proposed Settlement Agreement 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.

Re: *Professional Investments (Kingston) Inc. (Re)*, [2009] MFDA, Ontario Regional Council, File No. 200836, Hearing Panel Decision dated March 24, 2009 at page 9.

Re: *Melvin Robert Penny (Re)*, [2009] MFDA, Atlantic Regional Council, File No. 200831, Hearing Panel Decision dated May 13, 2009, at page 8.

Re: *Alden M. Kaley (Re)*, MFDA, Atlantic Regional Council, File No 200911, Hearing Panel Decision dated August 21, 2009, at page 6.

11. We have also considered the factors that previous Hearing Panels have stated should be considered in determining whether a penalty is appropriate. These factors include the following:

- a) The seriousness of the allegations proven against the Respondent;
- b) The Respondent's past conduct, including prior sanctions;
- c) The Respondent's experience and level of activity in the Capital Market;
- d) Whether the Respondent recognizes that the conduct was improper and has demonstrated remorse;
- e) The harm suffered by investors as a result of the Respondent's conduct;
- 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 the 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 determine whether not only those involved in the case being considered, but also any others participating in the capital markets engaged in a similar improper activity;
- j) The need to alert others to the consequences of inappropriate activity to those who are permitted to participate in the capital markets; and
- k) Previous decisions made in similar circumstances.

Re: *Lamoureux (Re)*, [2002] A.S.C.D. No. 125 at para 11.

Re: *In the matter of Robert Roy Parkinson* [2005] MFDA Ontario Regional Council, File No. 200509, Hearing Panel Decision dated February 21, 2006, at pp 25-26.

Re: *Alden M. Kaley (Re)*, [2009] MFDA Atlantic Regional Council, File No. 200911, Hearing Panel Decision dated September 28, 2009 at page 7.

12. We have also been guided by the MFDA Penalty Guidelines (“the Guidelines”), which state the following in the introduction:

Range is Guideline Only

The penalty types and ranges stated in the Guidelines are not mandatory. The Guidelines suggest the types and ranges of penalties that would be appropriate for particular case types. The Guidelines are intended to provide a basis upon which discretion can be exercised consistently and fairly in like circumstances but are not binding on a Hearing Panel.

13. The Guidelines recommend that consideration be given to the following penalties for Approved Persons involving the misconduct alleged in the present case:

a) **Standard of Conduct:**

- A reprimand;
- Minimum fine of \$5,000;
- Write or rewrite appropriate industry course;
- Suspension;
- Permanent prohibition in egregious cases.

Standard of Conduct

14. Rule 2.1.1 of the MFDA Rules codifies the standard of conduct to which all Members and Approved Persons are held. It requires that Members and Approved Persons deal fairly, honestly and in good faith with its clients; observe high standards of ethics and conduct in the transaction of business; and refrain from engaging in any business conduct or practice which is unbecoming or detrimental to the public interest.

15. Rule 2.1.1 was drafted broadly to protect the public interest and has been applied to prohibit a wide range of misconduct including the use of pre-signed and altered forms.

Gibson (Re), [2016] Hearing Panel of the Pacific Regional Council, MFDA File No. 201620, Panel Decision dated May 2, 2016.

Coelho (Re), [2016] Hearing Panel of the Central Regional Council, MFDA File No. 201551, Panel Decision dated February 19, 2016.

Weller (Re), [2016] Hearing Panel of the Central Regional Council, MFDA File No. 201544, Panel Decision dated February 19, 2016.

Richardson (Re), [2015] Hearing Panel of the Central Regional Council, MFDA File No. 201536, Panel Decision dated October 2, 2015.

Price (Re), [2011] Hearing Panel of the Central Regional Council, MFDA File No. 200814, Panel Decision (Misconduct) dated April 18, 2011.

The Seriousness of the Violation in this Matter

16. The use of pre-signed forms is not permitted. Hearing Panels have consistently held that obtaining or using pre-signed forms is a contravention of the standard of conduct under MFDA Rule 2.1.1.

17. In *Price (Re)*, [2011] MFDA File No. 200814, the Hearing Panel made the following comments on the use of pre-signed forms:

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.

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

19. As with pre-signed forms, the MFDA via *MFDA Staff Notice #MSN-0066 dated October 31, 2007 (updated March 4, 2013)* has warned Approved Persons against altering account forms.

