



**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: Tanis Karen Techer**

Heard: November 8, 2016, in Edmonton, Alberta  
Reasons for Decision: December 5, 2016

**REASONS FOR DECISION**

Hearing Panel of the Prairie Regional Council:

The Hon. René P. Foisy	Chair
Kathleen Jost	Industry Representative
Marc Albert	Industry Representative

Appearances:

Justin Dunphy	)	Counsel for the Mutual Fund Dealers
	)	Association of Canada
	)	
Susan Kittell	)	Counsel for the Respondent
	)	
	)	

1. By Notice of Settlement Hearing dated August 26, 2016, and duly served upon Tanis Karen Techer (the “Respondent”), a Settlement Hearing was heard in Edmonton, Alberta on November 8, 2016.

2. Staff of the Mutual Fund Dealers Association of Canada (“MFDA Staff”), made the following Submissions.

3. MFDA Staff has entered into a Settlement Agreement with Tanis Karen Techer (the “Respondent”) dated November 2, 2016, in which the Respondent admits that:

- a) on or about September 8, 2011, she falsified and used to process a transaction, one client account form in relation to one client, by altering the client account form without having the client initial the alteration, contrary to MFDA Rule 2.1.1; and
- b) between January 24, 2012 and August 19, 2016, she obtained, possessed and, in 3 instances, used to process transactions, 9 pre-signed client account forms in relation to 5 clients, contrary to MFDA Rule 2.1.1.

4. The Respondent agrees, as a term of the Settlement Agreement, to a three (3) month prohibition from conducting any securities related business in any capacity while in the employ or associated with any Member of the MFDA, to pay a fine in the amount of \$5,000, and to pay costs in the amount of \$2,500.

5. MFDA Staff submits that the Hearing Panel ought to accept the Settlement Agreement as the proposed resolutions 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.

## **AGREED FACTS**

### **Registration History**

6. From May 10, 2007 to October 19, 2016, the Respondent was registered as a mutual fund salesperson (now known as a dealing representative) in Alberta with Sun Life Financial Investment Services (Canada) Inc. ("Sun Life"), a Member of the MFDA.
7. The Respondent is not currently registered in the securities industry in any capacity.
8. At all material times, the Respondent conducted business in the Edmonton, Alberta area.

### **Falsified Account Form**

9. On or about September 8, 2011, the Respondent falsified an order ticket and used it to process a redemption in the account of client JG, by altering the date on an order ticket that had previously been submitted to Sun Life on another transaction. The Respondent then re-submitted the altered form to Sun Life for processing, without having the client initial the alteration.
10. The transaction was processed in accordance with the client's instructions.

### **Pre-Signed Account Forms**

11. At all material times, Sun Life's policies and procedures prohibited its Approved Persons from using pre-signed account forms.
12. Between January 24, 2012 and March 10, 2015, the Respondent obtained, possessed and in two instances, used to process transactions, 8 pre-signed account forms in respect of 4 clients. These pre-signed client account forms consisted of:

- i. Two Transfer Authorization Forms for Registered Investments;

- ii. Two Client Information Forms (KYC Form);
- iii. Two New Account Application Forms;
- iv. One Limited Trade Authorization Form; and
- v. One Order Ticket.

### **Member Response**

13. In June 2015, Sun Life reviewed all of the client files maintained by the Respondent. Sun Life did not identify any pre-signed client account forms or altered forms beyond those described in paragraphs 9 to 12 above.

14. On August 18, 2015, Sun Life sent letters to all clients for who pre-signed or altered account forms were identified to determine whether the Respondent engaged in any unauthorized trading activity in the accounts of the clients. No clients responded to the Member to raise any concerns about their accounts.

15. On September 21, 2015, Sun Life placed the Respondent under close supervision for a period of 12 months. Sun Life has conducted random audits of the client accounts maintained by the Respondent, as well as quarterly audits of her branch office.

16. On November 10, 2015, Sun Life issued a warning letter to the Respondent, and required her to complete an industry course and sign an acknowledgement letter that she would cease using pre-signed account forms.

### **Additional Pre-Signed Account Form**

17. On or about August 16, 2016, while the Respondent was under close supervision, and after having signed the acknowledgement letter, the Respondent obtained and possessed one additional pre-signed account form from a client, which she submitted to Sun Life for processing.