20. Using pre-signed or altered forms affects the integrity and reliability of the audit trail, has a negative effect on the Member's ability to respond to complaints and creates the potential for misuse in the form of unauthorized trading, fraud and misappropriation of client funds.

21. In the present case, the Respondent admits that he obtained and possessed 3 pre-signed account forms in respect of 3 clients and that he altered 18 account forms in respect of 13 clients, and in some cases used these forms to process transactions, all contrary to MFDA Rule 2.1.1. In our opinion the use of pre-signed forms or the creation of altered forms is serious misconduct deserving sanction.

22. In the case of these breaches of MFDA Rule 2.1.1 as admitted by the Respondent, we have considered the following facts in deciding whether or not to accept the Settlement Agreement as presented:

- a) There is no evidence of client harm in the case; and
- b) None of the Respondent's clients, in whose files there were altered or pre-signed forms, complained or reported any concerns to the Member after being contacted about same; and
- c) There is no evidence that the Respondent received any financial benefit from engaging in the misconduct at issue beyond normal fees and commissions he would be entitled to had the transactions been properly carried out.

23. However we also note that the Respondent is an experienced mutual fund salesperson registered in the industry since 1989 who was a branch manager from February 2005 to February 2015. As Staff asserts, he ought to have known and respected the MFDA and his Member's compliance requirements.

24. Under the terms of the Settlement Agreement, the penalties agreed to between the parties are as follows:

- a) The Respondent shall pay a fine in the amount of \$10,000 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 pursuant to s. 24.2 of MFDA By-law No. 1; and
- c) Should the Respondent at any time in the future seek to hold the position of Branch Manager, before doing so he would be required to successfully complete the Branch Manager course offered by the Canadian Securities Institute in relation to the mutual fund industry.

25. The Hearing Panel agrees that the penalties proposed in the Settlement Agreement are consistent with those issued in previous MFDA decisions under similar circumstances.

Gibson (Re), [2016] Hearing Panel of the Pacific Regional Council, MFDA File No. 201620, Panel Decision dated May 2, 2016.

Coelho (Re), [2016] Hearing Panel of the Central Regional Council, MFDA File No. 201551, Panel Decision dated February 19, 2016.

Weller (Re), [2016] Hearing Panel of the Central Regional Council, MFDA File No. 201544, Panel Decision dated February 19, 2016.

Harris (Re), [2016] MFDA Pacific Regional Council, File No. 201558, Hearing Panel Decision dated July 5, 2016.

26. After considering the submissions and upon reviewing the relevant authorities, in our opinion the Settlement Agreement negotiated between the parties is in keeping with the purpose of the MFDA Rules which are intended to enhance investor protection and to promote public confidence in the Canadian Mutual Fund Industry.

27. We believe that the penalties provided for in the Settlement Agreement are within the range of reasonableness under the circumstances; will specifically deter the Respondent, Mr.

Symes, and will also deter others from engaging in similar misconduct thereby protecting the investing public and fostering confidence in the Mutual Fund Industry in Canada.

28. After considering all of the above, we unanimously agree that the Settlement Agreement reached in this case was reasonable in the circumstances; is in the public interest and is hereby accepted by this Hearing Panel pursuant to Section 24.4.3 of the MFDA By-law.

DATED this 12th day of May, 2017.

“Edward W. Keyes”

Edward W. Keyes
Chair

“Susan Nixon”

Susan Nixon
Industry Representative

“Joanne Hébert”

Joanne Hébert
Industry Representative

DM 541968 v1

Schedule "1"

Settlement Agreement

File No. 201630



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: Charles Edward Symes

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada ("Staff") and the Respondent, Charles Edward Symes, 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 violations of the By-laws, Rules or Policies of the MFDA:

- a) between January 2006 and July 2014, the Respondent altered and, in some instances, used to process transactions, 18 account forms in respect of 13 clients, contrary to MFDA Rule 2.1.1; and
- b) between 2004 and January 2015, the Respondent obtained and possessed 3 pre-signed account forms in respect of 3 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 \$10,000 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 pursuant to s. 24.2 of MFDA By-law No. 1;
- c) should the Respondent, at any time in the future, seek to hold the position of Branch Manager, before doing so he will be required to successfully complete the Branch Manager's course offered by the Canadian Securities Institute in relation to the mutual fund industry;
- d) the Respondent shall in the future comply with MFDA Rule 2.1.1; and
- e) 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. The Respondent has been registered as a mutual fund salesperson (now known as a dealing representative) with Sun Life Financial Investment Services (Canada) Inc. (“Sun Life”), a Member of the MFDA, in New Brunswick since October 1989, and Nova Scotia since June 2008.