18. In September 2016, Sun Life discovered the additional pre-signed account form during a random audit as part of Sun Life’s close supervision of the Respondent. The additional pre-signed account form consisted of a RESP Redemption Form.

19. On or about October 19, 2016, Sun Life terminated the Respondent’s employment after discovering the additional pre-signed account form.

**Additional Factors**

20. The Respondent has no prior disciplinary history with the MFDA.

21. There is no evidence of client harm in this matter.

22. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct beyond the commissions or fees to which the Respondent would have been ordinarily entitled had the transactions in the clients’ accounts been carried out in the proper manner.

23. The Respondent has cooperated fully with Staff during the course of the investigation, and by agreeing to this settlement, has avoided the necessity of a full hearing on the merits.

24. The Respondent has expressed remorse for her misconduct.

**THE LAW**

25. The relevant rules and provisions in this matter are:

<b>Law</b>	<b>Details of Provision</b>	<b>Book of Authorities</b>
MFDA Rule 2.1.1	Standard of Conduct	Tab 1

Law	Details of Provision	Book of Authorities
MFDA By-law No. 1	<ul style="list-style-type: none"> <li>○ Section 24.1.1 – Power of Hearing Panels To Discipline – Approved Persons</li> <li>○ Section 24.2 – Costs</li> <li>○ Section 24.4 – Settlement Agreements</li> </ul>	Tab 2

### **MFDA Rule 2.1.1 – High Standard of Ethics**

26. 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: deal fairly, honestly, and in good with faith with 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.

MFDA Rule 2.1.1, MFDA Staff’s Book of Authorities, Tab 1

### **Pre-Signed Account Forms are Not Permissible**

27. In the present case, the Respondent admits that she obtained, possessed, and in 3 instances, used to process transactions, 9 pre-signed account forms or photocopies of pre-signed account forms in respect of 5 clients.

28. “Pre-signed account forms” is a generic term which applies 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, completes the form, then uses the form to process transactions in the client’s account.

29. The MFDA has warned Approved Persons against the use of pre-signed account forms for a number of years.

MFDA Staff Notice #MSN-0035 dated December 20, 2004, MFDA Staff’s  
Book of Authorities, Tab 3

MFDA Staff Notice #MSN-0066 dated October 31, 2007 (updated March 4, 2013), MFDA Staff's Book of Authorities, Tab 4

MFDA Bulletin #0661-E dated October 2, 2015, MFDA Staff's Book of Authorities, Tab 5

30. Hearing Panels have held that obtaining or using pre-signed account forms is a contravention of the standard of conduct under MFDA Rule 2.1.1.

*Byce (Re)*, [2013] Hearing Panel of the Central Regional Council, MFDA File No. 201311, Panel Decision dated September 4, 2013, MFDA Staff's Book of Authorities, Tab 6

*Price (Re)*, [2011] Hearing Panel of the Central Regional Council, MFDA File No. 200814, Panel Decision (Misconduct) dated April 18, 2011, MFDA Staff's Book of Authorities, Tab 7

31. The use of pre-signed account forms adversely affects the integrity and reliability of account documents, leads to the destruction of the audit trail, has a negative impact on Member complaint handling, and has the potential for misuse in the form of unauthorized trading, fraud and misappropriation. As the Hearing Panel explained in *Price (Re)*:

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.

*Price (Re)*, *supra*, MFDA Staff's Book of Authorities, Tab 7, at paras 122-124

32. The prohibition on the use of pre-signed account forms applies regardless of whether:

a) the client was aware, or authorized the use, of the pre-signed account forms; and

- b) the forms were used by the Approved Person for discretionary trading or other improper purposes.

*Byce (Re), supra*, MFDA Staff's Book of Authorities, Tab 6

*Price (Re), supra*, MFDA Staff's Book of Authorities, Tab 7

### **Falsifying Forms is Not Permissible**

33. In the present case, the Respondent admits that she falsified and used to process a transaction, one client account form in respect of one client, by altering the client account form without having the client initial the alterations.

34. Like pre-signed account forms, the prohibition against falsifying forms exists regardless of the existence of client authorization or the motive behind the use of the form, and, like pre-signed account forms, the MFDA has been warning Approved Persons against falsifying forms for a number of years.

MFDA Member Regulation Notice #MR-0035 dated December 20, 2004, MFDA Staff's Book of Authorities, Tab 3

MFDA Notice #MSN-0066 dated October 31, 2007 (updated March 4, 2013), MFDA Staff's Book of Authorities, Tab 4

MFDA Bulletin #0661-E dated October 2, 2015, MFDA Staff's Book of Authorities, Tab 5

35. Hearing Panels have held that falsifying forms is a contravention of the standard of conduct as set out in MFDA Rule 2.1.1.

*Byce (Re), supra*, MFDA Staff's Book of Authorities, Tab 6

*Ewart (Re)*, [2015] Hearing Panel of the Central Regional Council, MFDA File No. 201528, Panel Decision dated September 11, 2015, MFDA Staff's Book of Authorities, Tab 8

36. Like pre-signed account forms, the creation, possession or use of a falsified form is considered serious misconduct. The reasoning in *Price (Re)*, above, at paragraph 11, for why pre-

signed account forms affect the integrity and reliability of account documents also applies to falsified forms.

37. MFDA Staff considers this type of form to be a more serious violation of the contravention of the standard of conduct under MFDA Rule 2.1.1. The falsification of a client signature or initials is particularly serious.

38. Unlike pre-signed account forms, where the client knows he or she is signing an incomplete form to be used in some way, in the case of a form falsified by the Approved Person, the possibility exists that the client is unaware of the Approved Person's actions.

### **Multiple Instances of Pre-Signed Account Forms**

39. In the present case, the Respondent has admitted to obtaining a pre-signed account form on August 16, 2016, after having been placed on close supervision by the Member, and after having signed an acknowledgement letter to not do so in November 2015.

40. In the matter of *Ewart (Re)*, the Hearing Panel commented on how the respondent had been previously detected with pre-signed account forms, and considered it to be an aggravating factor when considering penalty:

17.

[...]

(b)The Respondent's Prior Conduct – The Respondent has not been the subject of previous MFDA disciplinary proceedings. However, a significant aggravating feature here was that a routine compliance audit in June 2008 detected two pre-signed account forms in the Respondent's files. As a result, in August 2008, the Respondent signed an Acknowledgement and Undertaking in which he agreed to stop using pre-signed account forms. His misconduct represented a violation of his own Acknowledgement and Undertaking.

[...]

27. We accept that the Respondent may not have fully appreciated the importance of the prohibition against using pre-signed forms. However, it was his responsibility to ensure that he understood and complied with existing rules. More importantly, regardless of his views or level of appreciation, he was obligated to comply with his undertaking not to use pre-signed forms. An undertaking is a solemn pledge that others are entitled to rely upon. Misconduct in violation of an undertaking is a significant aggravating factor.

*Ewart (Re), supra*, Tab 8, at paras 17(b) and 27

41. The MFDA has warned Approved Persons against the use of pre-signed account forms for a number of years.

42. In the matter of *Shah (Re)*, the Hearing Panel viewed a breach of a respondent's earlier acknowledgment and undertaking to stop using pre-signed account forms justified the heightened penalty sought in that decision.

*Shah (Re)*, [2015] Hearing Panel of the Central Regional Council, MFDA File No. 201530, Panel Decision dated December 21, 2015, MFDA Staff's Book of Authorities, Tab 21, at para 13.

43. In the present matter, the additional pre-signed form was discovered by the Member in August 2016 after the Respondent signed an acknowledgement letter in November 2015 stating that she would not use pre-signed account forms. The additional pre-signed account form was also found while the Respondent was on close supervision.

44. Finally, the additional pre-signed account form was found after the MFDA issued Bulletin #0661-E to the mutual fund industry, putting Members and Approved Persons on notice that pre-signed account forms are not acceptable, and that the MFDA will be seeking increased penalties in these situations going forward.

MFDA Bulletin #0661-E dated October 2, 2015, MFDA Staff's Book of Authorities, Tab 5

45. MFDA Staff takes the position that the discovery of an additional pre-signed account form in the present matter is a serious aggravating factor which warrants a greater penalty than

what would normally be sought by Staff for a similar number of pre-signed and falsified account forms in previous cases.

### **General Principles Regarding the Acceptance of Settlement Agreements**

46. For the reasons set out below, it is in the public interest for the Hearing Panel to accept the Settlement Agreement having regard to the nature of the conduct admitted to by the Respondent and the MFDA's mandate to protect the public.