8. From February 2005 to February 2015, the Respondent was registered as a branch manager with Sun Life in New Brunswick.

9. At all material times, the Respondent conducted business in the Moncton, New Brunswick area.

Altered Forms

10. Between January 2006 and July 2014, the Respondent altered and, in some instances, used to process transactions, 18 account forms in respect of 13 clients. In particular, the Respondent altered the investment instructions, client signature dates, addresses and/or account numbers that were recorded on the account forms.

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- a) 6 direct transfer forms;
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- d) 2 request to unlock funds forms;
- e) 1 payment election form;
- f) 1 mutual fund switch authorization form;
- g) 1 mutual fund application form;
- h) 1 Know-Your-Client form;
- i) 1 Limited Trade Authorization form; and
- j) 1 appointment of beneficiary form.

12. The Respondent made the alterations described above without obtaining the clients' initials next to the alterations.

Pre-Signed Forms

13. At all material times, Sun Life's policies and procedures prohibited its Approved Persons, including the Respondent, from obtaining or possessing pre-signed account forms.

14. Between 2004 and January 2015, the Respondent obtained and possessed 3 pre-signed account forms in respect of 3 clients. The forms consisted of:

- a) 1 pre-signed identify verification form containing a photocopied client signature;
- b) 1 pre-signed direct transfer form containing a photocopied client signature; and
- c) 1 pre-signed mutual fund switch authorization form containing an original client signature.

Action Taken by the Member

15. Sun Life detected the conduct that is the subject of this Settlement Agreement during a compliance audit conducted on October 8, 2014 and a further follow-up audit on January 21-22, 2015. This audit included a review of all client files maintained by the Respondent.

16. As part of its investigation, Sun Life sent letters to those clients of the Respondent whose files were found to contain altered or pre-signed account forms. None of the clients reported any concerns to Sun Life.

17. On May 19, 2015, Sun Life sent a warning letter to the Respondent regarding the conduct described above. The warning letter instructed the Respondent to immediately cease using pre-signed account forms and to always obtain the client's initials or signature next to any alterations made on account forms. Sun Life placed the Respondent on close supervision for a period of 24 months, and during this period he is no longer acting as branch manager.

Additional Factors

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

19. There is no evidence that the Respondent received any financial benefit from engaging in 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.

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.

ADDITIONAL TERMS OF SETTLEMENT

21. 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.

22. 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.

23. 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.

24. 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 the 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.

25. 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.

26. 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.

27. 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 5th day of April, 2016.

“Charles Edward Symes”

Charles Edward Symes

“SMF”

Witness – Signature

SMF

Witness – Print Name

“Shaun Devlin”

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



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: Charles Edward Symes

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 Charles Edward Symes (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 the Respondent:

- a) between January 2006 and July 2014, altered and, in some instances, used to process transactions, 18 account forms in respect of 13 clients, contrary to MFDA Rule 2.1.1;
- and

- b) between 2004 and January 2015, obtained and possessed 3 pre-signed account forms in respect of 3 clients, contrary to MFDA Rule 2.1.1.

IT IS HEREBY ORDERED THAT the Settlement Agreement is accepted, as a consequence of which:

1. If at any time a non-party to this proceeding requests production of, or access to, any materials filed in, or the record of, this proceeding, including all exhibits and transcripts, then the MFDA Corporate Secretary shall not provide copies of, or access to, the requested documents to the non-party without first redacting from them any and all intimate financial or personal information, pursuant to Rules 1.8(2) and (5) of the MFDA *Rules of Procedure*.
2. The Respondent shall pay a fine in the amount of \$10,000 pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
3. The Respondent shall pay costs in the amount of \$2,500 pursuant to s. 24.2 of MFDA By-law No. 1;
4. Should the Respondent, at any time in the future, seek to hold the position of Branch Manager, before doing so he will be required to successfully complete the Branch Manager's course offered by the Canadian Securities Institute in relation to the mutual fund industry; and
5. The Respondent shall in the future comply with MFDA Rule 2.1.1.

DATED this [day] day of [month], 20[].

Per: _____
[Name of Public Representative], Chair

Per: _____
[Name of Industry Representative]

Per: _____
[Name of Industry Representative]