47. Pursuant to s. 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.

MFDA By-law No. 1, s. 24.4.3, MFDA Staff's Book of Authorities, Tab 2

48. 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] Hearing Panel of the Central Regional Council, MFDA File No. 200820, Panel Decision dated August 21, 2008, MFDA Staff's Book of Authorities, Tab 10, at page 9

*Milewski (Re)*, [1999] IDACD No. 17, Ontario District Council Decision dated July 28, 1999, MFDA Staff's Book of Authorities, Tab 11, at page 11

49. 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, MFDA Staff's Book of Authorities, Tab 12, at para 31

### **General Considerations Concerning the Acceptance of a Settlement Agreement**

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

*Pezim v British Columbia (Superintendent of Brokers)*, [1994] 2 SCR 557 (SCC) MFDA Staff's Book of Authorities, Tab 13, at paras 59, 68

51. 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] Hearing Panel of the Prairie Regional Council, MFDA File No. 200712, Panel Decision dated July 13, 2007, MFDA Staff's Book of Authorities, Tab 14, at page 9

52. A Hearing Panel should not interfere lightly in a negotiated settlement as long as the penalties agreed upon are within a reasonable range of appropriateness having regard to the conduct of the Respondent.

*Jacobson (Re), supra*, MFDA Staff's Book of Authorities, Tab 14, at page 10

### **Specific Factors Concerning the Appropriateness of the Penalty**

53. 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)*, [2005] Hearing Panel of the Ontario Regional Council, MFDA File No. 200509, Panel Decision dated February 21, 2006, MFDA Staff's Book of Authorities, Tab 15, at pages 25-26

54. The MFDA Penalty Guidelines are an additional source of factors to be taken into account with regards to penalty. The MFDA Penalty Guidelines are not mandatory but are intended to assist Hearing Panels, MFDA Staff and Respondents in considering the appropriate penalties in MFDA disciplinary proceedings.

Excerpts from the *MFDA Penalty Guidelines*, MFDA Staff's Book of Authorities, Tab 16

55. In cases involving misconduct of the type admitted to in the present case, the Penalty Guidelines recommend consideration of the following penalties and factors:

BREACH	PENALTY TYPE & RANGE	SPECIFIC FACTORS TO CONSIDER
<p><b>Standard of Conduct</b> (Rule 2.1.1) (Guidelines, p. 27)</p>	<ul style="list-style-type: none"> <li>• Fine (AP): Minimum of \$5,000</li> <li>• Write or rewrite an appropriate industry course (e.g. IFIC Officers', Partners' and Directors' Course or Canadian Investment Funds Course)</li> <li>• Suspension</li> <li>• Permanent prohibition in egregious cases</li> </ul>	<ul style="list-style-type: none"> <li>• Nature of the circumstances and conduct</li> <li>• Number of individuals affected</li> <li>• Whether the conduct is likely to bring the individual, the Member or the mutual fund industry into disrepute</li> </ul>

Excerpts from the *MFDA Penalty Guidelines*, MFDA Staff's Book of Authorities, Tab 16

**Considerations in the Present Case**

56. MFDA Staff has taken the factors set out above into account in reaching its Settlement Agreement with the Respondent. Set out below are a number of factors particularly relevant to the Settlement Agreement.

**(a) Nature of the Misconduct**

57. The possession and use of pre-signed and falsified account forms, generally, is a serious breach of MFDA Rule 2.1.1.

*Byce (Re), supra*, MFDA Staff's Book of Authorities, Tab 6  
*Ewart (Re), supra*, MFDA Staff's Book of Authorities, Tab 8

58. As previously mentioned, the discovery of an additional pre-signed account form in August 2016 in breach of the Respondent's acknowledgement to not use pre-signed account forms, and while under close supervision, is also a significant aggravating factor and is considered serious misconduct.

**(b) Client Harm**

59. There is no evidence of client harm.

**(c) Benefits Received by the Respondents**

60. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct at issue in this proceeding other than the commissions and fees she would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

**(d) Respondent's Experience and Level of Activity in the Capital Markets**

61. The Respondent has been registered in the mutual fund industry since 2007. She ought to have known and respected the compliance requirements of the Member and the MFDA.

**(e) Deterrence**

62. The proposed fine and costs are significant and help the MFDA send a message to the Respondent and others in the capital markets about the seriousness of the misconduct at issue.

**(f) Respondents' Past Conduct**

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

**(g) Respondent's Recognition of the Seriousness of Their Misconduct**

64. By entering into this 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.

**(h) Penalty Guidelines**

65. The proposed penalty of a 3 month suspension, a fine of \$5,000, and costs of \$2,500, is greater than the \$5,000 suggested minimum penalty for the violations as set out in the Penalty Guidelines above. This is due to multiple violations of MFDA Rule 2.1.1, in addition to the fact that the Respondent obtained an additional pre-signed account form while under close supervision by the Member and after having signed an acknowledgement form, all of which merits a higher penalty than the suggested minimum.

**(i) Previous Decisions Made in Similar Circumstances**

66. The MFDA has warned Approved Persons against the use of pre-signed account forms for a number of years.

67. The proposed resolution is within the reasonable range of appropriateness with regard to other decisions made by MFDA Hearing Panels in similar circumstances:

<b>Case:</b>	<b>Facts:</b>	<b>Penalties:</b>
<i>Ewart (Re), supra, Tab 8</i>	<ul style="list-style-type: none"> <li>• The Respondent obtained, maintained, and in some instances used to process transactions, 47 pre-signed account forms in respect of 26 clients.</li> <li>• The Respondent obtained, maintained, and used to process transactions, 5 altered client account forms in respect of 6 clients.</li> <li>• The respondent had previously been found with 2 pre-signed account forms in 2008, and had signed an acknowledgment and undertaking with the Member in which he agreed to stop using pre-</li> </ul>	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> <li>• Fine of \$15,000</li> <li>• Costs of \$2,500</li> </ul>

	<p>signed account forms.</p> <ul style="list-style-type: none"> <li>• The Member had charged the Respondent \$1,500 for his conduct.</li> </ul>	
<i>Shah (Re), supra</i> , Tab 21	<ul style="list-style-type: none"> <li>• The Respondent obtained, maintained, and in some instances used to process transactions, 24 pre-signed account forms in respect of 19 clients.</li> <li>• The Respondent had been found with a pre-signed account form in October 2009 and had signed an acknowledgement and undertaking from the Member to stop using pre-signed account forms, which he breached.</li> </ul>	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> <li>• Fine of \$10,000</li> <li>• Costs of \$2,500</li> </ul>
<i>Kent (Re)</i> , [2016] Hearing Panel of the Atlantic Regional Council, MFDA File No. 201554, Panel Decision dated April 4, 2016, MFDA Staff's Book of Authorities, Tab 22	<ul style="list-style-type: none"> <li>• The Respondent obtained and used to process trades, 11 pre-signed account forms in respect of 8 clients.</li> </ul>	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> <li>• Fine of \$6,000</li> <li>• Costs of \$2,500</li> </ul>
<i>Cliche (Re)</i> , [2015] Hearing Panel of the Central Regional Council, MFDA File No. 201428, Panel Decision dated March 17, 2015, MFDA Staff's Book of Authorities, Tab 23	<ul style="list-style-type: none"> <li>• The Respondent obtained, maintained, and in some instances used to process transactions, 72 pre-signed and/or altered account forms in respect of 13 clients.</li> <li>• The Respondent had been found with 2 pre-signed account forms in respect of 2 client files in a branch review conducted in 2008. The Member reminded the Respondent of the Member's prohibition on pre-signed account forms.</li> </ul>	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> <li>• Fine of \$7,500</li> <li>• Costs of \$2,500</li> </ul>
<i>Zukiwski (Re)</i> , [2016] Hearing Panel of the Central Regional Council, MFDA File No. 201552, Panel Decision dated May 16, 2016, MFDA Staff's Books of Authorities, Tab 24	<ul style="list-style-type: none"> <li>• The Respondent obtained, maintained, and in some instances used to process transactions, 12 pre-signed account forms in respect of 4 clients.</li> <li>• The Respondent altered and used to process transactions, 3 account forms in respect of 2 clients.</li> <li>• The Respondent failed to accurately respond to his Member's annual compliance inquiries by incorrectly responding that he did not obtain or possess any pre-signed account forms on 4 occasions.</li> </ul>	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> <li>• Fine of \$12,500</li> <li>• Costs of \$2,500</li> </ul>

<p><i>Richardson (Re)</i>, [2015] Hearing Panel of the Central Regional Council, MFDA File No. 201536, Panel Decision dated October 2, 2015, MFDA Staff's Book of Authorities, Tab 25</p>	<ul style="list-style-type: none"> <li>• The Respondent obtained and possessed 13 blank pre-signed account forms in respect of 10 clients.</li> <li>• The Respondent failed to accurately respond to the Member's annual attestations by incorrectly affirming that he did not obtain or possess pre-signed account forms.</li> </ul>	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> <li>• Fine of \$8,750</li> <li>• Costs of \$2,500</li> </ul>
<p><i>Martin (Re)</i>, [2016] Hearing Panel of the Atlantic Regional Council, MFDA File No. 201602, Panel Decision dated June 3, 2016, MFDA Staff's Book of Authorities, Tab 26</p>	<ul style="list-style-type: none"> <li>• The Respondent falsified 1 client signature on an account form with respect to 1 client.</li> </ul>	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> <li>• A 3 month suspension</li> </ul>
<p><i>Hounscome (Re)</i>, [2015] Hearing Panel of the Pacific Regional Council, MFDA File No. 201411, Panel Decision dated June 23, 2015, MFDA Staff's Book of Authorities, Tab 27</p>	<ul style="list-style-type: none"> <li>• The Respondent, obtained, maintained, and used 62 blank client account forms in respect of multiple clients.</li> </ul>	<p>The Hearing Panel agreed to impose the jointly recommended penalty with the following terms:</p> <ul style="list-style-type: none"> <li>• A 6 month suspension</li> <li>• Costs of \$2,500</li> </ul>
<p><i>Mernagh (Re)</i>, [2016] Hearing Panel of the Central Regional Council, MFDA File No. 201612, Panel Decision dated April 8, 2016, MFDA Staff's Book of Authorities, Tab 28</p>	<ul style="list-style-type: none"> <li>• The Respondent falsified the signatures of 10 clients on 13 account forms, contrary to MFDA Rule 2.1.1</li> </ul>	<p>The Hearing Panel approved the settlement agreement with the following terms:</p> <ul style="list-style-type: none"> <li>• A 6 month suspension</li> <li>• Costs of \$1,000</li> </ul>

### **Costs**

68. An award of costs in the amount of \$2,500 is appropriate in the circumstances.

### **Conclusion**

69. Having regard to all the foregoing circumstances, the proposed penalty is reasonable, proportionate to the misconduct in question, and are 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.

The Settlement Agreement is accepted.

70. The formal Order is attached as Schedule “A” hereto.

**DATED** this 5<sup>th</sup> day of December, 2016.

“René P. Foisy”

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The Hon. René P. Foisy  
Chair

“Kathleen Jost”

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Kathleen Jost  
Industry Representative

“Marc Albert”

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Marc Albert  
Industry Representative

**Schedule “A”**

**Order**

**File No. 201662**



**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: Tanis Karen Techer**

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**ORDER**

(ARISING FROM SETTLEMENT HEARING ON NOVEMBER 8, 2016)

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**WHEREAS** on August 26, 2016, 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 Tanis Karen Techer (the “Respondent”);;

**AND WHEREAS** the Respondent entered into a settlement agreement with Staff of the MFDA, dated November 2, 2016 (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:

- a) on or about September 8, 2011, falsified and used to process a transaction, one client account form in relation to one client, by altering the client account form without having the client initial the alteration, contrary to MFDA Rule 2.1.1; and
- b) between January 24, 2012 and August 19, 2016, obtained, possessed and, in three instances, used to process transactions, 9 pre-signed client account forms in relation to 5 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 be prohibited for three months 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 pay a fine in the amount of \$5,000, pursuant to section 24.1.1(b) of By-law No. 1;
3. The Respondent shall pay costs in the amount of \$2,500, pursuant to section 24.2 of By-law No. 1;
4. The Respondent shall in the future comply with MFDA Rule 2.1.1; and
5. 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 8<sup>th</sup> day of October, 2016.

“Rene P. Foisy”

The Hon. Rene P. Foisy  
Chair

“Kathleen Jost”

Kathleen Jost  
Industry Representative

“Marc Albert”

Marc Albert  
Industry Representative

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